

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10713 SENATE TRANSPORTATION

558

**HB**

**79**

MEMORANDUM

DATE: Feb. 9, 2001

TO: Senator John Cowdery  
Transportation Chairman

FROM: Senator Alan Austerman

RE: Request for Scheduling—Senate Bill 79

I respectfully request that the Transportation Committee schedule a hearing on SB 79 at your earliest convenience.

This bill would rename the bridge to Near Island as the Fred Zharoff Memorial Bridge. Attached is a sponsor statement and a letter of support.

Please contact Suzanne Hancock of my staff at 3820 as needed.

## **SPONSOR STATEMENT**

### **Senate Bill 79**

**“An act naming the Fred Zharoff Memorial Bridge”**

Fred Zharoff served in the House of Representatives beginning with the Eleventh Alaska State Legislature for three terms. In 1985, he then began serving in the Alaska State Senate for three terms continuing through the Nineteenth Alaska State Legislature, ending his distinguished career in 1997. For almost 20 years, Senator Zharoff served the people of Kodiak Island, Bristol Bay, the Aleutian Chain, the Alaska Peninsula, the Southern Kenai Peninsula and rural Southeast Alaska.

During his tenure in the Legislature, Fred was instrumental in bringing projects to Kodiak such as the Near Island Bridge. His successful efforts garnered the \$18 million dollars necessary to construct this vital link to Near Island. The completion of this bridge let to the full utilization of St. Herman Harbor and the development of the Fishery Industrial Technology Center and Kodiak Fisheries Research Center.

This name designation is a fitting and lasting memorial in recognition of Senator Zharoff's contribution to his community.



**Office of Mayor Carolyn L. Floyd**  
710 Mill Bay Road, Room 211, Kodiak, Alaska 99615

February 8, 2001

The Honorable Alan Austerman  
Senate District C  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801

Dear Senator Austerman:

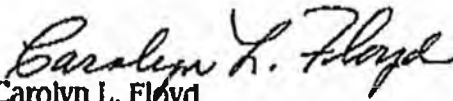
The City of Kodiak wholeheartedly supports your proposed legislation to rename the Near Island Bridge after former Senator Fred Zharoff. While serving in the House and Senate, Fred fought hard for this capital project, and his successful efforts garnered the \$18 million dollars necessary to construct the bridge. Fred knew the future development of Kodiak depended on this vital link to Near Island. In addition to providing access to St. Herman Harbor, which moors approximately 600 vessels annually, the bridge also enabled development on Near Island, where the Fishery Industrial Technology Center and Kodiak Fisheries Research Center are located.

Fred accomplished much for his constituents during his six years of service in the State House and 12 years in the Senate. Not only did he acquire funding for the Near Island Bridge, he also obtained funding for the Fishery Industrial Technology Center, Gerald C. Wilson Auditorium, Terror Lake Hydroelectric project, Kodiak Senior Center, Mill Bay Road reconstruction, the bike path along Rezanof Drive, deferred maintenance projects, asbestos removal from school buildings, street paving, and water and sewer extensions.

Renaming our bridge after Fred Zharoff would serve as a fitting tribute to this man who devoted most of his adult life to serving others.

Sincerely,

City of Kodiak

  
Carolyn L. Floyd  
Mayor





**Chugiak-Eagle River  
Chamber of Commerce  
PO BOX 770353  
Eagle River, AK 99577  
907-694-4702 phone  
907-694-1205 fax  
[info@cer.org](mailto:info@cer.org)**

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**February 15, 2001**

**To: Senator John Cowdry, Chair  
Senator Jerry Ward  
Senator Robin Taylor  
Senator Gary Wilkin  
Senator Kim Elton**

**From: Bernie Smith, President  
Chugiak-Eagle River Chamber of Commerce**

**RE: Veteran's Highway Bill – HB 79/Before Senate Transportation**

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**The Chugiak-Eagle River Chamber of Commerce Board of Directors wholeheartedly supports HB 79 – the concurrent designation of a portion of Eagle River Loop Road the "Eagle River Veteran's Memorial Highway." The Chamber further supports extending the proposed designation of the Loop Road to its end point where it intersects with the Old Glenn Highway.**

**Our organization recognizes the very significant and positive impact of the military in Alaska; and we want especially to be a part of any and all efforts to honor our Veterans who have served in the armed forces for our Country.**

**Cc: Senator Rick Halford  
Senator Randy Phillips**

**Representative Pete Kott  
Representative Fred Dyson**

# Alaska State Legislature

## House of Representatives

RULES COMMITTEE, CHAIR  
COMMITTEE ON COMMITTEES  
LABOR & COMMERCE COMMITTEE  
MILITARY & VETERANS AFFAIRS  
LEGISLATIVE COUNCIL



INTERIM:  
10928 EAGLE RIVER RD., SUITE 141  
EAGLE RIVER, AK 99577

SESSION:  
ALASKA STATE CAPITOL  
JUNEAU, AK 99801

### Memorandum

TO: Senator John Cowdery  
FROM: Representative Pete Kott  
SUBJECT: Request for Hearing, HB 79  
DATE: February 12, 2001

I request that HB 79, an Act designating a portion of the Eagle River Loop Road as the Eagle River Veteran's Memorial Highway, be scheduled for a hearing in the Senate Transportation Committee as soon as possible.

The following are included with this request:

- Current version of the bill
- Sponsor Statement
- Sectional Summary (Not Required)
- Map of Eagle River

Point of Contact: Roger Wortman, X6848

### Representative Pete Kott

JUNEAU OFFICE (907) 465-3777 TOLL FREE 1-800-861-KOTT(5688) FAX (907) 465-2819  
EAGLE RIVER OFFICE (907) 694-8944 FAX (907) 694-8945 E-MAIL: representative\_pete\_kott@legis.state.ak.us  
<http://www.akRepublicans.org/Kott.htm>



# Alaska State Legislature

## House of Representatives

RULES COMMITTEE, CHAIR  
COMMITTEE ON COMMITTEES  
LABOR & COMMERCE COMMITTEE  
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INTERIM:  
10928 EAGLE RIVER RD., SUITE 141  
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SESSION:  
ALASKA STATE CAPITOL  
JUNEAU, AK 99801

### Sponsor Statement

**HB 79**

### **Eagle River Veterans Memorial Highway**

So as to not to forget the sacrifices made by the men and women, who served our Nation's armed forces, I introduce HB 79.

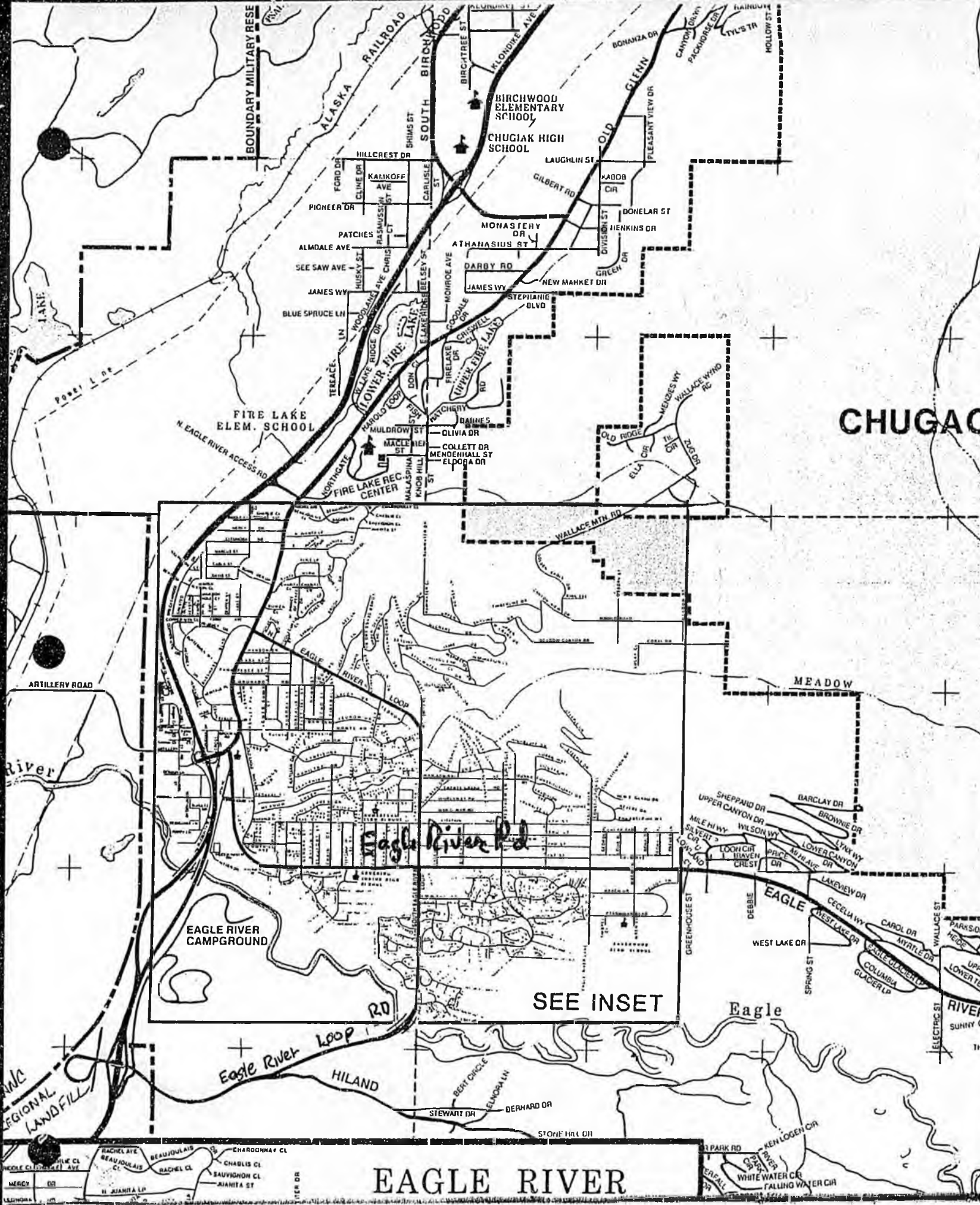
The general public, and more importantly future generations must not forget their veterans. Far too often our citizens take for granted the freedoms all Americans enjoy. Designating the portion of Eagle River Loop Road, between the Anchorage Regional Landfill and Eagle River Road - the Eagle River Veterans Memorial Highway, is just one way to recognize those whom served and died for this great country.

I believe it essential to recognize our veteran's efforts. By honoring the men and women who served and died, we preserve their memory and thus their service and sacrifice. I urge your support for this legislation.

**Representative Pete Kott**

JUNEAU OFFICE (907) 465-3777 TOLL FREE 1-800-861-KOTT(5688) FAX (907) 465-2819  
EAGLE RIVER OFFICE (907) 694-8944 FAX (907) 694-8945 E-MAIL: representative\_pete\_kott@legis.state.ak.us  
<http://www.akrepublicans.org/Kott.htm>





**CHUGAC**

**EAGLE RIVER**

REGIONAL LANDFILL  
 RACHEL AVE  
 BEAUJOUAIS  
 CHAROONHAY CL  
 CHABLIS CL  
 SAUVIGNON CL  
 ANANTA ST  
 MERCY DR  
 H. ANANTA LP

