

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 86/2

7728 SENATE TRANSPORTATION

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municipalities participating in the authority and the people of the state in general, for their well-being and prosperity, and for the improvement of their social and economic conditions. The real and personal property of an authority and its assets, income, and receipts are exempt from all taxes and special assessments of the state or a political subdivision of the state.

(b) Bonds issued under this article are issued by political subdivision of the state and a body corporate and public of the state and for an essential public and governmental purpose. Therefore, the bonds, the interest and income from them, and all fees, charges, funds, revenue, income and other money pledged or available to pay or secure the payment of the bonds or interest on them, are exempt from taxation except for inheritance, transfer, and estate taxes.

(c) Notwithstanding the provisions of (a) of this section, an authority and a municipality may enter into agreements whereby the authority would receive from the municipality payments in lieu of taxes on real and personal property located within the boundaries of the authority and also located within and subject to the taxing authority of that municipality. Such payments would be used for construction and maintenance of roads, utilities, sidewalks, and other like improvements within the boundaries of the authority.

(d) Nothing in this section creates a tax exemption with respect to the interests of any business enterprise or other person, other than the authority, in any property, assets, income, receipts or ~~off-street parking~~ facility, whether or not financed under this article.

Sec. 29.35.860. REMEDIES. A holder of bonds or notes issued under this article or of coupons attached to such bonds, and a trustee under a trust agreement or resolution authorizing the issuance of such bonds, except as restricted by a trust agreement or resolution, either at law or in equity, may

(1) enforce all rights granted under this chapter, the trust agreement or resolution, or any other contract executed by an authority under this chapter; and

(2) compel the performance of all duties of the authority required by this article or by the trust agreement or resolution.

Sec. 29.35.870. **LIMITATION ON PERSONAL LIABILITY.** A board member or employee of an authority is not subject to personal liability or accountability because of the execution or issuance of bonds.

Sec. 29.35.880. **CLAIMS.** (a) All claims and lawsuits involving activities of an authority, including suits in contract, quasi-contract, or tort, will be brought against the authority and not against the state or a municipality participating in the authority.

(b) For the purpose of actionable claims, undertakings, payments of judgments, execution, interest, punitive damages, statutes of limitations, bonds, costs, and similar matters related to the presentation and prosecution of claims by and against an authority, the authority and its board members and employees enjoy the same rights, privileges, and immunities as a municipality and municipal officers.

Sec. 29.35.890. **APPLICATION OF EXISTING LAWS.** Unless specifically provided otherwise in this article, the following laws do not apply to the operations of an authority:

- (1) AS 19;
- (2) AS 23.40.070 - 23.40.260
- (3) AS 35;
- (4) AS 36.30, except as specifically provided in that chapter;
- (5) AS 37.05;
- (6) AS 37.07;
- (7) AS 37.10;
- (8) AS 37.20;
- (9) AS 37.25;
- (10) AS 38;
- (11) AS 39.

Sec. 29.35.900. **CONFLICTING LAWS INAPPLICABLE.** If provisions of this article conflict with the provisions of other state law, the provisions of this article prevail.

Sec. 29.35.910. **DISTRIBUTION OF ASSETS.** If an authority ceases to exist, its assets will be distributed to the municipalities that participated in the authority in proportion to the difference between their contributions to the authority and any outstanding debt or obligation of that municipality to the authority, provided that any obligation to bondholders then outstanding must first be satisfied in full.

Sec. 29.35.920. DEFINITIONS. In this article unless the context otherwise requires,

- (1) "article" means AS 29.35.600 - 29.35.930;
- (2) "authority" means a port authority established under AS 29.35.610;
- (3) "board" means the board of directors of an authority;
- (4) "bonds" means bonds, bond anticipation notes, notes, refunding bonds, or other forms of indebtedness of the authority;
- (5) "bylaws" or "bylaws of the authority" means the guidelines adopted by and amended by the board from time to time, in accordance with AS 29.35;
- (6) "port" means a facility of commerce located within the state;
- (7) "project" means a port, dock and administrative facilities, including property necessary in connection with the operation of a port;
- (8) "project cost" or "cost of a project" means all or any part of the aggregate costs determined by the authority to be necessary to finance the construction or acquisition of a project, including without limitation the cost of acquiring real property, the cost of constructing buildings and improvements, the cost of financing the project, including, without limitation, interest charges before, during or after construction or acquisition of the project, costs related to the determination of the feasibility, planning, design or engineering of the project and, to the extent determined necessary by the authority, administrative expenses, the cost of machinery or equipment to be used in the operation or rehabilitation of a port, and all other costs, charges, fees and expenses which may be determined by the authority to be necessary to finance the construction or acquisition;
- (9) "real property" or "land" means any interest in real property, including tidal and submerged land, and any right appurtenant to the interest, and without limitation, interests less than full title such as easements, users, leases, and licenses;
- (10) "regulation" means a standard of general application or the amendment, supplement, revision, or repeal of a standard adopted by an authority to

implement, interpret, or make specific the law enforced or administered by it or to govern its procedure.

Sec. 29.35.930. SHORT TITLE. This article may be referred to as the Municipal Port Authority Act.

* Section 2. AS 44.85.410(3)(B) is amended to read as follows:

(B) a revenue bond, except a revenue bond for electrical generation purposes other than diesel-powered generation, issued by a municipality or a port authority which pledges the revenue of a revenue-producing capital improvement and which is payable solely from the revenue of the revenue-producing capital improvement;

* Section 3. This Act takes effect immediately under AS 01.10.070(c).

Under (c) of this section, the powers of a port authority are vested in the authority, and the authority is governed by a board of directors.

Under (d) of this section, the ordinances adopted under (a) and (f), if any, of this section will specify the number, qualification, manner of appointment, and terms of members of the board. These items of the management and structure of the port authority may be best handled by the municipality or municipalities forming the port authority.

Under (e) of this section, at least one of the members of the board must be an individual with at least five years of experience in port management. This provision is to ensure that at least one member of the board will have experience in the management of ports. Because such a person may be difficult to find in the early stages of the development of a port in a given region of the state that person is not required to be a resident of the state. However, other members of the board must be residents of the state.

Under (f) of this section, should a municipality wish to join a port authority after its establishment, such action will be allowed upon the governing bodies of that municipality and the other municipalities otherwise participating in the port authority adopting parallel resolutions allowing and approving the admission of that additional municipality.

Under (g) of this section, there is an express statement that nothing under Article 9 authorizes a municipality to exercise powers which are not granted pursuant to Article 9.

Sec. 29.35.620. Purpose of a Port Authority. This section expressly states that the purpose of a port authority is to provide for the development of the port or ports for water borne and other commerce. The activity of the port authority may therefore not only include marine ports but, in addition, airports and other facilities of commerce.

Sec. 29.35.630. Powers of a Port Authority. This section sets forth several powers of a port authority in addition to other powers set forth expressly in Article 9, all of which powers are to be exercised for the corporate purposes of the authority. The 19 enumerated powers include the following: (1) to sue and be sued; (2) to adopt a seal; (3) to adopt and amend bylaws of the port authority; (4) to adopt regulations of the port authority which will govern the exercise of its corporate powers; (5) to acquire an interest in a project as necessary or appropriate to provide financing for the project whether by purchase, gift, or lease (note that "project" is a defined term); (6) to lease a project acquired by the port

SECTIONAL ANALYSIS

Sec. 29.35.600. Legislative Findings, Policy. This section sets forth the legislative findings and declaration of policy. These items are as follows:

1. That the development of ports for water borne and other commerce is vital to the transportation network in the state;
2. That the development of ports is vital to the economic well-being of the state and future development of industry in the state;
3. That it is the declared policy of the state and a public purpose to provide the means for establishing a more efficient transportation system and to encourage economic growth in the state by authorizing municipalities to create municipal port authorities and to borrow money and otherwise exercise powers, duties, and functions as provided in Article 9; and
4. That Article X, Section 19 of the Alaska Constitution authorizes municipalities to make agreements for the cooperative or joint administration of any functions or powers and that under those provisions two or more municipalities may, by agreement, establish an authority in accordance with the provisions of Article 9.

Sec. 29.35.610. Establishment of Port Authorities, Board of Directors. Under (a) of this section, the governing body of a municipality may by ordinance create an authority as a political subdivision and public body corporate and politic. This subsection further provides that the governing bodies of two or more contiguous municipalities may by parallel ordinances adopted by each such governing body create an authority as a political subdivision and public body corporate and politic. An authority so formed will have existence separate from the municipality or municipalities establishing it.

Under (b) of this section, any municipality otherwise required to add powers such as powers under Article 9 by election as provided in AS 29.35.300 - 29.35.350 will be allowed to exercise port powers under this Article 9 only after complying with AS 29.35.300 - 29.35.350. Municipalities subject to this condition are set forth in AS 29.35.300 and include a first-class borough acquiring an additional area-wide power, a second-class borough acquiring an additional power (area-wide or non-area-wide) and a third-class borough acquiring an additional power to exercise in a service area by forming a service area in accordance with AS 29.35.490(b) or (c).

Sec. 29.35.690.	Audits
Sec. 29.35.700.	Property
Sec. 29.35.710.	Conveyance of Land
Sec. 29.35.720.	Eminent Domain
Sec. 29.35.730.	Land Use Regulations
Sec. 29.35.740.	Limitation of Liability
Sec. 29.35.750.	Fidelity Bond
Sec. 29.35.760.	Indemnification
Sec. 29.35.770.	Insurance
Sec. 29.35.780.	No Taxing Authority
Sec. 29.35.790.	Bonds of a Port Authority
Sec. 29.35.800.	Development Plan
Sec. 29.35.810.	Bonds Eligible for Investment
Sec. 29.35.820.	Validity of Pledge
Sec. 29.35.830.	Credit of State or a Municipality Not Pledged
Sec. 29.35.840.	Pledges of the State and Municipalities
Sec. 29.35.850.	Exemption from Taxation
Sec. 29.35.860.	Remedies
Sec. 29.35.870.	Limitation of Personal Liability
Sec. 29.35.880.	Claims
Sec. 29.35.890.	Application of Existing Laws
Sec. 29.35.900.	Conflicting Laws Inapplicable
Sec. 29.35.910.	Distribution of Assets
Sec. 29.35.920.	Definitions
Sec. 29.35.930.	Short Title

Old Business
AS 92-004

MEMORANDUM

TO: Representative Larry Baker

FROM: J. J. Brecht

DATE: January 22, 1992

SUBJECT: Sectional Analysis of Proposed Municipal Port Authority Bill

This memorandum sets forth a section-by-section analysis of the proposed port authority bill ("Bill") through which AS 29.35 would be amended by adding a new Article 9 entitled "Port Authorities." The Bill provides for the establishment and operation of port authorities and the establishment of an effective date immediately pursuant to the provisions of AS 01.10.070(c). This analysis corresponds to the draft of the Bill dated October 30, 1991. Article 9 is added to Chapter 35 entitled "Municipal Powers and Duties," of Title 29 entitled "Municipal Government," of the Alaska Statutes.

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Sec. 29.35.630.	Powers of a Port Authority
Sec. 29.35.640.	Executive Officers
Sec. 29.35.650.	Duties of Chief Executive Officer
Sec. 29.35.660.	Bylaws, Regulations
Sec. 29.35.670.	Public Disclosure of Information
Sec. 29.35.680.	Annual Report

AM 92-001

Alaska and that once enacted, the legislation be signed into law by the governor of the state of Alaska.

ADOPTED by the Matanuska-Susitna Borough Assembly this ____ day of _____, 1992.

Ernest W. Brannon, Borough Mayor

ATTEST:

Linda A. Dahl, Borough Clerk
(SEAL)

MATANUSKA-SUSITNA BOROUGH

RESOLUTION SERIAL NO. 92-004

**A RESOLUTION URGING THE ALASKA STATE LEGISLATURE TO PASS
LEGISLATION PROVIDING FOR THE FORMATION OF LOCAL AND REGIONAL
PORT AUTHORITIES**

WHEREAS, the people of Alaska find themselves with many opportunities in maritime and aviation commerce, international trade, tourism, fisheries, oil and mineral development, transportation, and other industries in Alaska;

WHEREAS, ports are vital to Alaska's economic well-being and future economic development of these industries and new industries in Alaska;

WHEREAS, the future development of ports in Alaska will require the expenditure of large sum of money and the close cooperation of the state of Alaska, its regions, and political subdivisions in the encouragement of the investment of capital and the formulation and execution of the necessary physical plans;

WHEREAS, it is confidently believed that a better coordination of ports, harbors, transportation and other facilities of commerce in, about and through ports in Alaska, will result in greater economies, benefitting the people of Alaska;

WHEREAS, the foregoing are best accomplished through the enactment of legislation expressly authorizing the formation of local or regional port authorities, defining the purposes, jurisdictions, powers and duties for such authorities, and authorizing the issuance of self-liquidating revenue bonds by them to finance acquiring, constructing, equipping, maintaining, and operating of their ports;

WHEREAS, the foregoing can best be accomplished through the cooperation of one or more of the regions and communities in Alaska by and through one or more joint and common port authorities.

