

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

9060 SENATE STATE AFFAIRS

# GJK & Associates

3401 Donah St., Suite #202-A  
Anchorage, AK 99503

(907) 561-2274  
FAX 563-9354

March 21, 1996

RE: HB-372 and SB-314

Dear Senator Bert Sharp:

My name is Gary J. Klopfer and I am the majority owner of the Snow Goose Restaurant and the Sleeping Lady Brewing Company being constructed in downtown Anchorage. I would like to give you a little bit of background on the Brewpub/Brewery situation in Alaska.

My associate, Mark Wilson, and I started the process of looking into opening a "brewpub" over two years ago in downtown Anchorage. We wanted the ability to make beer on site and sell food at a very reasonable cost for both the local and tourist market. We did not want to serve hard alcohol or "spirits" of any kind because this did not fit into our concept of what we wanted for this "brewpub". The economics of a project of this size (restaurant equipment, brewery equipment, leaseholds, etc.) necessitates a large amount of capital costs (approx. \$ 2 million).

In our research, we found that to open a "brewpub" we would have to buy a liquor license (approx. \$175,000) and then, we would be restricted to producing only 15,000 gallons (484 barrels) of beer. This did not make sense for two reasons. First, we do not want to serve hard liquor, so why pay for a liquor license, to make beer. Second, the cost of our brewery equipment (\$250,000) and the overall theme of making beer on site, did not work with the capacity limit. We would be stopped from producing enough beer to make this an economical choice. Most successful "brewpubs" produce somewhere between 45,000 and 93,000 gallons (1500-3000 barrels) of beer. Hence, there were no "brewpubs" in the state of Alaska! There was a "brewpub" law, but the economics of it made it totally impractical!

In further research, we found that if we applied for a brewery license and a restaurant license, we could accomplish our goal. We applied for both and proceeded ahead. We were not trying to circumvent any law or find any "loop hole." We were just trying to bring a very successful business concept to the State of Alaska.

Since beginning this project, we have spend over \$150,000 and are under contract to spend another \$1.4 million dollars. In the process, we will convert a very old downtown building (Elks Club Building) into a fully upgraded and ADA approved building. We will also add approx. 40-50 full time employees to the tax base of Anchorage.

Now, what has changed since we started this process two years ago:

First, the "brewpub" law was amended to change its capacity to 75,000 gallons (2419 barrels). This is much closer to economic reality, but still an arbitrary number. The "brewpub" is still, unfortunately, attached to a liquor license, and not part of a restaurant license, or better yet, have it be its own "entity." The costs to open a "brewpub" are high enough, without demanding the purchase of a liquor license, which in most "brewpubs" would go unused.

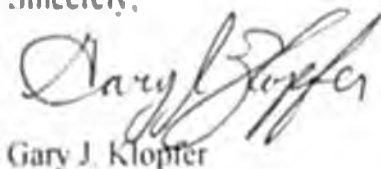
Second, a "tavern" license was created which would allow 1 in 10 restaurants to apply for an exemption from the 50/50 rule (food vs. alcohol sales). I was in favor of this change. Again, we wanted to serve very inexpensive food and did not want to be concerned with going over these percentages (i.e., someone has a hamburger and two beers on a nice afternoon on our deck and our percentage would be over 50/50!) We had the paperwork ready to apply for this exemption, when we found out that there was a new bill (HB372) to repeal this exemption. The ABC board told us to stand by! I do not know why this exemption would hurt anyone and I can only guess that someone is greatly misinformed on this entire new successful industry (in the lower forty-nine, I might add). There is no doubt that we are a restaurant first and a brewery second, all but two of our employees will work for the restaurant and three quarters of our construction budget is for the restaurant.

Lastly, and by far the worst situation, is a new bill (SB 314). This bill was just introduced yesterday and it would outlaw our very existence! What is going on? Why this new bill? Is someone that much uninformed? No one has been hurt by the current law. Not one person went out and bought a liquor license to open a "brewpub" since the "brewpub" law was enacted! The economics aren't there! Am I missing something? Does anyone realize the economic impact of this new bill if it passes?

Let me state, again, that since I started this process, two other "restaurant/brewery" establishments are in the construction phase here in Anchorage. Together, we will spend in excess of **Five Million Dollars (\$ 5,000,000)** on construction and equipment. We will upgrade three major buildings in downtown Anchorage. We will employ **100-150 Full Time Employees**. We will add **Millions of Dollars** to the tax base of Anchorage and the State of Alaska! Someone wants to outlaw this?

I am greatly confused and disillusioned about this new turn of events. I would greatly appreciate your comments and thoughts on this subject.

Sincerely,



Gary J. Klopfer

# **Snow Goose**

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## **Sleeping Lady Brewery**

### **Correspondence Address:**

PO BOX 220769  
Anchorage, Alaska  
99522-0569  
PH: (907) 276-4115  
Fax: (907) 276-5859  
e-mail: Wilson@alaska.net

March 25, 1996

To: The Honorable Bert Sharp

From: Mark Wilson

**SB-314 --- Please Vote No on SB-314**

The proposed SB-314 is directed at eliminating the combination of restaurants and breweries as a new business enterprise in Alaska. The impetus and origin of SB-314 is from the ownership of a few competing bars and businesses in Anchorage and Eagle River, Alaska.

### **Background**

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Over the last twelve months four new restaurant and brewery combination businesses have obtained licenses to open in Anchorage, Alaska. Three of these businesses will open in the summer of 1996 (Snow Goose Restaurant and Brewery, Railroad Restaurant and Brewery and the Alaska Glacier Brewhouse). In the near future, at least two more similar combinations are planned to be opened in Anchorage and at least one in Southeast Alaska.

**Vote No on SB-314**

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Additionally, one dispensary license holder in Eagle River and one in Anchorage have expanded their operations to include a brewery operation to support their bar and restaurant businesses. For clarification, "dispensary licensees" are permitted to serve hard liquor (mixed drinks, spirits), wine and beer. Any dispensary licensee can apply to the ABC Board for an additional "Brewpub License" which allows the dispensary licensee to operate a brewery on-site.

SB-314 would prohibit a combination restaurant/brewery and is an attempt by the holders of dispensary licenses to keep competitive restaurant and brewery operations from opening in Alaska.

### State and Federal Codes Nationally as they apply to Restaurant and Brewery Combinations

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The Code of Federal Regulations permits the combination of restaurant and breweries throughout the USA. Many states (38 states) have responded to this opportunity by initiating laws and statutes that encourage this new enterprise. For instance, federal statutes provide for a much reduced rate of excise tax to be paid by micro-brewery operations.

In the past ten years, these combination businesses have been formed under various structures but the most successful are restaurant and brewery combinations.

As of January 1995, the Institute for Brewing Studies reported that the following states have laws that allow for brewery combinations:

Alaska	Indiana	Nebraska	Pennsylvania
Arizona	Iowa	Nevada	South Carolina
Arkansas	Kansas	New Hampshire	South Dakota
California	Kentucky	New Mexico	Tennessee
Colorado	Louisiana	New York	Texas
Florida	Maine	No. Carolina	Utah
Hawaii	Maryland	No. Dakota	Vermont
Idaho	Massachusetts	Ohio	Virginia
Illinois	Missouri	Oregon	Washington
			Wisconsin
			Wyoming

Although there are some permutations of statute or regulation, nearly all of the states allow for combination businesses to sell micro-brewed beer in various packages to retailers, wholesalers and direct sale to the public.

In Alaska, specific limitations apply. A brief summary is as follows:

- A) Dispensary/Brew Pub Combination License  
Manufacture Beer in a Brewery - Limited by Volume Produced  
Can sell the produced beer to the business patrons only  
Can sell hard liquor and wine only for consumption on premise
  
- B) Restaurant and Eating Place License  
Sell beer and wine to patrons only
  
- C) Brewery License  
Manufacture Beer in a Brewery - Not limited  
Sell beer to wholesalers, retailers, restaurants  
Sell less than 5 gallons to public for consumption off site

The brewery and restaurant combinations now being constructed in Anchorage fall well within all federal and Alaska state statutes and regulations.

**Note No on SB-314**  
**Page 3**

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## The combination of restaurants and breweries has always been permitted by Alaska statute

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There is nothing new about the concept, restaurant/brewery combinations have always been permitted by Alaska statute.

The newest statute that relates to breweries is the 1988 statute that permits dispensary license holders to enter into the business of making their own beer on-site. This new Alaska statute was in response to the desire of dispensary license holders to be permitted to make beer and sell the product to their patrons. This new statute is the "Brewpub License" being used by the North Slope Restaurant, Anchorage, Alaska and Cusack's at the Ramada Inn, Anchorage, Alaska.

These new brewpub's came about before the original Brewpub statute was amended to increase the amount of beer that these businesses could produce. The intention of this increase in brewery capacity in combination with hard liquor and wine sales, was to facilitate and encourage the financial viability of brewery "Brewpub" operations by those dispensary license businesses.

In addition to being able to sell hard liquor spirits and wine the Brewpub license option protects the dispensary license holder and allows them a leg up to any possible competition by restaurant/brewery operations. The "Brewpub" option levels the playing field for the benefit of dispensary license holders in Alaska.

### Alaska Brewpubs and Brewery Restaurant Combinations

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Breweries are not new to Alaska. Breweries have been in Alaska since the territory period(see Valdez Brewery Photograph). Early breweries were located near supplies of wood for fuel and on the periphery of local communities in large older buildings. Throughout the USA the majority of micro-brewery, brewpub and restaurant/brewery combinations still occupy large older buildings but they are a far cry from the operations of a hundred years ago.

**Note No on SB-314**

**Page 4**

In Anchorage, the advent of restaurant/breweries combinations has meant a re-birth of the restaurant scene in the downtown corridor. It has also meant the investment of over \$5,000,000 in capital into old prominent structures in Anchorage proper.

In the case of the newly organized businesses, the buildings to be occupied by the new restaurant/brewery combinations in Anchorage were either dilapidated and vacant, unoccupied or were facing imminent closure by the owners. Today, instead of three giant white elephants in the business core there will be new and modern facilities employing over 120 wage earners.

It is projected that these new businesses will be developing over \$7,000,000 in annual revenue. These new businesses will be paying property and excise tax, buying utility services, and will add substantially to the economy and social fabric of the community.

#### Expansion of Tourism

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Local Anchorage tour businesses complain that there is not much for tourist to do in Anchorage. The Anchorage business community is trying to change that situation. In response, the owners of the new restaurant/brewery combinations have correctly determined that a portion of tourists will be interested in patronizing specialty restaurants.

The new restaurant/brewery establishments are not parking lot businesses or hot dog stands. They are multi-million dollar investments by operators with long term plans. Any community in Alaska would look forward to the amount and type of investment and the employment that these new restaurant/breweries will bring to Anchorage.

#### Legislation and Policy

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SB-314 sends the wrong kind of message to business and industry. Investment of the multi-million dollar type in Alaska requires that

**Vote No on SB-314**

**Page 5**

our policy makers and officials maintain consistent policy and a quantifiable framework for investment.

The statutory and legal framework to construct and operate the new restaurant/brewery combinations in Anchorage have been on the books virtually since statehood. That circumstance notwithstanding, SB-314 will destroy this promising industry and related capital investment.

SB-314 prohibits the restaurant/brewery combination. While SB-314 does contain a provision exempting existing licenses the exemption is illusory because it prevents existing licenses from being transferred. SB-314 prevents the owner of a restaurant/brewery combination from moving the business to another building or even taking on additional partners in the business.

In the case of the Snow Goose Restaurant and Brewery, the investment of the developer/owners and the Elks membership approaches \$1,400,000 in the old Elk's building. The Elks building was outdated, in violation of code requirements and facing closure. The Snow Goose Restaurant and Brewery and the Elks membership are working in concert to make the new business successful. The building is being completely remodeled, updated and brought into compliance with the American Disabilities Act.

Serious defects (no sprinkler or fire alarm system) and asbestos abatement are being corrected. It will be a beautiful new structure with a wonderful view of Denali and Sleeping Lady mountains.

Unfortunately, SB-314 will kill this deal. The Snow Goose is currently in the process of transferring its previously approved licenses to the Elks building. SB-314 will stop the Snow Goose Restaurant and Brewery project dead in its tracks. SB-314 prevents the transfer of the required licenses. The result is that a valuable investment in central Anchorage will be lost and the Elks membership will face bankruptcy.

SB-314 will cause a tragic situation. The owners and investors in the Snow Goose Restaurant and Brewery and the Elk's membership,

**Note No on SB-314**

**Page 6**

relying in good faith upon the existing statutes have invested hundreds of thousands of dollars in the development of a new tourism related business in Anchorage. The adoption of SB-314, which will result in the total loss of that investment and is grossly unfair.

**Please vote no on SB-314.**

Very truly yours,

Mark Wilson

**Vote No on SB-314  
Page 7**

## Vote No on SB-314

### Current Statutes Concur and Comply with Federal Law -No Change is needed.

The Code of Federal Regulations permits the joint ownership of restaurants and breweries. A reduced rate of federal excise tax is applied to these operations thereby encouraging this type business. Similar combination businesses exist in over thirty eight (38) states of the union under statutes similar to Alaska's. The Municipality of Anchorage has approved the development of these type of restaurant/brewery businesses.

### Restaurant/Brewery Combinations Bring Multi-million Dollar Investment to Alaska

Restaurant/Brewery Combinations provide for immense capital investment, economic growth of the base economy and revitalization of business in the business core.