PARK RD  
 WHITE WATER CR  
 FALLING WATER CIR  
 REN LOGEN CIR  
 W. PARK RD  
 W. PARK RD

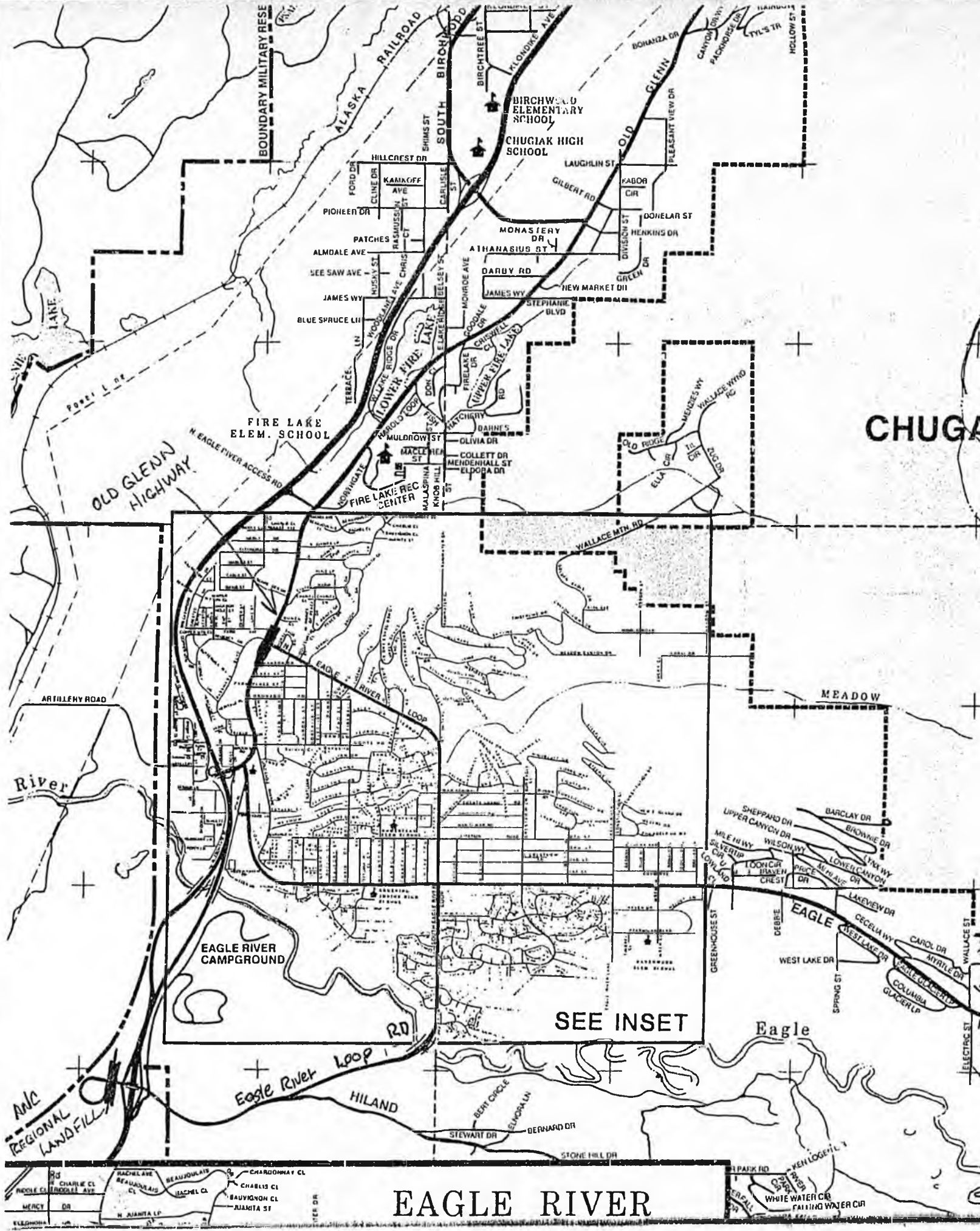
SEE INSET

EAGLE RIVER CAMPGROUND

Eagle River Loop  
 HILAND

Eagle

RIVER  
 SUNNY G



CHUGIAK

SEE INSET

# EAGLE RIVER

ANL REGIONAL LANDFILL

CHARDONWAY CL  
 CHABLIS CL  
 BAUVIGNON CL  
 ANJANTA ST  
 CHABLIS CL  
 BAUVIGNON CL  
 ANJANTA ST  
 CHABLIS CL  
 BAUVIGNON CL  
 ANJANTA ST

WHITE WATER CR  
 FALLING WATER CR  
 KENLOGERIL  
 PARK RD  
 FALLING WATER CR  
 WHITE WATER CR

22-LS0369F  
Utermohle  
2/16/01

**SENATE CS FOR HOUSE BILL NO. 79( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SECOND LEGISLATURE - FIRST SESSION**

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES KOTT, Mulder, Murkowski

**A BILL**  
**FOR AN ACT ENTITLED**

1 "An Act designating a portion of the Eagle River Loop Road as the Eagle River  
2 Veterans' Memorial Highway."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* **Section 1.** AS 35.40.035 is amended by adding a new subsection to read:

5 (d) In Eagle River, the portion of the Eagle River Loop Road between the  
6 Anchorage Regional Landfill and Old Glenn Highway is concurrently designated as  
7 the Eagle River Veterans' Memorial Highway.



February 15, 2001

To: Members of the Alaska State Legislature

From: Bernie Smith, President  
Chugiak-Eagle River Chamber of Commerce

RE: Veteran's Highway Bill – HB 79

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The Chugiak-Eagle River Chamber of Commerce Board of Directors wholeheartedly supports HB 79 – the concurrent designation of a portion of Eagle River Loop Road the "Eagle River Veteran's Memorial Highway." The Chamber further supports extending the proposed designation of the Loop Road to its end point where it intersects with the Old Glenn Highway.

Our organization recognizes the very significant and positive impact of the military in Alaska'; and we want especially to be a part of any and all efforts to honor our Veterans who have served in the armed forces for our Country.



**HB**

**127**

### FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: SB 130  
 Bill Version: \_\_\_\_\_  
 () Publish Date: \_\_\_\_\_  
 Dept. Affected: DOT&PF  
 BRU: Marine Highway System  
 Component: Vessel Operations Management

Revision Date/Time (Note if correction): \_\_\_\_\_  
 Title: "An Act establishing the Alaska Marine Highway Authority"  
 Highway Authority: \_\_\_\_\_  
 Sponsor: Senator Taylor  
 Requester: Senate Transportation

Component Number: 629  
 (Thousands of Dollars)

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2002      | FY 2003        | FY 2004      | FY 2005      | FY 2006      | FY 2007      |
|------------------------|--------------|----------------|--------------|--------------|--------------|--------------|
| Personal Services      | 188.5        | 359.0          | 359.0        | 369.0        | 359.0        | 359.0        |
| Travel                 | 20.0         | 33.7           | 33.7         | 33.7         | 33.7         | 33.7         |
| Contractual            | 179.5        | 459.0          | 459.0        | 459.0        | 459.0        | 459.0        |
| Supplies               |              |                |              |              |              |              |
| Equipment              |              | 300.0          |              |              |              |              |
| Land & Structures      |              |                |              |              |              |              |
| Grants & Claims        |              |                |              |              |              |              |
| Miscellaneous          |              |                |              |              |              |              |
| <b>TOTAL OPERATING</b> | <b>388.0</b> | <b>1,151.7</b> | <b>851.7</b> | <b>851.7</b> | <b>851.7</b> | <b>851.7</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

| FUND SOURCE              | (Thousands of Dollars) |                |              |              |              |              |
|--------------------------|------------------------|----------------|--------------|--------------|--------------|--------------|
| 1002 Federal Receipts    |                        |                |              |              |              |              |
| 1003 GF Match            |                        |                |              |              |              |              |
| 1004 GF                  | 388.0                  | 1,151.7        | 851.7        | 851.7        | 851.7        | 851.7        |
| 1005 GF/Program Receipts |                        |                |              |              |              |              |
| 1037 GF/Mental Health    |                        |                |              |              |              |              |
| Other (Specify Type)     |                        |                |              |              |              |              |
| <b>TOTAL</b>             | <b>388.0</b>           | <b>1,151.7</b> | <b>851.7</b> | <b>851.7</b> | <b>851.7</b> | <b>851.7</b> |

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

|           |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|
| Full-time | 3 | 3 | 3 | 3 | 3 | 3 |
| Part-time |   |   |   |   |   |   |
| Temporary |   |   |   |   |   |   |

**ANALYSIS:** *(Attach a separate page if necessary)*  
 This bill establishes a corporate authority for the management and operation of the Alaska Marine Highway System (AMHS). It is assumed the bill would take effect January 1, 2002. A seven-member board of directors would direct the authority. Costs associated with this authority would be as follows:

**Personal Services**  
 This bill requires the Authority to employ a chief executive officer (CEO) to manage the corporation. The estimated cost of this position with benefits would \$150,000 per year. This position would replace the current General Manager position, which costs \$100,000 per year with benefits. The net increase in cost would be \$50,000 per full year.

The AMHS does not have its own management structure in place to operate a corporation. Currently the administrative functions of finance, human resources, and information services are all managed through centralized Department of

Prepared by: Captain George Capacci, General Manager Phone 465-3959  
 Division: Alaska Marine Highway System Date/Time 4/5/01 12:00 AM  
 Approved by: Joseph L. Perkins, Commissioner Date 4/6/01  
 Agency: DOT&PF

For distribution information, call the Governor's Legislative Office

**ANALYSIS: (continued)**

Transportation personnel. It is assumed the board of directors and CEO of the Authority would want to employ their own managers in these areas with an organization similar to the Alaska Railroad Corporation. As stated in the bill, all officers and employees of the authority would be in the exempt service and salaries would be set competitive with other state corporations. At an average cost with benefits of \$85,000 per manager, this would be approximately \$255,000 per full year.

The bill also calls for a seven-person board of directors to be compensated \$300 per day for each day they work on Authority business. One of the board members, the Commissioner of the Department of Transportation and Public Facilities would not receive this pay. It is estimated the members would work 20 days the first half fiscal year (FY02) and 30 days in future years. The cost would therefore be  $\$300 \times 20 \times 6 \text{ members} = \$36,000$  the first half year and  $\$300 \times 30 \times 6 = \$54,000$  in subsequent years.

The bill also calls a secretary and treasurer to be appointed by the board of directors. It is assumed here those positions would be selected from the already appointed directors, so there would be no additional cost. If the board decided to appoint non-directors to those positions, additional costs would be incurred.

**Travel and Per Diem**

The directors would receive standard travel and per diem expenses when the board meetings are held outside of their hometown. It is assumed for each board meeting five of seven directors would have to travel at an average airfare of \$300. The first half year (FY 02) there would be 5 meetings of 4-day duration with 10 meetings of 3 day duration in subsequent years. Per Diem would average \$125 per day.

Cost for travel would therefore be  $\$300 \times 5 \text{ meetings} \times 5 \text{ directors} = \$7,500$  first half year, and  $\$300 \times 10 \text{ meetings} \times 5 \text{ directors} = \$15,000$  in subsequent years.

Cost for per diem would be  $\$125 \times 20 \text{ meeting days} \times 5 \text{ directors} = \$12,500$  first half year, and  $\$125 \times 30 \text{ meeting days} \times 5 \text{ directors} = \$18,750$  in subsequent years.

**Contractual Services**

The AMHS currently does not pay rent for space it occupies in buildings leased by the Department of Administration. It is assumed that if AMHS would be restructured as a public corporation that the Department of Administration would charge the corporation for that space. The cost would be approximately 17,150 square feet  $\times$  \$1.74 per square foot per month. The total yearly cost would be \$359,000 per full year, or \$179,500 per half year.

**Fiscal Note Analysis - SB 130 (CONTINUED)**

Department of Transportation and Public Facilities  
Alaska Marine Highway System

The AMHS currently uses the state's centralized accounting and payroll system. It is assumed the Authority would want to purchase and operate its own systems similar to other large state corporations. The estimated cost to maintain these new systems is \$100,000 per year.

**Equipment**

There would be a one-time cost to purchase the accounting, payroll and other business systems as indicated above. An estimate of \$300,000 for hardware and software is included. This purchase would be made in 2003 after the Authority had been in existence for six months.

Not included in these estimates are any additional costs for the use of consultants or advisors by the Authority.



# ALASKA MINERS ASSOCIATION, INC.

3305 Arctic #202, Anchorage Alaska 99503 • (907) 563-9229 • FAX (907) 563-9225 • www.alaskaminers.org

The Honorable John Cowdery, Chairman  
Senate Transportation Committee  
State Capitol, Mailstop 3100  
Juneau, Alaska 99801-1182

April 23, 2001

RE: Senate Bill 100, An Act relating to the regulation of aeronautics and communications and to civil liability relating to air craft runways, airfields, and landing areas.

Dear Chairman Cowdery:

The Alaska Miners Association (AMA) wishes to express its support for SB-100 and the limitation of civil liability associated with the operation of non-commercial runways, airfields and landing areas. This is a long-standing problem for many of the AMA's members who have airstrips at their remote mining operations. In most cases, state regulations forbid the closure of these essentially 'private' airstrips to the general public, which means that a miner (or remote lodge owner, etc) may need to defend himself against a liability suit if someone else has an aviation accident while using that airfield. A miner or remote airstrip operator has little or no control over who may land and use his airstrip. Because placer mining is necessarily a seasonal activity, liability is an even greater problem during the 'off-season' when a miner may be away from his property and the airstrip is not being maintained.

SB-100 helps provide civil liability protection for a miner or remote airstrip operator. However, the AMA would like to offer the following suggestions for additionally improving the bill:

1. The current language in Sec. 09.65.093(a) limits the civil liability for, "A person who maintains or repairs an aircraft runway, airfield, or landing area without compensation..."

This language protects the 'owner' of a non-commercial airstrip who doesn't receive compensation for maintaining the airstrip, but potentially leaves the employee who is paid to grate or otherwise maintain the airstrip open to civil liability. The AMA does not believe that this is the intent of SB-100 and that language should be included that protects such employees from liability.

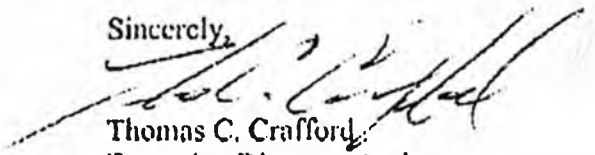
2. The civil liability protection established in Sec. 09.65.093 (a) is limited to liability for the injury or death of a person. This liability protection should be extended to cover property that might be damaged in an accident at an airstrip. Otherwise, a miner or airstrip operator might find himself being held civilly liable for the tens of thousands

of dollars of aircraft and contents damage that could occur if an aircraft were to crash on his property.

