

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8325

SENATE JUDICIARY

SJR

13

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. SJR 13

Revision Date: _____ Dept. Affected: Revenue
 Title: Resolution Supporting the Lifting of the ANS Export Ban BRU: Revenue Operations
 Component: Oil & Gas Audit
 Sponsor: Sen. Ellis
 Requestor: Sen. Ellis COMPONENT SERIAL NO. 115

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ 0.00

ANALYSIS: (Attach a separate page if necessary)
 *The resolution carries no operating budget fiscal impact. Should the export ban on ANS crude be lifted revenues to the State will increase by an estimated \$185,000,000 per year. See attached for further explanation.

Prepared by: Chuck Logsdon Phone: 276-1363
 Division: Oil & Gas Audit Division Date: March 2, 1992
 Approved by Commissioner: Darrel J. Rexwinkel Date: March 2, 1993
 Agency: Revenue

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Lifting the ANS export ban would enhance the value of ANS production thereby increasing State revenues and making petroleum exploration and development on Alaska's North Slope economically more attractive.

The increase in ANS production value would result from two sources:

1. Reduced transportation costs (transportation costs are a deduction against value in determining Alaska severance tax and royalties) since Alaska is closer to Asia than to the U.S. Gulf Coast where 15% to 20% of ANS production is sold.
2. Sales to the Far East market would increase the West Coast price of ANS to world levels as foreign refiners would bid against West Coast refiners to acquire ANS.

The Alaska Department of Revenue has estimated that lifting the export ban on ANS would increase state revenues by roughly \$185 million per year. It is further estimated that lifting the export ban would increase ANS production by roughly 110 million barrels between 1993 and 2000.

SJR 13:

"A resolution requesting the Congress of the United States to pass legislation to permit the export of Alaska crude oil."

The Department of Commerce and Economic Development fully supports SJR 13. Charges for the shipping of Alaska crude oil to Gulf Coast destinations negatively impact the long term stability on the industry in the state. These shipping charges have direct negative effects on the production royalties paid to the government of Alaska.

Finally, since the price of the delivered product to the producer ultimately controls the fate of the industry; higher shipping charges do have long term negative effects on the Alaska oil industry. The ability to export Alaska crude oil, specifically north slope crude, would lengthen the producing fields lives and facilitate smaller more dispersed fields into production.

SJR 13 accurately reports these conditions and situations. However, since this resolution was drafted prior to President Clinton taking office page 2, line 19 and lines 30- 32 should be updated to accurately reflect the current administration.


Paul Fuhs, Commissioner

Date: 3-29-93

103D CONGRESS
1ST SESSION

H. R. 543

To remove the restrictions on the export of Alaskan North Slope oil.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 1993

Mr. THOMAS of California (for himself, Mr. DOOLITTLE, Mr. DOOLEY, Mr. ARCHER, Mr. GALLEGLY, and Mr. ZIMMER) introduced the following bill; which was referred jointly to the Committees on Foreign Affairs, Energy and Commerce, and Interior and Insular Affairs

A BILL

To remove the restrictions on the export of Alaskan North Slope oil.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXPORT ADMINISTRATION ACT AMENDMENT.**

4 Section 7(d) of the Export Administration Act of
5 1979 (50 U.S.C. 2406(d)) is hereby repealed.

6 **SEC. 2. OTHER PROVISIONS OF LAW.**

7 The export of domestically produced crude oil trans-
8 ported by pipeline over right-of-way granted pursuant to
9 section 203 of the Trans-Alaska Pipeline Authorization
10 Act (43 U.S.C. 1652) shall not be subject to the restric-

1 tions contained in section 28(u) of the Mineral Leasing
2 Act of 1920 (30 U.S.C. 185), section 103 of the Energy
3 Policy and Conservation Act (42 U.S.C. 6212), section 28
4 of the Outer Continental Shelf Lands Act (43 U.S.C.
5 1354), or section 7430(e) of title 10, United States Code,
6 or any regulations issued under any such provision of law.

O

Mar. 19, 1993

The Anchorage Times

Publisher: BILL J. ALLEN

"Believing in Alaskans, putting Alaska first"

Editors: DENNIS FRADLEY, PAUL JENKINS, WILLIAM J. TOBIN

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Serving notice

AS IT HAS every few years since 1974, Congress last week renewed the ban on the export of Alaska North Slope crude oil as part of the reauthorization of the Export Administration Act.

The ban was a bad law when Congress wrote it almost 20 years ago. It is bad law today.

Rather than engaging in an exercise in futility, Alaska's three-member congressional delegation did not attempt a showdown vote to delete the prohibition. Our representatives knew better.

During the Reagan and Bush administrations, when there was support from the White House for lifting the prohibition, there were still insufficient votes in Congress to overcome the influence of the maritime lobby, which champions the ban. With the new president yet to take a strong position on the issue, there was no chance this year of finding enough votes to remove it.

However Sen. Frank Murkowski served notice that he intends to seek an exemption to allow export of a portion of the oil. Before the Export Administration Act comes up for renewal again in June 1994, he wants the Senate to hold hearings on a proposal to allow this state to export its royalty share of oil from the Slope.

THE PLAN might serve to draw national attention to the damaging consequences of the export ban to Alaska's and California's economies, and to the nation's energy security. It could result in lifting the ban altogether.

Few realize that as a result of the oil export ban, the market value of domestic oil on the West Coast has been depressed for some time. Oil produced in Alaska and in California sells for about \$1 less per barrel than it would if it were free to compete on the world market.

That would amount to something like \$12 billion lost for oil production in the two states over the last 18 years.

If the ban were lifted, and the value of oil production allowed to increase, there would be an incentive for the oil industry to increase exploration and production in both Alaska and California. National energy security would be improved as a result of more domestic production capability.

Exporting Alaska oil would also help offset the U.S. trade deficit with Pacific Rim nations.

A SENATE hearing on Alaska's request to export its royalty oil could help bring these points to the public's attention. Sen. Murkowski should follow through on his plan.

At the same time, the governor must continue to push forward with his lawsuit against the federal government. Not only is the ban bad law, it's unconstitutional.

If Congress can't be persuaded to see that, the U.S. Supreme Court may order it to do so.



BUSINESS

ANCHORAGE DAILY NEWS

SECTION C

Earnings jump 67 percent

California starts exports; is Alaska next?

Los Angeles Daily News

LOS ANGELES — California oil producers can start exporting their crude to Asia this month for the first time in almost two decades.

Exporting domestic oil largely is banned by the federal government as a hedge against embargoes such as the one imposed by Arab countries in the early 1970s. This position was relaxed somewhat in late October when President Bush issued a memorandum that permits the export of up to 25,000 barrels daily of heavy California crude.

While there won't be a rush of domestic oil to foreign shores, the decision could pump some cash into California's independent oil industry. Federal officials estimate that if 25,000 barrels of crude oil were exported daily, it would be equal to about \$138 million a year in export sales.

But Tom Hunt, executive vice president of the California Independent Petroleum Association, says that the president's action is not going to create a windfall for state oil producers.

"You're talking about a very ugly crude and it has a

very limited refining capacity throughout the world," Hunt said. "California built itself around this type of crude so we have the type of refineries to take it on. But 25,000 barrels per day is a good start to establish your marketplace."

What Hunt's group would really like to see is an easing of the ban on crude oil from Alaska's North Slope oil fields. And allowing the export of California crude is being viewed as a step in this direction.

Alaska crude is a lighter

Please see Page C-6, EXPORTS

Petroleum Co. ...
ent increase in ...
Thursday.

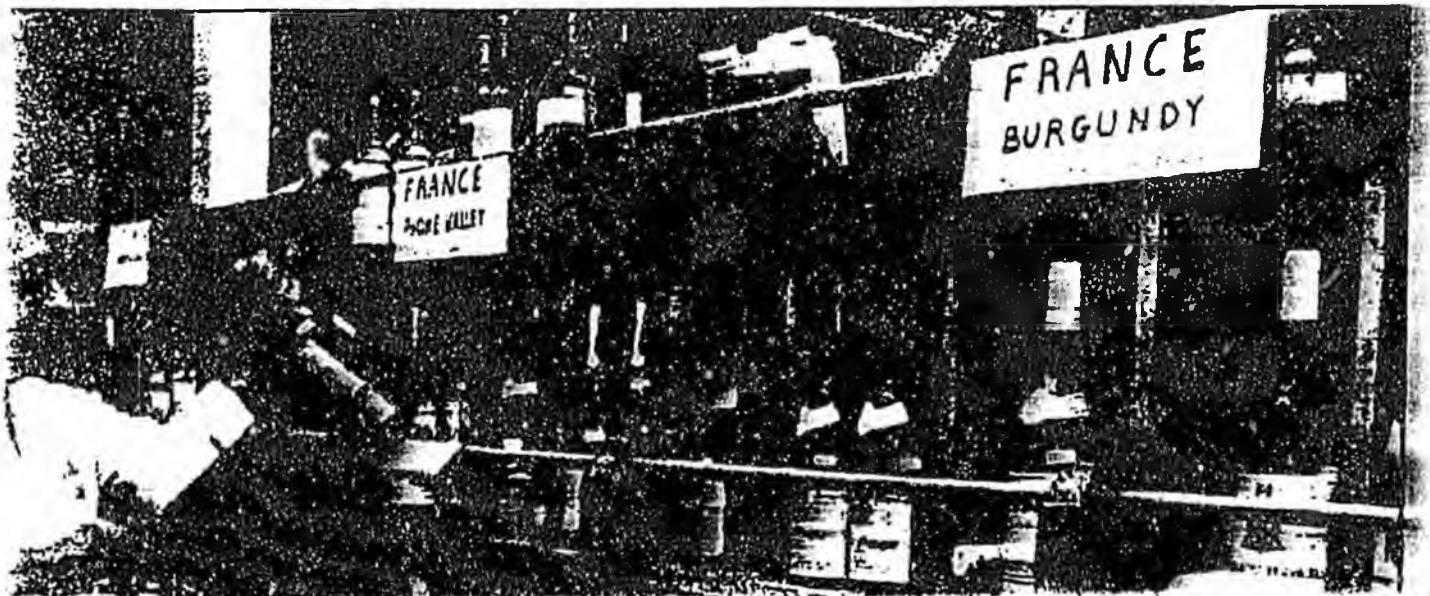
ducer in Alaska ...
Bay, the largest

company earned ...
\$4.48 billion. In ...
the company ...
sales of \$13.35

pository Receipt, ...
to buy shares ...
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exploration and ...
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agings largely ...
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THE LAST OF THE CHEAP WHITE WINE



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EXPORTS: California able to start shipping oil

Continued from Page C-1

oil — it's what Atlantic Richfield Co. refines its gasoline from — so the market potential is greater.

"We're building a case in Washington and California about this arcane law," Hunt said of the Alaska crude ban. "It's a law that certainly outlived whatever usefulness it might have had."

Hunt estimates that about 1.7 million barrels of Alaska crude flow into California each day, much more than the 1.1 million barrels the state consumes. "It just drowns California in crude," he said.

This influx of Alaska crude and oil from fields off the Santa Barbara, Calif., coast have kept prices for California crude depressed, Hunt said.

He's got an ally in Alaska. Attorney General Charlie

Cole, who earlier this year sued the federal government over the export ban.

When Alaska became a state it was granted mineral rights to 103 million acres and was to use the proceeds from the oil sales to finance government services. The export ban scotched this plan.

"We no more got under way making those lands productive to support civil government when the federal government said, 'Oh, by the way, we're going to restrict how you are going to deal with those resources,'" Cole said.

California crude fetches about \$13.75 a barrel at the wellhead, but it will cost about \$16 a barrel when shipping costs are added in, making the low-quality oil rather expensive. Alaska crude delivered to the West Coast costs about \$17.30 a barrel, but \$18.50 if it's shipped the Gulf Coast.



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Anchorage
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FM 91.1

Listen Saturday mornings at 10:00

Underwriting provided by Jack White Company

ings jump 67 percent

California starts exports; is Alaska next?

Los Angeles Daily News

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FISCAL NOTE

No. 1

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: SSR 13

BI (S) Publish Date: 4-5-93

Revision Date: _____ Dept. Affected: Revenue
 Title: Resolution Supporting the Lifting of the ANS Export Ban BRU: Revenue Operations
 Component: Oil & Gas Audit
 Sponsor: Sen. Ellis
 Requestor: Sen. Ellis COMPONENT SERIAL NO. 115

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
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Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ 0.00

ANALYSIS: (Attach a separate page if necessary)

*The resolution carries no operating budget fiscal impact. Should the export ban on ANS crude be lifted revenues to the State will increase by an estimated \$185,000,000 per year. See attached for further explanation.

Changes in SSR 13 (RES) have no fiscal impact. This fiscal note is appropriate.

4.5.93 date SSS Comte Aide (initial)

Prepared by: Chuck Logsdon Phone: 276-1363
 Division: Oil & Gas Audit Division Date: March 2, 1992
 Approved by Commissioner: Darrel J. Rexwinkel Date: March 2, 1993
 Agency: Revenue

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JOHNNY ELLIS
SENATOR




STATE CAPITOL, ROOM 9
JUNEAU, ALASKA 99801-1182
(907) 465-3704
FAX: (907) 465-2529

ALASKA STATE LEGISLATURE
SENATE

MEMORANDUM

TO: Senator Robin Taylor, Chair
Senate Judiciary Committee

FROM: Senator Johnny Ellis 

DATE: April 7, 1993

RE: Scheduling SJR 13: Export of Alaska Oil

I respectfully request that you schedule SJR 13 for a hearing in the Senate Resources Committee at your earliest convenience.

SJR 13 urges Congress to lift the ban on the export of Alaskan crude oil, which would increase domestic oil production and create jobs for Alaskans.

You will find all of the appropriate back-up materials attached. I urge your support of this measure.

Thank you for your consideration.

JOHNNY ELLIS
SENATOR



STATE CAPITOL, ROOM 9
JUNEAU, ALASKA 99801-1182
(907) 465-3704
FAX: (907) 465-2529

ALASKA STATE LEGISLATURE
SENATE

Sponsor Statement for
CSSJR 13 (RES)
Requesting Congress to Lift the Ban on the Export of
Alaska Crude Oil

CSSJR 13 (RES) endorses HR 543, federal legislation removing restraints on the exportation of Alaska North Slope crude oil.

Lifting the export ban will enhance the economic vitality and security of Alaska. Exporting Alaska North Slope crude oil will encourage and facilitate further oil exploration in Alaska and other states, creating a greater degree of national energy self-sufficiency.

Due to the high transportation costs associated with shipping Alaska North Slope crude oil to Gulf Coast states and the Panama Canal, the wellhead price of oil is reduced. Since Alaska oil cannot be exported, it is sold at a discount price on the West Coast to be price competitive with California crude. This surplus of oil depresses the value of Alaska and California oil, and subsequently has a negative impact on the economies in both states. Lifting the ban would alleviate this surplus, raise the barrel prices of all oil, and increase State revenues.

At a conservative estimate, Alaska would gain from billions of dollars in added revenue and economic benefits. Exporting oil would foster more oil exploration and development by making ventures deemed economically risky under current production values more lucrative. Oil export would also help to offset the United States' trade deficit.

The potential vulnerability of the United States to embargoes - which led to the imposition of the ban - has been greatly mitigated. President Bush lifted the ban on California oil exporting, proving that national security and scarcity of domestic oil no longer outweigh potential economic gains. HR 543 directs Congress to remove the restrictions on exporting Alaskan North Slope oil.

I urge you to support SSSJR 13. Lifting the ban on exporting oil is critical to the future economic security of our state.

SENATE COMMITTEE REPORT

DATE: 4/5/93

FURTHER:

DATE TURNED INTO OFFICE: _____

JUDICIARY Committee considered SENATE JOINT RESOLUTION NO. 13

Requesting the Congress of the United States to pass legislation to permit the export of Alaska crude oil.

and recommends:

- replace with _____ CS Joint Resolution 13 (JRD)
- or adopt previous _____ CS _____
- attaches amendment(s)

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

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
REV		0	

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS.

Suzanne R. Little
Arbria L. Taylor
Debra D. Douley

OTHER RECOMMENDATIONS:

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

JK

DATE: 1/11/93

FURTHER: JUDICIARY

Date of 5-Day Notice: 3.25.93
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4.5.93

RESOURCES Committee considered SENATE JOINT RESOLUTION NO. 13

Requesting the Congress of the United States to pass legislation to permit the export of Alaska crude oil.

and recommends: and a majority of the committee recommends it be replaced with

replace with _____ CS SJR 13 (RES)

attaches amendment(s) _____ and do pass

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

same title
 new title
 technical title change (HB only)

Φ/Σ

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
REV	4/5/93	✓	

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (ente: information above)

DO PASS:

James Keenan Pea
Steven J. Lemmon Lem
Walter Bourley Don

OTHER RECOMMENDATIONS:

Mike Miller Do Pass

Chair: Signature and Recommendation

**ALASKA STATE LEGISLATURE
SENATE JOINT RESOLUTION NO. 13**

HISTORY IN THE SENATE

1993
1/11
4/5

Read first time and referred to:
RES JUD

RPT () CS 4 DP NR DNP AM
 New Title Same Title Previous FN
 FN OFN To Jud

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

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

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

Read second time

 CS Adopted () New Title
 Amended Advanced

Read third time

 Letter of Intent adopted
 Return to second for specific amendment

PASSED	EFD Same <u> </u> or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration
 Reconsideration not taken up

PASSED	EFD Same <u> </u> or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed
 Signed by President, to House

Secretary of the Senate

HISTORY IN THE HOUSE

19

Read first time and referred to:

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

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

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

Read second time
 CS () Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED	EFD Same <u> </u> or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

 Intent adopted

Reconsideration
 Reconsideration not taken up

PASSED ON RECON.	EFD Same <u> </u> or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

 Intent adopted

Reported correctly engrossed, signed by the Speaker
 and returned to the Senate

Chief Clerk of the House

8-LS0308K
Chenoweth
1/20/94

CS FOR SENATE JOINT RESOLUTION NO. 13(^{54D})
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS ELLIS, Kelly, Rieger, Frank, Leman, Donley

A RESOLUTION

1 Opposing the ban on the export of Alaska North Slope crude oil, endorsing HR
2 543, legislation removing restraints on the export of Alaska North Slope oil,
3 requesting the Congress of the United States to pass legislation to permit the
4 export of Alaska North Slope crude oil, and requesting the President of the
5 United States to present to the United States Congress a recommendation to lift
6 the ban on the export of Alaska North Slope crude oil.