FYI '95-96

- \$5,000,000 Capital invested in Anchorage
- Employment of 120 new jobs for low and medium income personnel
- \$30,000-\$60,000 annually in the form of state and federal excise and special tax
- Municipal property taxes
- State of Alaska corporate/business taxes
- Licenses and Fees

The money from these restaurant/brewery operations stays in Alaska from the manufacture of beer, tourism, state taxes and local employment.

### Restaurant/Brewery Combinations Enhance Tourism Growth

- Revitalization of old downtown Anchorage buildings
- New and trendy restaurants serving fresh non-pasteurized beer

### SB-314 Discourages Investment

SB-314 sends the wrong message for multi-million dollar capital investment in Alaska and makes investment in the restaurant/brewery combination licensing non-transferable.

### SB-314 Is not good legislation and unfairly protects special commercial interests

SB-314 does not de-value dispensary licenses of other Alaska businesses. SB-314 protects special commercial interests and stifles competition. SB-314 sends money to the big brewing companies of Milwaukee and Colorado.

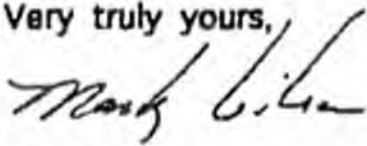
### SB-314 Ruins one or more developments in Anchorage

SB-314 would cancel the Elks-Snow Goose project by preventing the transfer of previously approved licensing. SB-314 would prevent any restaurant/brewery from even moving from one building to another. SB-314 would, for all intents and purposes, ruin the potential value the current developments by preventing transfers. SB-314 interrupts the competitive process.

relying in good faith upon the existing statutes have invested hundreds of thousands of dollars in the development of a new tourism related business in Anchorage. The adoption of SB-314, which will result in the total loss of that investment and is grossly unfair.

Please vote no on SB-314.

Very truly yours,



Mark Wilson

**Humpy's Great Alaskan Alehouse  
610 West 6th Avenue  
Anchorage, Alaska 99501**

**March 21, 1996**

**Senator Bert Sharp  
Alaska State Legislature  
State Capitol (MS 3100)  
Juneau, Alaska 99801-1182**

**Dear Senator Sharp:**

**This letter is a request for support of House Bill CS 372, regarding exempt restaurant or eating place liquor licenses.**

**Title 4, Section 04.11.100 of the Alaska Statutes authorizes a restaurant or eating place to sell beer and wine for consumption on the licensed premises, provided that the licensee furnishes the ABC Board evidence that the sale of food constitutes no less than 50 percent of gross receipts. In addition, under Title 4, Article 3, 15 AAC 104.305 paragraph 3, a restaurant or eating licensee cannot provide entertainment beyond 9:00 p.m..**

**Last year, the legislature passed Senate Bill 87 that grants exemptions to 10 percent of restaurant-eating place licensees who apply for an exempt status. The bill was passed to assist restaurant eating place licensees who were having difficulty meeting the 50 percent food rule, but who wanted to continue to sell alcoholic beverages during live performances in their establishments, i.e., Cyrano's, an Anchorage restaurant-eating place licensee which operates a "playhouse" along with a Cafe & bookstore.**

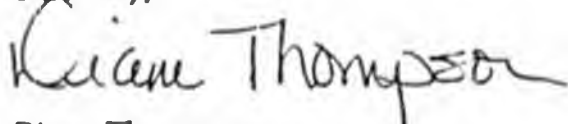
**In spite of all the publicity, Cyrano's did not apply for exempt status. It wasn't until October of 1995 that a pizza restaurant-eating place licensee obtained the first exempt license in Anchorage.**

**On the surface, granting these exemptions does not appear to create an impact on the community, but as we examine the requests for exemptions, we find that new Breweries are obtaining a Brewery License under Title 4, Alaska Statutes Section 04.11.130, and are obtaining a restaurant-eating place license, then requesting exempt status. In short, this enables the "Brewery Restaurant" to become a Tavern. They are exempt from proving 50 percent gross food sales and are exempt from the limitation of providing entertainment after 9:00 p.m.. As a brewery they can sell their product to their adjoining restaurant, to other licensees, to a wholesaler and to the general public right out of their facility; they become both a wholesaler and a retailer. In addition, a brewery can offer free samples of their product, which for all other licensees, is clearly prohibited under Title 4. The exempt status gives this licensee yet another means of selling more alcohol and circumvents the intent of the original license.**

Exempt restaurant-eating place licenses undermine the value of full dispensary licenses, which are purchased at market value. Certain privileges such as entertainment beyond 9:00 p.m. and no restrictions concerning food sales, are allowed only under full dispensary liquor licenses. Continuing to grant these exemptions creates a new classification of liquor license, not subject to the same rules, regulations and costs as full dispensary licenses.

As a full dispensary liquor license holder, we ask that you help preserve the integrity of all full dispensary liquor licenses by supporting this legislation. Bill 372 will create a more equal arena, where the rules and regulations are consistent for all holders of liquor licenses.

Sincerely,

A handwritten signature in cursive script that reads "Diane Thompson". The signature is written in dark ink and is positioned above the printed name.

Diane Thompson  
Humpty's Great Alaskan Alehouse



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-0182

### MEMORANDUM

TO: Senator Bert Sharp, Chairman  
State Affairs Committee

FROM: Senator Rick Halford, Co-Chair  
Finance Committee *Rick*

DATE: March 21, 1996

SUBJECT: SB 314, Restaurant Liquor License Ownership

SB 314, sponsored by the Senate Finance Committee, was referred to your committee. Please schedule a hearing at your earliest possible convenience.

A sponsor statement and letters of support will follow shortly.

~~13~~ ~~Testified~~  
5 Gov:  
9 Against

11

SENATE BILL NO. 314

IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 3/20/96  
Referred: STA, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to issuance of a restaurant or eating place liquor license."

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

3 • Section 1. AS 04.11.450(b) is amended to read:

4 ~~Insert~~ (b) ~~AT~~ person who is a representative or owner of a wholesale business,  
5 brewery, winery, bottling works, or distillery may not be issued, solely or together with  
6 others, a beverage dispensary license, a restaurant or eating place license, or package  
7 store license. A holder of a beverage dispensary license may be issued a brewpub  
8 license, subject to the provisions of AS 04.11.135. ~~the~~

9 • Sec. 2. APPLICABILITY. This Act applies to a restaurant or eating place license issued  
10 on or after the effective date of this Act.

# Snow Goose Restaurant

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## Sleeping Lady Brewery

1400 West Benson Boulevard  
Suite 150  
Anchorage, Alaska 99503

PH: (907) 276-4115

FX: (907) 276-5859

e-Mail: [wilson@alaska.net](mailto:wilson@alaska.net)

From: Mark Wilson  
re: SB-314

SB-314 is recently proposed legislation to restrict the commercial growth of combination restaurant/brewery businesses in Alaska. The promoters of SB-314 are special interests which are attempting to eliminate competition.

I urge you not to support SB-314.

- ◆ SB-314 is not constructive.
- ◆ SB-314 does not encourage capital investment and economic development.
- ◆ SB-314 supports a limited special interest group with an agenda based upon limiting normal and reasonable competition in the marketplace.

In Anchorage the new restaurant/brewery combinations have spurred over \$5 million in capital investment and will provide over 120 new jobs for local Alaskans. These new operations will be successful and welcomed members of the central business core of Anchorage.

Welcome the future.

Please say No to SB-314.

NORTH SLOPE RESTAURANT  
("Alaska's First Brewpub")  
Eagle River, Alaska

March 26, 1996

Alaska State Legislature  
Senate State Affairs Committee  
Juneau, Alaska 99801-1182

Dear Committee Members:

I am writing to express my enthusiastic support for SB 314 prohibiting financial interests between owners or representatives of breweries and holders of restaurant beer and wine licenses. I believe that this bill is an important fix to level an uneven playing field, that was inadvertently created. A loophole in the law as it is now written permits brewery owners to operate a restaurant with a beer and wine license. The "Cyrano's exemption", passed last year (HB-87) removes the restrictions on restaurant licensees that requires at least 50% of their gross receipts to come from non-alcoholic sales. The combination of this loophole and exemption has put a crack in the state's regulation of alcohol that the breweries are going to drive a truck through. Breweries are about open "restaurants" that will, in fact, be brewery-owned taverns. These "taverns" masquerading as restaurants will be opened without the requirement of a beverage dispensary license and without the gross receipts restrictions on alcohol sales traditionally placed upon restaurants licensees.

As the owner of Alaska's first brewpub, I am required to own a beverage dispensary license and am limited to the sale of alcohol and beer on-premises. The brewery owner does not need a beverage dispensary license and can sell beer off premises, on premises and now can sell it without restrictions through the restaurant as well.

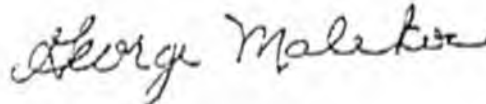
The loophole and the exemption create a cheaply-obtained vertical monopoly for the brewery owner. The brewery has control of every stage of the manufacture, distribution and sale of its product on both the wholesale and retail level. The result is anticompetitive and destructive to the legitimate brewpubs and to the other wholesalers and distributors of beer. A brewery permit is \$1000 and a restaurant beer and wine license is \$600 while a beverage dispensary license, while listed at \$2500 actually costs a newcomer well into six figures. The brewpub owner can only sell retail beer on premises. The brewery can sell at retail (up to five gallons) on premises and wholesale off premises. The Cyrano's exemption now allows the brewery to also open a restaurant without the cost of a liquor license. This is not a level playing field on which to compete. Further, wholesale distributors are cut out of the process as the brewery just bypasses them.

SB 314 prohibiting financial ties between breweries and beer and wine licensees will level the playing field and further the public interest against the creation of monopolies as stated in AS 04.11.690. I urge that the committee adopt this legislation and that the legislature enact it.

Senate State Affairs  
March 22, 1996  
Page 2

I am also enclosing a portion of a memo that suggests that the loophole and exemption creates a system that is in conflict with the Federal Alcohol Administration Act. Thank you for your consideration, "Please pass SB 314."

Very truly yours,



George Malekos, owner  
North Slope Restaurant

Enclosure

A holder of a brewery license under AMC 04.11.130 (b) may sell beer in interstate commerce.

(b) The holder of a brewery license may sell beer in quantities of

(2) more than five gallons to a person who is licensed under this title, or in another state or country.

There is a loophole in the state's antimonopoly provisions prohibiting certain financial interests between wholesalers and retailers. Under AMC 04.11.450 (b) brewery owners cannot own a beverage dispensary license or a package store license. There is nothing however preventing a brewery owner from owning a restaurant beer and wine license. This is a loophole that permits brewers to own a restaurant beer and wine license.

The holder of a brewery license may also hold a restaurant beer and wine license and benefit from the recent exemption waiving the requirement that beer and wine sales be limited to 50% of the restaurant's gross receipts.<sup>1</sup> AS. 04.11.100.(f)

<sup>1</sup> AS. 04.11.100 provides as follows:

(a) A restaurant or eating place license authorized a restaurant or eating place to sell beer and wine for consumption only on the licensed premises.

(b) A license may be issued under this section only if the board determines that the premises to be licensed are a bona fide restaurant or eating place.

(c) A license may be issued under this section only if the sale and service of food and alcoholic beverages and any other business conducted on the licensed premises of the restaurant or eating place is under the sole control of the licensee.

(d) The biennial fee for a restaurant or eating place license is \$600.

(e) A license may be renewed under this section only if the licensee provides evidence to the board's satisfaction that gross receipts from the sale of food upon the licensed premises constitute no less than 50 percent of the gross receipts of the licensed premises for each of the two preceding calendar years.

(f) Notwithstanding the provisions of (b) and (e) of this section, upon written application and approval of the local governing body, the board may issue or reissue a restaurant or eating place license and exempt the licensee from the requirements of (b) and (e) of this section. A licensee exempt as provided in this subsection shall provide food items for sale on the premises as shown on a menu approved by the board and available to patrons. The board may not

(1) issue or reissue a license as provided under this subsection if

(a) the issuance or reissuance would result in more than one exempt restaurant or eating place license for every 10 restaurant or eating places licenses allowed under the provisions of AS 04.11.400(a)(2) or (3);

(b) the premises would be located in a building having a public entrance within 200 feet of the boundary line of a school or a church building in which religious services are being regularly conducted; for purposes of this subparagraph, the 200-foot prohibition is measured from the outer boundary line of the school or the public entrance of the church building by the shortest pedestrian route to the nearest public entrance of the restaurant or eating place;

(2) reissue a restaurant or eating place license as exempt as provided under the provisions

This regulatory scheme, combining a loophole and an exemption, has created the type of vertical monopoly that is prohibited everywhere else in the statute. When AS 04.11.430 prohibiting certain financial relationships between alcohol licensees was first written restaurant beer and wine licenses did not exist, there were only beverage dispensary licenses or package store licenses. When restaurant beer and wine licenses were added to the statute, they were not included among the prohibited financial interests. When brewpubs were authorized a licensee had to own a beverage dispensary license. Breweries however, are not required to own a beverage dispensary license. The result is that under state law, a brewer can own a restaurant beer and wine license and; under the exemption, sell beer as the dominant part of its business.

This scheme is in violation of the "tied house" provisions of the Federal Alcohol Administration Act. The Act is confined to interstate commerce. The brewery license authorizes the brewer to engage in interstate commerce so the federal law will apply. The brewer is authorized under state law to engage in interstate commerce, and under the loophole of 04.11.450 (b) may own or operate a restaurant with a beer and wine license. This is in violation of "tied house" provisions of the Act which prohibits a brewer from "acquiring or holding any interest in any license with respect to the premises of the retailer". 25 USC § 205

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of this subsection if the license was issued under the provision of AS 04.11.400(g) or (3) transfer an exempt license issued under this subsection to another person.