NOW, THEREFORE BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly urges the Alaska legislature to proceed with all due speed to enact legislation expressly to allow and to provide for the structure for the formation of local and regional port authorities within

C/N PORT AUTHORITY COMMITTEE

Member	Telephone No.	Fax No.
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OF COUNSEL
ROGER G. CONNOR

MEMORANDUM

TO: Port Authority Committee

FROM: J. J. Brecht JB

DATE: November 1, 1991

SUBJECT: Final Draft of Port Authority Legislation

Please find enclosed a final draft of a bill relating to the establishment of port authorities and providing for an effective date. The draft has been accepted by Representative Larry Baker and has been sent on to the Legislative Affairs Agency for redrafting as to form.

It is my understanding that Representative Baker has a number of House members who have agreed to co-sponsor the bill. In addition, Senate member sponsors are being identified as well.

There will be a presentation made on the bill at the Alaska Municipal League Convention in Fairbanks on November 13 and there may be a presentation at the Alaska Miners Association Convention in Anchorage the first week of November, should the association be interested and have the time to provide for such a presentation. It is my understanding that the Alaska Miners Association will adopt a resolution supporting port authority legislation. I have provided Bill Stiles with a draft resolution based on the one previously prepared through the committee.

The next meeting of the committee will be November 7 at 7:00 a.m. at my office. It will have to end promptly at 8:00 a.m. because of other commitments. I look forward to seeing you there.

AM 98-001

ALASKA RAILROAD CORPORATION



P.O. Box 107500 • Anchorage, Alaska 99510-7500

February 5, 1992

The Honorable Drue Pearce
Senator
Alaska State Senate
Room 101 Capitol
P.O. Box V
Juneau, Alaska 99811

Dear Senator Pearce:

Thank you for the opportunity to respond to the proposed legislation (SB 352) pertaining to the creation of port authorities within the state. I want you to know that the Alaska Railroad Corporation fully supports the basic concepts outlined in the bill and certainly applaud your efforts to make it become a reality.

We view this as an opportunity by the State of Alaska and its communities to participate in the world market place by opening our horizons in developing the state's natural resources as well as an opportunity to build upon the state's internal infrastructure.

As I review this legislation, I would like to propose that you consider the possibility of including the Alaska Railroad as a participant with a regional port authority since it is a major land owner in several port communities. As the legislation is presently crafted, only municipalities can establish an authority. Whenever this Corporation can play a role in participating with surrounding communities to form such an authority, we want to assist. With our input, this can help diversify Alaska's transportation needs whether it be rail, highway, air or water transportation.

Please let me know what assistance I can provide to make this a reality. Thank you again for your efforts, and also for the opportunity to respond to this proposed legislation.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Robert S. Hatfield, Jr.', written over a horizontal line.

Robert S. Hatfield, Jr.
President & Chief Executive Officer

SB 352: "An Act relating to the establishment of port authorities by municipalities."

The concept of a port authority is similar to an enterprise fund. Specifically, all the proceeds of user fees go into the port authority fund to pay for operations, maintenance, and to repay debts incurred in port development.

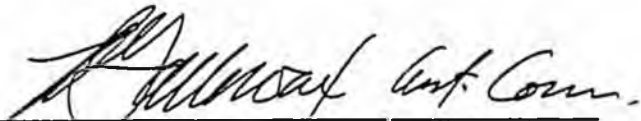
This legislation is enabling legislation. A municipality or several municipalities could join together to form a port authority. No municipality would be required to establish one; it is just an additional economic development tool. In some cases, several communities joining together in a port authority could provide the economics necessary to operate self-sufficiently.

The legislation allows municipalities to create the structure which makes the most sense for them. The port commission could be directly elected or could be appointed by the mayor and confirmed by the council or assembly. Port authority facilities could be exempt from taxes or could pay "in lieu of taxes."

Any debt incurred by the port authority will be its own debt and not the debt of the local government or the State of Alaska. Port authorities would not have the power to levy taxes but could receive taxes dedicated to it by a local government. A system such as this currently operates in Kodiak where 1% of their 5% sales tax is dedicated to the port fund.

Port authorities would be able to own and operate any kind of transportation facility such as a toll road, toll bridge, airport, etc. This will become more important as state oil revenues decline and less money is available for capital projects. Port authorities, in conjunction with lending institutions such as AIDEA, will provide a method to finance and maintain public transportation facilities which cannot be achieved any other way.

This type of legislation is recommended by the Alaska Municipal League. Furthermore, it is supported by this department.



Glenn A. Olds, Commissioner *GA*

Date: 2.4.92

FISCAL NOTE

BILL NO. SB 352

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: _____

Department Affected: Commerce & Econ. Dev.

Title: Establishing port authorities by
municipalities

BRU: Economic Development

Component: _____

Sponsor: Senator Pearce

Requestor: Senator Pearce

COMPONENT SERIAL NO.

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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
CAPITAL	0	0	0	0	0	0
REVENUE FUND RESOURCE:	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	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.)

This bill enables a municipality or group of municipalities to establish port authorities as separate enterprises. It does not require their establishment.

dg Prepared By: Albert H. Clough, Development Specialist Phone: 465-2017

Division: Economic Development Date: 2/3/92

Approved by Commissioner: Glenn A. Olds *for [Signature]* Ant. Com.

Agency: Department of Commerce & Economic Development Date: 2-4-92

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

TRANSPORTATION

NORTHERN SEA ROUTE

By Dave Orr

The Northern Sea Route Project is among the Hickel Administration's top priorities. In actuality, it is a project that began over 600 years ago as explorers sought a maritime route through the Arctic Ocean. Such an ocean route was thought to be the shortest distance between Europe and East Asia. Rather than going across the top of North America, however, the Northern Sea Route (NSR) closely follows the Arctic Ocean coastline of the Soviet Union between Murmansk and the Bering Strait.

By the early 1900s, most western nations had given up on, or had forgotten, the concept of a Northwest Passage. That was not the case for the Soviet Union, however, and they continued to chart the route.

By the 1960s, shipping technology had advanced sufficiently that the Soviets were increasingly using the Arctic Ocean to transport goods and services for their internal domestic use on a seasonal basis. During the 1970s and 1980s, this effort



Soviet icebreaker.

gained in momentum to the point where the western portion of the NSR is open to year-round shipping. The eastern portion is open for about three to four months

during late summer and autumn.

In 1987, Soviet President Mikhail Gorbachev declared that the NSR was open to international shipping and that Soviet icebreakers could be used to escort ships of other nations desiring to use the route. Although the international community has been slow to pick up on the opportunity, interest is growing rapidly and a number of countries such as Canada, Japan, France, and others have shipped products on the NSR using Soviet ships or those of their own registry.

On November 8, 1991, at the third and founding meeting of the Northern Forum, governors from 14 northern regions or states, including Alaska, met and signed an agreement to make the Northern Forum a permanent international organization. Following unanimous approval of the Articles of Incorporation and bylaws, the very next business was adoption of a resolution calling for expanded international commercial shipping on the NSR soon.

According to Captain Lawson Brigham, U.S. Coast Guard and a leading expert on the NSR, transit of the route now averages over 600 voyages per year. Since the route is already being used to that extent, and international interest and use of the route is growing, Alaska is faced with options regarding its proper role in these events. Alaska can either take a leadership role in developing the economic opportunities and managing the related environmental safeguards, or it can sit on the sidelines passively receiving whatever environmental and social impacts develop as a result of

"Alaska can either take a leadership role in developing the economic opportunities and managing the related environmental safeguards, or it can sit on the sidelines passively receiving whatever environmental and social impacts develop as a result of other nations using the NSR."

other nations using the NSR. As Governor Hickel recognizes, there are many potential environmental impacts that range from spills and discharges of oil and hazardous substances to the potential for disruption of migrating whales and other marine mammals.

(Continued on page 11)

PORT AUTHORITY LEGISLATION

By Commissioner Glenn A. Olds

One of the most important economic development issues before the next session of the Alaska Legislature will be port authority legislation.

Marine, airport and other public transportation facilities are critical to the economic future of Alaska communities. All our resource exports go out through them, our supplies and necessities come in through them, all the tourists arrive through them, and all our intrastate business goes through them.

Port authorities have been an important economic development tool in other states and nations. They often bridge municipal, state and even international boundaries to achieve economies of scale necessary to be self-sufficient.

The concept of a port authority is similar to an enterprise fund in which all the proceeds of user fees go into the port authority fund to pay for operations and maintenance and to repay debts incurred in port development.

This legislation is enabling legislation, that is, a municipality, or several municipalities could join together to form a port authority. No municipality would be required to establish one, it is just an additional economic development tool. In some cases, several communities joining together in a port authority could provide the economics necessary to operate self-sufficiently.

Legislation could allow municipalities to create the structure which makes most sense for them. The port commission could be directly elected or could be appointed by the mayor and confirmed by the council or assembly. Port authority facilities could be exempt from taxes or could pay "in-lieu of taxes."

Any debt incurred by the port authority will be its own debt and not the debt of the local government or the State of Alaska. Port authorities would not have the authority to levy taxes but could receive taxes dedicated to it by a local government. This would be similar to Kodiak where 1% of their 5% sales tax is dedicated to the port fund.

Port authorities would be able to own and operate any kind of transportation facility.

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Northern Sea Route

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Thus, it is important that Alaska be a leader in the international movement to open the NSR to commercial shipping operations. This is one of the reasons why Alaska signed the Northern Forum agreement. It is also why Governor Hickel was unanimously chosen to be Chairman of the board of directors for the Northern Forum.

The resolution to open the NSR to international commercial shipping is a precursor to expanded maritime operation in the Bering, Chukchi, and possibly Beaufort Seas during months when ice is present in the shipping lanes. The Northern Forum encouraged additional research concerning use of the NSR with the aim of creating a maritime transportation route that is safe, has a long



Northern Sea Route

shipping season, and is operated with proper concern for the environment. These are principles which Alaska fully endorses.

Currently, the department has David Orr on loan from the Department of Natural Resources (DNR), acting as this division's coordinator of Alaska's involvement with the NSR project. Dave is also the Chief of Water Policy for the newly created Division of Water within DNR. Among his many duties is identifying Alaskan businesses who have products that might be competitively marketed in Europe if conventional ocean shipping distances and related transportation costs could be greatly reduced by using the NSR. The Division of Economic Development working with the Office of International Trade (OIT) can then assist those businesses with finding European buyers, assist in locating necessary shipping, and assist potential buyers and sellers to better understand shipping fees and contractual arrangements often used by foreign shipping companies such as those in the Soviet Union.

Salmon Strategy Task Force Report

(Continued from page 3)

process and industry:

- C) Hatcheries should concentrate on courses for variations in quality in returning stocks and implement improvements.
- 11. The Division of Economic Development and the Office of International Trade should accelerate marketing strategies for Alaska salmon in all appropriate international arenas. The overseas work of ASMI should build on these efforts and expand them through the Alaska overseas offices of the Governor.
- 12. Consideration should be given to a fisherman's salmon marketing council, chartered by the U.S. Secretary of Commerce under the Federal Fish and Seafood Promotion Act of 1986.

LONG-TERM RECOMMENDATIONS

1. Develop a strategic plan for the industry.
2. Organize a comprehensive review committee, including experts from the food industry, to assess and recommend initiatives on the entire salmon industry.
3. Develop a comprehensively integrated market strategy, domestic and international.
4. Investigate and recommend ways to retain and encourage Alaska-held permits, Alaskan-controlled joint ventures, Alaskan-developed product development, and market cultivation and penetration.
5. Contract a major marketing research firm to do a comprehensive and strategic analysis and recommendations for improving Alaska's programs and priorities, including any legislative changes and ASMI operations.
6. Sustain the ASMI strategic five-year plan to maximize the above.
7. Readdress the need and planning for much needed Alaska infrastructure (cold storage, etc.), value-added capacities, and fishery-related taxes and revenue resources to implement the task force recommendations.
8. Enlist the personal responsibility and full involvement of fishermen in effecting positive change in the industry, dependence on government policies or resources will not produce required results.

Port Authority Legislation

(Continued from page 2)

such as : toll road, toll bridge, airport, etc. This will become more important as state oil revenues decline and less money is available for capital projects. Port authorities, in conjunction with lending institutions such as AIDEA will provide a method to finance and maintain public transportation facilities which could not be achieved any other way.

Rep. Baker and a group of cosponsors will introduce a bill in the House, and Senator Duncan has his own bill in the Senate. Paul Fuhs, Governor Hickel's legislative liaison will be working with them and with local governments to develop a workable bill. The Alaska Municipal League recently passed a resolution in support of the concept of port authorities at its 1991 annual convention.