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

8 WHEREAS 50 U.S.C.S. Appx. 2406(d) (sec. 7(d), Export Administration Act of 1979)
9 prohibits, with tightly restrictive exceptions, the export of domestically produced crude oil
10 transported by pipeline over the right-of-way granted by 43 U.S.C. 1652 (sec. 203 of the
11 Trans-Alaska Pipeline Authorization Act); and

12 WHEREAS the limitation on export of Alaska North Slope crude oil effectively limits
13 its sale to the domestic American market; and

14 WHEREAS the higher transportation cost associated with shipping Alaska North Slope
15 crude oil through the Panama Canal to the Gulf Coast states reduces the wellhead price of the

1 oil; and

2 **WHEREAS** lower wellhead prices raise the economic threshold for exploring for and
3 producing all North Slope oil and, as a result, production from certain existing and newly
4 discovered oil fields is currently uneconomic; and

5 **WHEREAS** the export ban singles out Alaska to pay its costs, penalizing the state and
6 the North Slope producers, which pay 85 percent of the taxes collected by the state; and

7 **WHEREAS** the current export ban reduces the value of crude oil production in the
8 state by an estimated \$1,000,000,000 per year, or about \$1.10 per barrel; and

9 **WHEREAS** Alaska North Slope crude oil required to be transported and delivered for
10 sale in the domestic market incurs approximately \$2.70 per barrel in higher transportation
11 charges than if the oil could be exported in international tankers to Pacific Rim countries; and

12 **WHEREAS** domestic exploration and development of newly discovered oil reserves
13 will enhance the nation's energy and economic security; and

14 **WHEREAS** the foreign export of Alaska North Slope crude oil will provide an
15 incentive for further domestic oil exploration and development; and

16 **WHEREAS** new discoveries and production resulting from increased domestic
17 exploration will facilitate the development of infrastructure and production facilities needed
18 to produce currently uneconomic Alaska North Slope reserves and, thus, lower the average
19 development costs of all Alaska North Slope production; and

20 **WHEREAS** exporting oil to Pacific Rim nations will decrease the substantial trade
21 deficit with nations that have expressed a strong interest in purchasing Alaska produced oil,
22 as evidenced by the sale under a United States Department of Commerce export license of
23 Alaska Cook Inlet oil to a Taiwanese company; and

24 **WHEREAS** Canada, Mexico, and Venezuela, among other neighboring countries in
25 this hemisphere, may provide stable, secure exports of crude oil to the United States at more
26 competitive prices than Alaska North Slope crude oil because of the transportation savings;
27 and

28 **WHEREAS** the additional cost of shipping Alaska North Slope crude oil to the Gulf
29 Coast and eastern states imposes an unnecessary burden on those states, reduces federal and
30 state tax revenue, reduces state royalties, and discourages exploration and development of
31 North Slope reserves; and

32 **WHEREAS** U.S. Secretary of Energy Hazel O'Leary has included a recommendation

1 to lift the ban on the export of Alaska North Slope oil as part of her Domestic Energy
2 Initiative; and

3 **WHEREAS** during his term as president, President George Bush had lifted the ban
4 on the export of oil produced in the State of California; and

5 **WHEREAS** the amended Export Administration Act authorizes the President of the
6 United States to recommend, and the Congress to approve by adoption of a joint resolution,
7 export of Alaska North Slope crude oil;

8 **BE IT RESOLVED** that the Alaska State Legislature opposes the continuing ban on
9 export of Alaska North Slope crude oil because the ban results in inefficiencies and economic
10 waste and because it reduces the overall level of national economic activity; and be it

11 **FURTHER RESOLVED** that the Alaska State Legislature endorses HR 543,
12 legislation removing the restraints on the export of Alaska North Slope crude oil; and be it

13 **FURTHER RESOLVED** that the Alaska Congressional delegation and the Governor
14 are urged to continue using their best efforts to obtain passage of HR 543 or comparable
15 legislation permitting the export of Alaska North Slope crude oil, regardless of the oil's point
16 of production within the state; and be it

17 **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests the
18 President of the United States to exercise power given him under the amended Export
19 Administration Act to recommend approval of the export of that oil.

20 **COPIES** of this resolution shall be sent to the Honorable Bill Clinton, President of the
21 United States; the Honorable Al Gore, Jr , Vice-President of the United States and President
22 of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S. House of
23 Representatives; the Honorable George Mitchell, Majority Leader of the United States Senate;
24 and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
25 the Honorable Don Young, U.S. Representative, members of the Alaska delegation in
26 Congress.

SJR

17

DEPARTMENT OF FISH AND GAME

POSITION PAPER

Bill Number: SJR 17
Sponsor: Senator Little
Bill Title: Relating to reauthorization of the Magnuson Fishery Conservation and Management Act.

Department Position: Support


The Alaska Department of Fish and Game is very supportive of Senate Joint Resolution No.17. As stated in the resolution, the reauthorization of the Magnuson Fishery Conservation and Management Act (MFCMA) is extremely important to Alaska. It is fully expected that the MFCMA will be reauthorized in 1994. Most of the hearings have been completed and draft legislation is expected sometime in March, 1994. For that reason, this resolution is timely.

In contrast to the many false starts and failures in Congress, the MFCMA has clearly obtained its initial objectives. The Americanization of the fishery in the EEZ and the implementation of a long term conservation program were its highest priorities. However, despite the successes and the fact that the North Pacific Fishery Council is held up as a classic success story, there are forces continually at work to undermine the very basic principals of the original Act which are critical to the survival of Alaska's fisheries. This resolution highlights some of the more obvious conflicts.

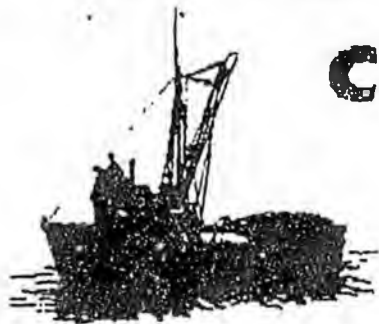
Because of the importance of this legislation and the continual battles during reauthorization to maintain provisions important to Alaska, it is critical that Alaskans stand united in support of the MFCMA. A Joint Resolution from the legislature would be most appropriate and helpful.

Commissioner's Signature

Date


2/18/94

POSITION PAPER
DEPT OF FISH & GAME



Cook Inlet Seiners Association

P.O. Box 4311
Homer, Alaska 99603
235-2656

February 8, 1994

Senator Robin Taylor
Chair, Senate Judiciary Committee
Alaska State Capitol,
Juneau, Alaska 99801-1182

Dear Senator Taylor:

As you know, Cook Inlet Seiners Association (CISA), is a non-profit, Homer based fishing organization. CISA represents eighty-five percent of the seine permit holders in Lower Cook Inlet. We are writing on behalf of our membership in support of Senate Joint Resolution 17. Thank you for your support of this resolution that relates to the reauthorization of the Magnuson Fishery Conservation and Management Act.

The move by Washington State congresswoman, Jolene Unseold to change the composition of the council is unacceptable. Not only could assigning additional seats to representatives from the lower 48 place the management of Alaskan fisheries into the hands of non-Alaskan, it could also increase the possibility of the appointment of non-qualified people on the council. The fishery industry is facing difficult and complex issues. As a result, it is absolutely necessary and vital that only those with expertise and experience in the field are in decision-making roles.

The present council make-up has a proven track record of sound management. At this point in time, there is no compelling reason to change its composition.

Thank you again on behalf of the lower Cook Inlet Seiners.

Sincerely,

Al Ray Carroll
Al Ray Carroll, President--Cook Inlet Seiners Association

8-LS0423NO
Utermohle
3/1/94

CS FOR SENATE JOINT RESOLUTION NO. 17()
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS LITTLE, Zharoff, Salo, Lincoln, Leman, Taylor

A RESOLUTION

1 Relating to reauthorization of the Magnuson Fishery Conservation and Management
2 Act.

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

4 WHEREAS the Magnuson Fishery Conservation and Management Act established a
5 fishery conservation zone, now known as the exclusive economic zone (EEZ), out to 200
6 miles off the coast of Alaska and the other coastal states to protect, conserve, and manage the
7 extensive fishery resources of the continental shelf; and

8 WHEREAS the Magnuson Fishery Conservation and Management Act has fostered
9 rational management of formerly unregulated fisheries off Alaska; and

10 WHEREAS the Magnuson Fishery Conservation and Management Act has successfully
11 promoted the development of an American fishing industry within the EEZ off Alaska; and

12 WHEREAS the Magnuson Fishery Conservation and Management Act has eliminated
13 foreign fishing within the EEZ off Alaska; and

14 WHEREAS the Magnuson Fishery Conservation and Management Act established the
15 North Pacific Fishery Management Council as the fishery management council for the EEZ
16 fisheries off Alaska; and

1 **WHEREAS** the Magnuson Fishery Conservation and Management Act since its
2 enactment in 1976 has provided that a majority of the membership of the North Pacific
3 Fishery Management Council be from Alaska; and

4 **WHEREAS** the Congress may consider proposals to increase the non-Alaskan
5 membership of the North Pacific Fishery Management Council in order to give non-Alaskans
6 a majority of the votes on the council; and

7 **WHEREAS** it is only reasonable that a majority of the membership of the fishery
8 management council responsible for the EEZ fisheries off Alaska be Alaskans;

9 **BE IT RESOLVED** that the Alaska State Legislature supports the reauthorization of
10 the Magnuson Fishery Conservation and Management Act and respectfully requests the
11 Congress to act expeditiously in reauthorizing the Act; and be it

12 **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests that
13 the current geographic composition of the North Pacific Fishery Management Council be
14 retained.

15 **COPIES** of this resolution shall be sent to the Honorable Al Gore, Jr., Vice-President
16 of the United States and President of the U.S. Senate; the Honorable Ron Brown, Secretary
17 of the U.S. Department of Commerce; the Honorable Robert C. Byrd, President Pro Tempore
18 of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S. House of
19 Representatives; the Honorable Gerry E. Studds, Chair, Committee on Merchant Marine and
20 Fisheries of the U.S. House of Representatives; the Honorable Thomas J. Manton, Chair,
21 Fisheries Management Subcommittee of the Committee on Merchant Marine and Fisheries of
22 the U.S. House of Representatives; the Honorable Ernest F. Hollings, Chair, Committee on
23 Commerce, Science, and Transportation of the U.S. Senate; the Honorable John C. Danforth,
24 Ranking Minority Member, Committee on Commerce, Science, and Transportation of the U.S.
25 Senate; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators,
26 and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in
27 Congress.



SENATOR SUZANNE LITTLE

ALASKA STATE LEGISLATURE

SPONSOR STATEMENT

TO: Senator Robin Taylor, Chairman
Senate Judiciary Committee

FROM: Senator Suzanne Little

DATE: March 1, 1994

SUBJECT: CSSJR17(RES) -- relating to the re-authorization of the Magnuson Fishery Conservation and Management Act

Thank you for your consideration and attention to CSSJR 17(RES).

The proposed committee substitute for SJR 17 relates to the Magnuson Fishery Conservation and Management Act of 1976, currently up for re-authorization in the U.S. Congress. This Act was last re-authorized in Congress for period of three years. The Act serves two purposes: 1) to make a national claim on the fisheries resources of the continental shelf in the band of marine waters from 3 to 200 miles offshore -- the exclusive economic zone (EEZ); and 2) to set up a system for managing and conserving the fisheries resources within this zone. To meet this management and conservation aim, Congress created the Regional Fishery Management Council system. Alaska is represented on the North Pacific Fishery Management Council.

In creating the Council system, Congress recognized the strong interest coastal states had in the fisheries resources of the EEZ off their shores. Congress charges the Councils with the primary responsibilities for determining management policy, within the EEZ, and mandates that the voting members of each of the eight regional Councils be drawn from the relevant coastal states. There is only one voting member representing the federal government on each Council.

The North Pacific Fishery Management Council is unique among the eight regional Councils created by Congress. This Council is the only one assigned the EEZ lying directly and entirely off the coast of a single state -- Alaska. All of the other Councils' regions of authority span multiple state coastlines. Congress recognized this uniqueness, as well as the historic participation in the fisheries off Alaska by residents of Washington and Oregon, when prescribing the voting membership of the North Pacific Fishery Management Council. There are 6 votes from Alaska, 3 from Washington, 1 from Oregon, and 1 from the National Marine Fisheries Service.

January-June: STATE C
June-December: 34824 KALIF
Seldovia • Homer • Anchor Point

SPONSOR STATEMENT

928 / Fax: (907) 465-4779
262-9420 / FAX (907) 262-1881
oper Landing • Moose Pass • Seward

MEMBER
Senate Rules Committee
Senate Judiciary Committee
Senate Economic Task Force
Legislative Council

The makeup of the Council is one of the issues that will likely be considered as part of the re-authorization. Washington and Oregon would like more votes on the Council, and it was a significant issue during the re authorization of 1990. It is critical that Alaska maintain its voting strength, on the Council, if we are to protect the fisheries resources in our coastal waters and Alaska's interests in those resources.

The Committee Substitute by no means addresses all of the issues affecting the re-authorization of the Magnuson Act. However, it does address the core issue of importance to Alaska -- to maintain our current voting representation on the Council. This has been the highest concern of the Administration and is unanimously supported by fishing interests across the state of Alaska.

Thank you for your consideration of this resolution. I urge your prompt consideration of this resolution to send a clear, unanimous and expedient message to Congress that Alaska requests the current geographic representation on the North Pacific Fisheries Management Council be retained.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SJR 17

Revision Date: _____
 Title: Magnuson Fishery Consv. & Mgt. Act
 Sponsor: Senator Little
 Requestor: Senate Resources

Dept. Affected: Fish and Game
 BRU: Comm. Fish Manage and Development
 Component: Fisheries Management
 COMPONENT SERIAL NO. 1941

Expenditures/Revenues	(Thousands of Dollars)					
	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
OPERATING EXPENDITURES						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL EXPENDITURES	0	0	0	0	0	0
CHANGE IN REVENUES ()	0	0	0	0	0	0

FUND SOURCE	(Thousands of Dollars)					
	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTLA						
Other						
TOTAL	0	0	0	0	0	0

Estimate of any current year (FY 94) cost: \$ 0

POSITIONS

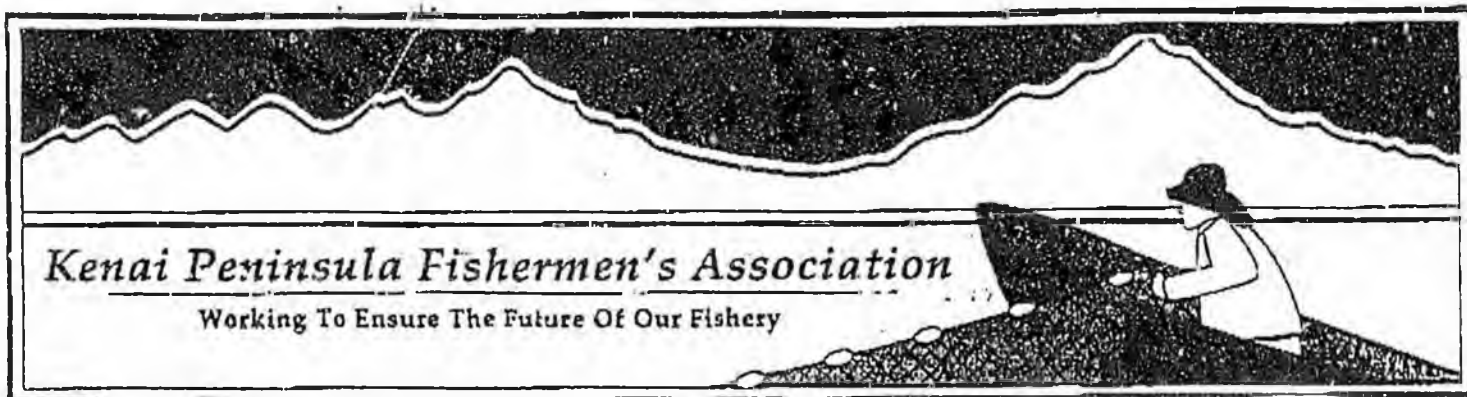
	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Geron Bruce
 Division: Commissioner's Office
 Approved by Commissioner: [Signature]
 Agency: Alaska Department of Fish and Game

Phone: 465-6143
 Date: 2/18/94
 Date: 2/18/94

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES OF GOVERNOR'S LEGISLATIVE OFFICE
 For further distrib _____ legislative Office



34824 Kalifornsky Beach Road • Suite E • Soldotna • Alaska • 99669 • (907) 262-2492

February 6, 1994

Senator Suzanne Little
State Capitol, Room # 7
Juneau, Alaska 99801-1182

Sent By FAX Transmission

Dear Senator Little:

Subject: SJR 17 and HJR 17

The Kenai Peninsula Fishermen's Association (KPFA) is a group of over 400 commercial salmon fishermen in the Cook Inlet area.