The Federal Alcohol Administration Act provides as follows (in relevant portion)

**25 USC §205** It shall be unlawful for any person engaged in business as a ...brewer..directly or indirectly through an affiliate:

(b)"Tied house". To induce through any of the following means, any retailer, engaged in the sale of ...malt beverages, to purchase any such products from such person to the exclusion in whole or in part of...malt beverages sold or offered for sale any other persons in interstate commerce, if such inducement is made in the course of interstate or foreign commerce, or if such person engages in the practice of using such means, or any of them, to such an extent as substantially to restrain or prevent transactions in interstate or foreign commerce in any such products, or if the direct effect of such inducement is to prevent, deter, hinder, or restrict other persons from selling or offering for sale any such products to such retailer in interstate or foreign commerce: (1) By acquiring or holding (after the expiration of any existing license) any interest in any license with respect to the premises of the retailer; or (2) by acquiring any interest in real or personal property owned, occupied or used by the retailer in the conduct of his business; or (3) by furnishing, giving, renting, lending, or selling to the retailer, any equipment, fixtures, signs supplies, money, services or other thing of value, subject to such exceptions as the Administrator may prescribe, having due regard for public health, the quantity and value of articles involved, established trade customs not contrary to the public interest and the purposes of this subsection; or (4) by paying or crediting the retailer for any advertising, display, or distribution service; or (5) by guaranteeing any loan or repayment of any financial obligation of the retailer, or (6) by extending to the retailer credit for a period in excess of the credit period usual and customary to the industry for the particular class of transactions, as ascertained by the Administrator and prescribed by regulations by him; or (7) by requiring the retailer to take and dispose of a certain quota of any such products.



Kurani, Inc.,  
d/b/a Pizza Hut  
210 Center Court  
Anchorage, Alaska 99518  
(907) 582 2205 FAX (907) 561 2778

---

March 27, 1996

Senator Rick Halford  
Senate Finance Committee  
Juneau, Alaska

Dear Senator Halford,

As a holder of thirteen Beer & Wine - Restaurant / Eating place licenses in Alaska, we support your efforts in enacting Senate Bill No. 314. Micro-Brewing, adult entertainment, and other tavern activities should be conducted under the regulations of a beverage dispensary license, and full breweries should not be in the retail sale of their own type of product as federal law dictates. If I can answer any questions, or be of any further help, please do not hesitate to ask.

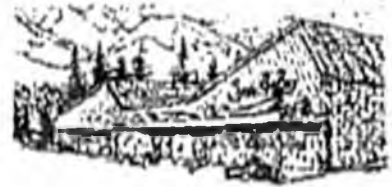
Sincerely,

A handwritten signature in black ink, appearing to read "Kurban Kurani". The signature is stylized and cursive.

Kurban Kurani

# Sea Galley of Alaska

ALPAC Partnership • 4101 Credit Union Drive, Anchorage, AK 99503  
Phone (907) 563-3520 • Fax (907) 563-6382



March 27, 1996

Senator Rick Halford  
Senate Finance Committee  
Juneau, Alaska

Dear Senator Halford:

As a holder of a Alcoholic Beverage dispensary license, we support the efforts you have put forth in enacting Senate Bill No. 314. Full breweries should not be in the retail sale of their own products.

Sincerely

JOHN F. HOBACK

2435 Spenard Rd., Anchorage, Alaska 99503

Mailing To: 1071 West 25th Avenue, Anchorage, Alaska 99503

(907) 272-1010

Fax (907) 272-7519

Mar. 22, 1996

Senator Rick Halford  
Senate Finance Committee

Dear Senator Halford:

SB 314 is a much needed remedy to the  
emerging unfair competition against  
beverage discretionary license holders by  
breweries and export license holders.

I am very supportive of your efforts.

If there is any other way in which  
I can be of assistance please feel

free to contact me.

Sincerely,  
Dimitri H. Jadan,  
Pres. Jadan, Inc  
dba

**Chilkoot Charlie's**

Rustic Alaskan Bar



DAN ZIVANICH  
325 F STREET  
ANCHORAGE, AK 99501

PHONE 907-272-5198  
FAX 907-345-9509

FOR ANYONE INTERESTED!  
" WHEN ALASKA ESTABLISHED OUR  
LIMITED ENTRY PERMITS ON LIQUOR  
LICENSE, ONE OF THE PERSONS WHO TO  
NOT CREATE A TOVERN STATE. THE  
EXCEPTION CLAUSE THAT WAS PASSED LAST  
YEAR RESCINDS THAT INTENT.

I STRONGLY URGE YOU TO REPEAL  
DRUE PEARCE'S LAST YEARS BILL, THERE  
ARE MANY MANY OF US WHO HAVE GONE  
ALONG WITH "LIMITED ENTRY" AND HAVE  
A GREAT DEAL OF MONEY INVESTED IN A  
SYSTEM THE STATE CREATED. DRUE  
PEARCE'S BILL OF LAST YEAR DEVALUES  
ALL THE ABOVE AND CREATES A TOVERN STATE

P.S. LIMITED ENTRY  
NEVER WORKS

FREE ENTERPRIZE DOES

TO: SENATOR RICH HALFORD

FROM: HOW HOW RESTAURANT  
LARRY E. MARS

SUBJECT: SENATE BILL 314

I WOULD FULLY WELCOME YOUR  
SUPPORT FOR PASSAGE OF  
SENATE BILL 314. THIS HELPS  
CREATE AN EQUAL PLAYING FIELD  
FOR ALL DISPENSARY LICENSES  
AND PREVENT AN INFUX OF  
TAVERN LICENSES NOT NEEDED IN  
ALASKA

LARRY E. MARS

HOW HOW RESTAURANT  
207 McLAUGHLIN RD  
BARF. 1A7 99504

WWS

WEVLEY WILLIAM SHEA  
ATTORNEY

329 F STREET  
SUITE 222  
ANCHORAGE, ALASKA 99501

907-274-0020  
FAX 274-3004

*Via Fax to Each Representative and Senator  
Alaska State Legislature*

19 March 1996

Liquor License - 1995 Tavern Exception - Representative Rokeberg's H. B. 372

Dear Honorable Senator/Representative:

I was recently contacted by Mr. Dan Zivanich regarding the beer/wine exception to the Alaska liquor license procedure that was apparently "clandestinely" passed by the Alaska Legislature last year.

Apparently, the exception was granted to certain individual special interests within the State of Alaska without revealing the scope of the statute to individual liquor license holders in Anchorage and throughout the State.

Mr. Zivanich and I will be pursuing alternative remedies, as necessary. I urge each member of the Alaska Legislature to address and "strike down" the statute. Apparently, the legislation was surreptitiously passed last year for the sole benefit of limited special interest parties.

It is my understanding that Representative Norm Rokeberg presently has a Restaurant Liquor License Bill (H.B. 372) pending to rescind the present statute. Mr. Zivanich and I fully endorse Representative Rokeberg's legislation.

My Very Best Wishes,

  
Wevley William Shea

Enc: Mr. Zivanich's letter to Rep. Rokeberg

cc: Dan Zivanich  
ABC Board  
Anchorage Municipal Assembly

Sec. 04.11.080

**TYPES OF LICENSES AND PERMITS.**

Licenses and permits issued under this title are as follows:

- (1) beverage dispensary license;
- (2) duplicate beverage dispensary license for additional rooms;
- (3) restaurant or eating place license;
- (4) club license;
- (5) bottling works license;
- (6) brewery license;
- (7) package store license;
- (8) general wholesale license;
- (9) wholesale malt beverage and wine license;
- (10) distillery license;
- (11) common carrier dispensary license;
- (12) retail stock sale license;
- (13) recreational site license;
- (14) community liquor license;
- (15) pub license;
- (16) winery license;
- (17) caterer's permit;
- (18) special events permit;
- (19) conditional contractor's permit;
- (20) brewpub license.

Sec. 04.11.100

**RESTAURANT OR EATING PLACE LICENSE.**

(a) A restaurant or eating place license authorizes a restaurant or eating place to sell and wine for consumption only on the licensed premises.

(b) A license may be issued under this section only if the board determines that the premises to be licensed are a bona fide restaurant or eating place.

(c) A license may be issued under this section only if the sale and service of food and alcoholic beverages and any other business conducted on the licensed premises of the restaurant or eating place is under the sole control of the licensee.

(d) The biennial fee for a restaurant or eating place license is \$600.

(e) A license may be renewed under this section only if the licensee provides evidence to the board's satisfaction that gross receipts from the sale of food upon the licensed premises constitute no less than 50 percent of the gross receipts of the licensed premises for each of the two preceding calendar years.

Sec. 04.11.450

**PROHIBITED FINANCIAL INTEREST.**

(a) A person other than a licensee may not have a direct or indirect financial interest in the business for which a license is issued.

(b) A person who is a representative or owner of a wholesale business, brewery, winery, bottling works, or distillery may not be issued, solely or together with others, a beverage dispensary license or package store license. A holder of a beverage dispensary license may be issued a brewpub license, subject to the provisions of AS 04.11.135.

(c) A license may not be leased by a licensee to another person or corporation.

(d) For the purposes of this section, a lessor under a graduated or percentage lease-rent agreement involving premises licensed under this title does not hold a financial interest in the business.

(e) A holder of either a general wholesale license or a wholesale malt beverage and wine license may not be employed by or act as the agent or employee of the holder of a beverage dispensary or package store license.

(f) In this section, "direct or indirect financial interest" means holding a legal or equitable interest in the operation of a business licensed under this title. However, credit extended by a distiller, a brewery, or a winery to a wholesaler, or credit extended by a wholesaler to persons licensed under this title, or a consulting fee received from a person licensed under this title, is not considered a financial interest in a business licensed under this title.

Sec. 04.11.410

**RESTRICTION OF LOCATION NEAR CHURCHES AND SCHOOLS.**

(a) A beverage dispensary or package store license may not be issued and the location of an existing license may not be transferred if the licensed premises would be located in a building the public entrance of which is within 200 feet of a school ground or a church building in which religious services are regularly conducted, measured by the shortest pedestrian route from the outer boundaries of the school ground or the public entrance of the church building. However, a license issued before the presence of either cause of restriction within 200 feet of the licensed premises may be renewed or transferred to a person notwithstanding this subsection.

(b) If a beverage dispensary or package store license for premises located within 200 feet of a school ground or church building in which religious services are regularly conducted is revoked, expires, or is transferred to another location, a beverage dispensary or package store license may not be issued or transferred to the formerly licensed premises until the cessation of either cause of restriction.

## CS FOR HOUSE BILL NO. 372(L&amp;C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 3/21/96

Referred: Rules

Sponsors: REPRESENTATIVES ROKEBERG, B.Davis, Brown

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to the authority of the Alcoholic Beverage Control Board to  
 2 exempt certain restaurant or eating place licenses from requirements relating to  
 3 operation of a restaurant and to food sales; and providing for an effective  
 4 date."

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

6 Section 1. AS 04.11.100(f) is amended to read:

7 (f) Notwithstanding the provisions of (b) and (c) of this section, upon written  
 8 application and approval of the local governing body, the board may renew [ISSUE OR  
 9 REISSUE] a restaurant or eating place license and exempt the licensee from the  
 10 requirements of (b) and (c) of this section if the license was issued under the  
 11 provisions of this subsection before July 1, 1996. [A LICENSEE EXEMPT  
 12 AS PROVIDED IN THIS SUBSECTION SHALL PROVIDE FOOD ITEMS FOR SALE  
 13 ON THE PREMISES AS SHOWN ON A MENU APPROVED BY THE BOARD AND  
 14 AVAILABLE TO PATRONS.] The board may not

1 (1) renew [ISSUE OR REISSUE] a license as provided under this  
2 subsection if

3 (A) the renewal [ISSUANCE OR REISSUANCE] would result  
4 in more than one exempt restaurant or eating place license for every 10 restaurant  
5 or eating place licenses allowed under the provisions of AS 04.11.400(a)(2) or  
6 (3):

7 (B) the premises would be located in a building having a public  
8 entrance within 200 feet of the boundary line of a school or a church building in  
9 which religious services are being regularly conducted; for purposes of this  
10 subparagraph, the 200-foot prohibition is measured from the outer boundary line  
11 of the school or the public entrance of the church building by the shortest  
12 pedestrian route to the nearest public entrance of the restaurant or eating place;

13 or

14 (2) [REISSUE A RESTAURANT OR EATING PLACE LICENSE  
15 AS EXEMPT AS PROVIDED UNDER THE PROVISIONS OF THIS SUBSECTION  
16 IF THE LICENSE WAS ISSUED UNDER THE PROVISIONS OF AS 04.11.400(g);  
17 OR

18 (3)] transfer an exempt license issued under this subsection to another  
19 person.

20 • Sec. 2. AS 04.11.100 is amended by adding a new subsection to read:

21 (g) A restaurant or eating place licensee operating under a license issued under  
22 (f) of this section

23 (1) shall offer a full-service menu of food items available to the public;  
24 the menu must be approved by the board;

25 (2) may only provide live performances or music on the licensed  
26 premises between the hours of 6:00 p.m. and 9:00 p.m. unless approved by the director  
27 after written request by the licensee for a specific occasion.

28 • Sec. 3. TRANSITION. Notwithstanding the provisions of AS 04.11.100(f), as amended  
29 by sec. 1 of this Act, if this Act takes effect before July 1, 1996, then during the period between  
30 the effective date of this Act and July 1, 1996, the Alcoholic Beverage Control Board may  
31 renew an existing restaurant or eating place license under AS 04.11.100(f) but may not issue a  
32 new restaurant or eating place license under AS 04.11.100(f).