The AMA recommends that this section be revised to read, "(a) A person who maintains or repairs a non-commercial aircraft runway, airfield, or landing area may not be held civilly liable, except for an act or omission that constitutes gross negligence or recklessness or intentional misconduct, for property damage or the injury to or death of a person resulting from the use of the runway, airfield, or landing area to take off, land, or operate an aircraft."

Thank for your consideration of these suggestions. Please contact Steve Borell or myself at the AMA if you have questions or require further input.

Sincerely,



Thomas C. Crafford  
Executive Director, Assistant

cc

Senator Rick Hallford  
Senator Robin Taylor

AS 02.15.090(a) is amended to provide:

Sen.  
Proposed  
Change

(a) In operating an airport or air navigation facility owned or controlled by the state, the department may enter into contracts, leases, and other arrangements covering periods not exceeding 55 years with a person, municipality, or the United States, granting the privilege of using or improving an airport or air navigation facility or a portion of it or space in it for commercial, governmental, or other public purposes, including private plane tie down; or conferring the privilege of supplying goods, commodities, services, or facilities at an airport or air navigation facility. The department may establish the terms and conditions and fix the charges, rentals, and fees for the privileges or services that are reasonable and uniform for the same class of privilege or service. The department may levv. impose, collect, or require third parties to collect uniform customer user fees for the purpose of paying for the capital, debt service, operation, repair and maintenance expense of car rental facilities, parking facilities, and similar improvements serving the traveling public. Charges, rentals, or fees authorized by this subsection may be fixed for the international airports by order of the commissioner or by negotiated or competitively offered contract. Notwithstanding AS 37.10.050(a), the fixing of charges, rentals, or fees as permitted under this subsection is not subject to the adoption of regulation provisions of AS 44.62 (Administrative Procedure Act). The terms, conditions, charges, rentals, and fees shall be established with due regard to the property and improvements used and the expense of operation to the state. However, use of state land and buildings by the Alaska Wing, Civil Air Patrol and its squadrons shall be permitted without rental charges. If the department permits space in state-owned or state-controlled airports to be used as lounges for members of the United States armed forces, the Alaska National Guard, the Alaska Naval Militia, or the Alaska State Militia and if the lounges are operated by persons exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code), rent may not be charged for the use of the space. The department shall provide for public notice and an opportunity to comment before a charge, rental, or fee is fixed by order of the commissioner as permitted under this subsection. The public may not be deprived of its rightful, equal, and uniform use of the airport, air navigation facility, or a portion of them.

John: I would like to talk to you regarding an amendment to HB #27.

Thy  
Bob Day



ALASKA STATE LEGISLATURE  
REPRESENTATIVE JOHN HARRIS  
STATE CAPITOL 513, JUNEAU, ALASKA 99801-1182 (907) 465-4859

MEMORANDUM

April 5, 2001

To: Senator John Cowdery, Chairman  
Senate Transportation Committee

From: Representative John Harris. *JH*

Subject: HB 127 – Relating to aviation and emergency equipment on aircraft

Please schedule CSHB 127 (RLS), "An Act relating to aviation and emergency equipment to be carried on aircraft," for a committee hearing as soon as your committee calendar will permit it.

Thank you for considering this request. If you need further information about HB 127, please contact me or John Manly of my staff at 465-4859.



ALASKA STATE LEGISLATURE  
REPRESENTATIVE JOHN HARRIS  
STATE CAPITOL 513, JUNEAU, ALASKA 99801-1182 (907) 465-4859

**Sponsor Statement**

HB 127 – “An Act relating to emergency equipment to be carried on aircraft.”

House Bill 127 seeks to amend AS 02.35, the Alaska Uniform Air Licensing Act, to provide an exemption for aircraft operators flying into Canada from a requirement that they must carry a firearm as part of required emergency equipment.

AS 02.35 has been in the statutes since 1949 and, in pertinent part, requires that a variety of emergency equipment be carried in a private aircraft. This includes safety items such as food, an axe, knife, first aid kit, mosquito headnets, and a firearm and ammunition, among other things. Although the subsection is not strictly enforced, technically speaking it is unlawful to take off in Alaska without having this emergency equipment on board.

Canada recently implemented a new federal law that requires the licensing and registration of firearms brought into Canada and expands the list of firearms, such as handguns, that are prohibited. This license is good for five years, but requires the prospective licensee to take a two-day training course in Canada before being issued the license. An alternative is a 60-day temporary permit that can be obtained for \$50 (Canadian).

The essence of HB 127 is to simply provide an exemption to the firearm requirement for flights originating in Alaska and flying into Canada, provided the aircraft operator is flying under an activated flight plan. The bill also deletes a requirement to carry a gillnet among the emergency equipment.

*Adopted*  
Summary of Recommended Changes to

HB 127 – “An Act relating to emergency equipment to be carried on aircraft.”

CS HB 127 (Trans)

On page 2, line 5 – Changes “two small boxes of matches” to “fire starter.”

On page 2, line 14 – Adds the phrase, “or equivalent” to requirement to carry a wool blanket for each occupant of the aircraft.

CS HB 127 (Rules)

On page 1, line 1 – Adds the words, “aviation and” in front of the word “emergency”.

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB127  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT&PF  
 Title: Aircraft Emergency Equipment BRU: Statewide Aviation  
 Component: Statewide Aviation  
 Sponsor: Representative Harris  
 Requester: House Transportation Component Number: 1811

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2002    | FY 2003    | FY 2004    | FY 2005    | FY 2006    | FY 2007    |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services      | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Travel                 | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Contractual            | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Supplies               | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Equipment              | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Land & Structures      | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Grants & Claims        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Miscellaneous          | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| <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> |

|                             |            |            |            |            |            |            |
|-----------------------------|------------|------------|------------|------------|------------|------------|
| <b>CAPITAL EXPENDITURES</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> |
|-----------------------------|------------|------------|------------|------------|------------|------------|

|                               |            |            |            |            |            |            |
|-------------------------------|------------|------------|------------|------------|------------|------------|
| <b>CHANGE IN REVENUES ( )</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> |
|-------------------------------|------------|------------|------------|------------|------------|------------|

**FUND SOURCE** (Thousands of Dollars)

|                          |            |            |            |            |            |            |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts    | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1003 GF Match            | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1004 GF                  | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1005 GF/Program Receipts | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1037 GF/Mental Health    | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Other (Specify Type)     | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| <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> |

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

|           |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|
| Full-time | 0 | 0 | 0 | 0 | 0 | 0 |
| Part-time | 0 | 0 | 0 | 0 | 0 | 0 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 |

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

This bill has no effect on the department.

Prepared by: Dennis R. Poshard Phone 465-3904  
 Division: Commissioner's Office Date/Time 2/22/01 10:11 AM  
 Approved by: Joseph L. Perkins, P.E. Date 2/22/01  
 Agency: Commissioner

For distribution information, call the Governor's Legislative Office

January 19, 2001

Dear Representative Harris,

AS 02.35.110 requires, in relevant part, that an airman/operator of a private aircraft on a flight in Alaska carry certain emergency equipment. Included in that list of emergency equipment, at AS 02.35.110 (1)(D), is "one pistol, revolver, shotgun, or rifle, and ammunition for same."

Canadian Federal law imposes an analogous, but somewhat more extensive, requirement on private pilots flying in "sparsely settled areas." The latter phrase includes all those parts of British Columbia and the Yukon Territory contiguous to Alaska. However, the Canadian required equipment list does not include a firearm.

While many private pilots have opted to meet the Alaska requirement by carrying a handgun in the aircraft, that practice cannot be extended to transborder flights, since there has been a longstanding ban of privately owned handguns in Canada. Although I am not in a position to cite other pilots' practices, I have personally dealt with the matter by carrying a 16-gauge shotgun; I have never encountered difficulties with Canadian authorities.

Canada has recently implemented a Federal law which not only expanded the list of prohibited firearms but also requires the licensing of permitted weapons. It is possible for a U. S. pilot to obtain a five-year Canadian license for a permitted weapon, at a financial cost which I do not know at this time. Whatever that cost may be can presumably be rationalized as a one-time event which will be amortized over five years. That rationalization is significantly eroded by the related requirement that a license applicant attend an approved two-day training course in Canada. That requirement (which obviously must be met prior to any "first flight" into Canada with a licensed weapon) seems onerous for someone who may make only one round trip a year from Alaska to/through Canada.

The only alternative apparently available is a temporary (60 days, extendible through 12 months) license at a cost of C\$50. That may not be any greater burden than is any other new fee, but for someone who makes one round trip a year from Alaska to/through Canada it will be C\$250 over five years. (Admittedly, that is still less than the cost of a special trip to Canada for a two-day training session!)

If this appears to be a potentially meaningful problem for large numbers of resident Alaska private pilots, it might be feasible to consider an amendment to AS 02.35.110(1) which says something along the lines of:

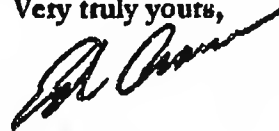
"An airman conducting a flight under a flight plan filed and activated under Federal Aviation Regulations, to or from an Alaska airport and to or from an airport in Canada, with or without intermediate stops, is exempt from the requirements of AS 02.35.110(1)(D)."

Representative Harris  
January 19, 2001  
Page 2

This would permit both the pilot whose aircraft has the capacity to fly non-stop from Juneau to Prince Rupert, for example, and the pilot who must re-fuel at Northway on a flight from Anchorage to Whitehorse, to leave his/her weapon at home from the outset without fear of violating the law. Other flights wholly within Alaska would not be affected.

Thanks for giving some thought to this!

Very truly yours,

A handwritten signature in black ink, appearing to read "Ed Crane", written in a cursive style.

Ed Crane

# Canada puts new limits on guns

■ **FIREARMS:** Alaskans should know the new rules before crossing the border.

The Associated Press

JUNEAU — Alaskans taking firearms across Canada could face delays or even confiscation of their weapons if they don't follow new Canadian laws that went into effect Jan. 1. They'll pay a \$33 fee just to cross into Canada with a firearm.

Visitors hunting in Canada or just passing must complete a nonresident declaration form and pay a \$50 (Canadian) confirmation fee, which amounts to about \$33. The temporary license is valid for 60 days and can be renewed at any time during a 12-month period without paying an additional fee. Canadian firearms licenses, good for five years, also are available, but they're tougher to get.

"We're kind of concerned about Americans who might come away a little angry because they're surprised by the fee or, worse, they have a weapon confiscated," said Ken Koelsch, U.S. Customs port director for Juneau. "An American wanting to get such a weapon back wouldn't have much recourse except maybe

getting in touch with the congressional delegation."

Formerly, U.S. citizens arriving at a border crossing with a weapon prohibited by the Canadians had the option of not crossing the border and keeping the weapon.

But now, "our instructions are to have the gun abandoned to the Crown," said Gary Burgess, superintendent of Canadian Customs Operations in Whitehorse.

Canada's long list of prohibited weapons includes short-barreled rifles and handguns, small-caliber handguns, replicas and assault rifles.

"The short answer to what a prohibited weapon is is any weapon that's designed to kill people rather than animals," Burgess said.

Visitors to Canada who don't know whether the weapons they plan to take into the country are prohibited can find out by calling Canadian Customs at Whitehorse, 867-667-3943.

A complete list of prohibited weapons is available at the Canadian Firearms Centre Web site: [www.cfc-ccaf.gc.ca](http://www.cfc-ccaf.gc.ca), as are the border declaration forms, which Burgess recommended be filed out — except for the signature — ahead of time in order to avoid border-crossing delays.

*We're kind of concerned about Americans who might come away a little angry because they're surprised by the fee or, worse, they have a weapon confiscated.*

— Ken Koelsch, U.S. Customs port director for Juneau

U.S. Customs' Koelsch also expressed concern that U.S. guides or outfitters flying into Canada and carrying firearms in their survival kits might run afoul of Canadian law.

"There aren't any special circumstances allowing firearms into Canada without registration," Burgess said. Fliers coming across the border are required to report to a manned port — such as Whitehorse — to complete registration forms and register weapons, he said.

"But we are encouraging frequent U.S. fliers to acquire a Canadian license, which is valid for five years," he said. Applicants for a Canadian license must take an approved two-day training course in Canada.

Asked about Alaska hunters and fishermen who in their travels might

cross into Canadian territory — as is often the case with Juneau residents flying or boating up the Taku River — Burgess said: "That's a difficult question. The book answer is that they have to have the temporary license or report to a manned crossing point to register."

Canadian wildlife officials would likely inquire of the visitor about the proper registration certificate, he said.