KPFA strongly supports the reauthorization of the Magnuson Fishery Conservation and Management Act. We also support the current geographic composition of the North Pacific Fishery Management Council. The majority of the membership of the council responsible for the high seas fisheries off Alaska should rightfully be Alaskans.

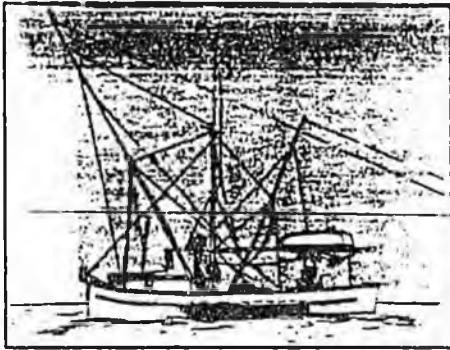
Thank you for introducing this resolution, Senator Little!

Sincerely,

Ken Coleman

Ken Coleman
President

cc: Senator Frank Murkowski
Senator Ted Stevens
Representative Don Young
United Fishermen of Alaska



Alaska Trollers Association

130 Seward St., No. 505
Juneau, Alaska 99801
(907) 586-9400
(907) 586-4473 Fax

March 10, 1993

Senator Suzanne Little
Alaska State Capitol
Juneau, AK 99801-1182

Dear Senator Little:

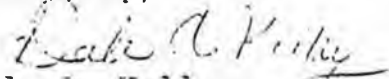
First of all I want to thank you for introducing Senate Joint Resolution 17, relating to the reauthorization of the Magnuson Fishery Conservation and Management Act. The Alaska Trollers Association (ATA), representing fishermen from Alaska and the lower 48, supports the principles of sound conservation and management of Alaska's fishery resources and the current composition of the North Pacific Fishery Management Council (Council).

As you may know, Washington state Congresswoman Jolene Unsoeld is interested in changing the composition of the Council, which, in turn, will disadvantage Alaskans. Assigning additional seats for the lower 48 representatives could amplify many of our existing management dilemmas by giving a relatively small number of vessel owners the power to determine the fate of thousands of fishermen, crew and associated businesses who currently make their living in Alaska's fisheries. As for non-industry representation, ATA believes great care should be taken to ensure that those making policy decisions regarding fisheries management bring the necessary expertise to the Council forum.

The present Council make-up has been more than adequate to address the concerns and issues of the many interests. The Council's record of management action is something we can all be proud of.

ATA supports your resolution and hope that it will be expedited through the Senate and House. Time is of the essence for Alaska to inform Congress of its position.

Sincerely,


Dale A. Kelley
Executive Director

cc: Representative Mike Navarre



North Pacific Fisheries Association, Inc.

HEADQUARTERS:

BOX 796 • HOMER ALASKA 99603

Senator Robin Taylor
State Capitol
Juneau, Alaska
99801-1132

February 7th, 1994

Dear Senator Taylor,

NPFA is in full support of SJR 17. This resolution demonstrates Alaska's understanding of the North Pacific Fisheries Management Council make-up and the importance of regional representation.

If Alaska is to maintain and strengthen its independence of economic diversity, it can not continue to operate as a "resource colony" for the rest of the country. Alaska is in the best position to conserve and protect these resources, for it is in our management strategies of today that we safeguard our economic viability for tomorrow.

The North Pacific Fisheries Management Council is the most progressive and successful of the eight regional councils. It has initiated management strategies that offer long term prosperity to the isolated and disadvantaged communities shoreside to such bountiful resources. It has paved the way for conservation by slowing down the harvest in derby style fisheries and clearly moved with a futuristic approach toward management.

It is for these reasons that we support SJR 17 and compliment the Senate in recognizing the great importance of the North Pacific Fisheries Management Council to the State of Alaska. Thank-you for your considerations on these comments.

Sincerely,

Andrew Scalzi
NPFA / pres

Petersburg Vessel Owners Association

P.O. Box 232
Petersburg, Alaska 99833
Phone (907) 772-9323 Voice and Fax

February 11, 1994

Senator Suzanne Little
State Capitol
Juneau, Alaska 99801

Dear Senator Little,

We would like to thank you for sponsoring SJR 17, relating to the reauthorization of the Magnuson Fishery Conservation and Management Act. We fully support this resolution and feel it is essential that the State of Alaska send a strong message to Congress to maintain the current geographic composition of the North Pacific Fishery Management Council.

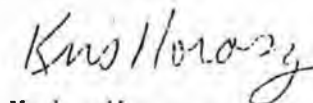
We have been active at the Council process since its inception. We believe the present composition of the NPFMC has been successful in representing and addressing the concerns and interests of the wide array of people who are involved in North Pacific fisheries. One of the criticism that has been levelled specifically at the NPFMC is that the Alaska majority controls the Council process. However, if one examines the voting record of the NPFMC, it is obvious that this is certainly not the case.

Retention of the current geographical composition of the NPFMC is extremely important to us. We are strong believers that it is imperative that the decision makers on the NPFMC are readily accountable to the fishermen and communities that are most affected.

The NPFMC has many fine accomplishments to its credit. The Council prohibited roe stripping, established the nation's first comprehensive domestic observer program, and has maintained the 2 million ton cap on Bering Sea harvests.

We support SJR 17 and hope that it will be fully embraced by both the Senate and House.

Sincerely,



Kris Norosz
Director



UCIDA

UNITED COOK INLET DRIFT ASSOCIATION
P.O. Box 329 • Kenai, Alaska 99611 - 0389
--(907)-283-3600 • FAX (907) 283-3306--

February 7, 1994

SENT BY TELEFAX

Senator Suzanne Little
(Sponsor) SJR17
State Capitol, Room#7
Juneau, AK 99801-1182

SUBJECT: SJR17/HJR17

Dear Senator Little,

United Cook Inlet Drift Association (UCIDA) would like to express our strong support for SJR17/HJR17. This legislation supports the retention of the current Alaskan majority on the North Pacific Fisheries Management Council (NPFMC).

United Cook Inlet Drift Association (UCIDA) represents the 585 salmon drift permit holders in Upper Cook Inlet. Some 350 permit holders are current members of our association. UCIDA is also active at the state and federal levels as a member of the Executive Committee of United Fishermen of Alaska (UFA).

Of all the Management Councils established by Congress under the Magnuson Act, NPFMC has clearly developed and sustained the largest conservation ethic. This is due, in large part, to the "Alaskan majority" since they represent thousands of Alaskan vessel owners and the many Alaskan coastal communities that have a vested interest in the long viability of the fisheries in the North Pacific.

We urge expeditious action on this legislation as it will reinforce similar positions already taken by our Congressional delegations as they work toward the reauthorization of the Magnuson Act.

Sincerely
Theo Matthews
Theo Matthews
Administrative Assistant

cc Senator Stevens
Representative Young

Senator Murkowski
UFA

SJR

36

VOTES RECEIVED BY CANDIDATES
FOR GOVERNOR, GENERAL ELECTIONS, 1958 - 1990

Year	Candidate	Number of Votes	Percentage
1958	Egan	29,189	59.6
	Butrovich	19,299	39.4
	Dollinter	480	0.9
1962	Egan	29,627	52.3
	Steponvich	27,054	47.7
1966	Hickel	33,145	49.996
	Egan	32,065	48.4
	Grasse	1,084	1.6
1970	Egan	42,309	52.4
	Miller	37,264	46.1
	Anderson	1,206	1.5
1974	Hammond	45,840	47.7
	Egan	45,553	47.4
	Vogler	4,770	5.0
1978	Hammond	49,580	39.1
	Hickel (Write In)	33,555	26.4
	Croft	25,656	20.2
	Kelly	15,656	12.3
	Vogler (Write In)	2,463	1.9
1982	Sheffield	89,918	46.2
	Fink	72,291	37.2
	Randolph	29,067	14.9
	Vogler	3,235	1.7
1986	Cowper	84,943	47.3
	Sturgulewski	76,515	42.3
	Vogler	10,013	5.5
	Hickel (Write-In)	4,958	2.7
	Other (Write-In)	2,076	1.0
	Brannon	1,050	0.5
1990	Hickel	75,721	38.8
	Knowles	60,201	30.9
	Sturgulewski	50,991	26.1
	Sykes	6,563	3.3
	O'Callaghan	942	0.4
	Write In	332	0.1

NOTES:

Percentage column is the percentage of votes cast for office of governor.

Prior to 1986, the official election results do not show the number of write-in votes cast for governor, if any. Thus, there is no way to determine precisely the total number of votes cast for governor in these years. To the extent there were write-in votes in these years, the percentage of votes shown for each candidate would be slightly lower.

Prepared by the Legislative Research Agency, February 1994 (94.155).

FISCAL NOTE

BILL NO. SJR 36

STATE OF ALASKA

1994 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Office of the Governor
 Title: Proposing amendments to the Constitution of the State of Alaska requiring that candidates or governor and candidates for lieutenant governor receive more than 50 percent of the votes cast to be elected and changing the term of office of the governor and the lieutenant governor

BRU: Division of Elections
 Component: General and Primary

Sponsor: Senators Kelly, Salo, Pearce, Zharoff, Sharp, Jacko, Little

Requestor: _____ COMPONENT SERIAL NO. 22

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL	18.5	0	0	0	20.4	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	744.4	0	0	0	818.8	0
SUPPLIES	2.0	0	0	0	2.0	0
EQUIPMENT	0	0	0	0	0	0
LAND &	0	0	0	0	0	0
GRANTS,	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL	764.9	0	0	0	841.4	0

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

FUNDING:

1002 Federal	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	764.9	0	0	0	841.4	0
1005 GF/Program	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	764.9	0	0	0	841.4	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 (FY94) impact: 0

ANALYSIS: (Attach a separate page if necessary.)

Changes in CSJR 36 (STA)
 reflect NO FISCAL CHANGE from the original
 fiscal note. This fiscal note is appropriate.

3/2/94
 /date Comte Aide (initial)

Prepared by: Joseph L. Swanson, Director
 Division: Division of Elections

Phone: 465-4611

Date: 1/31/94

Approved by Commissioner: John B. Coghill, Lieutenant Governor
 Agency: Office of the Governor

Date: 1/31/94

PREPARER TO PROVIDE AL
 For further distri

FISCAL NOTE

GVERNOR'S LEGISLATIVE OFFICE
 nor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SJR36

ANALYSIS:

Assumption: 10% increase for all categories in FY99

PERSONAL SERVICES (18.5)

Personal services costs would remain the same, except for overtime required, due to the short time frame for putting on the runoff election. 10% of 184.7 = (18.5).

73000 - CONTRACTUAL (744.4)

Contractual payments (456.4) line itemed as follows:

Election & polling place worker payment	244.7
Computer board payment	13.3
Question & absentee board payment	29.5
Absentee voting officials	7.0
Registrar payment	4.8
Statewide canvas board & recount teams	10.6
PEPS machine & mainframe programming contract	124.0
Split primary pollworker increment	22.5

Communications (59.0)

Telephone services and toll charges for an additional month for election activity. 3.0

Postage for absentee ballot mailings and returns; election supplies, ballot mailing and returns. Official Election Pamphlet mailing. Increment for split ballot mailing. 38.0

Freight for ballots from printer to four regional offices; misc. freight and courier service between director and four regional offices; transportation and set up costs for polling equipment. 16.5

Freight charges for statutory absentee ballots. 1.0

State fleet transportation costs. 0.5

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SJR36

ANALYSIS CONT.:

Advertising, Printing and Binding (221.0)

Statewide election advertising.	30.2
Run-off ballot printing.	153.0
OEP printing and typesetting.	30.5
Election notice posters.	1.0
Tally books, press kits and official election return booklets.	6.3

Rental/Leases (8.0)

Statewide polling place and absentee voting station rentals.	8.0
--	-----

74000 - OFFICE SUPPLIES (2.0)

Miscellaneous office supplies for run-off election. 2.0

CS FOR SENATE JOINT RESOLUTION NO. 36(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 3/3/94
Referred: JUD, FIN

Sponsor(s): SENATORS KELLY, SALO, PEARCE, ZHAROFF, SHARP, JACKO, Little

A RESOLUTION

1 Proposing amendments to the Constitution of the State of Alaska requiring a
 2 runoff election when the candidates for governor and lieutenant governor obtaining
 3 the greatest number of votes at the general election do not receive more than
 4 40 percent of the votes cast, and changing the term of office of the governor
 5 and the lieutenant governor.

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

7 * Section 1. Article III, sec. 3, Constitution of the State of Alaska, is amended to read:

8 SECTION 3. ELECTION. The governor shall be chosen by the qualified
 9 voters of the State at a general election. The candidate receiving the greatest number
 10 of votes shall be governor but only if the candidate receives more than forty
 11 percent of the total number of votes cast for governor at the general election. If
 12 a candidate does not receive more than forty percent of the votes cast for
 13 governor, a runoff election between the two candidates receiving the greatest
 14 number of votes cast shall be held twenty-eight days after the general election.
 15 At the runoff election, write-in ballots shall not be counted. In calculating the

1 percentage of the votes cast at the general election and at a runoff election, only
2 votes that have been properly marked for a candidate for governor shall be
3 counted.

4 * Sec. 2. Article III, sec. 4, Constitution of the State of Alaska, is amended to read:

5 SECTION 4. TERM OF OFFICE. If a runoff election is required to elect
6 a governor, then the [THE] term of office of the governor begins [IS FOUR YEARS,
7 BEGINNING] at noon on the first day of January immediately after the election.
8 Otherwise, the term of office of the governor begins at noon on the first Monday
9 in December following the governor's [HIS] election. The term of the governor
10 ends when the governor's elected successor commences in office on a date
11 determined under this section. Election for governor occurs every four years
12 [AND ENDING AT NOON ON THE FIRST MONDAY IN DECEMBER FOUR
13 YEARS LATER].

14 * Sec. 3. Article III, sec. 8, Constitution of the State of Alaska, is amended to read:

15 SECTION 8. SAME ELECTION. The lieutenant governor shall be nominated
16 in the manner provided by law for nominating candidates for other elective offices.
17 In the general election and in any runoff election the votes cast for a candidate for
18 governor shall be considered as cast also for the candidate for lieutenant governor
19 running jointly with him. The candidate whose name appears on the ballot jointly with
20 that of the successful candidate for governor shall be elected lieutenant governor.

21 * Sec. 4. Article XV, Constitution of the State of Alaska, is amended by adding a new
22 section to read:

23 SECTION 29. TRANSITIONAL PROVISION APPLICABLE TO
24 AMENDMENT OF ARTICLE III, SECTION 4. The term of office of the governor
25 elected at the general election in 1994 ends at noon on the first Monday in December
26 four years later unless, under Section 3 of Article III, a runoff election is required, in
27 which case the term of office of the governor ends at noon on the first day of January
28 1999.

29 * Sec. 5. The amendments proposed by this resolution shall be placed before the voters of
30 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
31 State of Alaska, and the election laws of the state.

MEMBER

TENTH ALASKA LEGISLATURE
ELEVENTH ALASKA LEGISLATURE
TWELFTH ALASKA LEGISLATURE
THIRTEENTH ALASKA LEGISLATURE
FOURTEENTH ALASKA LEGISLATURE
FIFTEENTH ALASKA LEGISLATURE
SIXTEENTH ALASKA LEGISLATURE
EIGHTEENTH ALASKA LEGISLATURE

ALASKA STATE SENATE



SENATOR TIM KELLY

STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 465-3822
FAX (907) 465-3756

716 WEST 4TH, SUITE 400
ANCHORAGE, ALASKA 99501
(907) 258-8180
FAX (907) 258-4524

**CS SJR 36 (STA): CONSTITUTIONAL AMENDMENTS REQUIRING A
RUN-OFF FOR GOVERNOR IF NO CANDIDATE RECEIVES MORE THAN
40% OF THE VOTE**

The very foundation of democratic government is rooted in the principle of majority rule, yet a majority of Alaskans have not elected a governor since 1970. Senate Joint Resolution 36 (SJR 36), as amended by the Senate State Affairs Committee, would place Constitutional amendments before the voters for approval at the next general election that would require a run-off between the top two vote-getters for Governor and Lieutenant Governor when no candidate received more than 40% of the vote.

The measure requires candidates for Governor and Lt. Governor receive more than 40% to be elected at the general election held in November. If no candidate receives more than 40%, the top two candidates would face each other in a run-off held four weeks later. The winner of that race would be sworn in January 1st, rather than December 1st, as the state constitution now requires.

The governor and lieutenant governor need the support of a majority of Alaskans to govern the State effectively. While it may take a combination of several political groups to make a majority consensus, its important that we sustain the concept of majority decision making or we'll end up chipping away at the foundation of our electoral process. The current situation in which a governor could be elected with less than 25% of the popular vote opens us up to the prospect of different small interest groups running government every few years. That's neither representative nor effective government. For a governor to effectively lead our State, he must have the electoral support of a majority of Alaskans.

The proposed amendments in SJR 36, if approved by the legislature, would appear before the voters as constitutional amendments on the ballot in November of 1994. If approved it would not impact an election for Governor until 1998.

SPONSOR STATEMENT

SJR

38

JOHNNY ELLIS
SENATOR



STATE CAPITOL, ROOM 9
JUNEAU, ALASKA 99801-1182
(907) 465-3704
FAX: (907) 465-2529

ALASKA STATE LEGISLATURE
SENATE

Sponsor Statement for
SJR 38
"The Cremo Plan"

SJR 38 would allow the people of Alaska to vote on a constitutional amendment which would change the way we finance our state government.

Essentially, the amendment would remove all natural resource revenues from the appropriation process and put them into the Permanent Fund. Money systematically withdrawn from the fund would be used for the operation of state government, aid to local governments, dividends and other purposes. The object of the amendment is to get the state off the financial roller coaster that has caused fiscal and economic problems. State spending cannot be sustained at the current level. The end of our reserves is in sight, and oil revenues are falling as North Slope production slows.