1 • Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

March 24, 1996

Dear Sen. Rick Halford:

RE : House Bill #372 and Senate Bill #314

I am writing to stress my concern over the two referenced bills. HB 372 would greatly effect my business and SB 314 would put me out of business. The intention of these bills are clear in their meaning, which is to eliminate competition for existing businesses.

I have approved licences for a restaurant and a micro-brewery (Railway Brewing Company) within the old Alaska Railroad Depot Building in Anchorage. We anticipate opening in the first week of May and have purchased all equipment and completed a majority of the improvements.

I have followed all guidelines to the letter set forth by both federal, state and local authorities (ATF, ABC, Municipal Assembly, Municipal Attorney, Planning and Zoning, Fire Safety, Health Dept., Permitting and the Anchorage Downtown Community Council). In fact with some of these agencies, I have been before them upwards of four (4) times without a whisper of discontent. This process has taken over a year and I have committed over \$1,000,000.00 to develop a building and area (Alaska Railroad Depot and Ship Creek area) that the State of Alaska and City of Anchorage has been attempting to develop for years with their own money, using an outside developer. In addition to the cash and time investment, I am a lifelong Alaskan seeking to put vitality into an area that we all agree needs developing. The Ship Creek area has the potential to be the cultural center for Anchorage. This development will bring more tourist dollars to Alaska and Anchorage, and as you know, the tourism industry is our state's major resource. This is not some "pie in the sky" dream by outside investors, but an Alaskan investing everything he has into his dream.

I have been working with my landlord, the State of Alaska for over a year on the property, which is the historic Alaska Railroad Depot Building. The State (ARRC) has committed to a ten (10) year lease of the property and has agreed to improvements which could reach nearly \$300,000.00. With the state, we are attempting to develop this area using local investor money. I chose this site for its historic significance, parking, future development potential and the zoning which allows for a brewery in close proximity to a business district. The zoning in fact allows for a brewery but, a conditional use was required for the restaurant. The zoning was also critical because it allows me to operate a brewery for off site sales, which SB 314 would eliminate.

When our lease was approved, it was done so with the knowledge and cooperation of the entire Alaska Railroad Corporation Board. In fact, it was requested of me not to acquire a beverage dispensary license/brewpub because of the cliental a full liquor license has the potential to attract. Also, hard liquor is a thing of the past. It is plain fact that people are drinking less hard alcohol. In addition, our chef and restaurant manager being the former Executive Chef and the Food and Beverage Director from the Hotel Captain Cook, should give you a good indication of the style of food and service expected at our establishment.

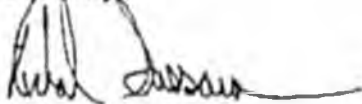
Along with Railway Brewing Company, the proposed bills would eliminate two other businesses in the downtown area. Combined we have committed in excess of \$5,000,000.00 to revitalize and develop the downtown area. It is estimated that we will create over 200 jobs and generate additional development and income by luring more businesses into the downtown and Ship Creek area. Please keep in mind that our entire investment is local money from Anchorage residents. No Federal, State, Municipal or outside developer has financed us. In my case I have not asked for or even want any federal or state funded "handouts" or matching funds. This is hard earned local money from long-term Alaskans that are trying to develop an area that needs revitalizing.

It makes no logical or legal sense to shut us down. I have followed the legal statutes layed down by the State of Alaska and any opposition has been given ample "public hearings" over the past year to voice their opposition through the state and local process, but no opposition was voiced. The rationale of the State of Alaska to suddenly change directions on an established statute that would eliminate a very substantial investment of time and money by individuals who followed the direction of the State of Alaska, is nonexistent.

There is no argument which can be presented to defend these bills. It has been made clear to me by people within industry, that these bills have been presented by elected officials who's constituents feel threatened by our entrance into "their industry". This goes against everything that Alaskans stand for. Yes, we are entrepreneurs living in the land of opportunity, or so my family who chose to move here prior to statehood believe. The micro-brewery industry is here whether others like it or not. Don't let these bills keep new businesses from developing and generating more income for Alaskans. Encourage them and nurture them, but do not endorse these bills.

A written response on these issues prior to any movement of these bills out of legislative committees, would be appreciated. Please feel free to contact me at 243-7775 should you have any questions or require additional information.

Sincerely,



Richard K. Sassara

1964 Loussac Drive  
Anchorage, Alaska 99517

cc: Governor Knowles  
Mayor Mystrom  
Sen. Halford (SB 314 Sponsor)  
Rep. Norm Rokeburg (HB 372 Sponsor)  
Alaska State Senate  
Alaska House of Representatives  
ARRC Board of Directors

**SCR**

**2**

# FISCAL NOT

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

NO. \_\_\_\_\_  
BILL VERSION: SCR 2  
PUBLISH DATE: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: Relating to reimbursement of expenses  
for residents who travel to the capital city to attend...  
Sponsor: Senator Phillips  
Requestor: Senate State Affairs

Department Affected: Legislative Affairs Agency  
BRU: Legislative Council  
Component: Administrative Services

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact to the Legislative Affairs Agency.

Prepared By: Karla Schofield, Deputy Director *Karla Schofield* Phone: 465-3852  
Division: Administrative Services Date: 1/17/96

Approved By: Pamela A. Varni, Executive Director *Pamela Varni*  
Agency: Legislative Affairs Agency Date: 1/17/96

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

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

407 465-3967 or 465-2430  
FAX 407 465-2029  
Mail Stop 5101

130 Seward Street, Suite 409  
Juneau, Alaska 99901-2105

MEMORANDUM

November 30, 1994

**SUBJECT:** Juneau's Rainy Day Account (Work Order No. 9-LS0241)

**TO:** Senator Randy Phillips

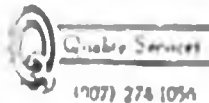
**FROM:** Tamara Brandt Cook  
Director of Legal Services

You asked me to check into the balance in the Rainy Day Account of the City and Borough of Juneau. According to Ms. Vicki Williams of the municipal treasury office, the account is composed of a portion of the sales taxes levied by the city. Collection of sales taxes for the third quarter is in progress and these have not been attributed to the various accounts yet, so the amount in the Rainy Day Account is not really ascertainable. She did say that the amount in the account as of the close of last fiscal year (June 30, 1994) was \$4,266,002. She also says that the working estimate which the municipality is using for the balance of the account at the end of this fiscal year (June 30, 1995) is \$5,340,000.

If this information is not adequate for your needs, let me know and I will ask further. In the alternative, should you need to verify this information, Ms. Williams can be reached at 586-5218.

Have a nice Christmas vacation!

TBC:imb  
95-037:imb



Date AUG 09 1994

Anchorage Daily News

Client No 425

### You can't just 'stop by' Juneau

In a recent issue of the Alaska Journal of Commerce, there appeared an ad by the Juneau Convention and Visitors' Bureau. While I am an ardent supporter of such organizations, I have to admit that at reading one of the main points put forth by the ad, I burst out laughing!

There, in print as bold as can be, was the statement: "The whole world is discovering Juneau — isn't it time you stopped by?" It's apparent that the Juneau Convention and Visitors' Bureau folks have been looking at the same misprinted map as those who insist on keeping the capital there. "Stop by?" The last time I looked, one "stop by" a friend's house ... or Aunt Tillie's ... when one is "in the neighborhood" or when one is out "cruising around" it's done with little or no thought — "Hi, we were just in the neighborhood and thought we'd 'stop by'!"

I'm not aware of how Juneau. The last time I had about 5 to 6 percent of the state's population, and was about as accessible as ... well, I'd better not say that, this being a family paper and all.

Seriously, the ad pointed out to me once again, the inaccessibility of Juneau to the majority of the state's population. Relocating the state capital to somewhere in the greater Anchorage area makes so much sense. It's hard to imagine normally sensible Alaskans not having done so long ago. When one thinks about what one has to do to see their representative face to face, it's appalling, and basically amounts to denying fair and reasonable access to their elected representatives, something which someday, someone will wake up and file suit to correct.

425

— Scott Kobart

# Putting ideas into practice

*Is Juneau a better capital yet?*

**J**ust a reminder, folks: There are people in this state who want very badly to move the capital from Juneau.

The issue is headed to the November ballot, now that a capital-move initiative has been certified by the lieutenant governor.

The question of the day, then, is this: What have we, as a community, done lately to make Juneau a better capital city?

Oh, there was lots of earnest talk about the subject last fall after Juneau voters rejected a proposal to build a new Capitol. Divided emotions gave way to a common belief that Juneau can dispel some capital move sentiment by making the city more accommodating — more user-friendly — to lawmakers, aides and other people who come to town during legislative sessions.

There is a supposition in our city that, through careful thought and decisive action, Juneau can become a better capital. It's a worthwhile idea that needs to be turned into action.

There's no time like the present, now that the upcoming capital-move vote is a certainty. Lawmakers, municipal leaders and other officials from around Alaska are in town while the legislative session is under way. If they begin to sense that, yes, Juneau is trying harder to become more accommodating, the word will spread. Such informal publicity will be invaluable later this year when the capital-move fight intensifies.

The effort already has begun. People on both sides of last fall's failed proposal to build a new Capitol have continued to meet and talk about making Juneau better. Now committees are being formed. It's time for the work to begin and for you to play a role.

Mayor Jamie Parsons says anyone who wants to help can call the city clerk's office at 586-5378. The committees, as described by the mayor, are:

- **Information gathering and statewide outreach:** The idea is to collect as much data as possible from legislators, staff and people all over the state about their views of Juneau. What would make this a better capital?

- **Transportation to and from Juneau:** What's available now? What can be done about improving access via air service, the ferry and, yes, even a road.

- **Communications and technology:** How can Alaskans communicate with their legislators without having to travel? Teleconferences and public opinion messages have been part of the process for years, but many Alaskans aren't familiar with those services. They need to be publicized. And what about video conferences or 800-style telephone numbers or televised coverage of the Legislature?

- **Local accommodations:** Housing, as usual, is tight. What can be done? There's been lots of talk about increasing the frequency of city bus service. If buses ran on the half-hour instead of every hour, maybe more lawmakers and aides would be willing to live farther from the Capitol. And what about hotel discounts and other incentives for people who travel to Juneau to testify on bills or meet with legislators?

- **User-friendly facilities:** Additional parking space is available to aides this year, thanks to the Legislative Affairs Agency. What about open-to-the-public office space that can be used by visiting citizens and officials? They shouldn't have to crowd into legislators' quarters to use fax machines or photocopying equipment or the telephone.

- **Hospitality:** A clearinghouse was set up at the start of the session so lawmakers and aides could more easily sign up for utilities and other services. What about... what about... aides, initiating a... to the Capitol and sponsoring more events like the annual legislative reception?

There's lots of work to be done and now's the time to get going — we're between battles. The successful push to put the FRANK initiative on the statewide ballot is over, but the campaign to defeat the capital-move measure in November has yet to begin in earnest.

There's more at stake than just making legislators warm and fuzzy about Juneau. Improving this city for the people who work in the Capitol will help secure our role as the seat of government — and make Juneau a better place for all of us.



# ALASKA STATE LEGISLATURE

SENATOR RANDY PHILLIPS

SENATE DISTRICT L

## SPONSOR STATEMENT

SESSION  
State Capitol  
Juneau, AK 99801  
(907) 465-4949  
800-478-4950  
Fax: 465-4970

INTERIM  
P.O. Box 142  
Eagle River AK 99577  
(907) 694-4949  
Fax: 694-4948

SCR 2, "Relating to reimbursement of expenses for residents who travel to the capital city to attend legislative sessions or to testify before legislative committees."

Senate Concurrent Resolution 2 requests the City and Borough of Juneau to provide a portion of its rainy day account to help defray expenses for citizens of Alaska to provide access to their capital city to attend a committee hearing or a legislative session.

Juneau's inaccessibility is the reason most often cited by legislature or capital move proponents for moving the legislature or the capital out of Juneau. The majority of the State's population lives outside the Southeast Alaska region and most Alaskans have never had the opportunity to visit Juneau. Consequently people feel disenfranchised from their elected representatives and voter apathy is the rule rather than the exception.

Even with reduced airfares, the majority of Alaskans find it too costly to access their capital city. It is the lobbyists and bureaucrats who are found in the halls of the Capitol, not our constituents. It would be especially worthwhile for young people to be given the opportunity to see their legislature in action.

Officials representing the City and Borough of Juneau have asked for suggestions for ways to help Juneau become a better capital city. SCR 2 suggests one way to accomplish their goal by providing accessibility. As of June 30, 1995, the balance in Juneau's rainy day account was \$6,790,000. Even if a very small portion of this fund, say \$100,000 to \$200,000, were to be set aside for this purpose, it would come a long way in helping to make Juneau more accessible to many Alaskans who could not otherwise afford to travel to their capital city during the legislative sessions.

**SCR**

**3**

**FISCAL NOTE**

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

NO. \_\_\_\_\_  
BILL VERSION: SCR 3  
PUBLISH DATE: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: Creating the Long Range Financial  
Planning Commission.  
Sponsor: Senator Pearce  
Requestor: Senator Pearce

Department Affected: Legislative Affairs Agency  
URU: Council & Subcommittees  
Component: Council & Subcommittees

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
<b>OPERATING</b>						
PERSONAL SERVICES	0.0	0.0	0	0	0	0
TRAVEL	57.0	28.0	0	0	0	0
CONTRACTUAL	12.0	8.0	0	0	0	0
SUPPLIES		0.0	0	0	0	0
EQUIPMENT	8.0	0.0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>75.0</b>	<b>34.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE FUND SOURCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING: (Thousands of Dollars)

GENERAL FUND	75.0	34.0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
<b>TOTAL</b>	<b>75.0</b>	<b>34.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

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

Estimate of current year impact:

**ANALYSIS:** (Attach a separate page if necessary)

It is anticipated that the Long Range Fiscal Planning Commission will begin work immediately. Staff costs and FY95 public member travel costs will be absorbed within existing legislative operating and session budgets. Travel costs for technical experts will be absorbed within their respective Department budgets.