Again, this legislation enables municipalities to form port authorities. It does not require that they do so. Port authority legislation is an important step for the economic future of Alaska. It will lead to more self-sufficient operations and will facilitate the construction and operation of Alaska's commercial trade infrastructure.

1990 Annual Mineral Industry Report

(Continued from page 1)

exploration activity at these three deposits. Reserves at the A-J Mine in the proven, probable and possible categories were estimated at over 100 million tons, and at Fort Knox, between 100 and 200 million tons depending on cut-off grade. Each of these properties, if they are developed, would produce about 1,000 ounces of gold per day, significantly increasing the value of production in a few years.

Cominco's Snip Mine in Canada, about 40 miles east of Wrangell, is one of several mineral developments that could have very beneficial economic impacts on Alaskan towns. Reserves at the Windy Craggy Mine, north of Haines, doubled in 1991, allowing a 30-year mine life, and reserves have increased substantially at the Polaris-Taku and Tulsequah Chief Mines, east of Juneau.

TABLE 1. Total value of mineral industry in Alaska, 1988-90.

	1988	1989	1990
Exploration	\$ 45,468,800	\$ 47,762,596	\$ 63,255,594
Development	274,945,400	134,272,350	14,326,500
Production	232,172,000	276,983,741	533,024,500
TOTAL	\$552,586,200	\$459,018,687	\$610,606,594

From Alaska Mineral Industry Report, 1990 (p1).

A Resolution of the Alaska Municipal League Board of Directors

Board Resolution No. 92-1

**A RESOLUTION URGING THE PASSAGE OF LEGISLATION
TO ALLOW FOR LOCAL AND REGIONAL PORT AUTHORITY**

WHEREAS, the people of Alaska find themselves with many opportunities in maritime and aviation commerce, international trade, tourism, fisheries, oil and mineral development, timber development, transportation, and other industries in Alaska;

WHEREAS, ports are vital to Alaska's economic well-being and future economic development of these industries and new industries in Alaska;

WHEREAS, the future development of ports in Alaska will require the expenditure of large sums of money and the close cooperation of the State of Alaska, its regions, and political subdivisions in the encouragement of the investment of capital and the formulation and execution of the necessary physical plans;

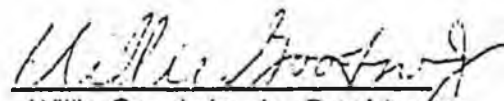
WHEREAS, it is confidently believe that a better coordination of ports, harbors, transportation, and other facilities of commerce in, about and through ports in Alaska, will result in greater economies, benefiting the people of Alaska;

WHEREAS, the foregoing are best accomplished through the enactment of legislation expressly authorizing the formation of local or regional port authorities, defining the purposes, jurisdictions, powers, and duties for such authorities, and authorizing the issuance of self-liquidating revenue bonds by them to finance acquiring, constructing, equipping, maintaining and operating of their ports;


WHEREAS, the foregoing can best be accomplished through the cooperation of one or more of the regions and communities in Alaska by and through one or more joint and common port authorities;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League urges the Alaska legislature to proceed with all due speed to enact legislation expressly to allow and to provide for the structure for the formation of local and regional port authorities within Alaska and that once enacted, the legislation be signed into law by the Governor of the State of Alaska.

Adopted this 16th day of November 1991.


Willie Goodwin, Jr., President

Attest:


Scott A. Burgess, Executive Director

THE ANCHORAGE CHAMBER OF COMMERCE
Legislative Priority

Title Port Authority Legislation

THE ISSUE

Municipalities are restricted in their abilities to provide revenue bond authority and independent political identity for its port. Municipalities rely on state funding to develop ports. As state revenues decline over the next decade, the amount of funding provided for port development will diminish.

THE IMPORTANCE

Empower Anchorage port development by:

1. Allow establishment of an independent port authority.
2. The port authority would have the power to raise bonds, collect fees, own or lease land and develop port projects.
3. Development plans by the authority would be subject to review by the municipality. The authority would not have the power to raise taxes.

The above powers would allow increasing the scope of business activity at the Port of Anchorage without state assistance. Economic development in the port will help diversify the economy and capture a larger share of maritime business.

CHAMBER POSITION

The Chamber supports Port Authority legislation that will benefit the Anchorage economy by allowing the Municipality to independently develop its port and increase port related business.

Approved January 17, 1992

Alaska Association of Harbormasters & Port Administrators, Inc.

334 Front Street
Ketchikan, Alaska 99901

November 12, 1991

Jerome Selby, President
Alaska Municipal League

Post-It™ brand fax transmittal memo 7671

of pages >

To	RICH WILSON	From	DOUG ENSLEY
Co.	Lib. Coop	Co.	CITY OF KTAI
Dept.	2171	Phone #	228-5632
Fax #	561-4674	Fax #	225-5075

Dear Mr. Selby:

The Alaska Association of Harbormasters and Port Administrators recently held its annual conference in Kenai, Alaska. One of the presentations and items of discussion was the Department of Transportation and Public Facilities Ports and Harbors Task Force proposal: Sustaining and Developing Alaska's Ports and Harbors.

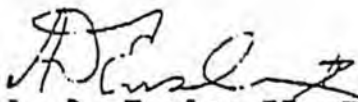
Our Association supports the proposal and the essential program elements outlined in the report. The three components: Development Plan, Financial Foundation, and Cooperation must be supported to enhance our facilities and local economies.

The Alaska Association of Harbormasters and Port Administrators feels very strongly that a Financial Foundation must be established as the first step in implementing the proposal. Our Association also feels that harbor maintenance which the State has deferred can be deferred no longer. To that end we request the State appropriate sixty million dollars to perform deferred maintenance of existing facilities, provide matching funds for U. S. Army Corps of Engineers projects, and fund new harbor development.

Please convey our position to your members as you discuss the State-wide Proposal. We are aware that funds are limited and other programs may have a higher priority. We are the operators of facilities that are twenty to forty years old; facilities that are the property of the citizens of our State; facilities that are of great importance to our/your local economy.

Please support us in our efforts.

Sincerely,



A. D. Ensley II, President
Alaska Association of Harbormasters
and Port Administrators

PORT AUTHORITY LEGISLATION BILL COMPARISON

<u>Subject</u>	<u>CS for SB-352 @ Pearce</u>	<u>SB-341 @ Duncan</u>
establishment	ordinance by municipal government, may require a vote of the people	requires ordinance approved by <u>vote</u> of the people
debts	belong to the authority only	assumed by the participation municipality
dissolution	addressed in enabling ordinance, may require a vote of the people; bond holders must be satisfied before dissolution	requires ordinance approved by <u>vote</u> of the people
applicability	municipality	municipality, other than 2nd class city
scope of powers	muni decides which powers apply	authority possesses all powers addressed
board	number and qualification of board members is specified in the enabling ordinance, allows for election and/or appointment	3 members, 6 year terms, requires elections
multiple municipal coverage	creates a single authority by adoption of parallel muni ordinances.	creates a single authority by agreement of multiple authorities
revenue bonds	specific requirements given	under muni bonding statute
budget	annual report required 90 days after end of fiscal year, audit required by an independant CPA	annual muni approval of budget before port commission approval
confidentiality of information	proprietary info protected; muni auditor has full access; bylaws are required and the authority is subject to the Open Meetings Act	not addressed
taxing and taxes	authority has NO taxing powers, and is not taxed. muni may require authority to make payments "in lieu of taxes"; muni can tax private businesses operating within boundaries	fied actions, taxes not mentioned).
eminent domain	authority has powers within its boundaries, DNR commissioner is required to lease land within the authority boundaries when necessary for Port to operate (solves access issues); DNR commissioner may lease at below market rates	muni may exercise powers on behalf of the authority
collective bargaining	all collective bargaining agreements remain in effect for the term of the agreement	not addressed
bylaws and regulations	authority shall adopt as soon as possible	port commission shall adopt

TESTIMONY OF J. J. BRECHT
BEFORE THE
SENATE TRANSPORTATION COMMITTEE
ON
SENATE BILL 352

Anchorage, Alaska
February 6, 1992

Good afternoon. My name is Julius J. Brecht, and I am an attorney in private practice with the law firm of Wohlforth, Argetsinger, Johnson and Brecht, with offices in Anchorage, Alaska. I wish to thank the committee for the opportunity to offer this written testimony to the record on Senate Bill 352.

In the way of further introduction of myself and the bill before you, I am the former Director of the Alaska Division of Banking and Securities and practice law in the corporate, finance, and securities areas. I have resided in Anchorage since leaving the division in 1980. I have been involved with various civic and professional groups studying issues of importance to Alaska. Over the past year, I have chaired an ad hoc committee composed of representatives of the Matanuska-Susitna Borough, the Municipality of Anchorage, and several private individuals including myself. We call ourselves the Port Authority Committee.

The common interest of the committee members has been the consensus that port authorities offer an opportunity to support and encourage economic development in an area as yet essentially untapped in Alaska. It is true that Alaska has many harbors and ports. However, with limited exception, these present facilities are woefully under utilized and with limited exception are not in a position to compete in a world marketplace even though Alaska has many resources to offer in that marketplace.

The first charge of the committee was to prepare a resolution to encourage individuals and organizations in Alaska to support the introduction and

enactment of legislation providing for the establishment of port authorities in Alaska. It soon became apparent subsequent to the preparation of that resolution that precious time was being lost in waiting for a draft of such legislation to be produced. I personally volunteered to prepare a first draft of the legislation. That first draft has become SB 352 which is before you today.

The resolution prepared by the Port Authority Committee notes that the people of Alaska find themselves with many opportunities in waterborne and other commerce and other industries in Alaska. The resolution further states that ports are vital to Alaska's economic well-being and future economic development of these industries and new industries in Alaska. In some respects, Alaska can have the greatest natural resource wealth in a number of areas. However, without the infrastructure to get it to market, it is, in large respect, worthless and, in any case, it contributes very little to the economic base in this state. The net result is that we become even more dependent upon existing sources of economic activity, e.g., oil, and even more dependent upon government to "spend" its way out of problems.

An alternative means for economic development and a proven use in other states and countries is the establishment of port authorities and the development of ports in Alaska.

The SB 352 is an attempt to allow for the establishment of such port authorities. Please note that the legislation permits, but does not require, the formation of port authorities.

Briefly, the mechanism set forth in the bill is to allow one or more municipalities to form a port authority by the adoption of parallel ordinances. The port authority would be formed as a public corporation and instrumentality of the municipality or municipalities creating it. It will have separate legal existence from those municipalities. The bill sets out various powers that a port authority may have. One very critical power will be the authority to issue revenue bonds. However, the bill expressly provides that neither the faith and credit of the state nor of the municipalities participating in a port authority will be involved in the issuance of such bonds or other obligations of the port authority.

The bill provides for the establishment of port authorities by local government and not by the state. The bill then does not provide for simply establishing another state program which would be in competition with other state programs for shrinking state revenues in the future. That is, the bill will allow access by a port authority to the revenue bond marketplace separate from that of the state revenues. Furthermore, the particular project which is the subject of the revenue bonds will have to be economically feasible in order to be sold in that marketplace.

The bill provides for a structure of a port authority including the appointment of a board of directors by the governing bodies of the municipalities participating in the port authority. That board of directors will, in turn, hire an executive director to carry out the directives and manage the day-to-day operations of the port authority.

The bill expressly provides that the port authority will have no taxing authority.

The bill, in essence, provides that one or more municipalities may contract with one another to establish a port authority and carry out economic development within that port authority.

I would be most pleased to respond to any questions which you may have regarding the bill, the resolution, or the concept of port authorities. Thank you again for the opportunity to submit testimony before this body.

MATANUSKA-SUSITNA BOROUGH

RESOLUTION SERIAL NO. 92-004

A RESOLUTION URGING THE ALASKA STATE LEGISLATURE TO PASS
LEGISLATION PROVIDING FOR THE FORMATION OF LOCAL AND REGIONAL
PORT AUTHORITIES

WHEREAS, the people of Alaska find themselves with many opportunities in maritime and aviation commerce, international trade, tourism, fisheries, oil and mineral development, transportation, and other industries in Alaska;

WHEREAS, ports are vital to Alaska's economic well-being and future economic development of these industries and new industries in Alaska;

WHEREAS, the future development of ports in Alaska will require the expenditure of large sum of money and the close cooperation of the state of Alaska, its regions, and political subdivisions in the encouragement of the investment of capital and the formulation and execution of the necessary physical plans;

WHEREAS, it is confidently believed that a better coordination of ports, harbors, transportation and other facilities of commerce in, about and through ports in Alaska, will result in greater economies, benefitting the people of Alaska;

WHEREAS, the foregoing are best accomplished through the enactment of legislation expressly authorizing the formation of local or regional port authorities, defining the purposes, jurisdictions, powers and duties for such authorities, and authorizing the issuance of self-liquidating revenue bonds by them to finance acquiring, constructing, equipping, maintaining, and operating of their ports;

WHEREAS, the foregoing can best be accomplished through the cooperation of one or more of the regions and communities in Alaska by and through one or more joint and common port authorities.