Burgess said a "fair number" of visitors had filled in the forms and paid the fee at the Beaver Creek port of entry, at Mile 1,202 of the Alaska Highway. With 6,000 to 7,000 gun importations a year, Beaver Creek is the second busiest such port in Canada.

So far, Burgess said, "we've only had a couple of complaints."

**B**

SECTION

**MIND OVER BODY**

What were more than 300 high school students doing in the Hilton Anchorage last week? Competing in a decathlon in which the mind was much more important than the body.

Tuesday In Alaska

**ALASKA**

ANCHORAGE DAILY NEWS • www.adn.com

MONDAY, APRIL 2, 2001

**Survival gear on the fly is a law**

■ **CATCH-22:** How will Canadian gun regulations affect Alaska legislation?

By DOUG O'HARRA  
Anchorage Daily News

Anchorage businessman Ron Sheardown was flying over uninhabited wilderness northwest of McGrath late one frigid afternoon a year ago February when the engine of his Piper J-4 airplane suddenly sputtered and died.

The longtime bush pilot glided to a frozen lake and landed without a problem. He set off his emergency locator beacon. The sun was setting, with temperatures falling toward 10 degrees Fahrenheit. Rescue might take hours — or even days. What next?

For Sheardown, with decades of expe-

rience flying remote stretches of the Arctic, the immediate solution was as matter-of-fact as checking into a motel.

He pulled out the survival gear he always stows in his aircraft, a requirement written into state law for 50 years. He then set up a lean-to, prepared dinner and snuggled into a warm sleeping bag to await help. It came the next day.

"I was comfortable," he said. "Nothing extravagant, but I was prepared for it."

Sheardown drew on the same gear last spring when his Antonov biplane punched through thin ice on the frozen Arctic Ocean at the North Pole. The plane ultimately sank and was lost, but Sheardown and four other people spent a relatively easy night at the top of the world.

"We set up a camp and built a snowhouse," Sheardown said. "We called it the North Pole Hilton because we were ex-

remely well prepared."

In both instances, Sheardown was acting out provisions of a 1949 state law little known outside aviation circles. All planes flying in Alaska with 15 or fewer passengers must carry a weapon and ammunition, two weeks of food, mosquito head nets and items from nine other categories of survival gear.

On the mandated list for summer travel are one ax or hatchet, a first-aid kit, a gill net with assorted fishing tackle, two boxes of matches and at least two signaling devices. In winter, the gear must also include a pair of snowshoes, a sleeping bag and "one wool blanket for each occupant over four."

No one enforces the law, so it's not clear how often Alaska pilots skimp on re-



BILL ROTH / Daily News file photo

Ron Sheardown in the cockpit of his Antonov An-2 before his successful transpolar flight.

See Page B-3, SURVIVAL

**Protection for wolf is denied**

■ **ORPHAN:** Board will not allow emergency no-trapping zone.

The Associated Press

FAIRBANKS — The state will not give special protection to a young wolf whose mother was accidentally killed by biologists in Denali National Park and Preserve.

A spokesman for Gov. Tony Knowles said no one has the

**Plan would cut Native services**

■ **HEALTH:** Senate proposal would have all groups vie for the same pool of funds.

The Associated Press

FAIRBANKS — Native groups could lose millions of dollars used for health and social service programs under a state Senate subcommittee proposal to eliminate a \$10.5 million appropriation designated for Native social services.

The Tanana Chiefs Conference, for example, could

“  
We would put it in the category of budget items that still need to be fixed before it finally comes up to our desk. It's not over yet.  
”

— Bob King, spokesman for Gov. Tony Knowles

## SURVIVAL: Some pilots say they wouldn't consider flying without a gun

Continued from B-1

quired items. But the Federal Aviation Administration, the Alaska Airmen's Association, flight schools, experienced pilots and survival experts all emphasize the principles in instructions to pilots.

"I think most pilots have a form of survival gear," said Anne Graham, manager of the FAA's regional safety program. "It wouldn't make sense not to."

"Today search and rescue is so good that there's very few people who spend more than a day out," Sheardown added. "But there are circumstances where you might have to wait longer. ... You could die of exposure very easily if you weren't properly equipped."

The law has recently come under scrutiny by the Alaska Legislature because Canadian gun regulations tightened on Jan. 1. Every person entering Canada with a weapon must first register it and pay a fee. That meant fully equipped Alaska pilots traversing the international border would be breaking Canadian law unless they diverted to a customs office

first.

"It's illegal to take off without a gun here, and it's illegal to land (with one) there," John Manly, a staffer for Rep. John Harris, R-Valdez.

Harris sponsored a bill that would allow Alaska pilots to leave their weapons behind when traveling through Canada on an active, filed flight plan. HB 127 unanimously passed in the House last week and was forwarded to the Senate Transportation Committee.

The bill also removes the requirement for a gill net, changes "two small boxes of matches" to "fire starter" and adds the words "or equivalent" to the requirement that pilots carry wool blankets.

Manly said House members wanted to modernize the law. "John thought the requirement to have a small gill net was outdated," he said. "But we left the rest of the fishing gear."

Canadian officials appear to be still working out how the law applies to Alaska pilots, Graham said.

Last week, Canadian aviation officials told her that Alaska pilots who

make brief landings to refuel while traveling to the Lower 48 should notify Canadian customs in advance as usual and don't actually need to register their weapons under the new law. But any pilot who remains overnight must comply, Graham said.

Graham said it remains unclear what would happen if a pilot were forced to make an unplanned stop for the night. "What if you have a problem and can't go on?" she said.

Canadian Consul Robert Poetschke in Seattle suggested that Alaska pilots who take guns into Canadian airspace obtain necessary forms first so they're prepared to register as soon as possible after they land. Information can be found at 1-800-731-4000.

"There is, to my knowledge, no exceptions made for Alaskan pilots, despite this anomalous situation," Poetschke said.

Even if Alaska law is revised to let pilots traverse Canada without a weapon, several pilots advise against it. Flying over wilderness requires a "proper survival gun" — a shotgun

that can be loaded with slugs or buckshot for protection or bird shot to gather small game for food, Sheardown said. "I would not stop carrying a gun."

Graham, a pilot, always carries a backpack with her survival gear and weapon, even when she's a passenger in someone else's plane. When she flew a mail route out of Cordova, she packed a pistol-grip 12-gauge shotgun for bear protection, especially along one stretch near Cape Suckling where she once counted 27 black bears foraging for wild strawberries.

"It probably would have broken my arm if I'd fired it, but I always carried one," she said. "I certainly would not like to have done a forced landing and been down there among the bears and strawberries" without a gun.

Several survival experts said that stowing gear and practicing its use might not even be enough.

"You better have your stuff on you," said Shane Langland, president of Eagle Enterprises, which packs and sells survival kits of all sorts. "You need to think about what

you're going to do if that nice little survival kit that you've got in the tail of the airplane has either sank or burned."

When a Cessna 206 airplane crashed in 1998 on a snowfield at 10,500 feet on Mount Torbert, in the Tordrillo Mountains across Cook Inlet from Anchorage, the six people aboard suffered only minor injuries.

But the plane had settled in deep snow, forcing the survivors to huddle for eight hours inside the cabin. The temperature dropped to about 30 degrees before arrival of pararescuers from the Alaska Air National Guard.

"Their survival gear was in the back of the plane, and they couldn't move to get it," said Chief Master Sgt. Garth Lenz, of the 210th Rescue Squadron. "Fortunately, the helicopter got there in time.

The lesson is a stark one, Lenz said. "If you're in a real crash, you're lucky to get out of the plane with what you have on your body."

■ Doug O'Hara can be reached at o'hara@adn.com or 257-4334.

## TEACHER: Never a dull moment

Continued from B-1

Principal Sam Stewart said Burck's charm and enthusiasm have energized the school's science department. "She's one of the first teachers students oftentimes have in science at the high school level, and it just takes off after that," he said.

Students describe Burck's class as relaxed and noisy, so much so that anyone walking down the main hall can't help but overhear the hubbub and Burck's squeaky voice trilling out of her open door.

"You laugh," said Julianne Awrey, a senior. She said she's pursuing a college career in biomedical engineering because she enjoyed Burck's class so much.

Awrey and other students said they admire Burck's breezy personality and quick smile, and the way she works to find the positive in every

student.

"She's on our wavelength," Awrey said.

Burck, who also coaches cross-country and long-distance running, takes that as a compliment. It's easy to see she's pleased that students respond to her style, but she talks about it in modest terms.

"It's successful for me. I don't know if it would be for everybody," she said.

She said she just tries to build camaraderie in the classroom. After all, she and the students are stuck together for an hour, so they might as well enjoy it.

"You're studying life and what makes things alive," she said. "There's nothing more relevant than that."

■ Reporter Jon Little can be reached at jlittle@adn.com or at 907-260-5248.

## WOLF: No-trapping zone is denied

Continued from B-1

News-Miner reported.

The trapping season is open until April 30 on state land just outside the park.

Paul Joslin, executive director of the alliance, said the group will make an informal appeal to trappers.

"What happens if the pup gets caught in a trapper's snare? What would that do to the trapping industry? What image would that send in terms of protecting the state's wildlife?" Joslin said.

"Maybe the Alaska Trappers Association itself, in this instance, would be willing to step in and do something," he said.

That idea got a cool reception from former

Alaska Trappers Association president Pete Buist of Fairbanks. "That is just a political statement," he said. "It has no basis in reality."

If the young wolf were caught in a trap, Buist said, he would expect a media frenzy around the radio-collared wolf.

"Where the wolf's mother more likely to meet its death is at the teeth of a neighboring pack," he said.

The wolf's mother was the second of three wolves to die after being tranquilized by biologists. The researchers wanted to replace the radio collar used to track her movements as part of a predator-prey study focusing on the park's wolves.

## HEALTH: Natives could lose funds

Continued from B-1

sponse programs," Ginnis wrote.

The budget adjustment still faces many hurdles, including approval by Gov. Tony Knowles, who does not support the change.

"We would put it in the category of budget items that still need to be fixed before it finally

comes up to our desk," said Bob Kinn, a spokesman for Knowles. "It's not over yet."

The subcommittee is recommending an increase in several areas related to the B-1s, including a \$75,000 appropriation for funding for oral workers in rural areas and a \$2,000,000 mental health fund.

## Northwest planes make unplanned stops

Almost 600 Northwest Airlines passengers on their way to Japan from the Lower 48 made an unplanned stop in Anchorage over about an hour when their jets developed problems and had to be diverted here, a Northwest spokeswoman said Sunday.

No one was injured and both planes landed without incident, said Mary Beth Scholten.

Flight 70, a DC-10 flying from Seattle to the

subject said. The aircraft was sent back to Seattle while the passengers spent the night in a hotel here, she said. They departed for Chicago on the same day.

Flight 71, a Boeing 747 flying from San Francisco to Seattle with 441 passengers, was diverted at 4:20 p.m. Saturday as a precaution after a 747 in the passenger cabin went down and powered smoke, Scholten said. The

## Alaska Statutes – Pertinent part

HB 127 – “An Act relating to emergency equipment to be carried on aircraft.”

Sec. 02.35.110. Emergency rations and equipment.

(a) An airman may not make a flight inside the state with an aircraft unless emergency equipment is carried as follows:

(1) the following minimum equipment must be carried during the summer months:

- (A) food for each occupant sufficient to sustain life for two weeks;
- (B) one axe or hatchet;
- (C) one first aid kit;
- (D) one pistol, revolver, shotgun or rifle, and ammunition for same;
- (E) one small gill net, and an assortment of tackle such as hooks, flies, lines, sinkers, etc.;
- (F) one knife;
- (G) two small boxes of matches;
- (H) one mosquito headnet for each occupant;
- (I) two small signaling devices such as colored smoke bombs, railroad fuses, or Very pistol shells, in sealed metal containers;

(2) in addition to the equipment required under (1) of this section, the following must be carried as minimum equipment from October 15 to April 1 of each year:

- (A) one pair of snowshoes;
- (B) one sleeping bag;
- (C) one wool blanket for each occupant over four.

*Amendment*  
*Page 5*

22-LS0544L  
Utermohle  
4/25/01

SENATE CS FOR CS FOR HOUSE BILL NO. 127( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES HARRIS, Foster, Morgan, Dyson, Bunde

SENATOR Olson

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to aviation and to emergency equipment to be carried on aircraft."

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

3 \* Section 1. AS 02.10.010 is amended to read:

4           Sec. 02.10.010. Supervision over aeronautics and communication. (a) The  
5           Department of Transportation and Public Facilities [DEPARTMENT] shall  
6           supervise aeronautics and communications inside the state. and shall make  
7           recommendations for the establishment, location, maintenance, operation, and use of  
8           airports, landing fields, air markings, air beacons, and other navigation facilities [,  
9           AND FOR THE ESTABLISHMENT, OPERATION, MANAGEMENT, AND  
10           EQUIPMENT OF ALL AIR SCHOOLS, FLYING CLUBS, AND OTHER  
11           PERSONS GIVING AIR INSTRUCTION].