Prepared By: Karla Schofield, Deputy Director  
Division: Administrative Services

Phone: 465-3852  
Date: 1/25/95

Approved By: Pamela A. Varni, Executive Director  
Agency: Legislative Affairs Agency

Date: 1/25/95

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

Continuation of SCR 3 Fiscal Note Page 2 of 2

**Travel**

Travel costs for high level technical experts from the Legislative and Executive Branches will be absorbed within their respective Department budgets.

**Estimated travel for Public Members**

For purposes of estimating travel costs, 2 members are assumed to be from Anchorage, 2 from Fairbanks, and 2 from Southeast.

10 Hearings, one in each of the following communities - Anchorage, Fairbanks, Juneau, Bethel, Nome, Barrow, Wasilla, Kenai, Ketchikan, Sitka.

1 Commission Meeting

57.0

6 additional Hearings will be held by teleconference. The cost of teleconference meetings will be absorbed within the Legislative Affairs Agency budget.

**Contractual**

Phones	3.0
Postage	3.0
Advertising	6.0

12.0

12.0

Supplies, printing, and office space will be provided within existing budgets.

0.0

**Equipment**

Computer & Printer 6.0

6.0

75.0

# Alaska State Legislature

*During Interim:*  
716 West 4th Avenue, Suite 510  
Anchorage, Alaska 99501-2133  
(907) 258-8185  
Fax (907) 258-0226

*During Session:*  
State Capitol  
Juneau, AK 99801-1182  
(907) 465-4993  
Fax (907) 465-3872

## Senator Drue Pearce District F

### SPONSOR STATEMENT

Jan. 25, 1995

Without a doubt, no subject has been more thoroughly discussed over the past ten years in Alaska than our impending budget Armageddon. Countless speeches have been given and hundreds of debates have taken place. Budget summits have come and gone. And still Alaska does not have a long-range financial plan in place.

SCR 3 (and HCR 1) would change that.

The purpose of the resolution is, simply put, to develop a way to bridge the fiscal gap which we're presently facing and recommend a ten-year financial plan to this legislature in one year.

Prudent fiscal practice demands we face this issue . . . and that we face it now. Additionally, such organizations as Commonwealth North, the Alaska Municipal League, the State Chamber of Commerce, Common Sense for Alaska, the National Federation of Independent Businesses and the Resource Development Council, are backing the concept.

I urge your support of this resolution.



Anchorage Star of the North  
Chamber of Commerce

January 23, 1995

To: Senator Druc Pearce and Ken Erickson FAX # 465-3872 9 pages  
From: Carol Heyman *CH*  
Re: State Fiscal Plan

I apologize for not having sent this sooner, overload is something I'm sure you are familiar with.

Some notes of the meeting held on January 5, 1995 at the chamber. Representatives Hanley, Brown and Navarre attended along with about 20 members of The Group, the chamber's State Fiscal Plan Committee and Board members. John Ayers chaired the meeting.

Points Discussed:

- EVERYONE AGREED ON THE NEED FOR A PLAN
- The business community as a strong lobby
- Navarre, Brown focussed on need to raise new revenues
- Legislators agreed lack of understanding of the budget by public and legislators
- Navarre suggested a special session to focus solely on plan
- Hanley thought it might be feasible to have a shorter session and spend last week on a plan
- Groups and chambers can help legislators credibility by publicizing positives, wins not just negatives
- Establishing credibility will be key to getting support for a plan

Unfortunately there were no solutions that came out of the meeting. I am faxing the process paper the chamber approved along with a copy of our fiscal plan resolution and the agenda from the January 5 meeting.

In speaking for The Group and the Chamber we would like to have some representation on any commission or committee you put together. Please let me know if you need a formal written request.

The Group represents 28 Alaska organization with about 70,000 members and the chamber represents about 35,000 employees of 1200 member businesses.



Anchorage - Star of the North  
Chamber of Commerce

**Anchorage Chamber of Commerce  
State Fiscal Plan  
Resolution #94/95-6**

WHEREAS the state budget for a number of years has been out of balance by \$200 million to \$600 million a year, and the gap between revenues and expenditures has been made up by drawing against cash reserves accumulated in prior years and against non-recurring receipts such as tax and royalty settlements;

WHEREAS the gap between state spending and unrestricted state revenues, of which over 80% are from North Slope oil production that is in decline, is likely to widen in coming years unless a long-term fiscal plan is adopted and followed by the State of Alaska;

WHEREAS Alaska is like a canoeist paddling down the Niagara River and coming to the Niagara Falls - either the canoeist can portage to the bottom of the Falls (which, for the State, means having and following a plan to bring the budget into balance with long-range sustainable revenues) or the canoeist can go over the Falls at great risk of death or grievous injury (which, for the State means spending on an ad hoc basis without a plan until the cash reserves and other one-time-only receipts are all spent, and then facing the economic consequences all at once);

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Anchorage Chamber of Commerce that:

1. It is imperative and absolutely essential for Alaska's long-term fiscal and economic well-being that the state adopt and implement as quickly as practicable a fiscal plan to bring spending into balance with sustainable revenues.
2. In developing a state fiscal plan, the highest priority must be given equally to the twin goals of reducing state spending and stimulating economic development to increase sustainable state revenues.
3. The Legislature and Administration should strive to foster a better business development climate, maintain a stable tax base, investigate business incentives and assure stability in the state's regulatory function.
4. The Legislature and Administration must define and develop additional revenue sources that capitalize on the things Alaska does best—oil

Page 2. Anchorage Chamber Resolution #94/95-6

exploration, fisheries, timber, tourism, air cargo, mining, transshipment, education, inter alia.

5. Only to the extent that spending cuts and new economic development fail to solve the fiscal gap fully should the State consider revenue-raising measures or use Permanent Fund income.


6. Inasmuch as a number of fiscal plans have been proposed but none of them has yet been adopted and implemented, the state must begin immediately a major effort to educate the public through a major all out media campaign about the fiscal gap and the options available to solve that gap, in order to achieve the widespread understanding and consensus needed for any plan to be adopted and carried out.

7. Further the Chamber believes such a plan will have the best chance of working if it is put to the vote of the people no later than the 1996 general election. All efforts to develop a plan and educate the public must be planned and scheduled to meet that ultimate deadline.

8. Governor Knowles with the Legislature should take the initiative in starting the process of educating the public and developing a consensus plan; the Chamber calls on all state and local officials to support the Governor's process without political partisanship; and the Chamber calls on its members and on all Alaskans to be involved personally in understanding the nature of the state fiscal gap and the implications of the various options for solving it, and in working to develop a broadly supported consensus plan. This may involve some compromise of local or regional interests for the greater statewide good, but we recall the words of Benjamin Franklin at the signing of the Declaration of Independence: "We must all hang together, or assuredly we shall all hang separately." So it is with the state budget - we must all work together to our collective benefit, or assuredly we shall all suffer separately when the ship of state goes over the Falls.

Approved December 16, 1994

  
\_\_\_\_\_  
Joluf Ayers 1994-95 Chairman

  
\_\_\_\_\_  
Carol Heyman President



Anchorage - *Star of the North*  
Chamber of Commerce

**A PROPOSED PROCESS  
FOR ALASKA TO ADOPT  
A POLITICALLY FEASIBLE PLAN  
TO BALANCE THE STATE BUDGET  
ON A SUSTAINABLE BASIS  
RECOMMENDED BY THE ANCHORAGE CHAMBER OF COMMERCE**

Approved January 6, 1995

## ISSUE

Alaska's present level of spending is seriously out of balance, a condition that promises to worsen year by year as oil and gas production — which still accounts for \$5 out of every \$6 available for the State to spend — declines. Various organizations have examined the budget crisis, and all have concluded that any long-term solution will require some combination of spending cuts, new revenues (i.e., new or increased taxes), resource development, and redeployment of at least some of the earnings of the Permanent Fund.

Despite widespread political recognition that something has to be done to get state spending into line with sustainable state revenues, this looming crisis has been handled so far — not by adopting and following a plan for transition to a balanced state budget — but by spending cash reserves that were built up in the past.

What Alaska desperately needs is a plan for transition — one that the public understands and which a majority agrees with, and one that elected officials will feel politically "covered" in following.

This paper discusses how such a plan could be developed within the framework of the State's political institutions, how it would be ratified or approved, and how it would work in practice. The actual content of the plan is not a subject for this paper, but is something to be worked out in the course of the process of developing and adopting the plan.

## DESIRED OUTCOME OF THE PROCESS

The objective is for the State to develop, adopt and implement a spending plan for FY1997 - FY2002 that moves to a balanced budget with a minimum of economic disruption during its implementation. At the same time, the plan must satisfy a "reality check" for FY2007 to ensure that getting through the next five years is not at the cost of creating an insoluble problem for the five years after that.

Because a constitutionally mandated spending plan is a remote possibility in terms of political feasibility, one must develop and adopt a spending plan in the context of a process designed to provide the maximum amount of political "cover" for those carrying it out, in addition to being "the right thing to do." Without such "cover," any non-mandatory plan is unlikely to be implemented before the big budget crunch comes.

## OUTLINE OF THE PROCESS TO ADOPT A STATE SPENDING PLAN

In designing a process for getting a state spending plan adopted, the key focus must be in providing political "cover" for elected officials both in the course of

developing the particular spending plan, and in the course of implementing it. To ensure there is as much "cover" as possible, the following steps should be taken:

1. *As much as possible, keep the state-budget issue politically non-partisan.*

Any spending plan that is not mandatory under the constitution will be guaranteed to fail if it is adopted on a partisan basis. Whichever party loses in the adoption fight will use it as a campaign issue to try to win power in the next election, and this in turn will deter the winning side from taking any politically difficult actions to implement their plan.

2. *By the end of March 1995, have the Legislature and the Governor start a process that may include legislation as well as the appointment of a "representative commission" of knowledgeable Alaskan leaders to develop a state spending plan through FY2002 (with a look ahead to FY2007), and to present the plan to the Legislature and the Governor by the beginning of the 1996 Legislative Session.*

It is not possible to develop a plan with the necessary statewide public input for the 1995 Legislative Session to act on it. So there is no need to rush the panel to finish their work before the 1996 Session.

3. *Draw the membership of the "representative commission" from all parts of the state, in rough proportion to population.*

Views from all parts of the state must be represented, or else those who feel excluded may well become a source of dissent in the future that makes it politically risky to implement the plan. But one also does not want a commission that is so overloaded with minority viewpoints that it has difficulty reaching consensus similar to that of the public overall.

4. *Require the "representative commission" to hold public hearings around the state, and give them an adequate budget to do so. The panel should coordinate with existing local organizations to have the greatest local participation.*

Again, this is to get as much input into the process as possible, so there will be as much buy-in into the results later.

5. *Make the members of the commission do the actual work, instead of giving them staff to do it.*

If the panel members don't have to do the work, most of them probably won't do it. Instead, it will end up being done by their staff, or it won't get done at all. Letting staff do the work defeats the purpose of having leaders from around the state on the panel. The panelists are there because of their individual stature (i.e., ability to influence opinion in their area) and ability, and because they collectively will bring perspectives to bear on the issue that any set of staffers wouldn't be able to match.

6. *The panel's plan must consist of a set of specific budgetary proposals, such as cutting state spending by X% by FY 2002, or re-imposing the personal income tax, or using Permanent Fund income. However, the plan must be presented so as to be contingent upon a favorable vote of the people for it, to be held in the 1996 General Election.*

The importance of having a plebiscite to ratify the panel's plan is of utmost importance in providing the necessary political "cover" to get politicians to support this process, to support whatever plan the panel comes up with, and to actually implement the plan. In terms of their buy-in into the process, they can commit to it without laying themselves open for criticism that the use of a "blue ribbon" panel is elitist. They can respond to such criticism by saying the panel won't be making any final decisions, the voters will.

The special vote is also essential for getting the Governor and key legislative leaders at the beginning of the 1996 Session to publicly commit to pass legislation presenting the panel's plan to the electorate in the 1996 election for ratification. Any potential criticism of a legislator for supporting any element in that plan can be rebutted by saying that he/she does not necessarily support that proposal, but does support letting the voters vote on it.

And, of course, if the voters do ratify the plan in 1996, then legislators can point to that vote to justify their own actions to implement that plan. In response to criticism they might receive for implementing any particular portion of the plan, the legislators can say they are carrying out the will of the people.

There are many details that could be added to embellish the basic idea, including the one in the preceding footnote about enacting implementing legislation that is contingent on the outcome of the vote on the plan in 1996. However, those are details that can be added in the course of carrying out the process itself. For now, the important things are to adopt the basic idea and get all Alaskans to understand and commit themselves to it.

---

To minimize criticism for implementing the plan, certain implementing legislation could be passed in 1996 with effective dates contingent on a favorable outcome in the election. Such legislation could include measures for more taxes, for re-deploying Permanent Fund income, and even for the Governor to submit budgets within pre-set targets to cut spending. Enacting such legislation with contingent effective dates could almost completely insulate legislators and the Governor from criticism for enacting those measures. Before the plebiscite, they can say they supported the legislation in order to let the people vote on the spending plan. And after the election, if the plan is approved, the legislation would automatically go into effect, leaving nothing that any of them would have to do that could draw criticism.