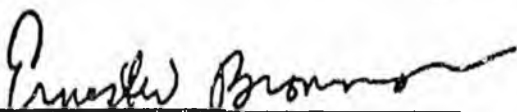
NOW, THEREFORE BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly urges the Alaska legislature to proceed with all due speed to enact legislation expressly to allow and to provide for the structure for the formation of local and regional port authorities within

Post-It™ brand fax transmittal memo 7671		# of pages > 2
To	From	Clark's
Co. Sandra Bradley	Co.	Mat-Su Borough
Dept.	Phone #	745-9685
Fax # 465-3153	Fax #	745-0886

AM No. 92-001
Reso. No. 92-004

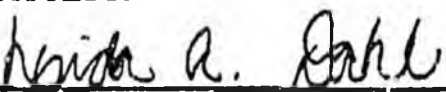
Alaska and that once enacted, the legislation be signed into law by the governor of the state of Alaska.

ADOPTED by the Matanuska-Susitna Borough Assembly this 18 day of February, 1992.



Ernest W. Brannon, Borough Mayor

ATTEST:



Linda A. Dahl, Borough Clerk
(SEAL)

S B

3 5 7

Bills/Resolutions To Be Introduced
Today - 1/15/92

SJR 38 Zaroff, Adams, Hoffman
opposing IFQ mgmt. systems for
the Alaskan halibut and sablefish
fisheries & other Alaskan fisheries

SB 357 Halford
naming the Glenn H. Bugge Bridge

McGAW

MTW

B111

Alaska State Legislature

Senate

Office of The Majority Leader


Official Business

Rick Halford
P.O. Box V
State Capitol
Juneau, Alaska 99811
Phone (907) 465-4958

P. O. Box 190
Chugiak, Alaska 99567
(907) 694-4958

MEMORANDUM

TO: Senator Curt Menard, Chairman
Senate Transportation Committee

FROM: Senator Rick Halford 

DATE: February 18, 1992

SUBJECT: Scheduling of SB 357 -- "Naming the Glenn G. Briggs
Bridge."

This session, I introduced Senate Bill 357 and it is now in your committee. Please schedule this bill for a hearing at your earliest convenience.

Senate Bill 357 names a bridge on Eagle River Loop Road after an Alaskan pioneer, Glenn G. Briggs. As a resident of Eagle River for 48 years, Glenn Briggs was involved in many youth activities, charities and civic organizations. He was a businessman, developer and leader who still had an active interest in the welfare of his community when he passed away in 1990 at the age of 87.

Thank you for your consideration in scheduling this bill.

334

BR

James A. Frisby
HCO4 Box 9587
Palmer, AK 99645
4-Mar-92

John
Frisby

Sen. Curt Menard
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Menard:

I have carefully reviewed SENATE BILL NO., 433, introduced by Senator Al Adams of Kotzebue.. While I am not a member of the Alaska Airmen's Association, I am indebted to that organization for bringing this matter to my attention. The additions/{DELETION} format used for the proposed changes to the existing statute make it very clear that this bill attempts to abuse the intent of the original statute and implement a discriminatory tax under the guise of a "registration fee".

As a former Alaska Army National Guard officer and pilot with over 20 years of service in the Alaska Guard, I certainly appreciate the intent of the statute as it stands. It sets forth requirements upon the aviation community in Alaska which support state and national security "AT THOSE TIMES DESIGNATED ... WHEN REGISTRATION IS NECESSARY BY REASON OF EMERGENCY OR MILITARY NECESSITY". It is most obvious that the original statute AS 02.20.010 was intended only to take force in state emergencies or wartime.

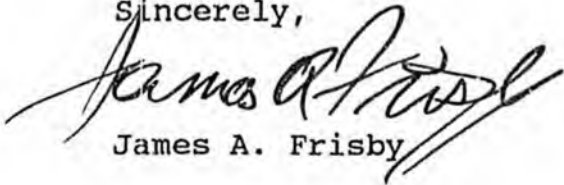
I cannot state strongly enough my opposition to this bill. It creates another tax on private aviation, the lifeblood of many Alaskans, it makes the State privy to information about our private aircraft to which it has no right, and which would be a ready made hit list for equipment thieves. It endows the DOT with unlimited power to invade the privacy of aircraft owners and operators by commissioning them to require "any additional information the department may require by regulation". This proposal is irresponsible for a government official such as Senator Adams.

While there may have been some merit in excluding commercial aircraft in the original statute, due to it's military purpose, there can be no justification of such an exclusion in your proposed bill. This provision in a tax bill, such as this must be labeled, is discriminatory and inexcusable.

Please Senator Menard, any support for this attempt to subvert the intent of a perfectly legitimate emergency provision into a high handed tax bill and privacy invasion would earn you the wrath of Alaskan airmen.

I strongly urge you to use any influence you have with the sponsors of this bill to get it withdrawn from consideration immediately, while their reputations may be salvaged.

Sincerely,

A handwritten signature in cursive script, appearing to read "James A. Frisby". The signature is written in dark ink and is positioned above the typed name.

James A. Frisby

cc

EAA Chapter 975, Inc
P.O. Box 1851, Soldotna, Alaska, 99669

March 16, 1992

Jon

Hon. Curt Menard, Chairman, Senate Transportation Committee, Rm. 9
Alaska State Senate
State Capitol
Juneau, Alaska 99801-1182

Dear Sirs:

I have reviewed Senate Bill 433 which is currently or soon to be in your committee and I do not feel this bill is in the best interests of the citizens of Alaska. On the face of it, this bill would generate revenue for the State in a time of decreasing revenues. This legislation exempts Commercial operators and levies its fees against the private or noncommercial aircraft owners of the State. We do not feel this to be a fair or equitable situation in and of itself. The fee is \$100.00 - 250.00 per aircraft per year and represents an unfair fee from several points of view. Aircraft are already subject to taxes at rates far above the levels of cars and other forms of transportation in a State that must use aircraft and boats in lieu of automobiles for much of the state. This represents an inequitable level of taxation as it is. When you try to add to this another unfair tax on aircraft, it appears to represent an absolute disregard for the rights of citizens of the state with special disregard for those who live in rural areas not served by roads or poorly served by roads.

Most of the aircraft covered by this bill are not located in Anchorage and are not flown as frivolous luxuries by wealthy individuals relatively unconcerned about the cost of flight. Many areas of the state are not served or are underserved by commercial aviation and the transport of persons and material are the province of private aircraft and private pilots who do this transport at no or little cost to those involved. This bill unfairly taxes those individuals and communities by making them pay for all. We are also concerned about where this revenue is spent. If we would be the target of a tax then we should benefit from it in some direct way. For the aircraft owner to be directly taxed and the revenues spent in a general fund for the good of all is both unfair and some would say unconstitutional. It is difficult to disguise this as a "user fee" when the fee is not spent for the benefit of the population from which it is derived. If it is not a "user fee", it is a tax levied against a few for the benefit of all and has not even the moral imperative of being

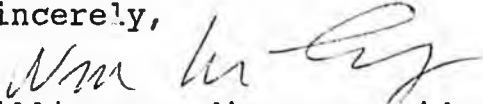
EAA Chapter 975, Inc

P.O. Box 1851, Soldotna, Alaska, 99669

levied against an abuser of the system, a criminal, or people who have indicated a willingness to take on an additional philanthropic burden for the good of society. Indeed most of these aircraft in rural areas are already contributing to the state and boroughs in a more than generous manner in the form of gasoline taxes, personal property taxes, increased maintenance costs, and federal government oversight/regulation.

In short, I would like you to drop Senate Bill 433 or vote it down and, if something of this sort is desired, discuss it with one of the several active aviation user groups in the state such as EAA, AOPA, Alaska Airmen's Association, etc. If your thoughts are to create better airports, more Navigational aids, and better passenger facilities in rural Alaska, you will find the Aviation people of this State easy to deal with and more than equal to the task.

Sincerely,



William M. Ediger, President
EAA Kenai Peninsula Chapter 975, Inc.

3-13-92

Jon

Senator Menard
Alaska State Legislature
State Capital
Juneau Alaska 99901-1182

Dear Sir:

It has come to my attention that Senator Adams and the Alaska Air Carriers Association have introduced senate bill #433.

This bill is intended to tax private aircraft with a registration fee and specifically excludes commercial aircraft.

Private aircraft already pay personal property and fuel tax that fund our use of local airports.

I feel that this is an unfair attack on private aircraft owners and I urge you to use all your powers in defeating this bill.

Sincerely,

Christine C. Bay

CHRISTINE C. BAY

P.O. BOX 870741
WASILLA AK 99687

SCR

22

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SCR 22

Revision Date: _____ Department Affected: DOTPF
 Title: State transportation system BRU: _____
 Component: _____

Sponsor: Sen. Rodey
 Requestor: Sen. Menard COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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	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	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: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Johanna Munson, Sen. Menard staff Phone: 465-2679
 Division: _____ Date: _____

Approved by Commissioner: _____ Date: _____
 Agency: _____

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

Department of Transportation & Public Facilities
Rural Airport System

REVENUE RECOMMENDATIONS
Aviation Fuel Tax - Land and Property Rent

NEW RENTAL RATES

The Department of Transportation and Public Facilities (DOT&PF) plans to implement new rental rates for land and other property interests at rural airports, starting by July 1, 1991. In September 1990, DOT&PF proposed new land rental rates based on Consumer Price Index changes since 1968 (when the existing rental rates were adopted). The rates were set to vary depending on the type of airport, with lower rent applying at smaller, less improved airports and higher rent applying to the larger, more sophisticated airfields. At the same time, DOT&PF also proposed new rental rates for airport boundary crossing rights, seaplane facilities, and DOT&PF-owned buildings.

Last fall DOT&PF conducted hearings to receive input from airport users on the new rate proposals. Based on the testimony results, DOT&PF plans to implement the rental rates for boundary crossing permits, seaplane facilities, and DOT&PF-owned buildings that were proposed in the August 30, 1990, Rural Airport Rates and Fees Report. DOT&PF will also implement new land rental rates based on the same calculation formulas that were presented in the Report, except that 30% of the post-1968 CPI change will be applied instead of 40%. The resulting land rental rates will range from approximately 3.3¢/sq. ft./yr. for aviation leases at the smallest airports to 10.7¢/sq. ft./yr. for non-aviation leases at the largest rural airports. This compares to the rates proposed last fall of 3.7¢ to 12¢/sq. ft./yr. and the current rates of 2¢ to 6¢/sq. ft./yr.

The new rental rates are expected to generate \$800,000 to \$900,000 in additional airport revenue in Fiscal Year 1992.

AVIATION FUEL TAX INCREASE

During the airport rates and fees hearings conducted by DOT&PF in 1988 and 1990, airport users frequently said that, if new fees were needed to operate airports, they would support an aviation fuel tax increase as an alternative to the proposed landing fee system. The advantages recited for a tax increase over landing fees included: increasing the rate of an existing tax would not increase overhead costs for the aircraft operator or the state, a modest tax increase would generate considerably more revenue than landing fees, and every aircraft operator would pay in direct proportion to the amount of flying he does.

As a result of the hearing testimony on this subject, DOT&PF and the Department of Revenue plan to present a proposal to the 1991 Legislature calling for a 2¢/gallon aviation fuel tax increase. The resulting tax rates will be 4.5¢/gallon for fuel and 6¢/gallon for aviation gasoline. It is estimated that the 2¢/gallon increase will generate an additional \$4 - \$5 million in new airport revenue in Fiscal Year 1992. If the legislature fails to adopt the increased aviation fuel tax, DOT&PF will institute landing fees at all certified airports in lieu of the tax increase.



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: SCR 22

APPROVED:

A handwritten signature in cursive script, appearing to read "Randy Sumner", written over a horizontal line.

TITLE: State Transportation System

DATE: April 16, 1991

The department opposes this resolution. This resolution objects to revenue recommendations by the Department of Transportation and Public Facilities that will increase rental rates for land and other property interests at rural airports. The resolution also objects to recommendations that, in lieu of a fuel tax increase, landing fees be implemented at all certificated airports during the next fiscal year. Our goal is to provide stable funding for airport maintenance based on revenues from use of the aviation system. We oppose this resolution because it attempts to thwart several years of effort to move towards stable funding for the transportation system.

We also disagree with the broad application of the term subsidy. When we compare current income to the cost of operating each rural airport, we find a substantial shortfall between income and expenditure. The department has a responsibility to address this shortfall. Our long-term goal is to provide stable funding for the entire transportation system. We propose to derive this funding from rates, fees and taxes paid by system users. In addition, we believe the budget should provide revenue expenditure comparisons, and we believe a dedicated fund, such as called for by SJR 23, will provide us with the means to reach our goal. In the interim we will continue to pursue recommendations such as these that provide a basis for stable funding over the long-term.