12           (b) The department shall, whenever it considers the action necessary in the  
13           interest of general safety or the safety of those engaged in aeronautics, adopt  
14           regulations establishing minimum standards with which all air navigation facilities [,  
15           AIR SCHOOLS, AND FLYING CLUBS] shall comply, and shall adopt and enforce

1 regulations to safeguard from accident and to protect the safety of persons operating or  
2 using aircraft and persons and property on the ground, and to develop and promote  
3 aeronautics and communications in the state. However, the regulations may not  
4 duplicate or conflict with the aeronautical and communications regulations adopted  
5 [IN FORCE] by the United States Department of Transportation or [COMMERCE  
6 OF THE UNITED STATES,] the federal communications commission [OR THE  
7 PROVISIONS OF THE FEDERAL AIR COMMERCE ACT OF 1926].

8 \* Sec. 2. AS 02.10.010 is amended by adding a new subsection to read:

9 (c) The department shall adopt regulations governing the proper protection of  
10 the records of the proceedings of the department and the filing and publicizing of its  
11 regulations so that they are accessible to and generally known by the interested public.

12 \* Sec. 3. AS 02.20.050(a) is amended to read:

13 (a) A person may not place an object on the surface of a public use [OR  
14 PRIVATE] airport that because of its nature or location might cause injury or damage  
15 to an aircraft or person riding in the aircraft.

16 \* Sec. 4. AS 02.20.050(b) is amended to read:

17 (b) A person may not dig a hole or make any kind of excavation, or drive a  
18 sled, tractor, truck, or any kind of vehicle upon the surface of a public use [AN]  
19 airport that might make ruts, or tracks, or add to an accumulation of tracks so as to  
20 cause sufficient roughness of the surface to endanger aircraft using the airport.

21 \* Sec. 5. AS 02.20.050 is amended by adding a new subsection to read:

22 (d) Unless closed for public safety reasons by a notice to airmen (NOTAM)  
23 provided to the Federal Aviation Administration or by publication in the appropriate  
24 aeronautical charts and publications published by the Federal Aviation Administration,  
25 navigable water in the state or a suitable landing site on public land is presumed open  
26 for operation of fixed-wing aircraft.

27 \* Sec. 6. AS 02.30.030(a) is amended to read:

28 (a) A person may not operate an aircraft in the air or on the ground or water in  
29 [VIOLATION OF AS 28.35.030. NOR OPERATE AN AIRCRAFT IN THE AIR OR  
30 ON THE GROUND OR WATER IN] a careless or reckless manner so as to endanger  
31 the life or property of another. In a proceeding charging careless or reckless operation

1 of aircraft in violation of this section, the court, in determining whether the operation  
2 was careless or reckless, shall consider the standards for safe operation of aircraft  
3 prescribed by federal statutes or regulations governing aeronautics.

4 \* Sec. 7. AS 02.30.030(b) is amended to read:

5 (b) A person may not operate an aircraft occupied by a crew member or  
6 passenger who is obviously under the influence of intoxicating liquor or a controlled  
7 substance [HABIT-FORMING DRUGS].

8 \* Sec. 8. AS 02.30.040 is amended to read:

9 **Sec. 02.30.040. Penalties.** A person violating a provision of this chapter is  
10 guilty of a misdemeanor and upon conviction is punishable by a fine of not more than  
11 \$1,000 [\$500 UNLESS THAT PERSON IS CONVICTED OF A VIOLATION OF  
12 AS 28.35.030, IN WHICH CASE THE SENTENCE SHALL BE IN ACCORDANCE  
13 WITH AS 28.35.030].

14 \* Sec. 9. AS 02.35.110(a) is amended to read:

15 (a) An airman may not make a flight inside the state with an aircraft unless  
16 emergency equipment is carried as follows:

17 (1) the following minimum equipment must be carried during the  
18 summer months:

19 (A) rations [FOOD] for each occupant sufficient to sustain life  
20 for one week [TWO WEEKS];

21 (B) one axe or hatchet;

22 (C) one first aid kit;

23 (D) one pistol, revolver, shotgun, or rifle, and ammunition for  
24 the pistol, revolver, shotgun, or rifle; this subparagraph does not apply to  
25 a flight between an airport in the state and an airport in Canada, without  
26 regard to intermediate stops en route, if a flight plan for the flight was  
27 filed and activated under applicable federal regulations [SAME];

28 (E) [ONE SMALL GILL NET, AND] an assortment of tackle  
29 such as hooks, flies, lines, and sinkers [, ETC.];

30 (F) one knife;

31 (G) fire starter [TWO SMALL BOXES OF MATCHES];

1 (H) one mosquito headnet for each occupant;

2 (I) two small signaling devices such as colored smoke bombs,  
3 railroad fuses, or Very pistol shells, in sealed metal containers;

4 (2) in addition to the equipment required under (1) of this subsection  
5 [SECTION], the following must be carried as minimum equipment from October 15 to  
6 April 1 of each year:

7 (A) one pair of snowshoes;

8 (B) one sleeping bag;

9 (C) one wool blanket or equivalent for each occupant over  
10 four.

11 \* Sec. 10. AS 02.35.120 is amended to read:

12 **Sec. 02.35.120. Penalties for violation of chapter except AS 02.35.090 and**  
13 **02.35.110.** A person who acts as an airman for a civil aircraft when flown or operated  
14 in this state [, EXCEPT AS PROVIDED IN AS 02.35.080 AND 02.35.100,] without  
15 holding an existing airman's license or permit issued in accordance with [THIS  
16 CHAPTER AND] federal law, [; OR] who flies or causes to be flown in this state any  
17 civil aircraft [, EXCEPT AS PROVIDED IN AS 02.35.080 AND 02.35.100,] without  
18 an existing license or permit for that aircraft issued in accordance with [THE  
19 PROVISIONS OF THIS CHAPTER AND] federal law, [;] or who violates a provision  
20 of [THIS CHAPTER OTHER THAN AS 02.35.090 OR 02.35.110 OR] a regulation  
21 adopted under this chapter [,] is punishable by a fine of not more than \$500 or by  
22 imprisonment for not more than six months or by both.

23 \* Sec. 11. AS 09.65 is amended by adding a new section to read:

24 **Sec. 09.65.093. Civil liability relating to aircraft runways, airfields, and**  
25 **landing areas.** (a) A natural person who without compensation maintains or repairs  
26 an aircraft runway, airfield, or landing area may not be held civilly liable, except for  
27 an act or omission that constitutes gross negligence or recklessness or intentional  
28 misconduct, for the injury to or death of a person or for damage to an aircraft,  
29 resulting from the use of the runway, airfield, or landing area to take off, land, or  
30 operate an aircraft.

31 (b) A natural person who is the owner or operator of an aircraft runway,

1 airfield, or landing area that is located on private land is not civilly liable, except for  
 2 an act or omission that constitutes gross negligence or recklessness or intentional  
 3 misconduct, for the injury to or the death of a person or for damage to an aircraft,  
 4 resulting from the use or attempted use of the runway, airfield, or landing area to take  
 5 off, land, or operate an aircraft while the runway, airfield, or landing area is

6 (1) marked as closed by placement of a large "X" that is readily visible  
 7 from the air; and

8 (2) listed as closed in the appropriate aeronautical charts and  
 9 publications published by the Federal Aviation Administration.

10 \* Sec. 12. AS 11.46.130(b)(2) is amended to read:

11 (2) "aircraft safety or survival equipment" means equipment required  
 12 to be carried on an aircraft under [AS 02.30.010 OR] AS 02.35.110;

13 \* Sec. 13. AS 02.10.020, 02.10.030, 02.10.040(1), 02.10.060, 02.10.070, 02.10.080,  
 14 02.10.090; AS 02.15.010(1), 02.15.050(d), 02.15.170, 02.15.205, 02.15.220(b), 02.15.225;  
 15 AS 02.20.010, 02.20.020, 02.20.030, 02.20.040, 02.20.070; AS 02.25.080; AS 02.30.010,  
 16 02.30.030(c), 02.30.030(d); AS 02.35.010, 02.35.020, 02.35.030, 02.35.040, 02.35.050,  
 17 02.35.060, 02.35.070, 02.35.080, 02.35.100, 02.35.110(b), 02.35.115, and 02.35.140 are  
 18 repealed.

*Needs to be deleted*

19 \* Sec. 14. The uncodified law of the State of Alaska is amended by adding a new section to  
 20 read:

21 APPLICABILITY. Section 11 of this Act applies to a civil action that accrues on or  
 22 after the effective date of this Act.

*Amend  
 to delete  
 deleted*

*Amendment #1*  
*Passed*

AMENDMENT

OFFERED IN THE SENATE

TO: SCS CSHB 127( ), Draft Version "L"

1 Page 2, following line 11:

2 Insert a new bill section to read:

3 **\*\* Sec. 3.** AS 02.15.090 is amended by adding new subsections to read:

4 (f) The department shall require as a term of all aviation-related contracts,  
5 leases, and other arrangements for use or occupancy of an airport operated by the  
6 department, including the international airports, that the parties to the contract, lease,  
7 or other arrangement, including the department, shall be required to reimburse each  
8 other according to the principles of comparative fault for amounts paid others for  
9 personal injury and property damage. The apportionment of liability among the  
10 parties to an agreement under this subsection may not affect the rights of persons who  
11 are not parties to the agreement.

12 (g) If the department determines that it is in the best interests of the state to  
13 require that persons holding aviation-related leases, permits, or concession contracts  
14 for use or occupancy of an airport operated by the department, including the  
15 international airports, provide insurance coverage, the department shall specify by  
16 regulation the type and limits of insurance coverage required of each class of aviation-  
17 related lease, permit, or concession contract. The department may authorize a  
18 variation from the types and limits of coverage required by the regulation if the  
19 department finds in writing that the variation is necessary considering the best  
20 interests of the state and the unique circumstances underlying a specific aviation-  
21 related lease, permit, or concession contract."

22

23 Renumber the following bill sections accordingly.

24

1 Page 5, following line 18:

2 Insert a new bill section to read:

3 **\*\* Sec. 15.** The uncodified law of the State of Alaska is amended by adding a new section  
4 to read:

5 **APPLICABILITY.** (a) AS 02.15.090(f) and (g), added by sec. 3 of this Act, apply to  
6 aviation-related contracts, concession contracts, leases, permits, and other aviation-related  
7 arrangements for use or occupancy of an airport operated by the Department of Transportation  
8 and Public Facilities, including the international airports, that are entered into after the  
9 effective date of this Act.

10 (b) AS 02.15.090(f) and (g), added by sec. 3 of this Act, apply to an aviation-related  
11 contract, concession contract, lease, permit, or other aviation-related arrangement for use or  
12 occupancy of an airport operated by the Department of Transportation and Public Facilities,  
13 including the international airports, that exists on the effective date of this Act if

14 (1) the parties to the agreement agree to modification of the agreement to  
15 conform to provisions of AS 02.15.090(f) and (g), added by sec. 3 of this Act, and the  
16 regulations adopted under AS 02.15.090(f) and (g), added by sec. 3 of this Act; or

17 (2) the unilateral modification of the agreement by the department is  
18 consistent with the Constitution of the State of Alaska."

19

20 Renumber the following bill section accordingly.

21

22 Page 5, line 21:

23 Delete "Section 11"

24 Insert "Section 12"



ALASKA STATE LEGISLATURE  
REPRESENTATIVE JOHN HARRIS  
STATE CAPITOL 513, JUNEAU, ALASKA 99801-1182 (907) 465-4859

MEMORANDUM

April 5, 2001

To: Senator John Cowdery, Chairman  
Senate Transportation Committee

From: Representative John Harris. JH

Subject: HB 127 – Relating to aviation and emergency equipment on aircraft

Please schedule CSHB 127 (RLS), "An Act relating to aviation and emergency equipment to be carried on aircraft," for a committee hearing as soon as your committee calendar will permit it.

Thank you for considering this request. If you need further information about HB 127, please contact me or John Manly of my staff at 465-4859.



ALASKA STATE LEGISLATURE  
REPRESENTATIVE JOHN HARRIS  
STATE CAPITOL 513, JUNEAU, ALASKA 99801-1182 (907) 465-4859

Sponsor Statement

HB 127 – “An Act relating to emergency equipment to be carried on aircraft.”

House Bill 127 seeks to amend AS 02.35, the Alaska Uniform Air Licensing Act, to provide an exemption for aircraft operators flying into Canada from a requirement that they must carry a firearm as part of required emergency equipment.

AS 02.35 has been in the statutes since 1949 and, in pertinent part, requires that a variety of emergency equipment be carried in a private aircraft. This includes safety items such as food, an axe, knife, first aid kit, mosquito headnets, and a firearm and ammunition, among other things. Although the subsection is not strictly enforced, technically speaking it is unlawful to take off in Alaska without having this emergency equipment on board.