**TEAM ALASKA:**  
**PARTNERING FOR**  
**ALASKA'S FUTURE**

# TEAM ALASKA: PARTNERING FOR ALASKA'S FUTURE

## INTRODUCTION

In Alaska, annual state expenditures now exceed recurring revenues by hundreds of millions of dollars. Future shortfalls are expected to exceed \$500 million annually. While tourism, fishing, mining, timber, oil and service industries in Alaska provide the state with a diverse economy, one industry, the oil industry, provides 85 percent of state revenue. North Slope oil production is declining.

UAA's Institute of Social and Economic Research as well as a recent Commonwealth North study recommended a combination of budget cuts, increased revenue measures and economic development in Alaska's industries to bridge this growing "budget gap." Of the various tools available, economic activity to create new jobs and sustain existing employment has the broadest support and is least disruptive to individual families. However, it is among the most difficult to achieve.

While opportunities for additional economic development are present, Alaska faces increasing world competition. The Gaffney/Cline study recently issued by the State Department of Commerce and Economic Development outlined some major perceptions of Alaska which reduce the state's attractiveness for investment, reflecting that Alaska is not globally competitive. According to the Gaffney/Cline study, "the single largest step towards improving and optimizing the situation [Alaska's competitive position] would be an improvement in the communications and working relationships between the industry and the government."

It is clear we have reached a turning point. We must take action now to reduce our "fiscal gap" before we use up our reserves and are forced to take draconian measures.

A diverse group of over 50 men and women from all parts of Alaska, representing different industries, Native corporations, non-profit organizations, academia, an environmental group, labor and government recently met in a series of facilitated meetings to provide constructive answers on these issues. This group defined common goals and a vision for sustaining Alaska's economic growth by improving the state's global competitiveness. Economic growth can mean more jobs and increased revenues, other goals that are important in Alaska. We believe that public-

project, the Anchorage International Airport Ramp Rehabilitation and a military construction project on Shemya. The Arizona Transportation Department implemented partnering techniques on road projects in 1991. The result: a significant, 27 percent reduction in the time required to complete projects, reduced costs through value-added engineering and reduced claims and litigation.

While the techniques of Partnering may be more clearly seen in construction projects, Partnering need not be confined to these examples. Partnering approaches could be utilized by the State in larger development decisions involving state lands and resources such as marginal oil fields, timber harvesting, mining or tourism developments. The approach is not necessarily limited to just resource development. Partnering can be used to improve the delivery of services and programs by the state and by non-profit organizations.

#### DIRECTION FOR "TEAM ALASKA" – VISION, VALUES, STRATEGIES

In a series of open discussions involving all members, the diverse team reviewed the concept of partnering and partnering examples to define a Vision Statement, Values and key Strategies for partnering in Alaska. This conceptual framework could be used by government, industry and non-profit organizations for guidance when specific projects in any industry are selected for partnering. The details or tactics for each project are best determined and tailored for that specific project in open, partnering discussions.

##### Vision

Alaskans working together to make sure our state is the best possible place in which to live and to work, and to provide an exciting land of opportunity for ourselves and our children.

This would be accomplished through "Team Alaska," a partnership of the people of Alaska – individuals in public and private life, representing government, business, labor and non-profit organizations – committed to cooperating with each other to find new ways to achieve common goals.

These common goals include sustained economic development, the creation of jobs and balanced state revenue and spending, all with high standards of environmental sensitivity and protection.

In a changing world, achieving these goals will require developing in Alaska an investment climate capable of meeting global competitive challenges.

- Provide key stakeholders with an opportunity to be heard and to have their concerns considered when establishing individual project goals.
  - Provide for public disclosure of all information, except that which would reduce the competitiveness of the participating partners.
  - Provide for oversight of confidential information and negotiations with a representative of the broad public interest.
  - Ensure that the benefits of partnering projects are equitably distributed among stakeholders.
  - Routinely conduct and publish third-party reviews of project results which compare those results to the goals established for "partnership" projects.
3. **Maintain high standards of environmental sensitivity and protection, and of worker health and safety.**
  4. **Publicize partnering successes nationally and internationally in order to encourage additional investment in our state.**

### **ALIGNMENT AND MOTIVATION FOR PARTNERING**

Instituting partnering within Alaska will require the alignment of many diverse groups. Consideration of groups which may be affected by a partnering project must be carefully thought through, and those key stakeholders involved in early discussions. Involvement and a chance to provide input are key to making partnering projects happen successfully. The benefits to partnering must be assessed. Likewise, potential barriers or problems of partnering must not be overlooked, and should be openly discussed and addressed.

#### **Benefits of Improved Public - Private Partnerships**

- Partnering will increase investment in the Alaska economy, creating jobs, wealth and opportunity for the state, its people and the companies that do business here.
- Partnering provides an enhanced opportunity for the state, Alaska communities, non-profit organizations and other interest groups to play a more influential role in attracting and in shaping economic development.

- Competing and conflicting regional, social, political and economic interests make it difficult for the Legislature to reach consensus on dramatic measures aimed at significantly improving Alaska's investment climate.

*Partnering can involve legislators along side the executive branch in working with industry, with all endorsing initiatives up front.*

- State, local and federal agencies are sometimes reluctant to coordinate permitting activities or relinquish regulatory authority. As a result, industry and the public must deal with multiple enforcement agencies and regulators with overlapping authority and variations in interpretation of regulations.

*Partnering can allow government and industry to assess key work and regulatory processes and work together for common win/win solutions which improve and streamline regulatory processes while bringing greater consistency to interpretation of existing regulations.*

- Government and business leaders are reluctant to engage the media. The press sees no role for itself in encouraging economic development, but often focuses on the objections and conflicts surrounding business projects.

*Partnering can be an open process, affording the media an opportunity to communicate the goals, the costs and the benefits of a partnership project.*

## **NEXT STEPS – WHAT IS NEEDED?**

The needed change in Alaska must involve a commitment by our top leadership in early 1995. For the state, this approach must be endorsed and pursued by the Governor. Department heads must "buy-in" to the approach and communicate it down the line. But, ultimately the person on the ground making the daily decisions, implementing the programs, overseeing the contracts must be given the authority and the motivation to pursue this new approach.

It is not just state action and leadership that is needed. Industry leaders must also endorse and pursue this partnering approach. The partnering approach by definition depends on more than one party. The private sector needs to approach the public sector with much more openness and understanding of the requirements and goals of government. Citizen groups, environmental groups, labor unions and other "stakeholders" must be included and come prepared to share, communicate and work toward mutual goals.

## "TEAM ALASKA" PROJECT STUDY TEAM MEMBERS

NAME	COMPANY
Jacob Adams	Arctic Slope Regional Corporation
Bill Allen	VECO International, Inc.
Eleanor Andrews	The Andrews Group Company
Beverly Beeton	University of Alaska Anchorage
Steven D. Berkshire	Alaska Pacific University
Eugene Bjornstad	Chugach Electric Association
Deborah R. Bonito	The Sourdough Mercantile
Jerry Booth	Cook Inlet Region, Inc.
Judy Brady	Alaska Oil and Gas Association
Bob Bulmer	Executive Search
Ronnie Chappell	ARCO Alaska, Inc.
Stephen Cowper	Tradelink Alaska
Louann Cutler	Preston, Ellis, Gates
Robert Dickson	Atkinson, Conway and Gagnon
Mano Frey	Alaska State AFL-CIO
Joe Griffith, Jr.	Chugach Electric
Dave Hanson	Arktos Associates
Tom Hawkins	Bristol Bay Native Corporation
Joseph Henn	Southcentral Timber Development
Max Hodel	Office of the Governor
Mark Holland	Exxon Company USA
Barbara Huff Tuckness	Teamsters Local 959
Roy Huhndorf	Cook Inlet Region, Inc.
Nancy King	
Richard J. Knapp	Alaska Railroad Corporation
Gayle Knepper	Charter North
Jack Kruse	UAA/ISER
Ron Kukes	First Interstate Bank of Alaska
Marc Langland	Northrim Bank
Harriet Lawlor	ASEA, AFSCME Local 52
Pete Leathard	VECO International, Inc.
Norman Levesque	Alaska Municipal Bond Bank
James Linxwiler	Guess & Rudd
Jeff Lowenfels	Yukon Pacific Corporation
Sharon Macklin	Sharon Macklin - Government Relations
W. Paul Martin, Jr.	Locher Interests LTD
Sue Mason	Atkinson, Conway & Gagnon
George Masten	ASEA, AFSCME Local 53
Henry I. McGee	ARCO Alaska, Inc.
William V. McHugh	Yukon Pacific Corporation
John Morgan	BP Exploration (Alaska), Inc.
Boyd Morgenthaler	Adams, Morgenthaler and Company
Larry Ostrovsky	State of Alaska, District Attorney
Jim Palmer	BP Exploration (Alaska), Inc.
Paul Richards	Alyeska Pipeline Service Company
Kelly K. Robertson	Commonwealth North
James Rooney	R & M Consultants, Inc.
Susan Ruddy	The Nature Conservancy
Pat Salvucci	Ribelin, Lowell & Company

Alaska State Chamber of Commerce  
 Alaska Air Carriers Association  
 Alaska Coal Association  
 Alaska Dental Society  
 Alaska Forestry Association  
 Alaska Hospital Association  
 Alaska Independent Insurance Agents & Brokers  
 Alaska Miners Association  
 Alaska Oil and Gas Association  
 Alaska Outdoor Council  
 Alaska Society of CPAs  
 Alaska State Medical Association  
 Alaska Trucking Association  
 Alaskans for Liability Reform  
 Alaska Support Industry Alliance  
 Anchorage Board of Realtors  
 Anchorage Chamber of Commerce  
 Anchorage Home Builders Association  
 Arctic Power  
 Associated General Contractors of Alaska  
 CIAAR  
 Common Sense for Alaska  
 Commonwealth North  
 Downtown Anchorage Association  
 National Association of Women in Construction  
 National Federation of Independent Business  
 Resource Development Council  
 Seal Line Pilots Association

November 15, 1994

Representative Gail Phillips  
 126 W. Pioneer Avenue, #3  
 Homer, AK 99603

Dear Representative Phillips:

Congratulations on your recent election. We greatly appreciate your willingness to serve the people of Alaska and wish you the best of luck in the coming months and years.

A number of associations and companies have joined together to form a statewide coalition, known as "The Group", to request the legislature to: 1) take the steps necessary to formulate and adopt a long range financial plan for the state, and 2) review and modify the state's regulatory processes to improve Alaska's overall business climate. This letter specifically addresses your support of a long range financial plan.

The current fiscal crisis has cast a dark cloud over our state's future. In a recent statewide survey conducted by Dittman Research Corporation of Alaska, 77% of the more than 500 Alaskans surveyed indicated that they feel Alaska is facing a serious budget crisis that needs to be solved. Furthermore, revenue predictions show that if we continue at current spending levels, we will be facing a \$500-800 million dollar annual deficit over the next several years! One impact of this revenue deficit and potential tax implications is that new and existing businesses are not encouraged to spend investment dollars in Alaska.

We need a plan! A plan which addresses declining revenues; a plan to foster a stable business and regulatory climate; a plan to encourage investment in Alaska.

The members of The Group would like to see legislation introduced to establish a commission comprised of knowledgeable citizens, legislators, and the Governor to: 1) review and identify anticipated expenditures, recurring revenues, reserves and other potential revenues for the next four or five years, 2) analyze and recommend strategies for addressing shortfalls, 3) if new taxes are recommended, investigate specific tax structures and revenue consequences and submit draft implementing legislation, and 4) disseminate information and solicit public input.

We would like to know whether you would be willing to sponsor or co-sponsor such legislation. Please note your response on the form provided and either mail it in the enclosed envelope, or fax it to 272-4117 by November 30.

Thank you for your attention.

Sincerely,

Pat Pourchot  
 Executive Director  
 The Group

*Handwritten signatures and notes:*  
 Gail Phillips  
 November 15, 1994  
 126 W. Pioneer Avenue, #3  
 Homer, AK 99603





# The Touchstone

*Card to him = offer our help etc.*

Volume 4, No. 6

A Newsletter of the Alaska Municipal League

December 1994

## In This Issue

Note from the Director **Page 3**  
*Changes at the AML office, new municipal program and upcoming events.*

Conference Photos **Page 6-7**  
*Snapshots of delegates from the 1994 Conference.*

Position Vacancies **Page 8**  
*Member communities are looking for a few good people.*

New Leaders for AML **Page 9**  
*Meet your new AML Board and Legislative Committee.*

Award Winners **Page 11-12**  
*Excellence in Local Government Awards are given at the annual banquet.*



*Jerry Wongittlin, Sr. received special recognition by the Alaska Municipal League for serving as Mayor of Savoonga for 38 years. President Don Long presented him with a Certificate of Appreciation at the Annual Awards Banquet.*

## AML Board Adopts Priority List

*Just review*  
*Policy note - need to be aware of this support etc.*  
The AML Board has identified six priority issues, the 1995 Municipal Platform, as the focus of the League's legislative program for the upcoming session.

1. Gaining passage of legislation to establish the Alaska Basic Municipal Services (AMBS) Program.
2. Encouraging the Governor and Legislature to undertake long-range fiscal planning, including continued funding for municipal programs.
3. Finding a solution to the unfunded state mandate of the Senior Citizens/Disabled Veterans Property Tax Exemption program.
4. Securing funding for the school construction and maintenance grant programs.
5. Guaranteeing local government involvement in a comprehensive transportation plan.
6. Encouraging the Governor and Legislature to invest state financial resources into development and management of natural resources which will return jobs and revenue to the economic base of Alaska.