It's apparent that we have to make some changes in order to get through the difficult period ahead and to prevent this from happening again in the future. The proposed constitutional provision in SJR 38 is designed to do that. It will force spending to a sustainable level by removing reserves from the table and by gradually reducing the amount of money available for appropriation. Also, by revoking the legislature's ability to go on spending sprees, it will prevent a return to unsustainable spending when oil revenues are high again.

All of us in the legislature have participated, to one degree or another, in spending as if there were no tomorrow. It's appropriate that we give the people the opportunity to change the system under which we operate. I encourage you to vote favorably on SJR 38.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 14, 1994

SUBJECT: Constitutional amendment relating to revenues from natural resources (SJR 38)

TO: Senator Johnny Ellis

FROM: Tamara Brandt Cook
Director *TBC*

Here is the sectional summary you requested.

Sec. 1. The existing constitutional provision relating to the permanent fund is repealed and replaced with an entirely new section related to the Alaska permanent fund. Revenue from certain listed natural resource sources received by the state are not appropriable. These revenues constitute the Alaska permanent fund and are to be invested. Income is retained in the fund. Each fiscal year, money is withdrawn in an amount equal to six percent of the average of the market value of the fund at the end of each of the quarters of the three calendar years immediately preceding that fiscal year. The money withdrawn may be appropriated. A public corporation manages the fund. Revenues dedicated by this section do not include revenues that are the subject of other dedications permitted by the constitution.

Sec. 2. The percentage to be withdrawn from the fund in sec. 1 does not apply in fiscal years 1996-2005. In FY 1996 the percentage is twenty and it decreases each fiscal year geometrically until FY 2006, when the six percent level is reached. The assets of the constitutional budget reserve fund, the earnings reserve account of the permanent fund, the Railbelt energy fund, and the statutory budget reserve fund are added to the Alaska permanent fund. The assets of the permanent fund on July 1, 1995 are retained in the fund. The provisions of the first two sections of this resolution are effective July 1, 1995. The following constitutional sections are repealed effective July 1, 1995: sec. 16, art. IX-appropriation limit; sec. 17, art. IX-budget reserve fund; sec. 27, art. XV-reconsideration of amendment limiting increases in appropriations; sec. 28, art. XV-application of appropriation limit amendment.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SJR 38

Revision Date: _____
 Title: "Proposing amendments to the Constitution of the St. of AK relating to revenues from natural resources, the Alaska permanent fund, the appropriation limit and the budget reserve fund; and providing for an effective date for the amendments."

Dept. Affected: Department of Revenue
 BRU: APFC
 Component: APFC

Sponsor: Senator Ellis
 Requestor: _____

COMPONENT SERIAL NO. 109

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	-0-	70.0	208.0	271.5	271.5	271.5
TRAVEL	-0-	22.5	30.5	30.5	30.5	30.5
CONTRACTUAL	-0-	1605.5	1645.5	2849.6	4053.8	5257.9
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	6.0	12.0	6.0	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	1704.0	1896.0	3157.6	4355.8	5559.9

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
----------------	------------	------------	------------	------------	------------	------------

REVENUE FUND SOURCE:	-0-	1704.0	1896.0	3157.6	4355.8	5559.9
-----------------------------	------------	---------------	---------------	---------------	---------------	---------------

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (Corporation Receipts)	-0-	1704.0	1896.0	3157.6	4355.8	5559.9
TOTAL	-0-	1704.0	1896.0	3157.6	4355.8	5559.9

POSITIONS:

FULL-TIME	-0-	1	2	1	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY94) impact: \$ -0-

ANALYSIS: (Attach a separate page if necessary)

(See Attached.)

Prepared by: William H. Scott, Executive Director
 Division: Alaska Permanent Fund Corporation
 Approved by Commissioner: Darrel J. Rexwinkel, Commissioner
 Agency: Department of Revenue

Phone: 465-2047
 Date: 1/14/94
 Date: 1/10/94

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Fiscal Analysis: SJR No. 38

Proposing amendments to the Constitution of the State of Alaska relating to revenues from natural resources, the Alaska permanent fund, the appropriation limit and the budget reserve fund; and providing for an effective date for the amendments.

The Alaska Permanent Fund Corporation's operations are program-driven and program-financed. Operating cost levels are proportional to the actual and anticipated growth of the Fund and reflects the Corporation's ability to generate income. As funds under management increase, Fund custody and investment management fees increase; and the need for additional accounting and investment staff with associated support costs are also needed as portfolios grow.

Personal Services - Salary & Benefits for 4 new positions:

- FY 96: Data Processing Analyst/Programmer \$70.0
- FY 97: Investment Officer \$100.0; Accounting Clerk \$38.0
- FY 98: Portfolio Accountant \$63.5

Travel - Transportation, Per Diem, Honorarium:

- (a) 7th Trustee added to Board: Board meeting travel \$16.9; asset allocation/investment management related travel \$5.6
- (b) Investment officer travel: Board meeting and investment management travel \$8.0

Contractual Services:

- (a) Equity management fees: This increment is due to increased funds under management.
- (b) Custody fees: This increase is due to the increase in the amount of assets requiring safekeeping.
- (c) Financial network fees: Cost for additional financial data, networks, and associated terminals for new Investment Officer.

	<u>Equity Mgmt</u>	<u>Custody Mgmt</u>	<u>Financial Data</u>
FY 96	1,423.4	182.1	0.0
FY 97	1,423.4	182.1	40.0
FY 98	2,491.0	318.6	40.0
FY 99	3,558.6	455.2	40.0
FY 00	4,626.2	591.7	40.0

Equipment - one-time associated costs of new positions: workstation furniture (desk, credenza, chair, telephone, file, computer)

- (a) FY 96: Analyst Programmer \$6.0
- (b) FY 97: Investment Officer \$6.0; Accounting Clerk \$6.0
- (c) FY 98: Portfolio Accountant \$6.0

FISCAL NOTE

STATE OF ALASKA

BILL NO. SJR 38

1994 LEGISLATIVE SESSION

Revision Date: _____
 Title: Amendment to the Constitution RE:
Restructure the permanent fund
 Sponsor: Senators Ellis & Little
 Requestor: _____

Department Affected: Office of the Governor
 BRU: Division of Elections
 Component: General and Primary Elections
 COMPONENT SERIAL NO. 22

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	2.2*	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND &	0	0	0	0	0	0
GRANTS,	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL	2.2*	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE						
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FUNDING:

1002 Federal	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	2.2*	0	0	0	0	0
1005 GF/Program	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	2.2*	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 (FY94) impact: 0

ANALYSIS: (Attach a separate page if necessary.) *This figure covers cost of inclusion of information about this issue in the Official Elections Pamphlet as required by AS 15.58, and programming for DataVote counting of votes cast on the measure. However, only 4 measures can be printed on a single ballot card. Should this measure require printing an additional ballot card, the fiscal impact would be 53.4.

Prepared by: Joseph L. Swanson, Director
 Division: Division of Elections

Phone: 465-4611

Date: 2/3/94

Approved by Commissioner: Lt. Governor John B. Coghill
 Agency: Office of the Lt. Governor

Date: 2/3/94

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Alaska Permanent Fund Corporation

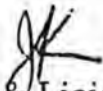
P.O. Box 25500 Juneau, Alaska 99802-5500

(907) 465-2047

MEMORANDUM

DATE: January 18, 1994

TO: Board of Trustees

FROM: Jim Kelly 
Research & Liaison Officer

SUBJECT: 20 Questions (and Answers) on the Cremo Plan

1) What is the plan's purpose?

To stabilize state resource revenues at a sustainable level, to increase the size of the Permanent Fund, and to minimize the negative consequences of the fiscal gap.

1) How does the plan work?

The plan requires this session's legislature to propose – and the voters in the fall election to approve – an amendment to the State Constitution to provide that beginning July 1, 1995 and henceforth, all natural resource revenues be deposited in the Permanent Fund along with the assets of the state's two budget reserve accounts and the Railbelt Energy Fund. All future income earned by the Fund would be retained in the Fund, but there would be an annual withdrawal from the Fund based on its average market value over the past 12 quarters. The first year, the withdrawal would equal 20 percent, but then would be reduced geometrically each year until the permanent withdrawal rate of 6 percent is reached in the year 2006.

3) Will the plan stabilize state resource-derived revenues at a sustainable level?

Yes. However, that level would be insufficient, for at least the next 15 years, to fund the entire costs of state government. Matching projected state revenues with projected state spending would still require reductions in the state budget and increases in other non-resource-derived state revenues.

4) Will the plan increase the size of the Permanent Fund?

Yes, given the assumptions upon which the plan is based.

5) What are the assumptions?

The plan is based on the Department of Revenue's fall 1993 mid-case revenue projections, and assumes an annual total rate of return for the Permanent Fund of 10 percent and an annual inflation rate of 4 percent. The Alaska Permanent Fund Corporation's projections are based on the low-case revenue projections, and assume a long-term average rate of return for the Permanent Fund of 9 percent and a long-term average rate of inflation of 6 percent.

6) What happens if the more conservative estimates prove to be true?

If the Corporation's estimates prove accurate, the Fund would still grow larger than under the status quo, but the money provided each year to the treasury from the Permanent Fund would be significantly less than the plan projects.

7) Why is there a transition period before implementation of the permanent withdrawal rate?

The plan provides for a higher but gradually reduced withdrawal rate during a 10-year transition period in order to minimize the negative consequences of the fiscal gap. The economy depends to a significant extent on state spending and too sharp a reduction would directly and indirectly eliminate many jobs and sink the state into a serious recession.

8) What is the rationale for the 6 percent withdrawal rate?

Given the plan's assumptions, a 6 percent withdrawal rate provides the maximum amount of money to the state treasury while still protecting the Fund against inflation. Arguments can be made that the number should be higher or lower: the higher the rate of withdrawal, the more money is made available for state spending; the lower the number, the greater the protection to the Fund from inflation. From the Fund's perspective, it would be more prudent to base the annual withdrawals on the real growth of the Fund, not on an arbitrary number.

9) Does the plan provide the Permanent Fund with protection against inflation?

Only if the annual amount withdrawn by the treasury plus the amount "withdrawn" by inflation is less than the total earnings of the Fund for that year plus the new deposits. Using conservative estimates of all four variables – a 4 percent withdrawal rate, new deposits according to the DOR low-case revenue forecast, a 9 percent earnings rate, and a 6 percent rate of inflation – the Fund experiences a net inflation-proofing surplus in the first 15 years of the plan.

10) What has been the historic rate of inflation, and what does the Corporation project for the future?

Since 1926, inflation has averaged just over 3 percent. Since the Fund started in 1977, inflation has averaged just under 6 percent. The Corporation projects a 4 percent average rate of inflation for the next four years, and a 6 percent average rate of inflation over the long-term.

11) What have been the Fund's historic rate of return, and what does the Corporation project for the future?

Since the Permanent Fund started in 1977, the realized rate of return has averaged 11 percent. The Fund's total return for the past 9 and 3/4 years has been just over 12 percent. The Corporation projects a 8.37 percent rate of return for the next four years, and a 9 percent rate of return over the long term.

12) Does the plan provide for the payment of full dividends?

Technically, the plan would increase dividends because the current statutory dividend formula is based on the Fund's annual income, which would increase. However, using that current statutory dividend formula, the plan would produce significantly less resource revenue for state spending than would be produced under the status quo.

13) What if the dividends were capped at \$1,000 per capita?

Then, dividends would be reduced from the status quo, but the revenues made available for state spending would be increased.

14) How does the plan address the fiscal gap?

As mentioned above, the plan assumes some combination of state spending cuts and revenue increases. Given the plan's assumptions, a 12% annual increase in conventional revenues and a \$30 million cut in annual state spending would eliminate the fiscal gap.

15) Are the Cremo Plan's assumptions realistic?

The assumptions may be realistic, but they are not conservative.

16) What other effects would adoption of this proposal have on the Permanent Fund?

The plan would certainly create a need for more staffing and a higher operating budget for the Permanent Fund Corporation. Additionally, and more importantly, the plan might also affect public perceptions. It might blur the distinction between the Permanent Fund as a savings account and the General Fund as the state's spending account, and it might destroy the link which exists currently between the citizens and their savings account. Finally, if state government comes to rely on the Permanent Fund as its primary source of operating revenues, pressure would likely build on the Board of Trustees to take more risks with the investment policy in order to attempt to earn greater rates of return.

17) Does the plan have advantages over the current situation?

As the Commission on the Future of the Permanent Fund said about it in 1990, "A successful transition to this concept would remove substantial elements of doubt and uncertainty regarding future state revenues and the health of Alaska's economy."

18) Does it have disadvantages over the current system?

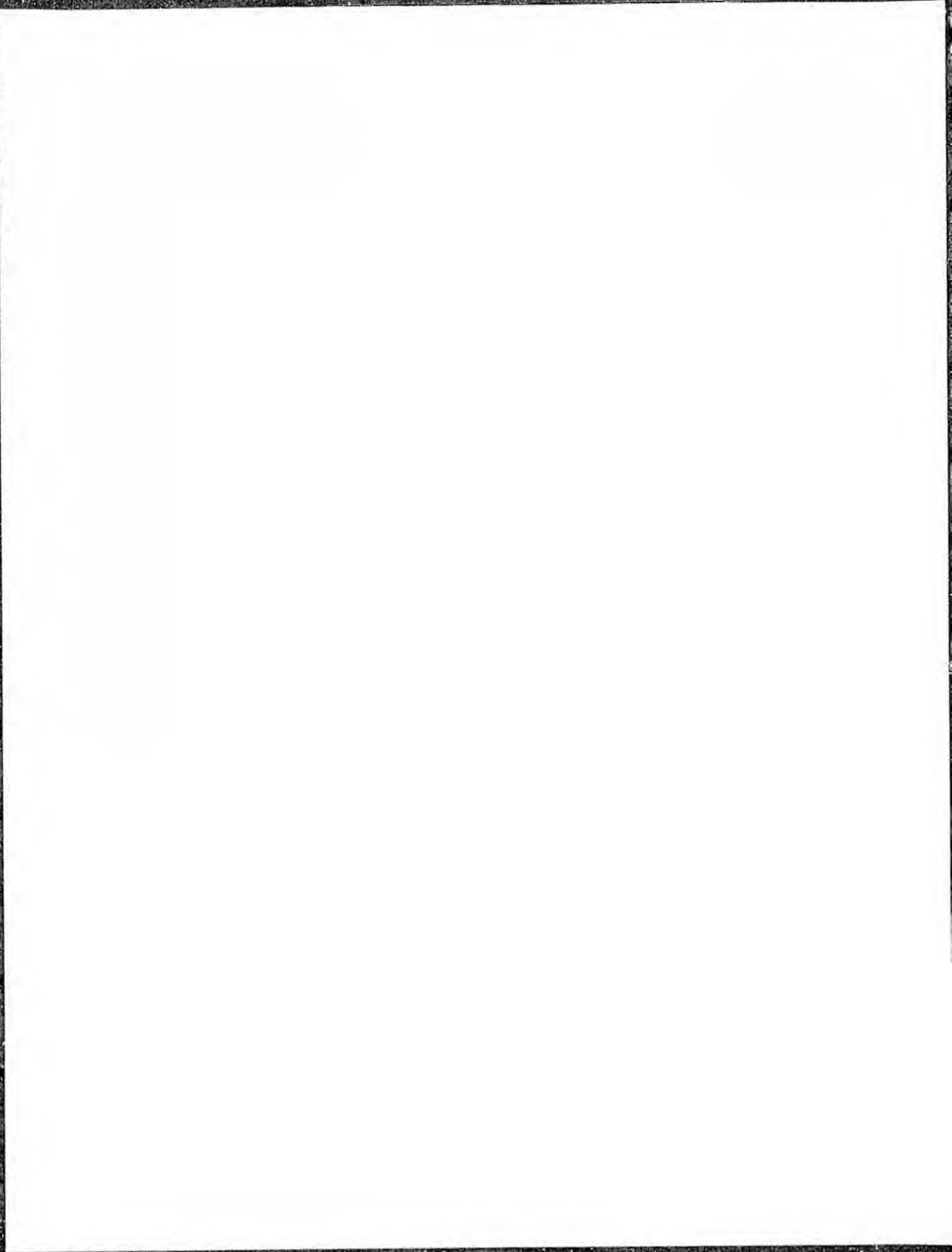
The plan forces the legislature to make a number of difficult decisions over the next several years. Based on the Corporation's estimates, it is likely that taxes would have to go up, state spending would have to go down, the dividend formula would have to be adjusted downward, and inflation-proofing would have to be curtailed.

19) What is the bottom line? Is this a good plan or not?

The plan is based on sound principles and could work, but there are significant risks involved. If the Fund's growth is significantly hindered, particularly in the early years, either by lower-than-expected oil deposits or deposits of other state reserves, low earnings or high inflation, this plan will not necessarily be an improvement over other alternatives.

20) What obstacles have to be overcome?

Before the legislature and the citizens of this state will approve this plan, they need to be convinced that it is clearly an improvement over the status quo. Unfortunately, there are a number of undesirable outcomes which might occur should actual conditions in the future vary significantly from the assumptions upon which the plan is based. Against these uncertainties, one thing is known for sure: the Permanent Fund as currently structured is not broken.