Canada recently implemented a new federal law that requires the licensing and registration of firearms brought into Canada and expands the list of firearms, such as handguns, that are prohibited. This license is good for five years, but requires the prospective licensee to take a two-day training course in Canada before being issued the license. An alternative is a 60-day temporary permit that can be obtained for \$50 (Canadian).

The essence of HB 127 is to simply provide an exemption to the firearm requirement for flights originating in Alaska and flying into Canada, provided the aircraft operator is flying under an activated flight plan. The bill also deletes a requirement to carry a gillnet among the emergency equipment.

*Adopted*  
Summary of Recommended Changes to

HB 127 – ‘An Act relating to emergency equipment to be carried on aircraft.’

CS HB 127 (Trans)

On page 2, line 5 – Changes “two small boxes of matches” to “fire starter.”

On page 2, line 14 – Adds the phrase, “or equivalent” to requirement to carry a wool blanket for each occupant of the aircraft.

CS HB 127 (Rules)

On page 1, line 1 – Adds the words, “aviation and” in front of the word “emergency”.

# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB127  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT&PF  
Title: Aircraft Emergency Equipment BRU: Statewide Aviation  
Component: Statewide Aviation  
Sponsor: Representative Harris  
Requester: House Transportation Component Number: 1811

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2002    | FY 2003    | FY 2004    | FY 2005    | FY 2006    | FY 2007    |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services      | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Travel                 | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Contractual            | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Supplies               | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Equipment              | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Land & Structures      | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Grants & Claims        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Miscellaneous          | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| <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> |

|                             |            |            |            |            |            |            |
|-----------------------------|------------|------------|------------|------------|------------|------------|
| <b>CAPITAL EXPENDITURES</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> |
|-----------------------------|------------|------------|------------|------------|------------|------------|

|                               |            |            |            |            |            |            |
|-------------------------------|------------|------------|------------|------------|------------|------------|
| <b>CHANGE IN REVENUES ( )</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> |
|-------------------------------|------------|------------|------------|------------|------------|------------|

**FUND SOURCE** (Thousands of Dollars)

|                          |            |            |            |            |            |            |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts    | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1003 GF Match            | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1004 GF                  | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1005 GF/Program Receipts | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1037 GF/Mental Health    | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Other (Specify Type)     | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| <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> |

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

|           |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|
| Full-time | 0 | 0 | 0 | 0 | 0 | 0 |
| Part-time | 0 | 0 | 0 | 0 | 0 | 0 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 |

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

This bill has no effect on the department.

Prepared by: Dennis R. Poshard Phone 465-3904  
Division: Commissioner's Office Date/Time 2/22/01 10:11 AM  
Approved by: Joseph L. Perkins, P.E. Date 2/22/01  
Agency: Commissioner

For distribution information, call the Governor's Legislative Office

Alaska Statutes – Pertinent part

HB 127 – “An Act relating to emergency equipment to be carried on aircraft.”

Sec. 02.35.110. Emergency rations and equipment.

(a) An airman may not make a flight inside the state with an aircraft unless emergency equipment is carried as follows:

(1) the following minimum equipment must be carried during the summer months:

(A) food for each occupant sufficient to sustain life for two weeks;

(B) one axe or hatchet;

(C) one first aid kit;

(D) one pistol, revolver, shotgun or rifle, and ammunition for same;

(E) one small gill net, and an assortment of tackle such as hooks, flies, lines, sinkers, etc.;

(F) one knife;

(G) two small boxes of matches;

(H) one mosquito headnet for each occupant;

(I) two small signaling devices such as colored smoke bombs, railroad fuses, or Very pistol shells, in sealed metal containers;

(2) in addition to the equipment required under (1) of this section, the following must be carried as minimum equipment from October 15 to April 1 of each year:

(A) one pair of snowshoes;

(B) one sleeping bag;

(C) one wool blanket for each occupant over four.

# Testimony: SB 100 POMs

Kenneth Kastner  
PO Box 770082  
Eagle River AK 99577  
722-9301

**Subject/Bill** SB 100 Supports

**Date Sent:** 4/20/01

*I am in favor of the limited liability this bill would provide.*

Gary Pogany  
PO Box 770323  
Eagle River AK 99577  
696-2390

**Subject/Bill** SB 100 Supports

**Date Sent:** 4/20/01

*I urge you to pass SB 100.*

Louise Pogany  
PO Box 770323  
Eagle River AK 99577  
696-2390

**Subject/Bill** SB 100 Supports

**Date Sent:** 4/20/01

*I am in full support of the concept of granting immunity of civil liability for owners or operators of an aircraft runway, airfield or landing area in Alaska as spelled out in SB 100 - please put your full support behind this bill. Thank you.*

Steve P Pogany  
PO Box 672362  
Chugiak AK 99567  
688-1511

**Subject/Bill** SB 100 Supports

**Date Sent:** 4/20/01

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Kenneth Kastner  
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722-9301

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**Date Sent:** 4/20/01

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PO Box 770323  
Eagle River AK 99577  
696-2390

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**Date Sent:** 4/20/01

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696-2390

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**Date Sent:** 4/20/01

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**HB**

**175**

Matanuska Electric Co-op:

Funds for Matanuska Electric Co-op are in this bill, obviously because they are part of the Railbelt electric family.

They are also the fastest growing segment of Alaska today and as you have seen in past Capital Budget requests in need of line extension funding to respond to their growing area.



ME

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## MEMORANDUM

**DATE:** May 6, 2002

**TO:** Tuckerman Babcock  
Director of Governmental & Strategic Affairs

**FROM:** Bob Drake  
Acting Director of Engineering

**SUBJECT:** Transmission & Distribution Upgrades/Improvements

Several transmission and distribution projects have recently been discussed. This memo is intended to provide some very preliminary cost figures for these projects.

### UPGRADE ALASKA INTERTIE FROM KNIK ROAD (CEA's Teeland Substation) TO WILLOW (MEA's Douglas Substation)

Golden Valley Electric Association is evidently proposing this upgrade. It appears the intent is to build a transmission line parallel to one currently owned by MEA, or to upgrade MEA's existing line, and to convert the line from its current 138 kV to 230 kV or 345 kV. If the new line was built and operated at any voltage other than 138 kV, MEA will likely be forced to spend millions of dollars to convert existing facilities to the higher voltage. Improvements to MEA's Stevens Substation would cost approximately \$2,000,000, improvements to MEA's Douglas Substation would cost \$3,000,000 and improvements to our facilities near Teeland Substation would cost another \$2,000,000. Total substation improvements would approach \$7,000,000. However, this assumes the Intertie Operating Committee would allow the higher voltage line to be accessed as it is currently.

Most transmission line owners would not allow a 230 or 345 kV line to be tapped to provide power to distribution substations. Thus a more likely scenario is MEA would be forced to build new transmission lines to connect our Willow (Douglas) and Talkeetna (Stevens) Substations to our existing transmission grid. These lines would need to be operated at 115 kV. The costs to build transmission lines vary, but would likely be at least \$400,000 per mile. The total distance is 26.2 miles, for a cost of \$10,480,000.

## SUBSTATION AND DISTRIBUTION LINE IMPROVEMENTS

At numerous times over the years, MEA has been approached by city officials, community organizations and customers to move substations in Eagle River and Palmer away from the downtown areas. The cost to move these two substations would cost about \$3,500,000 each, for a total of \$7,000,000.

In addition, people in Wasilla, Palmer and Eagle River have long advocated the conversion of existing overhead lines to underground in most all areas, but specifically in the downtown areas. The cost to convert bury existing overhead facilities vary greatly with the nature of the line. A conversion in the Eagle River area last year cost approximately \$125 per foot for a main three-phase circuit. Thus it would easily cost at least \$18,000,000 to bury most lines in the downtown areas of the three communities.

Bb

May 6, 2002

To: Tuckerman Babcock

From: Don Zoerb



Subject: AEA Wheeling Rates

MEA is paying the AEA 5.4 mills per kWh to wheel energy over the Alaska Intertie from Willow to Talkeetna.

MEA receives .38 mills per kWh from the AEA for use of our Hollywood to Willow transmission line as part of the Alaska Intertie.

This is a ratio of about 14:1 for using roughly equivalent line segments (about 20 miles each).

Our contract with AEA provides for periodic adjustment of the rate we receive. MEA has been attempting to adjust this rate to .58 mills per kWh since 1996, but AEA refuses to pay the increased rate.



ALASKA INDUSTRIAL DEVELOPMENT  
AND EXPORT AUTHORITY



813 WEST NORTHERN LIGHTS BLVD. • ANCHORAGE, ALASKA 99503 • 907 / 269-3000 • FAX 907 / 269-3044  
TOLL FREE (ALASKA ONLY) 888 / 300-8534

Alaska Electric Generation & Trans. Co-op  
Attn: Don Stead  
3977 Lake Street  
Homer, AK 99603

# INVOICE

| DATE       | INVOICE # |
|------------|-----------|
| 11/14/2001 | 02-40     |

Due Upon Receipt

| Period       | DESCRIPTION  | MWH | UNIT COST | AMOUNT   |
|--------------|--------------|-----|-----------|----------|
| October 2001 | Energy Usage | 368 | 5.40      | 1,987.20 |

RECEIVED  
Payables  
NOV 29 2001  
Homer Electric Assn., Inc.

**Total Due:** \$1,987.20

Remit To:  
Alaska Energy Authority  
813 W Northern Lights  
Anchorage, AK 99503

Accounting Info: Credit E-501-18100-000

*Full*  
*186.90.*  
*EQUIVALENT TO .0054/KWH*



ALASKA'S FIRST REC INCORPORATED 1941 ENERGIZED 1942



Matanuska Electric  
Association, Inc.

P.O. Box 2929  
Palmer, Alaska 99645  
Phone (907) 745-3231  
Fax (907) 761-9324

ATTN ACCOUNTING  
NAME ALASKA ENERGY AUTHORITY (AIDEA) DATE 4/10/02  
ADDRESS 813 W NORTHERN LIGHTS BLVD  
CITY ANCHORAGE STATE AK ZIP 99503  
WORK ORDER #/JOB ORDER # \_\_\_\_\_

| QUANTITY | DESCRIPTION  | UNIT PRICE | TOTAL      |
|----------|--|------------|------------|
|          | Unpaid Balance from Prior Months \$468,729.26                          |            |            |
|          | Interest on Past Due Balance of \$464,293.19 from Prior Months @ 10.5% |            | \$4,116.44 |
|          | Wheeling Charges Anchorage-Fairbanks Intertie March 2002 FY2002        |            |            |
|          | Northbound 5,782,000 @ .00058 = \$3,353.56                             |            |            |
|          | Teeland to Douglas 135KV Line Surcharge 5,782,000 @ .00000489 = 28.27  |            |            |
|          | Total:   |            | \$3,381.83 |
|          | Total Current Months Charges Due:                                      |            | \$7,498.27 |
|          | 10-456000 \$3,381.83<br>CE 6900 RC 980 OBJ 20 PRO 2                    |            |            |
|          | 10-419000 \$4,116.44<br>CE 5660 RC 990 OBJ 20 PRO 2                    |            |            |

QSD 33-MEA 12/99 TERMS: ALL AMOUNTS ARE DUE & PAYABLE WITHIN 30 DAYS FROM INVOICE DATE

MC - 16632

AEA is paying @ .00038 RATE

Alaska State Legislature

SESSION ADDRESS:  
State Capitol  
Juneau, Alaska 99801-1182  
Phone (907) 465-2693  
Toll Free 800-463-2693  
Fax 907-465-3835



INTERIM ADDRESS:  
35477 Suite 101-B Spur Hwy  
Soldotna, Alaska 99669  
Phone 907-260-5236  
Fax 907-260-3044

Representative Ken Lancaster  
District 8

May 6, 2002

MEMORANDUM

To: Senator John Cowdery  
Chairman, Senate Transportation Committee

From: Representative Ken Lancaster

Subject: House Bill 175 – “An Act making an appropriation to the Alaska Energy Authority to secure repayment of bonds for power and intertie projects”

I would like to request a hearing as soon as possible for the above mentioned legislation. Attached is a copy of the bill and backup material for the legislation.

I look forward to this being scheduled as soon as possible and if you need further information, please let me know.

Thank you.

SESSION ADDRESS:  
State Capitol  
Juneau, Alaska 99801-1182  
Phone (907) 465-2693  
Toll Free 800-463-2693  
Fax 907-465-3835



INTERIM ADDRESS:  
35477 Suite 101-B Spur Hwy  
Soldotna, Alaska 99669  
Phone 907-260-5236  
Fax 907-260-3044

Representative Ken Lancaster  
District 8

Sponsor Statement

House Bill 175

"An Act making an appropriation to the Alaska Energy Authority to secure repayment of bonds for power and intertie projects"

This bill will allow the railbelt energy fund dollars to be appropriated to the Alaska Energy Authority for investment to secure repayment of bonds issued by the authority.