The department recommends that the Legislature not adopt this resolution. These recommendations are made only after careful analysis of each alternative. Current rates and fees do not reflect the cost of doing business. For example, land use fees at rural airports have not changed since 1968. Our recommendations would increase these rates by only thirty percent of the cost-of-living increase over the same time period. They have been discussed

For Further Information contact Katy McHugh at 465-3900.

BILL NO: SCR 22

DATE: April 16, 1991

at repeated public hearings. Over time the state needs to expand its ability to provide stable funding for transportation. The changes opposed by this resolution represent one small step towards this goal.

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX Z
JUNEAU, ALASKA 99811-2500
PHONE: (907) 465-3900

February 14, 1991

The Honorable Curt Menard
Chairman
Senate Transportation Committee
P.O. Box V
Juneau, Alaska 99811

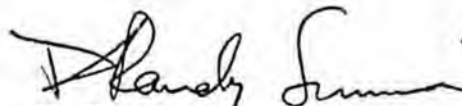
Dear Senator ^{Curt} Menard:

Attached for your information is a copy of the Department of Transportation and Public Facilities (DOT&PF) initial recommendation for rural airport rates and fees. Last fall DOT&PF conducted a series of public hearings on rates and fees proposals. The enclosed recommendations were developed from the hearing testimony by airport users.

DOT&PF's current rental rates for rural airports have not been adjusted since 1968 and, therefore, are considerably below market rent levels at most locations. Rural airport property is a valuable resource that should be generating a higher level of revenue to help cover rising operating costs. The adjusted rental rates, together with the aviation fuel tax increase described in the recommendations, will help offset general fund reductions in the airport maintenance budget for Fiscal Year '92. The rate change will allow DOT&PF to continue the operation and maintenance of rural airports at current levels. Without additional revenue, through a combination of rental rate increases and increased fuel tax or landing fees, major cutbacks in essential airport services will be unavoidable.

We will be discussing the recommendations with the Legislature in the near future. Since the fuel tax increase requires legislative action, we expect to be working closely with state law-makers during the 1991 session. After our initial meetings with the legislature, we will provide all airport users and other interested parties with complete details on the rent adjustment program and timing.

Sincerely,



D. Randy Simmons
Deputy Commissioner
Finance & Management

cc: Frank G. Turpin, Commissioner
Henry Springer, Deputy Commissioner
W. Keith Gerken, Deputy Commissioner, Operations
Robert N. Bartholomew, Director, Administrative Services
Steve Pavish, Statewide Leasing Coordinator

Department of Transportation & Public Facilities
Rural Airport System

REVENUE RECOMMENDATIONS
Aviation Fuel Tax - Land and Property Rent

NEW RENTAL RATES

The Department of Transportation and Public Facilities (DOT&PF) plans to implement new rental rates for land and other property interests at rural airports, starting by July 1, 1991. In September 1990, DOT&PF proposed new land rental rates based on Consumer Price Index changes since 1968 (when the existing rental rates were adopted). The rates were set to vary depending on the type of airport, with lower rent applying at smaller, less improved airports and higher rent applying to the larger, more sophisticated airfields. At the same time, DOT&PF also proposed new rental rates for airport boundary crossing rights, seaplane facilities, and DOT&PF-owned buildings.

Last fall DOT&PF conducted hearings to receive input from airport users on the new rate proposals. Based on the testimony results, DOT&PF plans to implement the rental rates for boundary crossing permits, seaplane facilities, and DOT&PF-owned buildings that were proposed in the August 30, 1990, Rural Airport Rates and Fees Report. DOT&PF will also implement new land rental rates based on the same calculation formulas that were presented in the Report, except that 30% of the post-1968 CPI change will be applied instead of 40%. The resulting land rental rates will range from approximately 3.3¢/sq. ft./yr. for aviation leases at the smallest airports to 10.7¢/sq. ft./yr. for non-aviation leases at the largest rural airports. This compares to the rates proposed last fall of 3.7¢ to 12¢/sq. ft./yr. and the current rates of 2¢ to 6¢/sq. ft./yr.

The new rental rates are expected to generate \$800,000 to \$900,000 in additional airport revenue in Fiscal Year 1992.

AVIATION FUEL TAX INCREASE

During the airport rates and fees hearings conducted by DOT&PF in 1988 and 1990, airport users frequently said that, if new fees were needed to operate airports, they would support an aviation fuel tax increase as an alternative to the proposed landing fee system. The advantages recited for a tax increase over landing fees included: increasing the rate of an existing tax would not increase overhead costs for the aircraft operator or the state, a modest tax increase would generate considerably more revenue than landing fees, and every aircraft operator would pay in direct proportion to the amount of flying he does.

As a result of the hearing testimony on this subject, DOT&PF and the Department of Revenue plan to present a proposal to the 1991 Legislature calling for a 2¢/gallon aviation fuel tax increase. The resulting tax rates will be 4.5¢/gallon for fuel and 6¢/gallon for aviation gasoline. It is estimated that the 2¢/gallon increase will generate an additional \$4 - \$5 million in new airport revenue in Fiscal Year 1992. If the legislature fails to adopt the increased aviation fuel tax, DOT&PF will institute landing fees at all certified airports in lieu of the tax increase.



(907) 543-2911

P.O. BOX 329 • BETHEL, ALASKA 99559

April 16, 1991

Representative Richard Foster
Chair, Transportation Commission
Alaska House
P.O. Box V
Juneau, Alaska 99811

Dear Representative Foster,

I am writing on behalf of the Bethel Chamber of Commerce concerning the considerations being given by the Department of Transportation and Public Facilities to implement a new landing fee at rural airports in the state.

The addition of this expense to transportation in rural areas will substantially increase costs making the profitable operation of a business even more difficult than it already is in this area of Alaska.

We support your Resolution No. 22 and would hope that the Department of Transportation would develop a plan which would include a review of other alternatives for fund raising.

Sincerely,

Carolyn Walters

Carolyn Walters, Secretary
Bethel Chamber of Commerce



1000 511 011

DO NOT SEE - DELIVER AT 11:15 AM

April 18, 1961

Senator Curt Menard
 Chair, Transportation Commission
 Alaska Senate
 P.O. Box V
 Juneau, Alaska 99811

Dear Senator Menard,

I am writing on behalf of the Bethel Chamber of Commerce concerning the considerations being given by the Department of Transportation and Public Facilities to implement a new landing fee at rural airports in the state.

The addition of this expense to transportation in rural areas will result in making it more difficult for the profitable operation of a business even more difficult than it already is in this area of Alaska.

We support your Resolution No. 23 and would hope that the Department of Transportation would develop a plan which would include a review of other alternatives for fund raising.

Sincerely,

Carolyn Walters
 Carolyn Walters, Secretary
 Bethel Chamber of Commerce

CANAL AIR



P. O. BOX 707

NEWTOWN, AK 99660-0707

Telephone: 907-543-4040

FAX: 907-543-2309

April 22, 1991

Senator Curt Hennard
Chair, Transportation Comm.
Alaska Senate

Representative Richard Foster
Chair, Transportation Comm.
Alaska House

Dear Sir:

The increasing of any rural airport fees will be borne by the majority of people who can NOT afford any increase of any costs.

Two very important points need to be made:

Unemployment in the villages is 50%. Cash income to most of the village residents is paid through funds managed by the State of Alaska. Any increase in the cost of living in the villages will come around to costing the State more money. I beg you to confirm this through a survey of the various human support and relief agencies as to the impact of a proposed increase.

You are asking rural public to bear a disproportionate share for a transportation system that also benefits the overall economy, including those in the metropolitan areas which engage in any type of support service. Without rural Alaska, there would be a much smaller metro area.

Various testimony will display an attitude that aircraft users, freight shippers, the U.S. Postal Service and passengers will be the ones to pay. My sentiments - "HOGWASH". Any increase in the cost of doing business will be passed on to the public. Any public official claiming otherwise is being the proverbial scorpion with his head not necessarily in the sand.

This company is owned by six native village corporations representing over 1000 native people. This is a statement of fact; no threats are intended.

In closing, I concur with Resolutions SCR 22 and HCR 26 calling for the development of a comprehensive statewide transportation plan before changing the rates and fees charged at state airports.

Sincerely,

John I. Watts III
Executive Vice President - Operations

PUBLIC OPINION MESSAGE

DEAR: SENATOR MENARD

NAME: BOB ARCE
TITLE: ILIAMNA VILLAGE COUNCIL ADMINISTRATOR
ADDRESS: P.O. BOX 267
CITY: ILIAMNA, AK ZIP: 99606
PHONE: 571-1246

BILL NO:

SUBJECT: INCREASE OF RURAL AIRPORT RATES

MESSAGE: ILIAMNA VILLAGE COUNCIL IS DEEPLY CONCERNED ABOUT THE CURRENT PROPOSAL TO INCREASE AIRPORT RATES. THIS WOULD SUBSTANTIALLY INCREASE THE COST OF LIVING AND DOING BUSINESS HERE AND CAUSE SUBSTANTIAL HARDSHIP. HIGH UNEMPLOYMENT ALREADY EXISTS LOCALLY. EVERYTHING FROM GROCERIES TO FUEL COMES IN BY AIR. WE URGE RECONSIDERATION OF THIS BILL.

POMID: 06143823
DATE: 91/04/15
TIME: 14:38:23
LIONAME: DILLINGHAM LIO

COPIES: REPRESENTATIVES SENATOR

JACKO ZHAROFF
FOSTER

f.y.i.

UNIVERSITY OF ALASKA FAIRBANKS



Department of Athletics & Campus Recreation • 105 Patty Center • Fairbanks, Alaska 99775-0240 • (907) 474-7205

April 16, 1991

Senator Curt Menard
Chair, Transportation Committee
Alaska Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Menard:

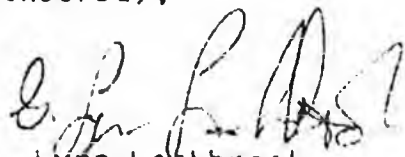
As the Director of Athletics at the University of Alaska, Fairbanks, I am very concerned about the proposed increase of rural airport rates. Obviously there are many implications to this increase. One avenue that has not been explored is the enormous financial pressure this would put on high school athletic departments and their travel budgets.

I am not an advocate on the issue of athletics dominating academics but there is a need for students living in rural areas to have the same athletic curricular opportunities as those students who reside in urban locales.

Recently we hosted the State High School Wrestling Tournament at our university. Over 50 schools throughout the state were represented by 350 talented athletes. It was an incredible weekend though many schools and communities exhausted their resources in order to attend.

If we are going to provide an equal opportunity for all young Alaskans to receive a well-rounded education, raising the price of transportation will significantly eclipse our efforts.

Sincerely,


G. Lynn Lashbrook
Director of Athletics

GLL:mia

APRN

VOICES OF ALASKA

Alaska Public Radio Network ★ 4640 Old Seward Highway ★ Suite 202 ★ Anchorage, Alaska 99503
Phone (907) 563-7733 ★ Fax (907) 563-7740

March 10, 1991

Senator Curt Menard
Chair, Transportation Comm.
Alaska Senate
Pouch V
Juneau, AK 99811

Dear Senator Menard:

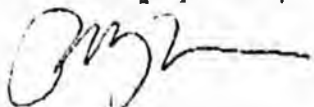
With regard to the proposed landing fees and rental increases at rural airports, I want to express my concern about potential operating increases to APRN member stations in rural Alaska.

As I'm sure you're aware, public radio has been severely affected by cutbacks in state and federal funding which began in 1986. The stations are trying hard to maintain a basic level of communication services in areas where there is often no other alternative local information source. The proposed fees have the potential to impact the cost of operating rural stations significantly through increased costs for shipping and passenger transportation.

The proposed fees would affect 15 of APRN's affiliate stations- KBRW, Barrow; KYUK, Bethel; KCHU, Cordova and Valdez; KDLG, Dillingham; KBBI, Homer; KMXT, Kodiak; KOTZ, Kotzebue; KNOM, Nome; KSKO, McGrath; KFSK, Petersburg; KSDP, Sand Point; KUH8, St. Paul; KNSA, Unalakleet; KIAL, Unalaska; and KSTK, Wrangell.

We urge you to reconsider adoption of these revenue-generating proposals in favor of other options which will not unfairly impact rural services such as public radio.