From the office of Senator Ellis
The State's Revenues and the Economy

Premises

- a substantial part of the state's revenues will continue to be derived from natural resources ¹
- revenues from natural resources fluctuate ²
- Alaska's economy will continue to be dependent on state spending

Existing system

- the state spends the natural resource revenues ³

Problem caused by existing system

- when natural resource revenues are plentiful, state spending creates a great demand in the private sector for goods and services
- if the revenues then decrease substantially, spending is cut and the demand evaporates
- the consequences of economic busts are well-known

Theory

- for a stable economy, the state must spend at a sustainable level
- but it can't do that, because of the fluctuation of natural resource revenues
- therefore, the state should not spend the natural resource revenues
- it should try to convert them into revenues that don't fluctuate, so that it can spend at a sustainable level

Proposed system

- natural resource revenues are not appropriable and are deposited into the Alaska Permanent Fund
- the fund is invested, and income is reinvested
- a fixed percentage of the fund (at its average market value over a period) is withdrawn annually for appropriation⁴
- the withdrawal feature is designed to provide revenues that continually increase (and thus are not fluctuating)⁵

Advantage of Proposed System

- state spending no longer causes economic busts

¹ In Alaska the chief source of wealth is natural resources. The state owns and can tax them or otherwise is entitled to the revenues from them.

² Because they are governed by discovery, production and world price.

³ Except about 10% of them, which goes into the Alaska Permanent Fund.

⁴ The fixed percentage is 6, which is the real annual rate of total return on investment if the nominal rate is 10% and the rate of inflation is 4%

⁵ If the actual rate of return or the actual rate of inflation differs adversely from the assumed rate, the amount withdrawn can decrease, depending on the extent of the difference and the amount of natural resource revenues deposited.

Some other advantages of proposed system

- since state spending is not only brought to a sustainable level but to the maximum sustainable level, the economy is supported to the greatest extent possible
- periodic curtailment of desirable state programs, for lack of funding, is avoided
- budgeting becomes feasible, because income for the subject year is known
- the state's assets are further diversified
- public works projects are no longer crammed into periods of high revenues, with inadequate planning and incomplete accounting
- the state's credit is reestablished
- long-range planning becomes feasible

Conversion to proposed system

- requires (1) the transfer of reserves to the fund, (2) a higher but gradually reduced withdrawal percentage factor during a transitional period and (3) the same spending cuts and new revenues that the coming "fiscal gap" would require under the present system⁶

Obstacles to change

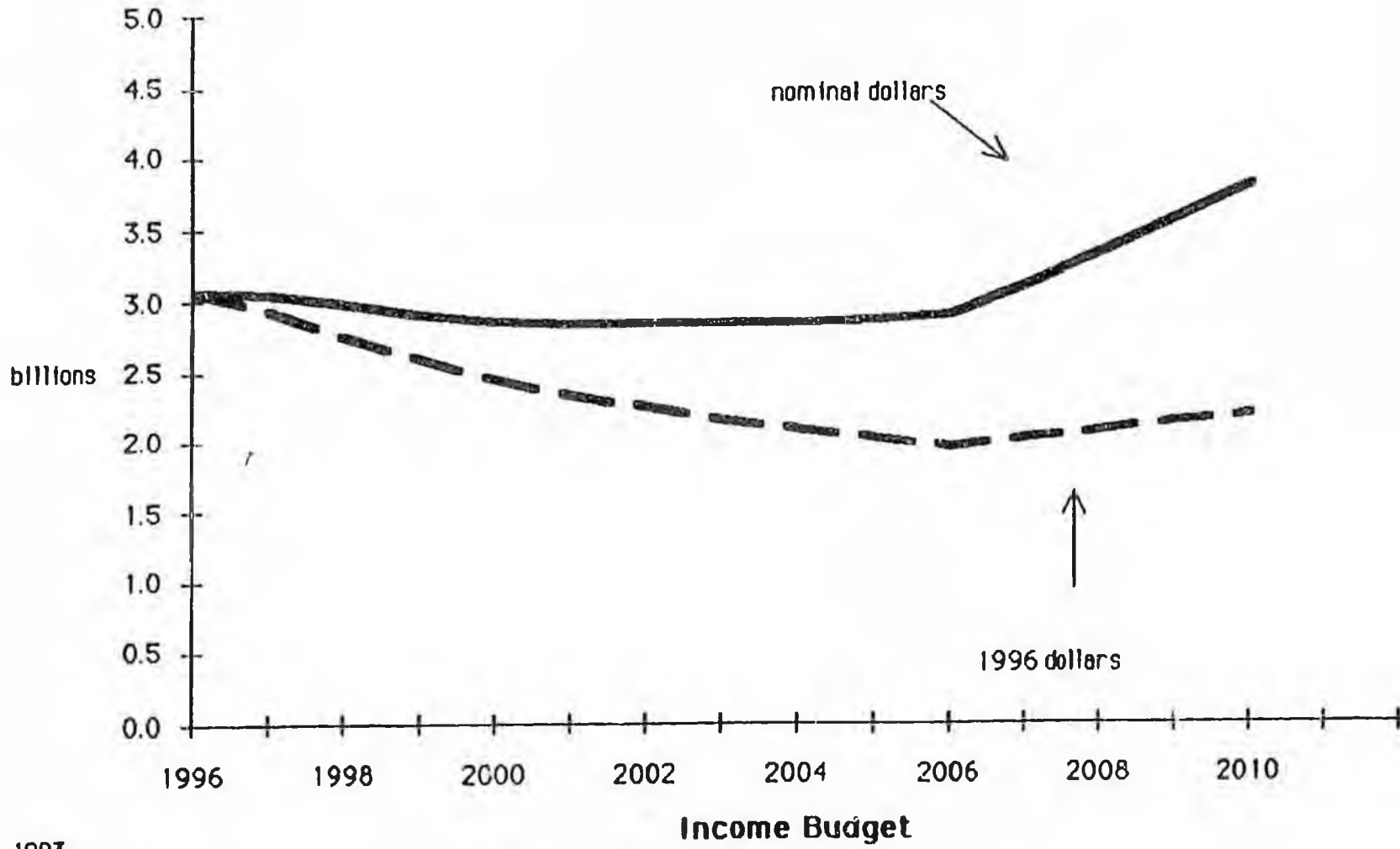
- the legislature's reluctance to allow the people to vote on a constitutional amendment that would revoke its authority to spend natural resource revenues
- the misconception that the proposed system eliminates "dividends"
- a fear that the fund will be depleted if there is less investment return or more inflation than anticipated or, during transition, there is a greater decrease in oil revenues than forecasted
- a fear that if great wealth results,
 - the bureaucracy will expand
 - the state will lose its incentive to develop natural resources
 - Alaskans will become dependent, disinterested in government, lethargic and immoral

Schedule

- spring, 1994 - legislature passes resolution proposing constitutional amendment
- fall, 1994 - people vote in favor of proposed constitutional amendment
- July 1, 1995 - conversion to new system begins

⁶ Under the present system it is likely that the reductions in spending would be abrupt. Under the proposed system they would be gradual.

Proposed State Financial System

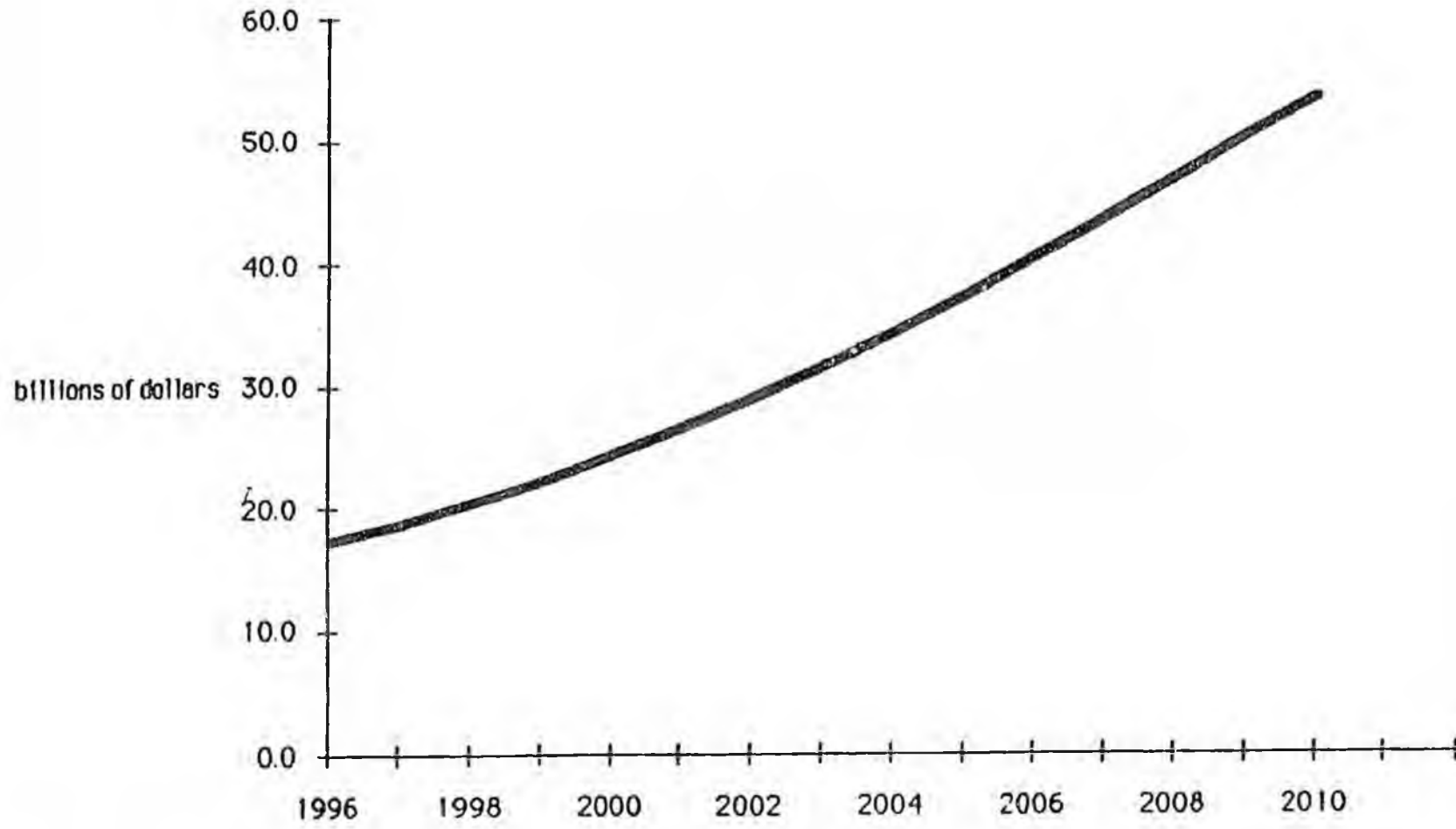


fall, 1993

20% in initial year to permanent % in

2006

Proposed State Financial System



fall, 1993

20% in initial year to permanent % in

2006

Permanent Fund

Data: Dept. of Revenue (projections: fall, 1993, mid case)

* Permanent Fund Corp. (projections: October 31, 1993, mid case)

Transitional withdrawal: 20% in initial year to permanent % in 2006

Permanent withdrawal: 6%

Total return: 10%

Inflation: 4%

Reserves: 2,500

Conventional revenue enhancement: 12%

Proposed State Financial System
(millions of dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Fiscal Year	Perm Fund Beginning Balance	Natural Resource Revenues	Withdrawal from Perm Fund	Perm Fund Ending Balance	Conventional Revenues	Income Budget	Income Budget (1996 \$)	Fiscal Year
1996	16,277	2,117	2,779	17,262	300	3,079	3,079	1996
1997	17,262	2,295	2,714	18,608	336	3,050	2,933	1997
1998	18,608	2,416	2,609	20,335	376	2,985	2,760	1998
1999	20,335	2,355	2,492	22,300	421	2,913	2,590	1999
2000	22,300	2,175	2,391	24,385	472	2,863	2,447	2000
2001	24,385	2,009	2,314	26,592	529	2,842	2,336	2001
2002	26,592	1,883	2,244	28,969	592	2,836	2,241	2002
2003	28,969	1,754	2,173	31,530	663	2,837	2,156	2003
2004	31,530	1,626	2,101	34,298	743	2,844	2,078	2004
2005	34,298	1,487	2,029	37,282	832	2,860	2,010	2005
2006	37,282	1,322	1,957	40,477	932	2,889	1,952	2006
2007	40,477	1,176	2,128	43,666	969	3,097	2,012	2007
2008	43,666	1,057	2,310	46,866	1008	3,318	2,072	2008
2009	46,866	966	2,499	50,100	1048	3,547	2,130	2009
2010	50,100	892	2,691	53,387	1090	3,781	2,183	2010

2 Market value (book in initial year*). Includes reserves (treated as added in twelve quarters preceding initial year).

3 Deposited into fund quarterly.

4 Function of withdrawal percentage and average of balance in twelve preceding quarters (in proposal, quarters of three preceding calendar years). Transitional withdrawal percentage decreases geometrically. Withdrawn quarterly.

5 Function of deposit, withdrawal and total return on investment.

6 In initial year, assumed. Transitionally, function of amount in previous year and enhancement percentage. Thereafter, increases at inflation rate.

7 & 8 Sum of amounts in columns 4 and 6.

Data: Dept. of Revenue (projections: fall, 1993, mid case)

* Permanent Fund Corp. (projections: October 31, 1993, mid case)

Transitional withdrawal: 20% In Initial year to permanent % In 2006

Permanent withdrawal: 6%

Total return: 10%

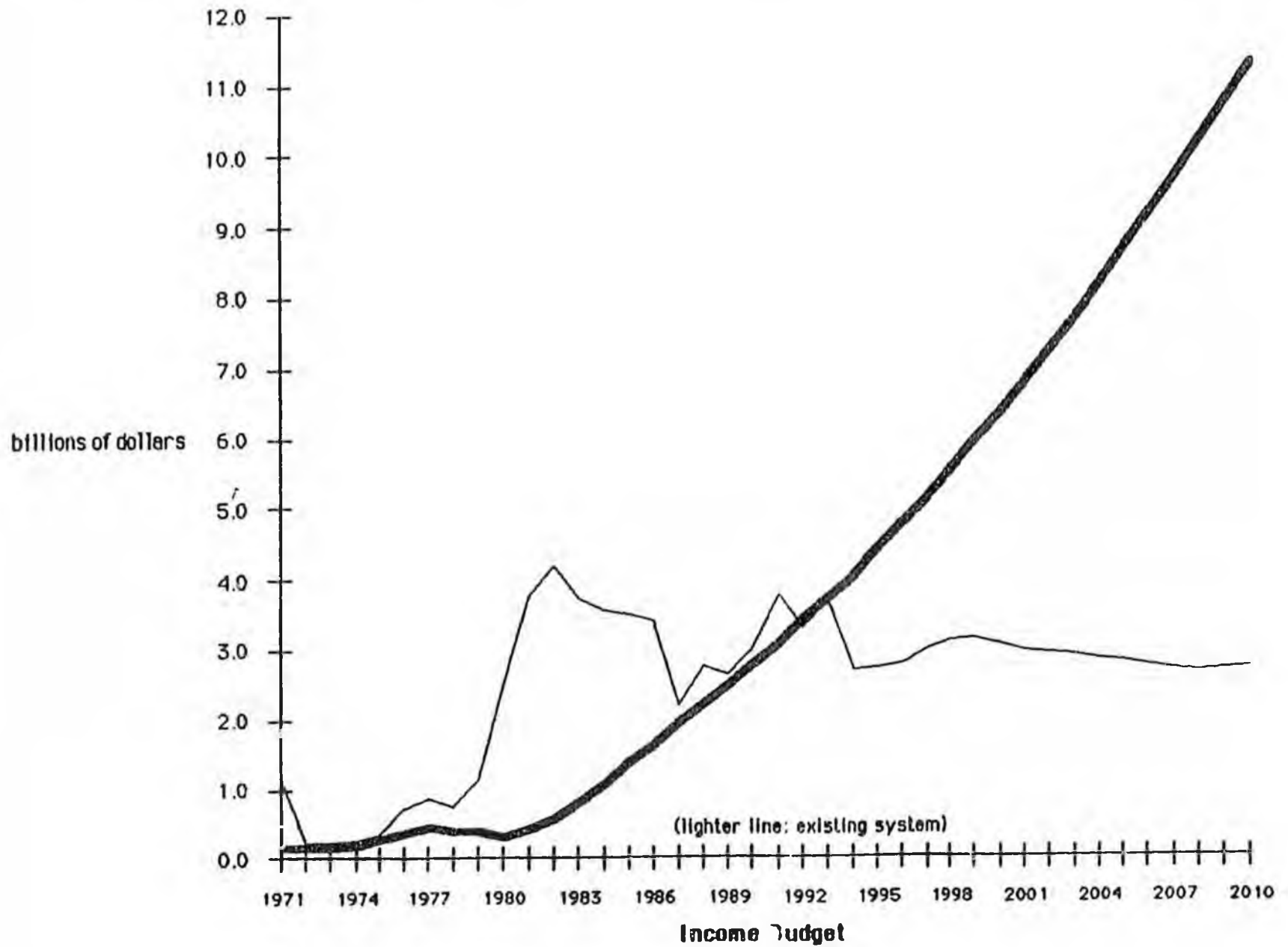
Reserves: 2,500

Proposed State Financial System
(millions of dollars)