There will be \$20,300,000 allocated to upgrade and extend the Anchorage-Fairbanks intertie to the Teeland Station.

The following grants will be named:

|                                     |   |              |
|-------------------------------------|---|--------------|
| Homer Electric Association          | Replacement Power Supply For Seldovia     | \$ 2,000,000 |
| Anchorage Municipal Light and Power | Eklutna project transmission line upgrade | \$19,300,000 |
| Golden Valley Electric              | Line Extension                            | \$ 872,000   |
| Matanuska Electric Assn.            | Line Extension                            | \$ 500,000   |

Once the bonds have been repaid, Alaska Industrial Development and Export Authority (AIDEA) will develop a prioritized list of energy projects that can be funded from the revenue stream from the funds appropriated. This should be a continuing process.

Dated: 5/3/02

**Subject: House Votes Approval of Intertie Projects**

**Date:** Fri, 03 May 2002 10:37:58 -0800

**From:** Dan Saddler <Dan\_Saddler@legis.state.ak.us>

**Organization:** House Majority

Alaska State Legislature  
House of Representatives  
Representative Ken Lancaster

FOR IMMEDIATE RELEASE: May 3, 2002  
CONTACT: Rep. Ken Lancaster, (907) 465-2693

## **House Votes Approval of Intertie Projects**

### **HB 175 Finances Needed Railbelt Energy Grid Work**

(JUNEAU) – The House today passed legislation authorizing a financing mechanism aimed at funding \$43 million in rural electrical intertie projects to improve utility service to Railbelt communities.

Sponsored by Rep. Ken Lancaster (R-Soldotna), House Bill 175 represents an effort to bring cleaner, more reliable energy to residents of the Railbelt, he said.

“Many areas in Alaska have been waiting a long time for these projects to expand the grid and connect them with generation and transmission facilities,” said Lancaster, who has 25 years experience serving on various utility boards and working with the power industry around the state.

The money would fund several long-anticipated projects, Lancaster said:

- \$20.3 million for a three-phase power line from Mile 100 to Mile 133 of the Parks Highway
- \$2 million for power generation and transmission line upgrades in Seldovia
- \$19.3 million to replace the Eklutna project power transmission line in Anchorage
- \$500,000 for Matanuska Electric Association line extension in the Matanuska-Susitna Borough
- \$872,000 for Golden Valley Electric Association line extension in Interior Alaska.

The bill also eliminates the controversial Railbelt Energy Fund by transferring it into the assets of the Alaska Industrial and Export Authority. AIDEA will “securitize” the money, creating a revenue stream so that it can sell revenue bonds and pay the debt service with the proceeds from that securitization.

As those bonds are paid off, AIDEA will issue new bonds to fund other priority energy projects, repeating the cycle and continuing to use the funds to provide reliable energy for Alaskans, Lancaster said.

“By improving electrical service in these communities, the projects funded by this bill will improve the local economies and the quality of life for thousands of Alaskans, and I’m pleased to have the House’s support in this effort,” Lancaster said.

House Bill 175 moves next to the Senate for consideration.

###



# Homer Electric Association, Inc.

Corporate Office  
3977 Lake Street  
Homer, Alaska 99603-7680  
Phone (907) 235-8551  
FAX (907) 235-3313

Central Peninsula Service Center  
280 Airport Way  
Kenai, Alaska 99611-5280  
Phone (907) 283-5831  
FAX (907) 283-7122

January 17, 2002

RECEIVED  
JAN 23 2002

The Honorable Ken Lancaster  
Alaska State Legislature  
State Capitol (MS-3100)  
Juneau, Alaska 99801-1182

Dear Representative Lancaster:

We are very pleased to hear you are committing to another term. As state legislator, you have been very effective in representing the Kenai Peninsula. We greatly appreciate your continued support for Homer Electric's power projects.

A recent cost estimate update on the Regional Power Project for Seldovia, Port Graham and Nanwalek shows we are in need of funds beyond Senator Stevens' \$2 million grant. The following is a breakdown of costs:

|   |                 |
|---|-----------------|
| Kachemak Submarine Cable                      | \$2,617,259     |
| Seldovia Generation Replacement               | \$1,104,400     |
| Port Graham Stand-by Generation (new project) | \$ 255,000      |
| Sub total                                     | \$3,976,659     |
| minus federal grant                           | < \$2,000,000 > |
| Net shortfall in funding                      | \$1,976,659     |

I look forward to working with you during the next legislative session in hopes you will be able to help with the budget shortfall. Plans are currently being made for our visit to Juneau. We look forward to visiting with you while there.

Sincerely,

HOMER ELECTRIC ASSOCIATION, INC.

N. L. Story  
General Manager



# Homer Electric Association, Inc.

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3977 Lake Street  
Homer, Alaska 99603-7680  
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FAX (907) 235-3313

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Kenai, Alaska 99611-5280  
Phone (907) 283-5851  
FAX (907) 283-7122

## Seldovia Generator Plant Rebuild

**PROJECT DESCRIPTION:** Rebuild existing generation facility in Seldovia, including the building, generators, switchgear, and associated distribution equipment.

**ESTIMATED COST:** \$1,104,400

**DISCUSSION:** Although the area south of Kachemak Bay is normally served from Hatfield Substation (via Homer Spit and underwater Kachemak Bay power cable), service is frequently interrupted by tree fall during storms. In good weather this area is accessible only by air or boat. During storms the area is not safely accessible, therefore outage response by line crews is typically delayed by as many as several days. To rapidly restore power to the area (with approximately 700 consumers), HEA maintains a resident power plant operator who is on call "24/7" to operate the Seldovia generator plant during outages.

The Seldovia generation and electrical distribution system was acquired from the local electric utility in 1964. In 1970 and 1981 additional generators were installed in the generator plant. These generators are 1950's vintage and require constant attention while running. The switchgear is of similar age. A recent review has determined the building to have several problems and that it is not economically repairable.

This work plan item proposes to provide a functionally new diesel generator plant by executing the following tasks:

- Demolition of the existing building
- Removal of generators and switchgear
- Repair and reinforcement of the existing foundation
- Construction of a new building and building systems
- Installation of new generator, switchgear, and the means to remotely operate and control this equipment
- Relocation of the outdoor fuel tank to indoors
- Replacement of transformer which links the generator bus to HEA's 25 kV distribution system



# Homer Electric Association, Inc.

Corporate Office  
3977 Lake Street  
Homer, Alaska 99603-7680  
Phone (907) 235-8551  
FAX (907) 235-3313

Central Peninsula Service Center  
280 Airport Way  
Kenai, Alaska 99611-5280  
Phone (907) 283-5831  
FAX (907) 283-7122

## Port Graham Standby Generator

**PROJECT DESCRIPTION:** Provide standby generation capabilities for this remote region of the service area.

**ESTIMATED COST:** \$255,000

**DISCUSSION:** The villages of Port Graham and Nanwalek are connected by an 8.5 mile single-phase line, which comprises the most rugged and inaccessible portion of HEA's distribution system. This line is subject to storm-related outages, the restoration of which can take several days to accomplish. This project, still in the conceptual phase, proposes to provide an alternate standby means to restore power to these villages. Project will take place in the Cannery at Port Graham.

**Stand Alone Generator:** Stand Alone Three-Phase Generator "star-connected" - The star connection would permit a standard "off-the-shelf" 3-phase generator to reliably serve a single phase load without damage.

Additional considerations include various ways to site and provide fuel to a stand-alone generator:

- Install generator in existing Spare Bay in Cannery Generator Room
- Install generator in Separate Out-Building - this could be located near Cannery Generators or elsewhere at Port Graham
- Additional Diesel Fuel Tank
- Add piping and metering to existing Cannery Fuel Storage

As noted above, the project would install a separate generator in the Cannery building. HEA plans to conduct a study, which will consider installed cost, operations costs, ease and safety of operation with preference given to remote control, maintenance costs, ownership and lease issues.



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## Submarine Cable Replacement

**PROJECT DESCRIPTION:** Replace aging 25kV submarine cable which supplies power to the south side of Kachemak Bay and approximately 700 consumers.

**ESTIMATED COST:** \$2.4 million

**DISCUSSION:** Dryden & LaRue, Inc. was engaged to complete an engineering study on the South Kachemak Bay power supply situation. They considered three alternatives (cable replacement, construct overhead line from Bradley Lake, and local generation), and recommend replacing the submarine cable. It is the most cost effective option.

As the existing cable was operating beyond it's expected life, a new submarine cable was ordered, shipped and ultimately installed the week of November 5, 2001.

Project estimated to cost \$2.4 million (actual cost \$2,401,782)

Additional work to tie newly installed submarine cable to the HEA distribution system at the Homer Spit. (actual cost \$215,477)

|                              |                    |
|------------------------------|--------------------|
| Submarine cable installation | \$2,401,782        |
| Termination work             | \$215,477          |
| <b>Total</b>                 | <b>\$2,617,259</b> |

## Anchorage/Fairbanks Transmission Line Blockage

Current Situation: The interconnected transmission system between Anchorage and Fairbanks is presently owned by four entities: (1) Chugach Electric owns the 230 kV system from Anchorage to Teeland, (2) Matanuska Electric owns the 26-mile 115kv system from Teeland to Douglas (3) the Alaska Energy Authority owns the 190-mile 230 kV system from Douglas substation to Healy and is in the process of constructing a second 230 kV loop, and (4) Golden Valley Electric owns the 138 kV system from Healey to Fairbanks and is in the process of constructing a second 230kV loop. Because of the 26-mile 115 kV system bottleneck, the overall system has a transfer capability of only 70 mw of power between Anchorage and Fairbanks and the line losses across this short stretch are quite high.

Project Description: Construct a new line connecting the Chugach system (Lake Lorraine) to the State system at Douglas substation. The upgrade would double the transfer capacity between Anchorage and Fairbanks and significantly reduce line loss. From Douglas Substation on Douglas Creek, the route would follow a southeast course, generally paralleling the Parks Highway to the Nancy Lake Substation. From the Nancy Lake Substation, the route would extend due south to the Little Susitna substation on the Little Susitna River. The route would then turn to a southwest course and extend approximately 10 miles to a point southwest of Big Lake. From this point the route would follow a generally southeast course to the Lake Lorraine Substation located on the West Side of Knik Arm. Total length of the system would be approximately 26 miles consisting of Cortend steel guyed towers and conductored to operate at 230 kV.

Cost of the system: Total cost of the system based on unit costs anticipated for the Northern Latertie project presently under construction is \$17.2 million.

Benefits: Upgrade of the system would double the transfer capacity of the transmission line between Anchorage and Fairbanks. In addition to the economy energy transfer capability of the line, reserve capacity in the two load centers could be reduced, and line efficiency would be significantly increased. Future gas availability in Fairbanks could allow for siting of generation facilities or co-generation facilities in Fairbanks that would provide generation additions in the north with transfer capability south.

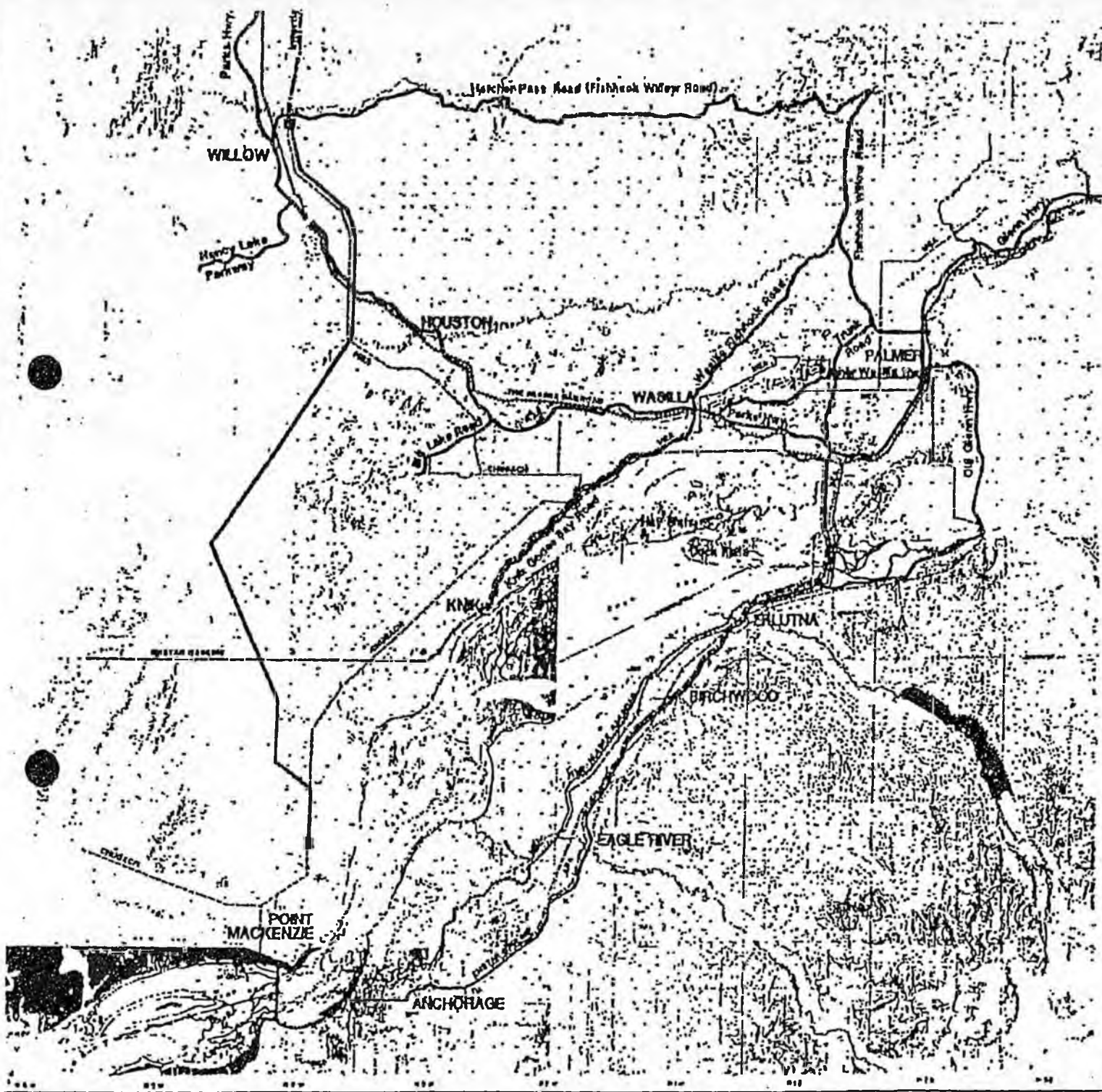
## Railbelt Transmission Line Upgrade Twenty-six mile upgrade to 230 kv