Sincerely yours,



Diane S. Kaplan
President and CEO

RESOLUTION 50-03-07
OF THE CITY COUNCIL
FOR THE CITY OF ANIAK

A RESOLUTION IN OPPOSITION TO DOT/PF REVISION OF RATES FOR RURAL ALASKAN AIRPORT USEAGE:

WHEREAS: The City of Aniak has several property rental leases with the State of Alaska Department of Transportation and Public Facilities (DOT/PF) for land uses within the Aniak Airport property; and

WHEREAS: The State of Alaska DOT/PF is proposing to increase both landing and property rent user fees at twenty-seven Rural Alaskan Airports including Aniak; and

WHEREAS: The DOT/PF proposal will increase the City of Aniak's yearly budgetary operating costs with no corresponding additional benefits at a time when Alaskan Community budgets are contracting due to lessening city revenue streams;

THEREFORE: BE IT RESOLVED by the City Council for the City of Aniak publically opposes these proposed DOT/PF landing fee and property rental user rate increases and that a copy of this resolution will be forwarded to DOT/PF and other interested parties to be included in the official public hearing record.

PASSED AND APPROVED by a duly constituted quorum of the City Council for the City of Aniak on the 13 day of September 1990.

William A. Young
Mayor

ATTEST:

Elizabeth M. Murphy
City Clerk

12/27/92
My Commission Expires

BETHEL L.I.O.

TELECOPIER TRANSMITTAL

Bethel L.I.O.
P.O. Box 886
Bethel, Alaska 99559

RAPICOM 200 - AUTOMATIC
543-2712

DELIVER TO: Senate Trans Comm.

FROM: Bethel LIO

DATE: 4-16-91 TIME: 1:43 pm

OPERATOR: Wally

INSTRUCTIONS: per Mr. Andrechuk

TOTAL NUMBER OF PAGES 1 (NOT INCLUDING COVER)



Alaska State Legislature

Please enter into the record my testimony to the SENATE TRANSPORTATION
 committee name
 committee on SCR22 , dated April 16, 1991
 bill/subject

TO THE MEMBERS OF THE SENATE TRANSPORTATION COMMITTEE:

I AM UNABLE TO ATTEND YOUR TELECONFERENCE ON SCR22 TODAY DUE TO A CONFLICTING MEETING. PLEASE ACCEPT THIS AS MY WRITTEN TESTIMONY.

WE SUPPORT SCR22 AND OPPOSE ALL PROPOSED INCREASES IN RENTS AND LANDING FEES AT RURAL AIRPORTS. DOT HAS NO TRANSPORTATION PLAN TO JUSTIFY ANY REVENUE INCREASES. WE ASK GOVERNOR HICKEL TO DIRECT THAT SUCH A PLAN BE COMPLETED BEFORE ASKING FOR ANY ADDITIONAL REVENUE FROM THE RURAL AIRPORT SYSTEM.

THANK YOU.

CINDY ANDRECHEK
 (RECEIVED OVER THE PHONE TO THE BETHEL L.I.O.)

Signed: _____

Testifier

 Representing (Optional)

PO BOX 976, BETHEL, ALASKA 99559

 Address

543-3280

 Phone No.



April 16, 1991

FAXed to (907) 465-3756
Original mailed

Senator Curt Menard, Chairman
Transportation Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

RE: SCR 22

Dear Senator ^{Curt} Menard:

I am writing to express the support of the City of Valdez for SCR 22, a resolution opposing establishing landing fees and increasing land use fees at rural Alaskan airports.

In Valdez, we work very closely with the State in operating our airport. A substantial increase in fees would increase the City's cost of operation in this key transportation area. Increased transportation costs in rural areas add another hurdle in developing our local economies. The City views the increased rates as counter-productive under the owner State concept of government assisting private and public economic development.

The City of Valdez leases office space to the Alaska Department of Transportation and Public Facilities in the City-owned airport terminal building for one dollar a year. This provision of a valuable facility at a nominal rate represents our recognition of the partnership we have with DOT/PF to provide dependable air service to Valdez. A partnership like this can adjust to reasonable fees and moderate increases. However, the fees and lease payment increases being proposed by the Hickel Administration are too much, too soon. If landing fees need to be imposed and land use fees increased to provide another source of revenue to the State, these charges should be imposed in a graduated manner to give rural communities time to budget and plan for these increased costs.

The City of Valdez believes that SCR 22 should be passed. The City will work with DOT/PF to assist it in efficiently providing service here in Valdez.

Thank you for your consideration.

Sincerely,


Doug Griffin
City Manager

DG:blp

cc: Senator Jalmar Kerttula
Mayor Lynn Chrystal

Representative Gene Kubina
City Councilmembers

Bering Air

Nome Airport
Box 1650
Nome, Alaska 99762
(907) 443-5464

(907) 443-5422 Accounting
443-5421 Maintenance
443-5919 FAX Machine

Senator Curt Menard
Chair, Transportation Committee
Alaska State Senate
Pouch V
Juneau, AK 99811

April 11, 1991

Dear Senator Menard:

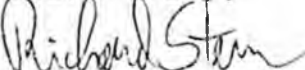
For the past several years, ADOTPF has considered various methods of increasing revenues to the state from the rural airport system. At statewide hearings, the public has overwhelmingly voiced their opposition to raising the costs for air transportation in rural Alaska. Every increase assessed on air carrier operations is eventually paid by the users of the air transport system....passengers, freight shippers, charter customers, and the U.S. Postal Service.

Two recently passed resolutions, SCR 22 and HCR 26, oppose establishing landing fees and increasing land lease fees at rural airports. An administration-sponsored bill to raise aviation fuel taxes by two cents per gallon has also been introduced. There is an immediate need to reassess the revenues necessary to fund the state transportation system. We urge you to direct DOTPF to complete a comprehensive statewide transportation plan prior to changing the existing rates. Until the revenue needs for statewide transportation are addressed, it is putting the proverbial cart before the horse to raise user fees.

The types and amounts of fees proposed for rural airports would significantly and adversely affect rural residents of the state. Rural Alaska does not have any other form of affordable transportation. Air transportation is the only practical means of getting around in rural Alaska.

In closing, we concur with Resolutions SCR 22 and HCR 26. We appreciate your interest in these issues and your support for the air transportation industry and the public interest.

Yours truly,


Richard Stern
General Manager



Cordova Electric Cooperative, Inc.

P.O. BOX 70 • CORDOVA, ALASKA 99574 • (907) 424-1555 • FAX (907) 424-1527

RESOLUTION 91-7

A RESOLUTION OPPOSING THE STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES INCREASING PROPERTY AND FACILITY RENTAL RATES AT RURAL AIRPORTS.

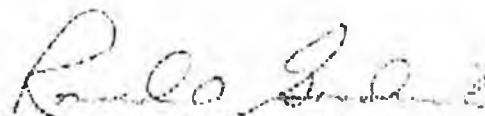
WHEREAS, The State of Alaska Legislature is considering implementing new landing fees, increased property and facility rental rates at rural airports in fiscal year 92 and,

WHEREAS, the increased rates would cost rural Alaskans more than \$1.0 million in the first year alone, making the cost of living and doing business in rural Alaska higher than it is now and,

WHEREAS, Cordova is among the rural cities listed that would be affected.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Cordova Electric Cooperative, Inc. opposes any increases proposed by the Department of Transportation and Public Facilities.

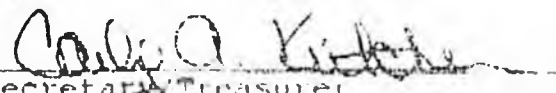
Adopted and approved this 22 day of April, 1991.



Ronald O. Goodrich, President
Board of Directors



ST:



Cheryl A. Kistner
Secretary/Treasurer



TELEPHONE
(907) 246-4224
FAX
(907) 246-6633

Bristol Bay Borough

BOX 189 • NAKNEK, ALASKA 99633

April 15, 1991

The Honorable Curt Menard
Chairman, Transportation Committee
Alaska Senate
Pouch V
Juneau, Alaska 99811

RE: RURAL AIRPORT FEES

Dear Senator Menard,

It has come to our attention that the administration is again considering implementing new landing fees and increased property and facility rental rates at rural airports in the next fiscal year.

Enclosed please find a copy of Resolution 90-11 of Bristol Bay Borough opposing any increase in rates at rural airports.

Sincerely,

A handwritten signature in cursive script, appearing to read "Fred W. Pike".

Fred W. Pike
Mayor

LANSTON CHINN
BOROUGH MANAGER



TELEPHONE
(907) 246-4224
FAX
(907) 246-6833

Bristol Bay Borough

BOX 189 • NAKNEK, ALASKA 99633

RESOLUTION NO. 90-11

A RESOLUTION CONCERNING A PROPOSED INCREASE IN RATES AT RURAL AIRPORTS.

WHEREAS, the State of Alaska, Department of Transportation and Public Facilities (D.O.T. & P.F.) has proposed updated landing fees and property rental rates; and,

WHEREAS, the new rates would go into effect as of November, 1990; and,

WHEREAS, the increase in fees would charge \$.70 per 1,000 pounds for certain aircraft (those which seat more than 30 passengers); and,

WHEREAS, twenty seven of the busiest rural airports throughout the State, including King Salmon would be impacted; and,

WHEREAS, the proposed increases would create a severe financial hardship to many communities, and,

WHEREAS, the current rising fuel costs means higher freight and passenger tariffs, and,

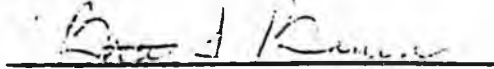
WHEREAS, the higher oil barrel price gives the State additional revenues for State airports.

NOW THEREFORE BE IT RESOLVED, that the Bristol Bay Borough is opposed to any further rate increases for rural airports.

FURTHERMORE BE IT RESOLVED, that copies of this Resolution be sent to: Statewide Leasing Coordinator, Department of Transportation and Public Facilities, Governor Steve Cowper and the Alaska Municipal League.

Passed and approved this 1st day of October, 1990.

ATTEST:


Borough Clerk


Mayor



4040 B Street • Anchorage, Alaska 99503 • (907) 562-1272

February 11, 1991

The Honorable Frank Turpin
Alaska Department of Transportation &
Public Facilities
P.O. Box Z
Juneau, Alaska 99811

Dear Commissioner Turpin,

The Alaska Air Carriers Association Board of Directors was quite dismayed to learn that in several presentations to the Legislature during the past week, you indicated an intent to implement lease rate increases at rural airports and to seek a \$.02/gallon aviation fuel tax increase. The combination of the two increases is to provide an additional \$5 million in rural airport receipts. At our meeting on January 10, we requested and you agreed that we would have an opportunity to meet with you regarding these proposals if you intended to implement or support them. Unfortunately, we were not afforded that opportunity.

First, let us reiterate our position that the amount of money you seek to raise in additional "user fees" is too high. Assuming an annual administration, maintenance and operation budget for rural airports of approximately \$13 million, these user fees would eliminate any operational "subsidy" to rural airports. While the Alaska Marine Highway System operates at a 50% subsidy and highways at a roughly similar level, rural airports should not be singled out in the FY92 budget for such a large increase in revenue receipts.

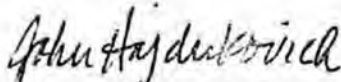
Second, while we have not seen anything in writing, we understand that you intend to increase rural airport lease rates by 30% the first year, and 10% in each successive year. We also understand that this may be done without additional public hearings. As communicated

previously, AACA believes that increased rural lease rates are not the best way to increase revenues as they tend to penalize carriers with capital investments at rural airports. A more appropriate "user fee" would be an airport facilities tax, similar to that being considered by AMHS to help pay for port terminal operations. A tax of perhaps \$1.00/passenger could be collected on each ticket segment sold for passengers to or from rural airports. The tax would appear as an additional line on each ticket and forwarded to State DOT/PF.¹ Airport users would know that this tax is intended to be used for rural airport operations, and would see it clearly identified as their cost of using rural airports. We also believe that you have the administrative authority to implement such a tax without legislation, if that is your intent.

With respect to the aviation fuel tax, AACA feels strongly that it is inappropriate to levy the tax while fuel prices are so high. Carriers are losing money and the State coffers are full because of the war related oil prices. We also object to the amount of the tax increase as indicated earlier on a philosophical basis. We feel it would be more appropriate to first establish a comprehensive transportation policy inclusive of air, land, and sea *before* dashing off to increase revenues targeting only one mode of transportation.

If key Hickel Administration objectives are to promote economic development and to cut the State budget in a way that does not eliminate direct services to Alaskans, we do not understand how your proposals to raise the cost of transportation or cut out service at rural airports are compatible.

Sincerely,



John Hajdukovich
President, AACA

cc: Senator Curt Menard Representative Eileen Maclean
 Senator Jay Kerttula Bruce Kendall, Legislative Liaison
 Representative Richard Foster

¹ This proposal, which was once offered by DOT/PF, differs from landing fees in that the passenger pays directly for the service. AACA does not advocate increasing the cost of rural airfares, but if you are determined to increase costs administratively, this approach is more equitable.