Fiscal Year	Deposit	Year Begin	2nd Qtr Begin	3rd Qtr Begin	4th Qtr Begin	Year End	Avg Prior Bal	Wdrl %	Withdrawal
1993 *		11,911.33	12,238.08	12,564.83	12,891.58	13,218.33			
1994*		13,426.67	13,735.42	14,044.17	14,352.92	14,661.67			
1995*		14,070.00	15,221.75	15,573.50	15,925.25	16,277.00			
1996	2,117.12	16,277.00	16,514.25	16,757.44	17,006.70	17,262.19	13,896.29	20.00	2,779.26
1997	2,295.33	17,262.19	17,586.35	17,918.61	18,259.17	18,608.25	15,308.75	17.73	2,714.45
1998	2,416.40	18,608.25	19,024.06	19,450.27	19,887.13	20,334.91	16,597.68	15.72	2,609.17
1999	2,354.71	20,334.91	20,808.15	21,293.22	21,790.41	22,300.04	17,879.28	13.94	2,491.82
2000	2,175.06	22,300.04	22,802.17	23,316.86	23,844.42	24,385.16	19,351.89	12.36	2,391.12
2001	2,008.86	24,385.16	24,916.66	25,461.45	26,019.85	26,592.22	21,121.66	10.95	2,313.76
2002	1,883.00	26,592.22	27,164.51	27,751.10	28,352.37	28,968.66	23,106.11	9.71	2,244.03
2003	1,754.37	28,968.66	29,585.50	30,217.75	30,865.82	31,530.08	25,242.23	8.61	2,173.42
2004	1,626.18	31,530.08	32,196.66	32,879.90	33,580.22	34,298.05	27,523.42	7.63	2,101.02
2005	1,486.83	34,298.05	35,016.69	35,753.30	36,508.32	37,282.22	29,973.73	6.77	2,028.52
2006	1,321.81	37,282.22	38,051.51	38,840.03	39,648.26	40,476.70	32,616.75	6.00	1,957.00
2007	1,175.92	40,476.70	41,244.66	42,031.83	42,838.67	43,665.69	35,465.44	6.00	2,127.93
2008	1,057.16	43,665.69	44,436.30	45,226.18	46,035.81	46,865.67	38,499.19	6.00	2,309.95
2009	965.92	46,865.67	47,644.49	48,442.78	49,261.03	50,099.73	41,648.15	6.00	2,498.89
2010	892.22	50,099.73	50,891.33	51,702.71	52,534.38	53,386.84	44,847.48	6.00	2,690.85

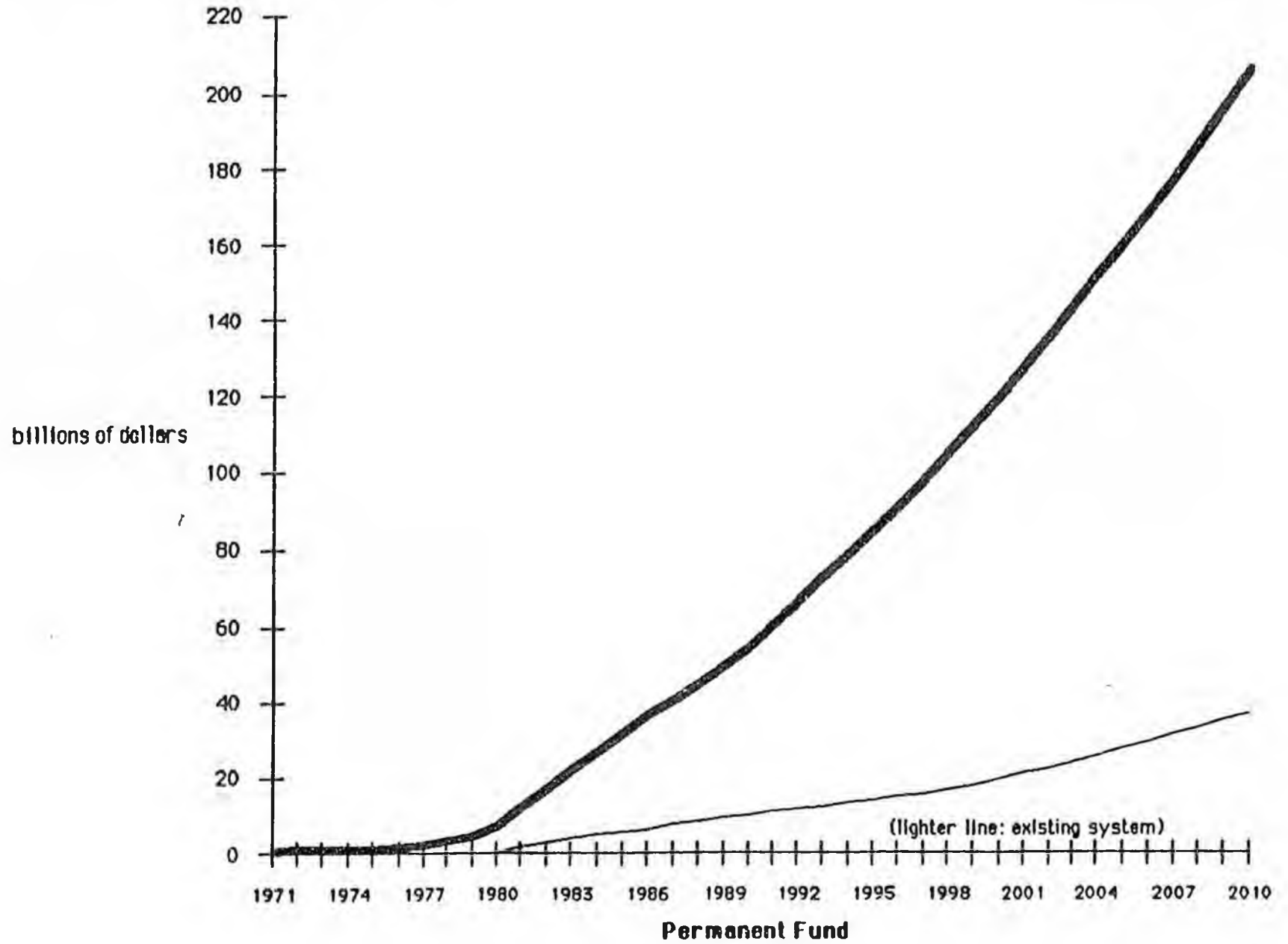
fall, 1993, mid case

Proposed State Financial System - Retrospective



fall, 1993, mid case

Proposed State Financial System - Retrospective



Data: Dept. of Revenue (projections: fall, 1993, mid case)

* Permanent Fund Corp. (projections: October 31, 1993, mid case)

Withdrawal: 6%

Total return: 10%

Proposed State Financial System - Retrospective

(millions of dollars)

(1) Fiscal Year	(2) Perm Fund Beginning Balance	(3) Petroleum Revenues	(4) Withdrawal from Perm Fund	(5) Perm Fund Ending Balance	(6) Non-Petrol Revenues	(7) Income Budget	(8) Existing System		
							(8) Income Budget	(9) Perm Fund Ending Balance*	(10) Earnings Res Ending Balance*
1971	900	47	54	986	95	149	1,138		
1972	986	48	56	1,080	104	159	219		
1973	1,080	50	59	1,184	115	173	208		
1974	1,184	80	61	1,327	134	195	255		
1975	1,327	90	68	1,489	205	272	333		
1976	1,489	392	75	1,980	287	361	710		
1977	1,980	482	86	2,607	362	448	874		
1978	2,607	492	105	3,289	279	385	765	54	
1979	3,289	906	135	4,451	252	387	1,133	139	
1980	4,451	2,601	176	7,494	125	300	2,501	483	
1981	7,494	3,697	243	11,947	186	429	3,754	1,769	59
1982	11,947	3,983	368	17,034	209	577	4,187	2,969	244
1983	17,034	3,457	570	21,874	229	799	3,748	4,021	354
1984	21,874	3,237	835	26,700	246	1,081	3,574	4,838	557
1985	26,700	3,124	1,125	31,599	283	1,408	3,490	5,741	763
1986	31,599	3,029	1,419	36,592	222	1,642	3,426	6,281	1,264
1987	36,592	1,578	1,712	40,249	243	1,955	2,204	7,864	529
1988	40,249	2,391	1,997	44,846	224	2,221	2,753	8,585	591
1989	44,846	2,074	2,266	49,297	245	2,511	2,651	9,173	635
1990	49,297	2,391	2,527	54,270	271	2,798	3,000	9,894	605
1991	54,270	3,306	2,791	60,452	291	3,082	3,776	10,888	581
1992	60,452	2,693	3,083	66,313	353	3,436	3,299	11,703	645
1993	66,313	3,075	3,405	72,845	326	3,731	3,683	12,385	965
1994	72,845	2,079	3,757	78,622	276	4,033	2,713	12,995	1,055
1995	78,622	2,077	4,126	84,605	280	4,406	2,722	13,777	1,175
1996	84,605	2,117	4,490	90,863	281	4,771	2,782	14,601	1,312
1997	90,863	2,295	4,854	97,573	289	5,143	2,985	15,486	1,462
1998	97,573	2,416	5,221	104,718	298	5,519	3,122	16,732	1,638
1999	104,718	2,355	5,609	112,127	307	5,915	3,141	17,751	1,594
2000	112,127	2,175	6,019	119,677	316	6,335	3,050	19,130	1,528
2001	119,677	2,009	6,451	127,374	326	6,776	2,975	20,575	1,436
2002	127,374	1,883	6,897	135,262	335	7,232	2,938	22,096	1,313
2003	135,262	1,754	7,353	143,346	345	7,699	2,906	23,696	1,154
2004	143,346	1,626	7,820	151,636	356	8,176	2,865	25,380	968
2005	151,636	1,487	8,298	160,131	366	8,664	2,819	27,150	754
2006	160,131	1,322	8,788	168,810	377	9,165	2,751	29,008	508
2007	168,810	1,176	9,289	177,701	389	9,678	2,705	30,960	230
2008	177,701	1,057	9,803	186,843	400	10,203	2,686	32,930	0
2009	186,843	966	10,329	196,276	412	10,742	2,696	34,743	0
2010	196,276	892	10,869	206,036	425	11,294	2,728	36,632	0

[2] At market value. In 1971, equal to bonuses from petroleum leasing in 1970.

[3] In proposal, various natural resource revenues. Deposited into fund quarterly.

[4] Function of withdrawal percentage and average of balance at beginning of twelve preceding quarters. Withdrawn quarterly.

[5] Function of deposit, withdrawal and total return on investment.

[6] Not including general fund interest.

[7] Sum of amounts in columns 4 and 6.

[8] Sum of appropriable petroleum revenues, non-petroleum revenues and "dividends" portion of fund income*. In 1971, includes surplus from 1970.

Date: Dept. of Revenue (projections: fall, 1993, mid case)

* Permanent Fund Corp. (projections: October 31, 1993, mid case)

Withdrawal: 6%

Total return: 10%

Proposed State Financial System - Retrospective
(millions of dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Fiscal Year	Deposit	Year Begin	2nd Qtr Begin	3rd Qtr Begin	4th Qtr Begin	Year End	Avg Prior Bal	Withdrawal
1971	47.00	900.00	920.71	941.93	963.68	985.98	900.00	54.00
1972	48.40	985.98	1,008.71	1,032.01	1,055.89	1,080.37	931.58	55.89
1973	50.30	1,080.37	1,105.26	1,130.77	1,156.92	1,183.72	976.11	58.57
1974	80.20	1,183.72	1,218.13	1,253.40	1,289.55	1,326.60	1,023.52	61.41
1975	90.40	1,326.60	1,365.64	1,405.64	1,446.65	1,488.69	1,125.06	67.50
1976	391.50	1,488.69	1,607.05	1,728.38	1,852.74	1,980.21	1,246.89	74.81
1977	481.60	1,980.21	2,131.13	2,285.83	2,444.39	2,606.91	1,430.52	85.83
1978	492.00	2,606.91	2,771.17	2,939.54	3,112.12	3,289.01	1,755.25	105.31
1979	905.50	3,289.01	3,568.74	3,855.47	4,149.36	4,450.60	2,245.68	134.74
1980	2,601.30	4,450.60	5,183.44	5,934.59	6,704.52	7,493.70	2,927.82	175.67
1981	3,696.90	7,493.70	8,566.15	9,665.41	10,792.15	11,947.06	4,047.12	242.83
1982	3,983.20	11,947.06	13,172.07	14,427.69	15,714.71	17,033.91	6,137.76	368.27
1983	3,457.00	17,033.91	18,199.48	19,394.20	20,618.78	21,873.98	9,504.34	570.26
1984	3,236.80	21,873.98	23,036.25	24,227.59	25,448.71	26,700.35	13,918.78	835.13
1985	3,124.00	26,700.35	27,879.99	29,089.11	30,328.46	31,598.79	18,757.87	1,125.47
1986	3,028.80	31,598.79	32,801.23	34,033.74	35,297.05	36,591.95	23,652.57	1,419.15
1987	1,578.30	36,591.95	37,472.60	38,375.26	39,300.49	40,248.85	28,526.27	1,711.58
1988	2,390.90	40,248.85	41,355.92	42,490.67	43,653.78	44,845.97	33,289.08	1,997.35
1989	2,073.90	44,845.97	45,917.87	47,016.57	48,142.73	49,297.05	37,768.36	2,266.10
1990	2,390.83	49,297.05	50,494.56	51,722.02	52,980.16	54,269.75	42,117.72	2,527.06
1991	3,305.92	54,269.75	55,758.49	57,284.44	58,848.54	60,451.75	46,513.84	2,790.83
1992	2,693.44	60,451.75	61,863.24	63,310.03	64,792.98	66,313.01	51,381.51	3,082.89
1993	3,074.54	66,313.01	67,886.06	69,498.44	71,151.13	72,845.13	56,756.08	3,405.37
1994	2,079.45	72,845.13	74,236.35	75,662.35	77,124.00	78,622.20	62,618.99	3,757.14
1995	2,077.46	78,622.20	80,062.90	81,539.61	83,053.25	84,604.73	68,761.21	4,125.67
1996	2,117.12	84,604.73	86,111.80	87,656.55	89,239.92	90,862.88	74,832.87	4,489.97
1997	2,295.33	90,862.88	92,478.84	94,135.21	95,832.98	97,573.20	80,896.57	4,853.79
1998	2,416.40	97,573.20	99,293.85	101,057.52	102,865.28	104,718.23	87,016.74	5,221.00
1999	2,354.71	104,718.23	106,502.38	108,331.14	110,205.62	112,126.96	93,476.06	5,608.56
2000	2,175.06	112,126.96	113,945.05	115,808.60	117,718.73	119,676.61	100,321.43	6,019.29
2001	2,008.86	119,576.61	121,530.30	123,430.33	125,377.85	127,374.07	107,512.21	6,450.73
2002	1,883.00	127,374.07	129,273.62	131,220.66	133,216.38	135,261.98	114,947.65	6,896.86
2003	1,754.37	135,261.98	137,208.76	139,204.20	141,249.53	143,345.99	122,558.26	7,353.50
2004	1,626.18	143,345.99	145,342.44	147,388.81	149,486.33	151,636.29	130,335.36	7,820.12
2005	1,486.83	151,636.29	153,681.87	155,778.59	157,927.73	160,130.59	138,297.73	8,297.86
2006	1,321.81	160,130.59	162,220.76	164,363.10	166,559.10	168,810.04	146,459.38	8,787.56
2007	1,175.92	168,810.04	170,951.23	173,145.96	175,395.55	177,701.39	154,821.81	9,289.31
2008	1,057.16	177,701.39	179,902.80	182,159.24	184,472.10	186,842.78	163,383.41	9,803.00
2009	965.92	186,842.78	189,114.55	191,443.11	193,829.88	196,276.32	172,151.00	10,329.06
2010	892.22	196,276.32	198,626.72	201,035.88	203,505.27	206,036.39	181,147.39	10,868.84

Date: Dept. of Revenue (projections: fall, 1993, mid case)

*Permanent Fund Corp. (projections: October 31, 1993, mid case)

Withdrawal: 6%

Total return: 10%

Proposed State Financial System - Retrospective
(millions of dollars)

Fiscal Year	Proposed System							Existing System				
	Perm Fund Beginning Balance	Petroleum Revenues	Withdrawal from Perm Fund	Perm Fund Ending Balance	Non-Pet: Revenues	Income Budget	Income Budget	Perm Fund Ending Balance*	Earnings Res Ending Balance*	Dividends*	Total Revenues	Perm Fund Dedication
1971	900	47	54	986	95	149	1,138					
1972	986	48	56	1,080	104	159	219					
1973	1,080	50	59	1,184	115	173	208					
1974	1,184	80	61	1,327	134	195	255					
1975	1,327	90	68	1,489	205	272	333					
1976	1,489	392	75	1,980	287	361	710					
1977	1,980	482	86	2,607	362	448	874					
1978	2,607	492	105	3,289	279	385	765	54				
1979	3,289	906	135	4,451	252	387	1,133	139				
1980	4,451	2,601	176	7,494	125	300	2,501	483				
1981	7,494	3,697	243	11,947	186	429	3,754	1,769	59	28	4,111	385.10
1982	11,947	3,983	368	17,034	209	577	4,187	2,969	244	71	4,517	400.50
1983	17,034	3,457	570	21,874	229	799	3,748	4,021	354	108	4,061	421.00
1984	21,874	3,237	835	26,700	246	1,081	3,574	4,838	557	175	3,765	366.20
1985	26,700	3,124	1,125	31,599	283	1,408	3,490	5,741	763	217	3,641	368.00
1986	31,599	3,029	1,419	36,592	222	1,642	3,426	6,281	1,264	303	3,446	323.40
1987	36,592	1,578	1,712	40,249	243	1,955	2,204	7,864	529	391	1,983	170.60
1988	40,249	2,391	1,997	44,846	224	2,221	2,753	8,585	591	424	2,747	417.90
1989	44,846	2,074	2,266	49,297	245	2,511	2,651	9,173	635	460	2,420	228.40
1990	49,297	2,391	2,527	54,270	271	2,798	3,000	9,694	605	487	2,780	267.10
1991	54,270	3,306	2,791	60,452	291	3,082	3,776	10,888	581	489	3,722	435.00
1992	60,452	2,693	3,083	66,313	353	3,436	3,299	11,703	645	488	3,149	337.80
1993	66,313	3,075	3,405	72,845	326	3,731	3,688	12,385	955	532	3,471	315
1994	72,845	2,079	3,757	78,622	276	4,033	2,713	12,995	1,055	550	2,391	228
1995	78,622	2,077	4,126	84,605	280	4,406	2,722	13,777	1,175	584	2,385	247
1996	84,605	2,117	4,490	90,863	281	4,771	2,782	14,601	1,312	614	2,425	257
1997	90,863	2,295	4,854	97,573	289	5,143	2,985	15,486	1,462	652	2,617	284
1998	97,573	2,416	5,221	104,718	298	5,519	3,122	16,732	1,638	681	2,749	308
1999	104,718	2,355	5,609	112,127	307	5,915	3,141	17,751	1,594	753	2,698	310
2000	112,127	2,175	6,019	119,677	316	6,335	3,050	19,130	1,528	816	2,527	292
2001	119,677	2,009	6,451	127,374	326	6,776	2,975	20,575	1,436	883	2,367	276
2002	127,374	1,883	6,897	135,262	335	7,232	2,938	22,096	1,313	955	2,249	266
2003	135,262	1,754	7,353	143,346	345	7,699	2,906	23,696	1,154	1,031	2,129	255
2004	143,346	1,626	7,820	151,636	356	8,176	2,865	25,380	968	1,098	2,010	243
2005	151,636	1,487	8,298	160,131	366	8,664	2,819	27,150	754	1,167	1,880	228
2006	160,131	1,322	8,788	168,810	377	9,165	2,751	29,008	508	1,238	1,724	211
2007	168,810	1,176	9,289	177,701	389	9,678	2,705	30,960	230	1,312	1,587	195
2008	177,701	1,057	9,803	186,843	400	10,203	2,686	32,930	0	1,389	1,478	181
2009	186,843	966	10,329	196,276	412	10,742	2,696	34,743	0	1,468	1,398	169
2010	196,276	892	10,869	206,036	425	11,294	2,728	36,632	0	1,551	1,335	158