AML's legislative program is carried out by the members in conjunction with the Board, Legislative Committee, and staff. The 1995 Municipal Platform and Policy Statement, which is a compilation of the League's positions on a wide variety of topics, will be distributed in early January.



## SEASON'S GREETINGS

*From the AML Staff:  
Kevin, Julie, Jeanne, and  
Susan*

*From the AML/JIA Staff:  
Steve, Kevin, Eileen, Pam,  
Rena, Suzanne, and Misty*

**HAPPY  
HOLIDAYS!**

1/3/95

# The Anchorage Times

Publisher: BILL J. ALLEN

"Believing in Alaskans, putting Alaska first"

Editors DENNIS FRADLEY, PAUL JENKINS, WILLIAM J. TOBIN

The Anchorage Times Commentary in this segment of the Anchorage Daily News does not represent the views of the Daily News. It is written and published under an agreement with former owners of The Times, in the interests of preserving a diversity of viewpoints in the community.

## Money matters

**1995 BRINGS** Alaska a new legislature, a new administration and, hopefully, a new resolve to finally come up with a better way for the state to manage its finances.

Since the gush of oil revenues began filling state coffers in the 70s, the rule of thumb has been to spend as much as we had — and then some. In years when there wasn't enough to go around, the principle of beg, borrow and steal took precedence.

The state has been able to bounce along in recent years by tapping savings accounts, reaping the rewards of billion-dollar back tax settlements with oil companies and by over-generously guesstimating annual oil prices and then using supplemental budget requests to make up the difference. Other help has come gratis in the form of financial windfalls from unanticipated events like escalating oil prices as the result of a foreign war and a massive oil spill bringing in billions to the state economy.

The truth, hidden amid all these gyrations, is that Alaska is in a financial squeeze. Annual revenues to the state lag behind expenditures by hundreds of millions of dollars.

Most Alaskans are beginning to recognize the state has a serious fiscal gap. It is now in the neighborhood of a half-billion dollars a year. As oil production decreases in the coming years, the gap will widen. The question is, what do we do about it?

The new leaders of the state House and Senate and the new governor have voiced support for another statewide commission being formed to advise government on the best course to follow.

**THE IDEA** has merit — provided the commission's assignment is clear and simple and it is given a quick deadline to produce a concise recommendation.

There is no need to review what we already know. The state's choices are to cut spending, cut or cap dividends, raise new taxes, or a combination thereof. The decisions ultimately must be made by the governor and the legislators.

The task of a citizens blue ribbon panel should be to assist the process with a recommendation on how the state can force constraints on itself. Various proposals — from the so-called Cremo plan to forward funding to five-year averaging — have been discussed. Many more are out there.

The goal for a commission should be to pick the best option, get as much public understanding and support for it as possible, then get state government to act on it. It may be a plan that requires another constitutional amendment. If so, it should be ready for the 1996 ballot.

The timing couldn't be better for Alaska to get its financial house in order. The new year brings new people in government, new ideas, renewed commitment — and great hope for the future.

# Legislative Leaders Agree: Create Long Range Fiscal Plan Commission Now

When the Legislature convened on January 10, it was clear creating a long range fiscal plan was a top priority. House Speaker Gail Phillips and Senate President Drue Pearce introduced identical resolutions creating a Long Range Financial Planning Commission. Representative Ed Willis also introduced a resolution creating a similar commission. Phillips' House Concurrent Resolution 1 (HCR 1) and Pearce's Senate Concurrent Resolution 3 (SCR 3) are scheduled for committee action this week.

## Commission Created

The resolutions create a 13-member commission consisting of six public members and seven technical experts from the executive and legislative branches. The public shall be involved in its deliberations. The final report will be submitted to the Legislature by February 15, 1996.

## Ten Year Fiscal Plan

The commission is directed to develop a 10-year financial plan that identifies actions to be achieved within three and five years. In developing the plan, they are to:

- Identify anticipated state expenditures and revenues.

- Recommend cuts in state spending, especially in formula-driven programs, to reach a spending level that could be supported by expected revenues. (Formula-

*driven programs; the public assistance programs such as Aid to Families with Dependent Children and Medicaid; and the Longevity Bonus program. To make changes in the way most formula programs are structured will require changes in*

*been set aside and used now to pay for next year's budget. To start forward funding, initially legislators would have to use money from the state's reserve accounts. This contrasts with the current practice of basing the budget on estimates of expected revenues for the upcoming fiscal year.)*

## Long Range Financial Planning Commission Hearing

House Finance Committee  
Statewide Teleconference

Saturday, January 28  
10 a.m. to 1 p.m.

Legislative Information Offices  
Public Comments Invited

*driven programs, or entitlements, are the fastest growing part of the state budget. If you meet a program's eligibility criteria, you are entitled to the benefit. As more people qualify, more money is needed to fund the program, thereby automatically increasing the budget. Examples include the K-12 foundation program which prescribes how state funds are distributed to school districts. As more children enroll in schools, the overall cost of the program automati-*

*state law.)*

- Recommend new revenue sources; if these include taxes, economic impact must be analyzed.

- Evaluate changes in the how state agencies prepare their budget and how the budget is funded, such as forward funding. ("Forward funding" means the state would base next year's budget on the amount of revenues it collected the prior year. For example, if forward funding was already in place this session, the revenues collected last fiscal year would have

## Hearings Scheduled

SCR 3 will be discussed by the Senate State Affairs Committee on Thursday, January 26, at 3:30 p.m. The committee's chair, Sen. Bert Sharp from Fairbanks, expects the committee to approve it that day. It will then go to the Senate Finance Committee for further discussion.

HCR 1 will be heard by the House Finance Committee on Thursday, January 26, at 9 a.m. A statewide teleconference will be held on Saturday, January 28 from 10 a.m. to 1 p.m. Interested Alaskans can listen or testify at the hearing by visiting their local Legislative Information Office (LIO). The LIOs can also provide a copy of the resolutions, as well as other legislation that has been introduced this session.

"Fiscal Notes" is a project of the Alaska State Chamber of Commerce. Information is compiled and written for the State Chamber by Cheryl Frasca. Comments and suggestions are welcome. Contact the Chamber's Anchorage office at 278-2722, fax 278-6643.



# FISCAL NOTES

A BUDGET UPDATE FROM THE ALASKA STATE CHAMBER

## State Budget News for Alaskan Businesses

Nearing the top of the Legislature and Governor's agenda this session is development of a long range fiscal plan. A plan will focus on the fiscal tools that will be used over the next five to ten years to close the widening gap between what the state is spending and the revenues it is currently receiving. Getting a fiscal plan in

place is the Alaska State Chamber's top legislative priority because it will stabilize Alaska's economy and provide a more predictable climate for Alaska's businesses.

To assist Alaska's business community in understanding the debate, the State Chamber will be publishing "Fiscal Notes," a newsletter aimed at providing

understandable information about the budget process, the issues under discussion, and what it all means. It will be important Alaska's business community is heard because any plan will have significant impact on Alaska's business climate and the quality of life for our families and communities.

"Fiscal Notes" initially

will be distributed bi-weekly during the legislative session and distributed to interested Alaskans by fax. As the pace of budget discussions and decision-making increases, so will publication. Comments and suggestions regarding topics that might be of interest to Alaska businesses are welcome.

### Alaska State Chamber of Commerce Top Legislative Priority: Fiscal Plan

WHEREAS the Alaska State Chamber of Commerce rates sound fiscal management for the state of Alaska as its number one priority; and

WHEREAS the Alaska State Chamber of Commerce believes uncertainty in the state budget process and state spending has created instability in the business and investment community; and

WHEREAS the Alaska State Chamber of Commerce believes that less taxation is encouragement to surviving our budget deficit situation;

THEREFORE BE IT RESOLVED that the Alaska State Chamber of Commerce asks the Alaska State Legislature and Administration to diligently work together so that state expenditures be reduced by five percent annually, until a sustainable level is reached; and

BE IT FURTHER RESOLVED that the Alaska State Chamber of Commerce recommends innovative solutions be implemented in order to solve the state budgetary problems, including such solutions as developing a long-range financial plan and forward funding for the state's budget.

Adopted December, 1994.

**SCR**

**4**

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SCR 4

Revision Date: \_\_\_\_\_

Department Affected: Education

Title: Naming the Poet Laureate of Alaska

BRU: Commissions and Boards

Component: Alaska State Council on the Arts

Sponsor: Senator Leman

Requestor: Senator Leman

COMPONENT SERIAL NO. 192

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

**FUNDING:**

(Thousands of Dollars)

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

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ 0.0

**ANALYSIS: (Attach a separate page if necessary.)**

Passage of this resolution will have no fiscal impact on the Department of Education.

Prepared by: Sheila Peterson

Phone: 465-2803

Division: Commissioner's Office

Date: January 25, 1995

Approved by Commissioner: [Signature]

Date: January 25, 1995

Agency: Education

Date: January 25, 1995

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For further distribution information call the Governor's Legislative Office

# SENATOR LOREN LEMAN

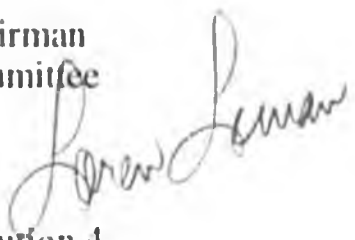
Northwest Anchorage

716 W 4th Ave, Ste 540, Anchorage AK 99501 258-8189

Session: State Capitol, Juneau AK 99801 465-2095

## MEMORANDUM

**TO:** Senator Bert Sharp, Chairman  
Senate State Affairs Committee

**FROM:** Senator Loren Leman 

**RE:** Senate Concurrent Resolution 4

**DATE:** January 23, 1995

---

I respectfully request that you schedule Senate Concurrent Resolution 4 for a hearing in the State Affairs Committee at your earliest possible convenience.

SCR 4 names the Poet Laureate of Alaska. Mr. Thomas Sexton, a resident of my district, was nominated by the Alaska State Council on the Arts for this two-year term and it is a great honor and pleasure for me to sponsor this resolution on his behalf.

Thank you for your consideration.

**SPONSOR STATEMENT****SENATE CONCURRENT RESOLUTION 4****"Naming the Poet Laureate of Alaska."**

Mr. Thomas Sexton is an Anchorage poet and constituent of mine. Mr. Sexton is a retired University professor and active author. He has a distinguished record as a teacher, poet, and Alaskan.

Mr. Sexton received his Master's Degree from the University of Alaska, Fairbanks in 1970. Upon graduation, he spent twenty-four years as a Professor at the University of Alaska Anchorage.

He retired last year and was honored with the title Emeritus Professor of English. His poetry has been published in journals across the United States and included in four anthologies. Mr. Sexton has written four books of prose and poetry, and has received numerous awards. In addition to teaching and writing, Mr. Sexton has given generously of his time and talents to public services.

His nomination for Poet Laureate was unanimously approved by the Alaska State Council on the Arts. The Council's nomination committee was composed of the Council's Literature Panel and the living Poets Laureate of Alaska. Mr. Sexton's experience, knowledge, professional work, and community involvement will make him a distinguished Poet Laureate for Alaska.

## VITA

Thomas Francis Sexton

### EDUCATION:

B.A., State College at Salem, Salem, Massachusetts, 1968  
M.F.A., University of Alaska, Fairbanks, Alaska, 1970

### PROFESSIONAL EMPLOYMENT:

1994 - present      Emeritus Professor of English  
                                 University of Alaska Anchorage

1970 - 1994      Professor of English and Creative Writing  
                                 University of Alaska Anchorage

### MEMBERSHIP IN PROFESSIONAL ORGANIZATIONS:

Academy of American Poets  
American Conference for Irish Studies  
Associated Writing Programs  
Modern Language Association  
National Council of Teachers of English

### UNIVERSITY ACTIVITIES:

Member, University Assembly, 1971-73  
Director, Creative Writing Program, 1970-85  
Member, Presidential Search Committee, 1972  
Chairman, University Policy and Curriculum Committee, 1972-73  
Member, Athletic Control Board, 1977-78  
Member, CAS Course and Curriculum Committee, 1977-79, 1980-81, 1982-83,  
1985-89

Member, Academic Affairs Board. 1978-79, 1982-83, 1983-84  
Member, CAS Dean's Search Committee, 1980  
Member, Dean's Advisory Committee on Promotion, 1980-82  
Member, Archives Advisory Committee, 1980-93  
Coordinator, Philosophy Program, 1979-80  
Chair, Department of English, 1979-82, 1985-87  
Member, Atwood Chair Search Committee, 1981-82  
Member, Humanities Peer Review Committee, 1981-82  
Member, CAS Peer Review Committee, 1982-83  
Chair, Humanities Peer Review Committee, 1988-89  
Chair, Performing Arts Peer Review Committee, 1988-89  
Member, CAS Committee on Promotion and Tenure, 1988-89  
Advisor, Carpe Diem, the student literary club, 1989-90  
Chair, CAS Full Professor Peer Review Committee, 1992-93  
Chair, CAS Other Ranks Peer Review Committee, 1993-94  
Assistant Chair, Department of English, 1993-94

#### TEACHING EXPERIENCE:

Most of the courses I have taught during the past twenty-four years have been literature and writing courses at the upper division and graduate levels. I have taught upper division courses for Art and Journalism, and I have taught in the Canadian Studies Program.