CITY OF KOTZEBUE
P.O. BOX 46 • KOTZEBUE, ALASKA 99752

April 19, 1991

City Hall
442-3401
Fax: 442-3742
Police Dept.
442-3351
Fire Dept.
442-3404
Public Works Dept.
442-3465
Fax: 442-3470
Planning Dept.
442-3401
Purchasing Dept.
442-3465
Building Inspector
442-3465
Recreation Center
442-3066

Senator Curt Menard
Chair, Transportation Commission
Alaska Senate
P. O. Box V
Juneau, AK 99811

Re: Rural Airport Rates and Fees Proposed to Increase
in FY92

Dear Senator Menard:

The City Council for the City of Kotzebue passed the attached Resolution 91-07 at its regularly scheduled Council Meeting on April 18, 1991.

This Resolution was passed to voice the opposition of the City of Kotzebue to the proposed increase of rural airport rates and fees in FY92. We would appreciate your continued support of our stand on this matter.

Sincerely,

Caleb Pungowiyi
City Manager

hpb/4:042
Attachment: Resolution 91-07

CITY OF KOTZEBUE

RESOLUTION 91-07

A RESOLUTION TO VOICE THE OPINION OF THE CITY OF KOTZEBUE ON THE PROPOSED INCREASE OF RURAL AIRPORT RATES AND FEES IN FY92.

WHEREAS: Frank Turpin, Commissioner of the Department of Transportation and Public Facilities, is considering implementing new landing fees and increase property and facility rental rates at rural airports in the next fiscal year; and

WHEREAS: It is estimated that the new and increased fees will cost rural Alaskans, which includes Kotzebue and the Northwest Arctic Borough, more than \$3.0 million in the first year alone; and

WHEREAS: The residents of Kotzebue and the Northwest Arctic Borough do not have alternative, subsidized forms of transportation; and

WHEREAS: The implementation of landing fees and the increase in property and facility rental rates at rural airports will also impact on all residents and businesses in rural Alaska, causing an increase in the cost of living and the cost of doing business.

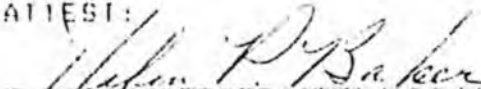
NOW THEREFORE BE IT RESOLVED, that the City of Kotzebue opposes the establishment of any landing fees or an increase in rates for land use at rural airports.

NOW THEREFORE BE IT FURTHER RESOLVED, that the Legislature oppose the establishment of any landing fees or any increase in rates for land use at rural airports until such time as a study is conducted to determine the impact of such actions.

Passed this 18th day of April, 1991

CITY OF KOTZEBUE:


Willie Goodwin, Jr.
Mayor

ATTEST:

Helen P. Baker, City Clerk



April 16, 1991

The Honorable Walter J. Hickel
Governor, State of Alaska
Pouch A
Juneau, AK 99811-0101

Dear Governor Hickel:

As an Alaskan, I appreciate what you are doing to trim the cost of government in our state. I can understand the need for cuts with rising costs and declining revenues.

We Alaskans, as individuals, are experiencing the same situation. There is a constant rise in cost of living and lower revenues. The rural Alaskans have been particularly hard hit. It seems that most cutbacks effect rural Alaskans, and most cost increases are shouldered by those same rural Alaskans.

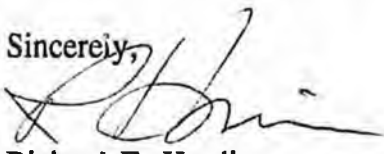
Recently several proposals have been considered to raise money to help maintain and improve state airports including landing fees, increased lease fees and additional gas taxes. Although these new costs are to be assessed on the air carriers, the burden is ultimately passed on to the passengers. The fees proposed would be a considerable financial encumbrance on rural Alaskans.

The new taxes and fees are supposed to be for airport maintenance and improvements but are destined for the general fund.

Before increasing rates and fees and adding taxes, I urge you to consider directing the DOTPF to develop a comprehensive statewide transportation plan. After developing a plan, determine the actual amount of revenue needed for each specific area. Then, take the necessary steps to accrue that revenue.

You, as the Governor of Alaska, have made some decisive moves and are doing an excellent job in regard to ANWR. I believe that you are also the person who can get a comprehensive statewide transportation plan started.

Sincerely,



Richard E. Harding
Director of Operations



April 20, 1991

Senator Curt Menard
P. O. Box V
Juneau, Ak. 99811

Dear Sen Menard:

Regarding the efforts of DOT to impose increased costs and additional fees on users of the State Airport system.

I must concur with the Alaska Air Carriers support of the resolution calling for a comprehensive study of the various financing methods for ALL public travel, land, sea, and air.

The aviation system users might be able to go along with whatever costs are deemed necessary to promote better service, but the relative cost to benefit should be the same whether it is the airports, ferry system, or highways.

It is absolutely essential that any special funds raised from a user group be dedicated to pay for the costs of serving that group.

In other words, I am totally opposed to any program that would generate special use taxes and then put the money into the general fund.

Thank you for taking the time to read this letter.

Very Truly yours

A handwritten signature in cursive script, appearing to read "Orin D. Seybert".

Orin D Seybert
President

CC: Rep Foster
AACA



April 20, 1991

Rep George Jacko
Sen Fred Zharoff
P. O. Box V
Juneau, Ak. 99811

Dear George & Fred:

I am sending this letter to you as my personal legislators, because I know you will help me and direct it to the appropriate committees or otherwise advise me as to how I can help this matter.

This is a request to help the financial solicitation of the Alaska Aviation Heritage Museum, for State assistance for this public facility.

I strongly feel the Museum has reached a point where it can provide a good positive impact in two areas: the attraction and enjoyment of the Alaskan tourism industry; and the focal point to record and preserve both the early Alaskan air travel history, as well as the impact of WWII on Alaskan history and aircraft.

If you were to go to Lake Hood and see how much has been accomplished already with so little, it is very impressive. There is the nucleus of priceless and irreplaceable aircraft, pictures, and exhibits already very well arranged and starting to attract substantial interest from the public.

It is apparent to me that with relatively little financial aid from the State to fix up the buildings and funds to acquire and restore aircraft, the returns to the citizens of Alaska would be great, probably even paying off any debt through admission fees.

Even if it doesn't pay off financially, maybe with some funds in the form of grants, the intangible returns would still be enormous. How and where else are future generations of Americans going to learn about flying in an open-cockpit Bi-plane on skis? Or how the B-24's bombed Kiska and Attu, and even Japanese soil from Adak?

I would even be agreeable to push for an increase in the Aviation fuel flowage tax, with the funds directed to the Museum. I think the Aviation industry in the State would be happy to help in the preservation and recording of our origins.

Mr. Ted Spencer is almost single-handedly responsible for getting the Museum as far as it has come to date. For the last ten or fifteen years this has been a personal obsession of his. He has inspired the other volunteers, they have all given much in personal time, whatever funds that could be obtained, and just plain begging and borrowing.

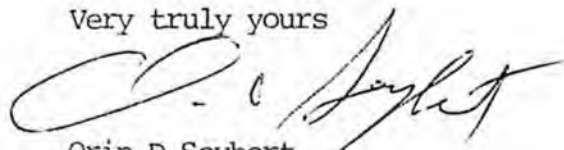
The point is, I am totally confident that whatever funds are obtained will be well used by Mr. Spencer, in a manner of maximum economy and value. He would not allow the Museum to become a bureaucratic waster of government funds.

So I would like to do whatever I can to aid in this effort. I would be happy to bring Mr. Spencer to Juneau to lobby or appear before a committee. Please advise as to what the best course of action might be..

I am also copying the Governor and chairmen of the Transportation Committees, although I am not sure that is the appropriate people.

Thank you very much for whatever help you may be able to give.

Very truly yours



Orin D Seybert
President

CC: Governor Walter Hickel
Sen. Menard
Rep Foster
Ted Spencer
Jim Kubitz

NORTHWEST STRATEGIES

April 15, 1991

Senator Curt Menard
Chair, Transportation Committee
Alaska Senate
Pouch V
Juneau, Alaska 99811
FAX 465-3756

Dear Senator Menard:

Please include my voice to those opposing establishing landing fees and increasing land use fees at rural airports in a number of rural communities. I support SCR 22 and HCR 26.

Northwest Strategies has a number of rural clients, ranging from local governments to native corporations. We know first hand how expensive it is to do business in rural Alaska.

These increases will only add to the economic burden of living in rural Alaska. I urge you to pass SCR 22 and send a clear message to the administration that the legislator will not balance the transportation budget on the backs of rural Alaskans.

It has been less than six months since DOT/PI² held public hearings around the state on this issue. The testimony was overwhelming against the proposed increases. And, as well as I can determine, the facts have not changed at all, but Commissioner Turpin has once again decided to try to balance the budget in this way.

I respectfully request that all testimony from the 1990 Rural Airport Rates & Fees Project Public Hearing Report be admitted into the record at the Senate Transportation Committee hearing.

Sincerely,


Kevin K. Bruce



NORTHWEST STRATEGIES

Fax Transmission Form

510 'L' Street, Suite 210
Anchorage, Alaska 99501

Telephone (907) 274-1007
Telefax (907) 258-3527

To Telefax Number 465-3756

To: Senator Curt Menard
Chair, Transportation Comm

From: Kevin Bruce
AWS

Date: _____

Pages transmitted including this cover: 2

Sent by: Lcl

IF ANY PROBLEMS IN RECEIVING, CALL (907) 274-1007

Senator Curt Menard
Chair Transportation Comm.
Alaska Senate
Pouch V
Juneau, AK 99811

Dear Senator Menard,

I recently learned of HCR 26 + SCR 22 opposing establishing landing fees & increased land use fees at rural airports here in Alaska, and wish to express my full support of this legislation.

Although I am new to the State, one of the areas that first caught my interest was that of rural Alaska. The isolation of the residents in the Bush & their ability to survive has impressed me greatly. Realizing that they must already be paying exorbitant prices for necessities, imposing further burdens seems totally irresponsible & unnecessary.

I hope that you will show strong support of these bills.

Sincerely,

Jina Moriso
A Concerned Alaskan



CHOGGIUNG LIMITED

VILLAGE CORPORATION

P.O. BOX 330

MAIN STREET

DILLINGHAM, ALASKA

99576

PHONE: (907) 842-5218

FAX: (907) 842-5462

April 4, 1991

Senator Curt Menard
Chair, Transportation Committee
Alaska Senate
P O Box V
Juneau, Alaska 99811

Dear Senator Menard:

Choggiung Limited, the Dillingham Native Village Corporation, is concerned about the attempt to levy landing fees at the rural airports in the state. Air transportation is our principal tie with the state and the rest of the world. Costs of transportation to the bush of Alaska is already expensive and in some cases prohibitive. When you can fly to Seattle for less than it costs to fly to Dillingham from Anchorage, adding more costs to air transportation to the bush may be the straw that breaks the back of many consumers.

We urge you to support Senate Resolution 22 opposing a fee charge for landing fees in rural Alaska.

Sincerely,

William Tennyson
President

cc: Senator Zharoff
Representative Richard Foster
Representative George Jacko



YUKON FLATS SCHOOL DISTRICT

P.O. Box 359
Fort Yukon, Alaska 99740
Phone: (907) 662-2515

April 4, 1991

The Honorable Curt Menard
House of Representatives
P.O. Box V
Juneau, Alaska 99811

ARCTIC VILLAGE
99722

BEAVER
99724

BIRCH CREEK VILLAGE
99740

CENTRAL
99730

CHALKYITSIK
99708

CIRCLE
99733

FORT YUKON
99740

NORTHERN LIGHTS
99701

RAMPART
99787

STEVENS VILLAGE
99774

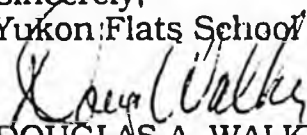
VENETIE
99781

Dear Representative Menard:

As you know Rural Alaska already face excessive costs on food, transportation and fuel. To increase these expenses through Airport User Fees is unreasonable and unacceptable. Even though airports in our region are not currently affected, the foot in the door would ultimately lead to all airports.

Please consider other alternatives to this user fee proposal.

Thank you for your consideration.