Traditional vs. Cremo Budgeting

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12
Non-dedicated Petroleum & Interest Revenues	Non-petroleum Revenues	Net GF Unrestricted Revenues (Columns 1 + 2)	PFC Dividend	Traditional Budget (Columns 3 + 4)	Cremo Budget (Columns 7 + 8)	Cremo Withdrawal	Non-petroleum Revenues	Traditional PF Balance	Cremo PF Balance	Net Withdrawal (Cols. 7 - 1 / Avg. Bal)	Withdrawal Percentage (Geometric)
			589.0					13,777.0	14,998.00	FY95	
FY95			619.0	2,435.1	2,434.2	2,171.9	262.3	14,489.0	15,873.70	FY96	4.67%
FY96	1,553.8	262.3	1,816.1	2,508.8	2,389.8	2,119.7	270.2	15,304.0	16,894.73	FY97	3.76%
FY97	1,582.6	270.2	1,852.8	2,556.5	2,329.9	2,051.6	278.3	16,161.0	18,101.73	FY98	2.98%
FY98	1,595.2	278.3	1,873.5	2,511.2	2,264.1	1,977.5	286.6	17,370.0	19,387.46	FY99	3.07%
FY99	1,477.6	286.6	1,764.2	2,422.2	2,202.1	1,906.9	295.2	18,633.0	20,678.26	FY00	3.37%
FY00	1,321.0	295.2	1,616.2	2,360.9	2,147.7	1,843.6	304.1	19,956.0	21,995.06	FY01	3.53%
FY01	1,187.9	304.1	1,491.9	2,318.7	2,094.4	1,781.2	313.2	21,345.0	23,359.14	FY02	3.58%
FY02	1,070.5	313.2	1,383.7	2,304.5	2,039.4	1,716.8	322.6	22,806.0	24,789.89	FY03	3.50%
FY03	975.9	322.6	1,298.5	2,271.5	1,983.2	1,650.9	332.3	24,342.0	26,296.18	FY04	3.46%
FY04	873.3	332.3	1,205.5	2,238.7	1,927.6	1,585.4	342.2	25,955.0	27,879.13	FY05	3.42%
FY05	767.4	342.2	1,109.7	2,207.2	1,873.8	1,521.3	352.5	27,631.0	29,543.57	FY06	3.39%
FY06	660.7	352.5	1,013.2	2,196.8	1,976.5	1,613.4	363.1	29,438.0	31,154.35	FY07	3.87%
FY07	572.7	363.1	935.8	2,207.9	2,083.1	1,709.2	374.0	31,322.0	32,724.90	FY08	4.23%
FY08	504.0	374.0	877.9	2,191.4	2,191.4	1,806.2	385.2	32,977.0	34,269.18	FY09	4.50%
FY09	452.6	385.2	837.8	2,284.1	2,284.1	1,902.2	396.7	34,702.0	35,796.14	FY10	4.71%
FY10	410.4	396.7	807.1								6.00%

Traditional assumes low-case Fall '03 DoR Revenue Forecast and Permanent Fund Corporation December 31, 1993 Forecast, low-case
 Cremo assumes same DoR Revenue Forecasts, PFC earnings assumptions, 10 year transition, and PFC assumptions on Earnings Reserve balance

Traditional vs. Cremo Budgeting
Notes and Assumptions for Spreadsheet

Column 7

These figures are determined by taking a percentage of the 12-quarter-average balance of the Permanent Fund. The Cremo plan assumes a transition period beginning in FY96 and ending in FY06 when a permanent 6% withdrawal rate is achieved. Percentages during the transition are determined by a geometric progression. They are as follows:

FY96 16.4%	FY97 14.83%
FY98 13.41%	FY99 12.13%
FY00 10.97%	FY01 9.92%
FY02 8.97%	FY03 8.11%
FY04 7.34%	FY05 6.63%
FY06 6.00%	

After FY06, a 6% withdrawal rate is continued.

The withdrawal amount, relative to the Cremo plan's Permanent Fund year-end balance, is a lower withdrawal percentage. For example, the withdrawal amount in FY96 is actually 13.7% of the year-end balance of the Permanent Fund.

The Cremo plan assumes the identical rate of return assumptions for the Permanent Fund as contained in the PFC projections (i.e. 8.37% from FY96 - 98 and 9.0% from FY99 - 2010).

Column 8

These figures are identical to figures in column 2.

Column 9

Figures in this column are from PFC projections.

Column 10

To achieve financial parity with the traditional model, \$1.221 billion was added to the Permanent Fund in the Cremo plan, distributing this amount evenly through the 12 quarters prior to FY96. This number was taken from the PFC projections as the Earnings Reserve balance available at the end of FY95.

Traditional vs. Cremo - Budgeting
Notes and Assumptions for Spreadsheet

Page 3

Column 11

In Cremo plan, subtracting resource revenues deposited into the Permanent Fund (Column #1) from the Cremo withdrawal amount (Column #7), results in the net amount actually taken from the fund. This amount is shown as a percentage of the 12 quarter average balance.

Column 12

This column contains the exact percentages in the geometric progression.

Data: Dept. of Revenue (projections: fall, 1993, low case)

* Permanent Fund Corp. (projections: December 31, 1993, low case)

Transitional withdrawal: 16.40% in initial year to permanent % in 2006 10
 Permanent withdrawal: 6.00%
 Total return FY95 - 98: 8.37%
 Total return FY98 - 2010 9.00%
 Reserves: 1,221

Proposed State Financial System
 (millions of dollars)

Fiscal Year	Deposit	Year Begin	2nd Qtr Begin	3rd Qtr Begin	4th Qtr Begin	Year End	Avg Prior Bal	Wdrl %	Withdrawal
1993 *		11,804.75	12,051.56	12,298.38	12,545.19	12,792.00			
1994 *		12,893.75	13,122.56	13,351.38	13,580.19	13,809.00			
1995 *		13,910.75	14,182.56	14,454.38	14,726.19	14,998.00			
1996	1,773.62	14,998.00	15,210.17	15,426.78	15,647.93	15,873.70	13,243.47	16.40	2,171.93
1997	1,787.53	15,873.70	16,121.08	16,373.64	16,631.49	16,894.73	14,292.05	14.83	2,119.67
1998	1,812.30	16,894.73	17,187.17	17,485.74	17,790.55	18,101.73	15,296.39	13.41	2,051.61
1999	1,685.61	18,101.73	18,406.02	18,716.66	19,033.81	19,387.46	16,303.42	12.13	1,977.49
2000	1,512.56	19,387.46	19,692.49	20,003.90	20,321.83	20,678.26	17,384.69	10.97	1,906.93
2001	1,366.16	20,678.26	20,989.10	21,306.44	21,630.42	21,995.06	18,585.17	9.92	1,843.59
2002	1,238.70	21,995.06	22,316.85	22,645.36	22,980.75	23,359.14	19,855.68	8.97	1,781.20
2003	1,123.67	23,359.14	23,696.55	24,041.01	24,392.68	24,789.89	21,162.33	8.11	1,716.81
2004	1,009.98	24,789.89	25,145.04	25,507.61	25,877.77	26,296.18	22,502.63	7.34	1,650.91
2005	891.43	26,296.18	26,663.31	27,050.24	27,439.14	27,879.13	23,895.64	6.63	1,585.40
2006	772.51	27,879.13	28,271.38	28,671.84	29,080.67	29,543.57	25,355.38	6.00	1,521.32
2007	674.82	29,543.57	29,922.22	30,308.79	30,703.45	31,154.35	26,889.85	6.00	1,613.39
2008	598.06	31,154.35	31,522.67	31,898.69	32,282.57	32,724.90	28,486.33	6.00	1,709.18
2009	539.12	32,724.90	33,086.27	33,455.21	33,831.86	34,269.18	30,103.28	6.00	1,806.20
2010	489.82	34,269.18	34,625.78	34,989.85	35,361.54	35,796.14	31,702.88	6.00	1,902.17

Low Scenario Detailed Revenue Projections (Millions of Dollars)

Table 22

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
FY	SEVERANCE TAX	PROPERTY TAX	OIL&GAS INC.TAX	GROSS ROYALTIES	MINERAL REVENIS	BONUS SALES	INCOME FROM PRIOR YEARS	TOTAL PETROLEUM REVENUES	NON-PETR NON-INTR REVENUES	GEN FUND INTEREST REVENUES	TOTAL REVS W/P<RM FND> DEDICATION
1981	1170.20	143.00	860.10	1501.60	7.90	14.10	0.00	3696.90	186.10	227.80	4110.80
1982	1581.70	142.70	668.90	1553.20	26.40	10.30	0.00	3983.20	209.00	324.70	4516.90
1983	1493.70	152.60	236.00	1447.40	54.20	73.10	0.00	3457.00	228.60	375.80	4061.40
1984	1393.10	131.00	265.10	1409.00	21.90	16.70	0.00	3236.80	245.80	282.70	3765.30
1985	1389.40	128.40	168.60	1390.30	23.70	23.60	0.00	3124.00	283.00	233.50	3640.50
1986	1107.90	113.50	133.90	1098.20	44.50	70.10	460.70	3028.80	222.40	195.20	3446.40
1987	648.50	102.50	120.40	591.60	29.10	1.00	85.20	1578.30	243.00	161.90	1983.20
1988	818.70	96.20	158.00	953.50	24.20	11.30	329.00	2390.90	223.60	132.60	2747.10
1989	698.80	89.70	166.00	818.70	18.00	23.00	259.70	2073.90	245.10	100.70	2419.70
1990	1001.60	89.80	117.20	1004.43	21.00	0.00	156.80	2390.83	271.33	117.90	2780.06
1991	1284.80	85.00	185.10	1292.63	21.30	38.30	398.59	3305.92	291.04	125.00	3721.96
1992	1053.20	69.00	165.50	1021.32	17.10	5.25	362.07	2693.44	353.40	101.80	3148.64
1993	1017.60	56.90	834.70	982.62	20.30	76.60	75.82	3074.54	325.58	70.90	3471.02
1994	877.20	63.20	156.90	781.80	21.85	1.10	9.40	1911.45	253.39	32.40	2197.24
1995	791.80	60.20	106.00	785.70	20.76	0.00	9.40	1773.86	261.67	5.00	2040.53
1996	778.10	56.70	106.00	803.70	19.72	0.00	9.40	1773.62	262.29	5.00	2040.91
1997	779.00	53.10	90.00	833.30	18.73	0.00	13.40	1787.53	270.16	27.38	2085.08
1998	774.70	49.90	87.00	869.50	17.80	0.00	13.40	1812.30	278.26	27.54	2118.10
1999	688.60	46.00	83.00	837.70	16.91	0.00	13.40	1685.61	286.61	27.90	2000.12
2000	592.50	42.80	78.00	769.80	16.06	0.00	13.40	1512.56	295.21	26.24	1834.01
2001	514.60	39.80	71.00	712.10	15.26	0.00	13.40	1366.16	304.07	24.03	1694.25
2002	450.80	36.80	69.00	667.60	14.50	0.00	0.00	1238.70	313.19	22.18	1574.07
2003	388.30	34.10	64.00	623.50	13.77	0.00	0.00	1123.67	322.58	20.77	1467.03
2004	329.20	31.50	58.00	577.20	13.08	0.00	0.00	1009.98	332.26	19.36	1360.60
2005	272.90	29.60	52.00	524.50	12.43	0.00	0.00	891.43	342.23	17.95	1251.61
2006	214.20	27.70	45.00	473.80	11.81	0.00	0.00	772.51	352.50	16.54	1141.54
2007	164.50	26.10	41.00	432.00	11.22	0.00	0.00	674.82	363.07	15.10	1052.99
2008	126.70	24.70	38.00	398.00	10.66	0.00	0.00	598.06	373.96	13.95	985.97
2009	104.20	23.30	35.00	366.50	10.12	0.00	0.00	539.12	385.18	13.09	937.39
2010	89.20	21.80	31.00	338.20	9.62	0.00	0.00	489.82	396.74	12.49	899.04

(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
	TOTAL REVS W/FUND	FUNDS	NPR-A	OTHER	PERM FUND	CONSTITUTIONAL BUDGET RESERVE	NET GEN FUND UNRESTRD REVENUES	
FY	DEDICATION FUND	FUND	FUND	FUNDS DEDICATN FUND	FUND	FUND	REAL 1992\$	
1981	4110.80	7.50	0.00	74.30	385.10	0.00	3718.20	
1982	4516.90	8.00	0.00	0.00	400.50	0.00	4108.40	
1983	4061.40	9.40	0.00	0.00	421.00	0.00	3631.00	
1984	3765.30	9.00	0.00	0.00	366.20	0.00	3390.10	
1985	3640.50	7.10	5.40	0.00	368.00	0.00	3260.00	
1986	3446.40	6.50	41.00	0.00	323.40	0.00	3075.50	
1987	1983.20	3.30	9.90	0.00	170.60	0.00	1799.40	
1988	2747.10	6.60	1.00	15.80	417.90	0.00	2305.80	
1989	2419.70	4.30	0.80	0.00	228.40	0.00	2186.20	
1990	2780.06	5.13	0.60	0.00	267.10	0.00	2507.23	
1991	3721.96	8.83	0.37	0.00	435.00	291.20	2986.56	
1992	3148.64	15.04	0.13	0.00	337.80	333.07	2462.60	2462.60
1993	3471.02	6.80	0.19	0.00	315.30	67.13	3081.60	2991.84
1994	2197.24	4.02	0.40	0.00	209.02	0.00	1983.80	1886.40
1995	2040.53	4.03	0.30	7.00	209.20	0.00	1820.00	1695.05
1996	2040.91	4.12	0.10	7.00	213.60	0.00	1816.09	1654.19
1997	2085.08	4.26	0.00	7.00	221.02	0.00	1852.80	1650.56
1998	2118.10	4.44	0.00	10.00	230.16	0.00	1873.50	1632.34
1999	2000.12	4.27	0.00	10.00	221.69	0.00	1764.16	1503.31
2000	1834.01	3.93	0.00	10.00	203.85	0.00	1616.23	1347.00
2001	1694.25	3.64	0.00	10.00	188.68	0.00	1491.93	1215.50
2002	1574.07	3.41	0.00	10.00	176.94	0.00	1383.72	1102.04
2003	1467.03	3.19	0.00	0.00	165.31	0.00	1298.53	1010.98
2004	1360.60	2.95	0.00	0.00	153.12	0.00	1204.53	916.75
2005	1251.61	2.68	0.00	0.00	139.28	0.00	1109.65	825.58
2006	1141.54	2.43	0.00	0.00	125.97	0.00	1013.14	736.86
2007	1052.99	2.22	0.00	0.00	114.97	0.00	935.80	665.34
2008	985.97	2.04	0.00	0.00	106.01	0.00	877.92	610.18
2009	937.39	1.88	0.00	0.00	97.70	0.00	837.81	569.23
2010	899.04	1.74	0.00	0.00	90.22	0.00	807.08	536.05



Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS (in millions)

as of December 31, 1993

GROWTH OF FUND PRINCIPAL						
FY	FY Begin Balance	Appropriations	Dedicated State Revenues*	Inflation-Proofing	FY End Balance	Inflation-Proofing Shortfall
78	0		54		54	
79	54		84		139	
80	139		344		483	
81	483	900	385		1,769	
82	1,769	800	400		2,969	
83	2,969	400	421	231	4,021	
84	4,021	300	366	151	4,838	
85	4,838	300	368	235	5,741	
86	5,741		323	216	6,281	
87	6,281	1,264 **	170	148	7,864	
88	7,864		418	303	8,585	
89	8,585		228	360	9,173	
90	9,173		267	454	9,894	
91	9,894		435	559	10,888	
92	10,888		338	477	11,703	
93	11,703	5 ***	315	362	12,385	
94	12,385	5	209	372	12,971	
95	12,971	5	209	527	13,713	
96	13,713	5	214	557	14,489	
97	14,489	5	221	589	15,304	
98	15,304	6	230	622	16,161	
99	16,161	4	222	983	17,370	
0	17,370	4	204	1,055	18,633	
1	18,633	4	189	1,130	19,956	
2	19,956	4	177	1,206	21,345	
3	21,345	5	165	1,291	22,806	
4	22,806	5	153	1,378	24,342	
5	24,342	5	139	1,469	25,955	
6	25,955	5	126	1,565	27,651	
7	27,651	5	115	1,666	29,438	
8	29,438	5	106	1,773	31,322	
9	31,322	6	98	1,552	32,977	334
10	32,977	6	90	1,629	34,702	355
Cumulative Totals Projected						
For FY 1994 - 2010:						
			2,777	19,365		689

USE OF FUND INCOME						
Net Income	Distributions			Reserves		F
	Dividends	Inflation-Proofing	General Fund	Add (Delete)	FY End Balance	
2			1			
8			7			
32	12		12			
150	28		28	59	59	
368	71		71	185	244	
471	108	231	110	110	354	
530	175	151		203	557	
658	217	235		206	763	
1,021	303	216		501	1,264 **	
1,069	391	148		529	529	
789	424	303		62	591	
668	460	360	4	44	635	
916	487	454	4	(30)	605	
1,030	489	559	4	(24)	581	
1,036	488	477	5	64	645	
1,226	532	362	5	320	965	
1,075	555	372	5	139	1,104	
1,239	589	527		118	1,221	
1,314	619	557		133	1,355	
1,394	656	589		144	1,498	
1,478	683	622		168	1,667	
1,691	747	983		(44)	1,623	
1,800	806	1,055		(65)	1,558	
1,912	869	1,130		(91)	1,467	
2,027	935	1,208		(121)	1,346	
2,147	1,006	1,291		(155)	1,192	
2,269	1,066	1,378		(180)	1,012	
2,396	1,129	1,469		(207)	805	
2,528	1,194	1,565		(236)	569	
2,665	1,261	1,666		(267)	303	
2,808	1,330	1,773		(300)	2	
2,957	1,402	1,552		(2)		
3,112	1,477	1,629				
34,812	16,322	19,365	5			

REALIZED RATE OF RETURN ASSUMPTIONS:

	Nominal	Inflation	Real
FY 94:	7.81%	2.95%	4.86%
FY 95 - 98: ****	8.37%	4.00%	4.37%
FY 99 - 2010:	9.00%	6.00%	3.00%

- * Department of Revenue Fall 1993 Low-Case Revenue Forecast.
- ** Earnings reserve appropriated to Fund principal by the Legislature July 1, 1993.
- *** Transferred to principal from earnings reserve account per AS 37.13.145(d).
- **** Based on capital market assumptions adopted by the Trustees in April 1993.