#### SELECTED PUBLICATIONS:

##### Literary Journals:

*Albatross*. Gainesville, Florida. Vol. I, Issue 3, 1987; Vol. II, Issue 1, 1988

*Alaska & Japan*. Anchorage: AMU Press, 1972

*Arion's Dolphin*. Cambridge, Mass. Vol. I, No. 2, 1973; Vol. II, Nos. 3 & 4, 1973

*Artful Dodge*. Wooster, Ohio. No. 14/15, Fall, 1988

*Charas*. Tacoma, Wash. Spring, 1973

Articles:

- "A Sampling of 19th Century Alaskan Images, A Photographic Reading,"  
*The Alaska Journal*, Summer, 1979, pp. 60-61.
- "Double Takes, Stereographs by H. H. Brodeck," *The Alaska Journal*,  
Summer, 1980, pp. 18-21.
- "The Images of Charles H. Ryder," *The Alaska Journal*, Summer, 1982,  
pp. 32-41.

Anthologies:

- Anthology of Magazine Verse and Year Book of American Poetry*. Beverly  
Hills, Ca., 1985 edition. (Poem selected from *Texas Review*.)
- Inroads: Alaska's 27 Fellowship Writers*. Fairbanks, Alaska, 1988.
- The Merrimack Valley Poetry Anthology*. Lowell, MA: Loom Press, 1991.
- The Next Parish Over: Contemporary Irish American Writing*. Minneapolis,  
Minnesota: New Rivers Press, 1993.

Reviews:

- Numerous reviews for *Choice*. Middletown, Conn.

Books:

- Terra Incognita*. San Luis Obispo, Ca.: Solo Press, 1974.
- Early Alaskan Writing, 1867-1925, A Miscellany*, Editor. Anchorage,  
Alaska: Raven Press, 1982.
- Late August on the Kenai River*. Anchorage, Alaska: Limner Press, 1991.
- The Bend Toward Asia*. Anchorage, Alaska: Salmon Run Press, 1993.

*The Chariton Review.* Kirksville, Missouri. Spring, 1985  
*College English.* Middletown, Conn. Vol. 35, No. 2, 1973; Vol. 35, No. 1, 1973; Vol. 36, No. 1, 1974; Vol. 43, No. 8, 1981  
*Contemporary Alaskan Literature.* Anchorage: AMU Press, 1969, Vol. IV, No. 4  
*Cut Bank.* Missoula, Montana. Summer, 1985  
*Fiddlehead.* Fredericton, New Brunswick, Canada. Summer, 1971; Spring, 1973  
*Fine Arts Discovery.* Kansas City. Winter, 1969; Spring, 1970; Fall, 1970  
*Hayden's Ferry Review.* Tempe, Arizona. #5, Fall, 1989  
*Hyperion.* Berkeley, Ca.: Throp Springs Press, 1972  
*Interim.* Las Vegas, Nevada. Fall, 1986; Fall, 1988  
*Lock Haven Review.* Lock Haven, Pa. No. 14, 1973  
*Measure.* Bowling Green, Ohio: Tribal Press, Vol. 6, No. 7, 1974  
*Mele #20.* Honolulu, Hawaii. 1971  
*Moving On.* Mendocino, Ca. 1971  
*Negative Capability.* Mobile, Alabama. Winter, 1987  
*PAPA Journal.* Fayetteville, Arkansas. Fall, 1981  
*Paris Review.* New York, N.Y. Summer, 1992  
*The Phoenix.* Tahlequah, Oklahoma. Spring, 1986  
*Poem.* Huntsville, Alabama. Spring, 1971  
*Poetry Now.* Eureka, Ca. Vol. 1, No. 5, 1974  
*Puerto Del Sol.* Las Cruces, New Mexico. Summer, 1989  
*Raven.* Anchorage. Vol. 1, No. 1, 1971; Vol. 1, No. 3, 1972  
*Red Brick Review.* Manchester, New Hampshire. Spring, 1993  
*Sidewinder.* Midland, Texas. Summer, 1984  
*Soundings.* Valdez, Alaska. Spring, 1985  
*Sparrow.* West Lafayette, Ind. June, 1973  
*Stone #7.* Pennington, N.J. Winter, 1971  
*Swamp Root.* Jacksboro, Tenn. Spring/Summer, 1991 (Featured Poet)  
*The Texas Review.* Huntsville, Texas. Summer, 1984; Summer, 1987  
*Unicorn Journal.* Santa Barbara, Ca.: Unicorn Press, 1972  
*Welter.* University of Baltimore. Spring, 1982  
*Wilderness.* Washington, D.C. Fall, 1993  
*Zone 3.* Clarksville, Tenn. Spring, 1987  
*ZYZZYVA.* San Francisco, Ca. Vol. 5, #2, 1989

Editor, *Alaskan Writing at the Bicentennial*, a special issue of *Raven* magazine,  
Spring, 1976

Editor of Alaska Poetry in the Schools Poetry Post Card Series, Winter, 1975

Editor, *Raven* magazine, 1970 - present

Editor, *Redoubt* magazine, 1979

Poetry Editor, *Alaska Quarterly Review*, 1981 - present

Contributed entry on Diane Arbus for *Encyclopedia USA*, edited by R. Alton  
Lee (first of a series of entries on photographers and writers)

Introductions:

- Raven*. Vol. 3, No. 2, 1974. Poetry in the Schools issue.  
*Raven*. Vol. 4, No. 1, 1975.

SELECTED PUBLIC SERVICE:

- Director, Alaska Poetry in the Schools Program, 1970-1976  
Organized Alaskan Writer's Conferences, 1976-1978  
Member, Arts Alaska, Inc. Arts-in-Education Panel, 1981-1982, 1988-1989  
Judge, Midnight Sun Poetry Contest, University of Alaska, Fairbanks, 1980  
Member of Selection Committee to choose Alaska's Poet Laureate, 1979  
Chair, ARCO Scholarship Screening Committee, 1975 - present

AWARDS:

- Terra Incognita* nominated for National Book Award  
Honorable Mention in Photography, All Alaska Juried Art Show, January, 1976  
Summer Faculty Research Grant, 1980, 1981  
Sabbatical Leave, 1976-1977, Fall 1990  
Alaska State Council on the Arts Individual Artist Award, 1985  
Finalist, 5th Annual Eve of St. Agnes Poetry Contest, 1986. (Judged by W. D. Snodgrass)  
A poem, "Trapper Creek," nominated for Push Cart Prize, 1992.  
Chancellor's Outstanding Service Award for Teaching, University of Alaska Anchorage, 1994  
Appointed Professor Emeritus, University of Alaska Anchorage, 1994.

OTHER:

- Photographs for *White Ash*. Tacoma: Charas Press, 1974  
Editor of translation into Inupik of John Haines' *Winter News*, Raven Press, Spring, 1975, with permission of Wesleyan University Press

### *Mount McKinley*

When the lengthening days become an endless  
page of light, and the mountain is as white  
as any rabbit pulled from a hat. I think  
of those aged men and their blue-haired wives,  
fragile in their hulbs of tinted glass, who ride  
silver busses to this scenic-outlook parking lot  
in August when the heavy rains begin.  
I watch them stand again like raw recruits  
nervous and unsure of how to act when face to face  
with this "majestic peak that has no continental  
peer." according to their always smiling guides.  
For a moment before their tour resumes,  
one by one they aim their cameras to the north  
and hope that the promised summit will appear  
above a continent of cloud that only October's  
shifting winds will thin.  
I write these lines in praise of them.

Tom Sexton  
1972 Wildwood Lane  
Anchorage, Alaska 99517

*Winter Landscape*

After days of mist and warm rain,  
buds begin to swell on the trees.

If they open, they will not survive  
the winter. For no reason.

I think of Buson's painting, his beautiful  
white horse fading into the landscape.

Tom Setton  
1972 Wildwood Lane  
Anchorage, Alaska 99517

*Epitaph*

No path led from the abandoned cabin  
to the glacial river or to his garden plot.  
Inside I found slivers of bone, rusted snares,  
an ermine's skull, a rotting blanket.  
A sealed Mason jar filled with glacial  
water sat upon the windowsill. An inch  
of silt had settled to its bottom,  
leaving water as clear as any spring's.  
Had he used it to measure the fading  
winter day or the darkness of the night?  
It's a midsummer's evening. Green light  
filters through the chinkless logs.  
Closing the door to leave, I feel that this  
is what he wanted for his epitaph.

Tom Sexton  
1972 Wildwood Lane  
Anchorage, Alaska 99503

*Beluga*

Watching a beluga breach the inlet's  
silty tide brings back that spring  
morning when I first saw one rise  
near the mouth of Portage Creek.  
For years I tried to hold it in a net  
of words: sea-ermine,

moon-stone,

embryo of light. Now I know  
that these white whales come to feed  
on spawning smelt. Indifferent to imagination's  
longing, they sound the glacial dark.

Tom Sexton  
1972 Wildwood Lane  
Anchorage, Alaska 99517

## *King Island*

(abandoned 1958)

The carver used whalebone for the base  
of his island where two figures,

so small they must be from another world,  
climb into an invisible wind, a wind

that pushes the ice pack with its wandering  
bears closer to their island.

Now they drag two ivory seals  
toward an ivory house on ivory stilts

where a woman sits beside her seal-oil lamp  
dreaming of greens she will gather

from the jagged cliffs come spring  
in that pure light the carver has revealed.

Tom Sexton  
1972 Wildwood Lane  
Anchorage, Alaska 99517

*Leaving for a Year*

The marsh is ripe with berries.  
I pick a few and try to forget  
that I have come to close the cabin.  
Later, I watch the mountains  
and then the moon,  
the first stars of the summer.  
Soon it will begin to snow.  
We will not be here.

Tom Sexton  
1972 Wildwood Lane  
Anchorage, Alaska 99517



PLEASE ADD TO  
SCR 4 FILE

---

January 30, 1995

Senator Bert Sharp  
Chairman, Senate State Affairs Committee  
The Alaska Legislature  
State Capitol, Room 514  
Juneau, AK 99801-1182

Dear Senator Sharp and Members of the Senate State Affairs Committee.

On behalf of the Alaska State Council on the Arts, I am writing in support of Senate Concurrent Resolution 4, naming Tom Sexton, to a two-year term as Poet Laureate of Alaska.

At its meeting on December 15, the Council approved the nomination of Tom Sexton for Poet Laureate. A committee composed of the Council's Literature Panel and the living Poets Laureate of Alaska selected Mr. Sexton at a teleconference on November 16. The term of the current Poet Laureate, Joanne Townsend, expired last year.

Mr. Sexton is an Anchorage poet and retired University professor. He has a distinguished record as teacher, poet, and Alaskan. Mr. Sexton received his Masters Degree from the University of Alaska Fairbanks, in 1970. He retired last year, after twenty-four years of service. Upon his retirement, Mr. Sexton was honored with the title, Emeritus Professor of English. His poetry has been published widely in journals across the United States, and included in four anthologies. Mr. Sexton has written four books of prose and poetry, and received numerous awards. In addition to teaching and writing, Mr. Sexton has given generously of his time and talents to public service.

Mr. Sexton's appointment has no fiscal impact. There is no compensation, and any honoraria or travel around the state will be paid by local sponsors.

Again, the Alaska State Council on the Arts, gives its unconditional support to Senate Concurrent Resolution 4, naming Mr. Tom Sexton as Poet Laureate!

Sincerely,

Timothy Wilson  
Executive Director

STAP:NM WPD

**Alaska State Council on the Arts**

411 West 4th Avenue, Suite 1E, Anchorage, Alaska 99501-2343 (907) 269-6610 Fax (907) 269-6601

SUPPORT LETTER

Senator Bert Sharp  
Senate State Affairs

This is in support of Tom Sexton for Poet Laureate of the State of Alaska. Tom is a long time Alaskan, respected educator and acclaimed poet. His poetry deals primarily with Alaskan themes and is in the tradition of former laureate John Haines who, I understand, also heartily supports Tom for this singular honor. Tom Sexton will be a credit to the State.

Sincerely,

*Ronald F. Turner*

Ronald F. Turner



## Sealaska Heritage Foundation

One Sealaska Plaza, Suite 201 • Juneau, Alaska 99801-1249 • (907) 463-4844  
Fax (907) 586-1807

January 30, 1995

Senator Bert Sharp  
Chairman  
Senate State Affairs Committee  
Alaska State Senate  
via FAX: 465-2070

Dear Senator Sharp,

I am writing in support of Senate Concurrent Resolution 4 naming Tom Sexton as poet laureate of Alaska.

I have known Tom for about 25 years, and I have great respect for his work. I am a former poet laureate of Alaska, and I was a member of the advisory committee (consisting of several other writers and former poets laureate) that suggested his nomination.

I am sorry I cannot attend tomorrow's hearing in person and answer any questions that might arise, but I will be out of town. But I wanted to fax this letter of support for your committee and for the record.

Sincerely,

Richard L. Dauenhauer  
Program Director  
Language and Cultural Studies

FAX: Sen. Sharp  
465-2070

5522 COPE ST.  
ANCHORAGE, AK 99518  
(907) 562-7835

to  
State Senator Bert Sharp  
Chairman: Senate State Affairs Committee  
Juneau, Alaska - Regarding Senate Concurrent  
Resolution 4

Dear Senator Sharp

IT was my honor to be appointed Alaska's  
8th Poet Laureate in 1988. The position is  
now in need of filling and I know of  
no better person than Tom Sexton to fill  
it. He will serve poets, poetry, and the  
State of Alaska with the same enthusiasm  
and integrity he has shown in a career of  
over 20 years as a UAF teacher and poet.

Sincerely,  
Joanne Townsend

Elyse Gutfenberg P.O. Box 81622 Fairbanks, Ak. 99703 907-455-6805

Rep. Bert Shafer  
Alaska State House of Representatives  
Juneau, Ak.

Dear Mr. Shafer,

I am writing to you regarding the...  
is an...  
Always...  
creating...  
In...  
and...  
responsibility...  
I...  
Thank you for your...  
Elyse Gutfenberg

Elyse Gutfenberg