Sincerely,
Yukon Flats School District

DOUGLAS A. WALKER
SUPERINTENDENT OF SCHOOLS

cc: Georgianna Lincoln

CITY OF PORT HEIDEN
P.O. Box 49050
Port Heiden, Alaska 99549
(907) 837-2209 (telephone)
(907) 837-2248 (fax)

FAX COVER SHEET

DATE: April 15, 1991

FAX #: 465-3756

PHONE: 465-2679

THIS FAX DIRECTED TO: THE HONORABLE CUET MENARD

COMPANY: Chaire Transportation Comm

DEPARTMENT:

RE:

NUMBER OF PAGES (including cover sheet): 2

SPECIAL INSTRUCTIONS:

FAX SENT BY: Lynn Caelson, City of Port Heiden

PHONE: (907) 837-2209

FAX: (907) 837-2248

CITY OF PORT HEIDEN

Resolution 91-05

- Whereas, Transportation in rural Alaska is primarily provided through a network of small regional facilities that are used by air carriers to supply reliable, safe and regular transportation services, and;
- Whereas, transportation in other parts of Alaska is provided through a surface system of road, marine and rail transportation operated and maintained by the State of Alaska, and;
- Whereas, the Department of Transportation and Public Facilities held statewide public hearings that resulted in testimony overwhelming opposing establishment of any landing fees at rural airports, and;
- Whereas, an increase in the use fees for rural airports would significantly and adversely affect the residents of Alaska who do not have alternative, subsidized forms of transportation, and;
- Whereas, the Department of Transportation and Public facilities has not completed a state transportation plan which could serve as a framework for discussion of any revenue recommendations;

Therefore, be it resolved that:

The Alaska Legislature opposes establishment of any landing fees or an increase in rates for land use at rural airports in Alaska, and;

Further resolves that;

The Department of Transportation and Public Facilities should complete a state transportation plan and report back to the Eighteenth Alaska Legislature on alternative methods of raising revenue.

Passed and Approved by a duly constituted quorum on the City of Port Heiden this ____ day of April, 1991.

Signed: Henry West
Mayor

Attest: Lynn Carlson
Clerk

April 15, 1991

Senator Curt Menard
Chair, Transportation Comm
Alaska Senate
Pouch V
Juneau, AK 99811

Dear Senator Menard,

I am writing you in reference to the proposed increase of rural airport rates + fees. I am strongly opposed to new landing fees + increased land use fees at these airports. Being a lifetime Alaskan, born in Homer + raised in Kenai, I am aware of the importance of air travel in the rural communities.

There are many times when goods + supplies that are urgently needed cannot be found in the small communities, + the new landing fees would only discourage these communities from getting their supplies.

I feel this proposal will do nothing but hurt the economy of the rural areas + I fail to see who is going to benefit from this.

Sincerely, Irina Hallinen

SENATE CONCURRENT RESOLUTION NO. 22
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATORS RODEY, Fahrenkamp, Duncan, Zharoff, Eliason, Halford, Uehling, Pearce, Collins, Jones,
 Sturgulewski, Frank, Menard, Kerttula, Fischer, Hoffman, Shultz, Adams

Introduced: 3/27/91
 Referred: Transportation

A RESOLUTION

1 Relating to the state transportation system.

2 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **WHEREAS** transportation in rural parts of the state is primarily provided through a network of
 4 small regional airport facilities that are used by air carriers to supply reliable, safe, and regular
 5 transportation services; and

6 **WHEREAS** transportation in other parts of the state is provided through a surface system of
 7 road, marine, and rail transportation operated and maintained by the state; and

8 **WHEREAS** the state Department of Transportation and Public Facilities is considering
 9 establishing landing fees and increasing land use fees at rural airports but, at department hearings on the
 10 subject, the testimony was overwhelmingly against these changes; and

11 **WHEREAS** increasing the types and amounts of fees at rural airports would significantly and
 12 adversely affect the residents of the state who do not have alternative, subsidized forms of transportation;
 13 and

14 **WHEREAS** the Department of Transportation and Public Facilities has not completed a state
 15 transportation plan that could serve as a framework for discussing revenue-raising recommendations that
 16 involve the state transportation system;

April 15, 1991

Sen. Curt Merzard, Chair
Transportation Committee
Alaska Senate

Dear Senator Merzard:

I am writing to express my strong support of HCR 26 & SCR 22, opposing new landing fees and increased land use fees at rural airports.

Through my years as reporter and editor, first at Alaska Industry Magazine, then ALASKA Magazine, I have traveled extensively in the Bush and written extensively about the rural areas. I know first hand how dependent these places are on their airports. Most recently, I was editor of the 1990 Alaska Wilderness Digest, and I was in contact with every Bush village in the state. Permeating every facet of rural life is their dependence, absolute dependence on these air transportation links with the rest of the world.

To jeopardize those links by imposing landing fees & increased land use fees is unconscionable. The economies in these villages are so fragile & the unemployment rates so high. These fees would be a terrible blow to the areas & economies least able to ^{absorb} it.

Please do what you can to kill these punitive fees.
Thank you.

Virginia Postlemy, 1526 F St. Anchorage



CITY OF SAINT PAUL

POUCH 1
SAINT PAUL ISLAND ALASKA
99860
(907) 546-2331
Telecopy (907) 546-2365

IN REPLY
REFER TO

March 28, 1991

Senator Curt Menard
Chair, Transportation Committee
Alaska Senate
P.O. Box V
Juneau, AK 99811

Dear Senator:

On behalf of the City of Saint Paul, I would like to officially express our disagreement with the intent to raise rural airport rates and fees. The economic impact to St. Paul would be substantial. We cannot afford increased rates on any of our transportation systems -- it is already expensive to live, work and do business on St. Paul. Living on an island, we have only two modes of transportation, and our air carriers are the major link with the rest of the world, both for people and freight.

We are currently experiencing economic hardships due to the delayed "start-up" of our port and fishery related industries. Increased airport rates would only further hamper our prospects.

I adamantly request that you postpone consideration of any increase in rates or establishment of any landing fees at rural airports until the State transportation plan has been examined and alternative methods of raising revenue can be examined.

Sincerely,

Ilarion P. Mercurieff
City Manager



CITY OF SAINT PAUL

POUCH 1
SAINT PAUL ISLAND, ALASKA
99880
(907) 546-2331
Telecopy (907) 546-2395

IN REPLY
REFER TO.

April 11, 1991

Senator Curt Menard
Chair, Transportation Comm.
Alaska Senate
Pouch V
Juneau, AK 99811

Dear Senator:

We are in full support of Senate Concurrent Resolution No. 22 which opposes rate increases at rural airports, of which the airport here at St. Paul Island would be affected.

Thank you for this opportunity to comment. Please keep us informed on this important issue.

Sincerely:


Larry Mercurieff, City Manager



April 2, 1991

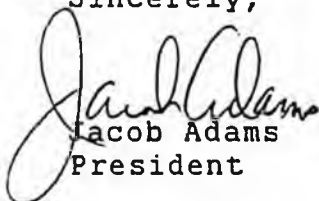
Senator Curt Menard
Chair, Transportation Comm.
Alaska Senate
P.O. Box V
Juneau, Alaska 99811

Dear Senator Menard:

The Arctic Slope Regional Corporation, headquartered in Barrow, strongly opposes the proposed increases of Rural Airport Rates and Fees. This proposed action will greatly increase the cost of living which is already beyond the reach of many rural residents.

Your attention and opposition to this ill-advised proposal would be greatly appreciated by those of us that rely on air transportation as a mean of supplementing our subsistence way of life, that is to bring in much needed medical and life support supplies.

Sincerely,



Jacob Adams
President

cc: Senator Al Adams
Representative Eileen MacLean
Grant Thompson, Manager, Cape Smythe



April 3, 1991

Senator Curt Menard
Chair, Transportation Committee
Alaska Senate
PO Box 5
Juneau, Alaska 99811

Re: Proposed Increase of Rural Airport Rates and Fees

Dear Senator Menard:

It is my understanding that the Hickel administration is considering increasing landing fees and rental rates at several of the rural airports in FY 1992.

The Aleut Corporation is opposed to such an increase as it will unfairly raise the cost of living to those rural Alaskans who already pay more for their goods and services.

Thank you for your consideration.

Yours truly,

Alice Petrivelli
President
The Aleut Corporation

NANA REGIONAL CORPORATION, INC.

POST OFFICE BOX 49 / KOTZEBUE, ALASKA 99752 / TELEPHONE (907) 442-3301



April 2, 1991

Senator Curt Menard
Chair, Transportation Comm.
Alaska Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Menard:

It is somewhat bewildering for the Commissioner of the Department of Transportation and Public Facilities, Frank Turpin, to consider implementing new landing fees and increase property and facility rental rates at rural airports in FY92; despite public testimony that overwhelmingly spoke against it during the statewide hearings last September. Originally proposed as a means of covering part of a \$6.0 million shortfall in the DOT/PF budget, the new and increased fees were the subject of considerable negative testimony and comment. Plans to implement them were shelved in late September at the request of the Legislative Budget and Audit Committee.

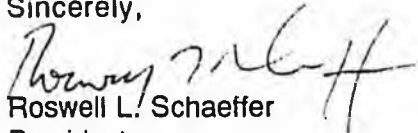
The transportation in the NANA Region is primarily provided through a network of small village airport facilities that are used by the carriers to supply reliable, safe, and regular transportation services; while transportation in other parts of the state is provided through a surface system of road, marine, and rail transportation operated and maintained by the state. The new and increased fees will cost rural Alaskans more than \$3.0 million in the first year alone and the proposed increases will apply only to rural airports, making the cost of living and doing business in rural Alaska even higher than it is now.

Because the transportation system in other parts of Alaska, including Alaska Railroad, surface highways, and marine highway, is subsidized in part by the State, the actual cost of transporting people and cargo is more equitable.

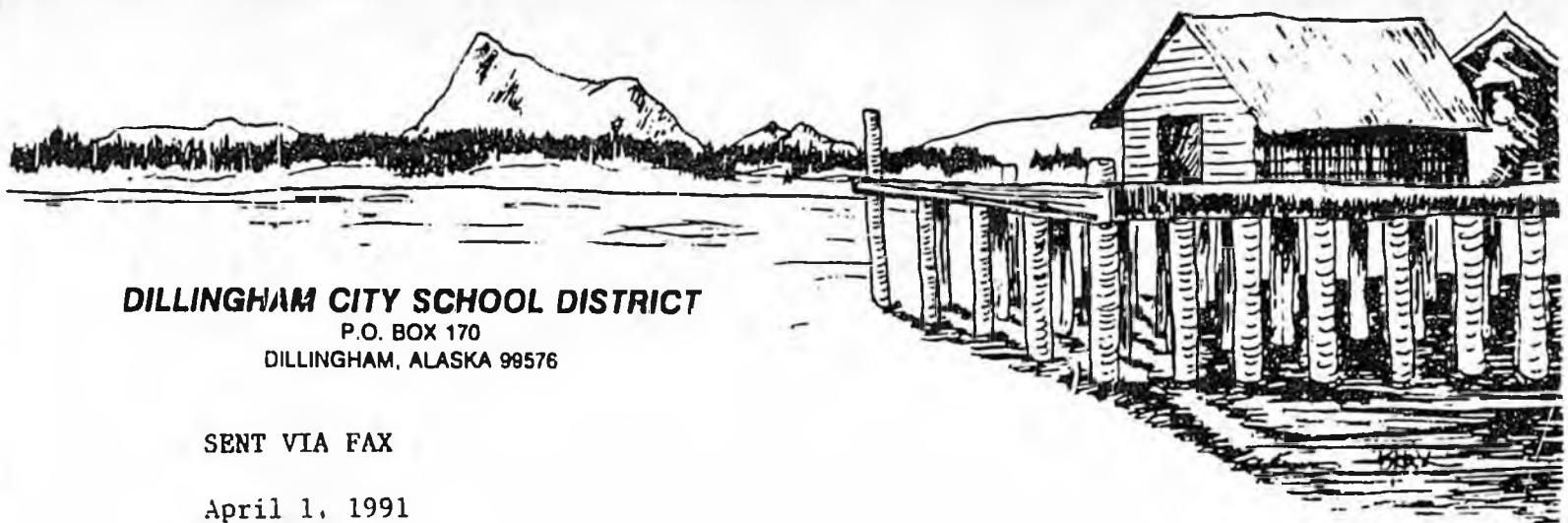
We are asking that before DOT/PF establishes landing fees and increasing land use fees at rural airports in the state; they complete a state transportation plan that could serve as a framework for discussing revenue-raising recommendations that involve the state transportation system. There are better means in which DOT/PF can get everyone involved with the process, rather than going against the testimony and hearings they had last fall.

Thank you and please do not hesitate to contact me if you need more information!

Sincerely,


Roswell L. Schaeffer
President





DILLINGHAM CITY SCHOOL DISTRICT

P.O. BOX 170
DILLINGHAM, ALASKA 99576

SENT VIA FAX

April 1, 1991

✓ Senator Curt Menard
Alaska State Legislature
P. O. Box V (MS 3100)
Juneau, Alaska 99811

Representative Richard Foster
Alaska State Legislature
P. O. Box V (MS 3100)
Juneau, Alaska 99811

Dear Senator Menard and Representative Foster:

This is to express our opposition to increasing rural airport rates and fees. The cost of doing business is already disproportionately high in Dillingham. This is due mainly because of our almost total reliance on air transportation. It seems grossly unfair to balance the DOT/PF's budget on the backs of Alaska's rural population.

We would greatly appreciate anything you can do not only to halt this thrust, but to implement new policies that could actually reduce the cost of living in our area.

Sincerely,

Don Renfroe
Superintendent

DR:sg

2:1Apr.91