STATUS QUO



First National Bank
of Anchorage

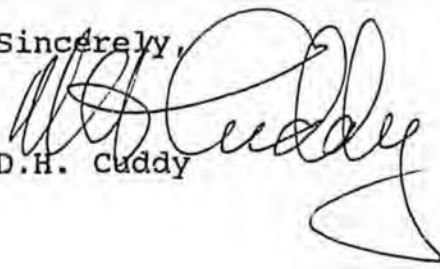
January 13, 1994

Senator Johnny Ellis
Room 9
Juneau, Alaska 99801

Dear Senator Ellis:

I endorse the Rodger Cremo Plan for the management of the
Permanent Fund. You can't beat the magic of compounding.

Sincerely,


D.H. Cuddy

BEAM: BUSINESS, EDUCATION AND MANAGEMENT CONSULTANT

Phone: (907) 277-8295, Fax: (907) 277-8354 540 L St., Suite #101 Anchorage, Alaska 99501-1945

KAREN ELIZABETH DEMPSTER B.A., M.ED., ED.S.

Specialist in:

Labor Relations, Contract Interpretation, Management & Budget Analysis

July 12, 1993

LETTERS TO THE DAILY NEWS

258-2157

Anchorage Daily News

P.O. Box 149001

Anchorage, Alaska 99514-9001

Dear Editor,

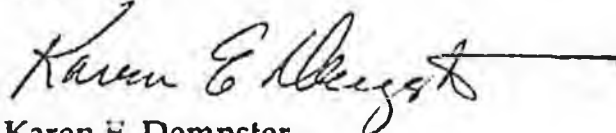
In response to Roger Cremo's Saturday, July 10, 1993 Compass piece, and its headline "We can indeed stabilize Alaska's economy, starting in '94", I thought of the line from a song: "There is nothing to it but to do it!"

The only cogent, comprehensive and systemic plan available to deal with the curse of the Alaska boom/bust economy is the one proposed by Roger Cremo. We have a unique economy in that our vast natural resources are locked up and owned by either the state or federal government. Our largest and most significant employer is the state and federal government. And, the words of the statehood act leave us no immediate way to change this ownership situation. Our only controllable capital asset is the Permanent Fund. If, as Mr. Cremo demonstrates, we can strengthen the Permanent Fund by placing all natural resource revenues into this reservoir, then metering out the earnings for dividends and the running of state government at a sustainable and predictable rate, we can achieve stability.

Stability means no more destructive boom/bust. It means we can forward fund for education and municipal government. Because we can predict state funding levels, we can achieve long term budgeting. Instead of politicians promising us reform, then excusing the lack of reform by citing the unpredictability of funding, we can hold our representatives responsible for planning and executing a budget as promised in their campaigns.

There is nothing to it, but to do it!

Sincerely,



Karen E. Dempster

BOB STOKES
4111 VISCOUNT CIRCLE
ANCHORAGE, ALASKA 99502

Jan. 10, 1994

Sen. Johnny Ellis
State Capitol
Juneau, AK 99801-1182

Dear Senator Ellis:

How would this be for a practice sentence in high school typing: "Now is the time for all good people to come to the aid of our beloved state"? I refer of course to the price of oil, the decline in North Slope production and the absolute necessity of getting back on a sound financial track.

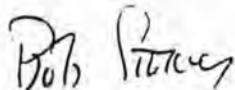
There seems to be a tsunami swelling up in support of the idea put forth by Roger Cremo which incorporates the Permanent Fund into long range financial planning for the state. On the back of this letter is a copy of a column by Fritz Pettyjohn which gives a good outline of the Cremo plan and I hope you will take the time to read it.*

The initial role of the Legislature would be to get the proposed constitutional amendment in front of the people in the 1994 election this November. If the electorate rejects it, so be it. If it passes I sincerely believe the future of our children and their children in Alaska will be secured as far as we can make it so.

It is of the utmost importance that this not become a partisan issue. It is my hope that both sides of the aisle will appreciate the importance of this amendment and support it accordingly. This seems to be the opportunity of a lifetime to literally save our state by sponsoring or co-sponsoring the Cremo amendment.


Thank you for your time.

Sincerely,



Bob Stokes

*There is a typo in the column. \$35 billion was reversed and should actually read \$53 billion.



**Anchorage • Star of the North
Chamber of Commerce**

**Anchorage Chamber of Commerce
Resolution 4-93/94
Supporting Expenditure Controls For State Government**

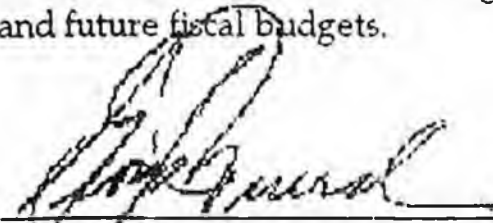
WHEREAS, the state of Alaska receives more in taxes on a per capita basis than any other state in the United States; and

WHEREAS, the state budget for the state of Alaska on a per capita basis is higher than any other state in the United States; and

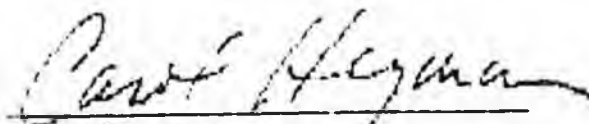
WHEREAS, there is a current budget deficit which will increase in the future due to the decline in the royalty and severance tax revenues collected from the production of crude oil; and

WHEREAS, in light of the unpredictability of tax revenues, the people of the state of Alaska and their elected representatives have a responsibility to ensure spending discipline and responsible state government;

BE IT RESOLVED that the state of Alaska should enact a meaningful expenditure control which will result in the gradual decline in the size of the state of Alaska's current and future fiscal budgets.



George Wuerch
Chairman 1993-94



Carol Heyman
President

January 21, 1994

Resolution of the Alaska Conference of Mayors

Resolution No. 94-1

**A RESOLUTION IN SUPPORT OF A
LONG-TERM FINANCIAL PLAN FOR THE STATE OF ALASKA**

WHEREAS, the State of Alaska, due to current oil pricing, faces a budget shortfall; and

WHEREAS, municipalities receive substantial revenues through municipal revenue sharing, municipal assistance, and other municipal aid programs; and

WHEREAS, there are numerous recommendations, including Governor Hickel's budget proposal and the Roger Cremo Plan, to resolve the budget problems faced by the state; and

WHEREAS, the Alaska Conference of Mayors wants to provide positive recommendations to the Legislature and the Governor on the budget and fiscal gap problems; and

WHEREAS, the Alaska Conference of Mayors represents over 55 cities and boroughs comprising nearly half of the population of the State of Alaska:

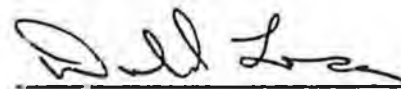
NOW, THEREFORE, BE IT RESOLVED that the Alaska Conference of Mayors supports a long-term financial program for the State of Alaska which provides for:

1. Expenditure reductions that are ■ meaningful, ■ not crippling to necessary services of public safety, ■ not destructive to the constitutional intent to provide for a statewide educational program, and ■ reasonable in providing for a balance of commonwealth needs such as health and welfare;
2. Tax and fee increases only after budget reductions;
3. Budget and budget mechanism changes that do not drastically threaten the state's private economic health;
4. Budget mechanism changes that will produce ■ a reduction in volatility of revenue availability over a long time period, ■ an improvement in the state's credit rating and perception, ■ a provision for safety and growth of the Permanent Fund principal, ■ widespread public understanding acceptance of the program.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to Governor Walter J. Hickel and members of the Alaska State Legislature.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately.

Adopted this 18th day of January 1994 in Juneau, Alaska.



Mayor Donald Long, President

ATTEST:



Chrystal Stittings Smith
Executive Assistant

Resolution of the Alaska Conference of Mayors

Resolution No. 94-2

**A RESOLUTION IN SUPPORT OF MAINTAINING FUNDING
AND COMPLETING CONSTRUCTION OF THE
ALASKA MARINE HIGHWAY SYSTEM OCEAN-CLASS VESSEL.**

WHEREAS, the Alaska Marine Highway System is critical to many of Alaska's coastal communities for basic transportation, economic development, and regional interaction; and

WHEREAS, the new ocean-going vessel will enhance the development of coastal Alaska; and

WHEREAS, the Alaska Marine Highway System was established by our present governor during his previous administration, prior to the onset of the state's "Oil Boom" wealth, and was fully funded to provide a level of service that was meeting the expectations of the traveling public and citizens of Alaska, but no longer meets the needs of the public due to the growth of population over the last 20 years; and

WHEREAS, it is imperative to continue the current rebuilding of the system to avoid costly emergency repairs, system disruptions, and a huge capital outlay when all of the current ferries reach the end of their useful life all at the same time; and

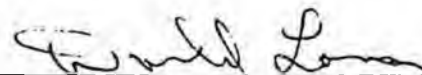
WHEREAS, an ocean-class vessel would significantly improve movement of cargo, construction equipment, visitors, and Alaskans within Southwest Alaska, Southeast Alaska, and between Southeast and Southwest Alaska at much needed, cost-efficient rates; and

WHEREAS, significant funding for the ocean-class vessel was secured from the Alaska State Legislature and approved by Governor Hickel during the 1992 and 1993 legislative sessions:

NOW, THEREFORE, BE IT RESOLVED that the Alaska Conference of Mayors urges Governor Hickel and the Alaska State Legislature to maintain the funding for the ocean-class vessel and ensure its operation beginning in 1997.

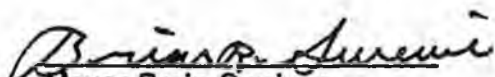
BE IT FURTHER RESOLVED that the Alaska Conference of Mayors urges Governor Hickel and Department of Transportation Commissioner Bruce Campbell to move ahead on bidding and constructing the new ocean-class vessel immediately.

Adopted this 18th day of January 1994 in Juneau, Alaska.



Mayor Donald Long, President

ATTEST:



Mayor Brian Sweiven
Secretary/Treasurer

NIB
Pg 2

KENAI PENINSULA CAUCUS
AN ORGANIZATION REPRESENTING
MUNICIPAL GOVERNMENTS AND CHAMBERS OF COMMERCE
OF THE KENAI PENINSULA BOROUGH
177 North Birch Street, Soldotna, AK 99669
Phone: 262-9107

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Jack Brown, North Peninsula
Darlene Crawford, Seldovia
Elaine Nelson, Seward
John Torgerson, Soldotna

To: Senator John Ellis c/o Nina
Fax: 465-2529 - - Five (5) Pages
From: Richard Underkofler, Secretary, Kenai Peninsula Caucus
Date: January 13, 1994

I am forwarding copies of Resolutions from the Kenai Peninsula Borough and the cities of Soldotna, Homer and Seward petitioning the Alaska Legislature to place a constitutional amendment on the ballot for the next general election that would enable a state wide vote on Roger Cremo's proposal to enable a percentage of the market value of the permanent fund to be withdrawn and appropriated for financing state government.

It is my understanding that you have already received the City of Kenai's Resolution endorsing this proposition. A similar Resolution will be considered by the Kenai Peninsula Caucus at a meeting to be held January 28, 1994.

Roger Cremo's proposal appears to have broad, non-partisan support on the Kenai.

Thanks for introducing a Senate Resolution that would enable this proposition to be considered by the legislature.



CITY OF SOLDOTNA

RESOLUTION 93-20

(Requested by Mayor Bill Reeder for a Public Hearing)

A RESOLUTION URGING THE ALASKA LEGISLATURE TO PLACE A CONSTITUTIONAL AMENDMENT RELATED TO THE ALASKA PERMANENT FUND ON THE BALLOT FOR THE NEXT GENERAL ELECTION

WHEREAS, at the Kenai Peninsula Borough Mayor's 1993 Economic Summit, a proposal was made for changing the State's system of finance to achieve sustained spending, which has attracted state wide interest; and,

WHEREAS, a hearing held by the Soldotna City Council concluded that residents of Soldotna desire an opportunity to vote on this proposition.


NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOLDOTNA, ALASKA:

Section 1. The Alaska State Legislature is petitioned to place a constitutional amendment on the ballot for the next general election which would generally:

- A. Dedicate all of the State of Alaska's future natural resource revenues to the Alaska Permanent Fund;
- B. Transfer assets of various state reserve funds to the Alaska Permanent Fund; and,
- C. Enable a percentage of the market value of the Alaska Permanent Fund to be withdrawn and appropriated by the legislature for financing state government.

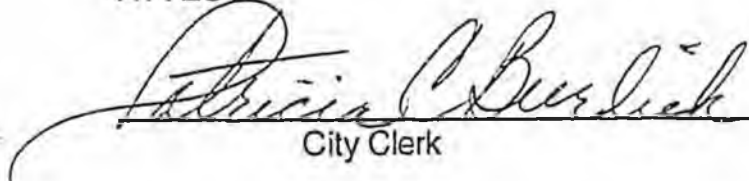
Section 2. The Clerk is hereby authorized and directed to forward a copy of this Resolution to the Kenai Peninsula Caucus, Senator Suzanne Little and Representative Gary Davis.

ADOPTED this 27th day of October, 1993.



Mayor

ATTEST:



City Clerk

CITY OF HOMER
HOMER, ALASKA

RESOLUTION 93-99

A RESOLUTION OF THE HOMER CITY COUNCIL URGING
THE ALASKA LEGISLATURE TO PLACE A
CONSTITUTIONAL AMENDMENT RELATED TO THE
ALASKA PERMANENT FUND ON THE BALLOT FOR THE
NEXT GENERAL ELECTION.

WHEREAS, at the Kenai Peninsula Borough Mayor's 1993
Economic Summit, a proposal was made for changing the State's
system of finance to achieve sustained spending, which has
attracted state wide interest; and

WHEREAS, a hearing held by the Homer City Council on
November 22, 1993 at the Regular City Council meeting concluded
that the residents of Homer desire an opportunity to vote on this
proposition.

NOW, THEREFORE, BE IT RESOLVED by the Homer City Council
that the Alaska State Legislature is urged to place a
constitutional amendment on the ballot for the next general
election which would generally dedicate all of the State of
Alaska's future natural resource revenues to the Alaska Permanent
Fund, transfer assets of various state reserve funds to the
Alaska Permanent Fund and enable a percentage of the market value
of the Alaska Permanent Fund to be withdrawn and appropriated by
the legislature for financing state government; and

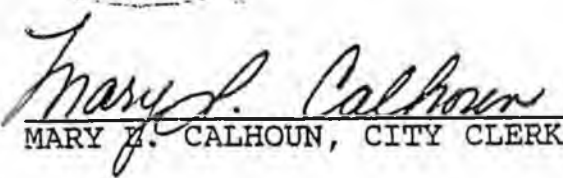
BE IT FURTHER RESOLVED that the City Manager is hereby
authorized and directed to forward a copy of this Resolution to
the Kenai Peninsula Caucus, Senator Suzanne Little and
Representative Gail Phillips.

PASSED and ADOPTED by the Homer City Council this 22nd day
of November, 1993.

CITY OF HOMER


HARRY E. GREGOIRE, MAYOR

ATTEST:


MARY Z. CALHOUN, CITY CLERK