Current Situation: The interconnected transmission system between Anchorage and Fairbanks is presently owned by four entities: (1) Chugach Electric owns the 230 kv system from anchorage to Teeland, (2) Matanuska Electric owns the 26 mile 115kv system from Teeland to Douglas (3) the Alaska Energy Authority owns the 190 mile 230 kv system from Douglas substation to Healy and is in the process of constructing a second 230kv loop, and (4) Golden Valley Electric owns the 138 kv system from Healey to Fairbanks and is in the process of constructing a second 230kv loop. Because of the 26 mile 115 kv system, the overall system has a transfer capability of only 70 mw of power between Anchorage and Fairbanks and the line losses across this short stretch are quite high.

Proposal Construct a new line connecting the Chugach system (Lake Lorraine) to the State system at Douglas substation. The upgrade would double the transfer capacity between Anchorage and Fairbanks and significantly reduce line loss. From Douglas Substation on Douglas Creek, the route would follow a southeast course, generally paralleling the Parks Highway to the Nancy Lake Substation. From the Nancy Lake Substation, the route would extend due south to the Little Susitna substation on the Little Susitna River. The route would then turn to a southwest course and extend approximately 10 miles to a point southwest of Big Lake. From this point the route would follow a generally southeast course to the Lake Lorraine Substation located on the West Side of Knik Arm. Total length of the system would be approximately 26 miles consisting of Cortend steel guyed towers and conductored to operate at 230 kv.

Cost of the system: Total cost of the system based on unit costs anticipated for the Northern Intertie project presently under construction is \$17.2 million.

Benefits: Upgrade of the system would double the transfer capacity of the transmission line between Anchorage and Fairbanks. In addition to the economy energy transfer capability of the line, reserve capacity in the two load centers could be reduced, and line efficiency would be significantly increased. Future gas availability in Fairbanks could allow for siting of generation facilities or co-generation facilities in Fairbanks that would provide generation additions in the north with transfer capability south.



DATA SOURCE  
 - USGS 1:250,000 Topographic Map  
 - USGS

**LEGEND**

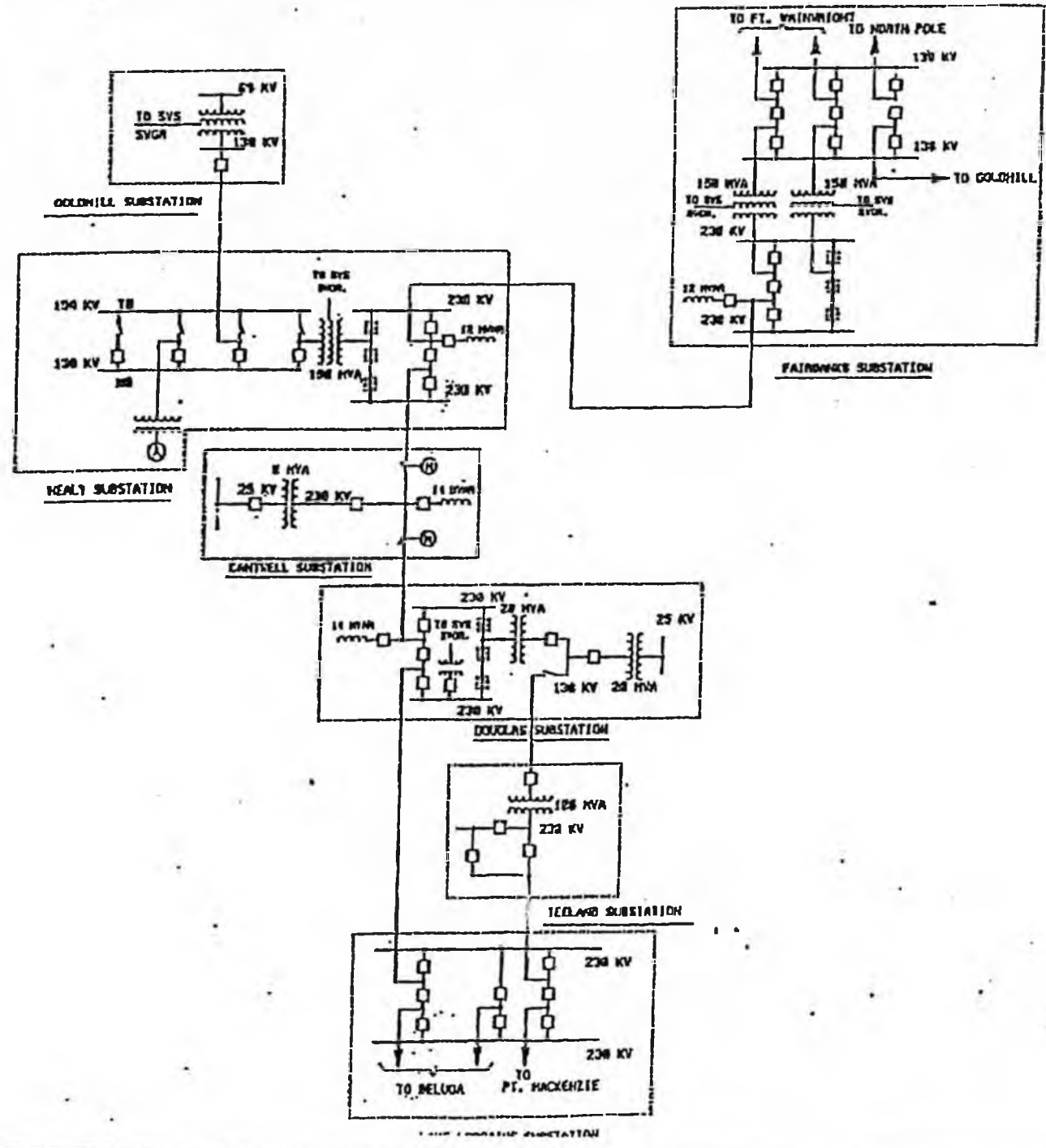
- Major Highways & Roads
- Interdo
- Electric Gasline
- Existing Transmission Lines
- Railroad
- 



**ALASKA POWER AUTHORITY**  
 ALASKA - FAIRBANKS DISTRICT  
**PROPOSED ROUTE**  
**DOUGLAS - LAKE**  
**LORRAINE**

110022 0000 00

FIGURE 2



ALASKA POWER AUTHORITY - ANCHORAGE - FAIRBANKS OPERATIONS

ID: 9074515618

PAGE 22/22

ALASKA POWER AUTHORITY  
 ANCHORAGE - FAIRBANKS  
 INTERTIE  
 SYSTEM DIAGRAM  
 230 KV

March 13, 2001

## 230 kilovolt Conversion of the Anchorage to Fairbanks Intertie

The existing intertie from Willow to Healy is constructed to operate at 345 kilovolts and is currently operating at 138 kilovolts. The Northern Intertie will be constructed to operate at 230 kilovolts and will operate in parallel with the existing 138 kV line between Healy and Fairbanks. Adding a new 26 mile 230 kV line from the Douglas substation in Willow to Teeland Substation in Wasilla would provide a 230 kV source to the north.

### CAPITAL COSTS:

|   |                      |
|---|----------------------|
| Cost Estimate for Fairbanks to Healy 230 kV Conversion      |                      |
| Transmission Line Design, Permitting, Construction          |                      |
| 26 miles at \$520,000 per mile                              | \$ 13,520,000.       |
| <u>Conversions and transformers at multiple substations</u> | <u>\$ 11,008,000</u> |
| Total costs of 230 kV Conversion                            | \$ 24,528,000        |

### BENEFITS:

#### Increased Transmission Capacity

**Purchases from Anchorage (current):** The transfer capacity in to Healy would increase from 70 megawatts to approximately 130 megawatts after the conversion to 230 kilovolts. The increase in transfer capacity would provide access to new or existing gas-fired cogeneration in Anchorage.

**Sales to Anchorage (Post gas-pipeline):** Power can flow either direction on transmission lines. The transmission capacity increase will allow for delivery of 130 megawatts of North Slope gas-fired power to Anchorage, after construction of the gas pipeline.

#### Reduced Transmission Line Losses

**Teeland to Douglas Line:** From operation of a new parallel path at 230 kV

**Douglas to Healy:** From voltage conversion from 138 kV to 230 kV

**Healy to Fairbanks:** From Northern Intertie parallel path and conversion of the Northern Intertie to operate at 230 kV.

**Reliability Increases – Second Line Douglas to Teeland:** The addition of a second circuit will improve reliability across this section of line which is prone to line failures.

**Reconstruction Benefits:** The addition of the second line will allow for maintenance of either line while maintaining power delivery.

## 230KV Upgrade Cost Estimate

4/3/01

## BUSWORK

| Item                                      | Quantity | Unit | Material Cost | Mat Cost Per Unit | Installation Cost | Inst Cost Per Unit | Total Cost   |
|---|----------|------|---------------|-------------------|-------------------|--------------------|--------------|
| INSULATOR, STATION POST, 230KV            | 204      | ea   | \$180.00      | \$38,760.00       | \$355.00          | \$72,420.00        | \$111,180.00 |
| INSULATOR, STATION POST, 138KV            | 42       | ea   | \$105.00      | \$4,410.00        | \$355.00          | \$14,910.00        | \$19,320.00  |
| INSULATOR, SUSPENSION, 230KV              | 115      | ea   | \$180.00      | \$20,700.00       | \$540.00          | \$62,100.00        | \$82,800.00  |
| INSULATOR, SUSPENSION, 138KV              | 6        | ea   | \$120.00      | \$720.00          | \$540.00          | \$3,240.00         | \$3,960.00   |
| SURGE ARRESTER, STATION CLASS, 230KV MCOV | 20       | ea   | \$1,750.00    | \$35,000.00       | \$1,680.00        | \$33,600.00        | \$68,600.00  |
| SURGE ARRESTER, STATION CLASS, 138KV MCOV | 8        | ea   | \$1,010.00    | \$8,080.00        | \$1,680.00        | \$13,440.00        | \$21,520.00  |
| CONDUCTOR, PIPE, 4" ALUMINUM, SCHEDULE 40 | 2000     | lf   | \$12.00       | \$24,000.00       | \$13.00           | \$26,000.00        | \$50,000.00  |
| CONDUCTOR, PIPE, 2" ALUMINUM, SCHEDULE 40 | 2000     | lf   | \$8.00        | \$16,000.00       | \$13.00           | \$26,000.00        | \$42,000.00  |
| CONDUCTOR, CABLE                          | 1000     | lf   | \$2.00        | \$2,000.00        | \$6.00            | \$6,000.00         | \$8,000.00   |
| PIPE CONNECTORS, MISC                     | 500      | ea   | \$15.00       | \$7,500.00        | \$43.00           | \$21,500.00        | \$29,000.00  |
| CABLE CONNECTORS, MISC                    | 100      | ea   | \$35.00       | \$3,500.00        | \$16.00           | \$1,600.00         | \$5,100.00   |
| TOTALS                                    |          |      |               |                   | \$160,670.00      | \$280,810.00       | \$441,480.00 |

230KV Upgrade Cost Estimate

4/3/01

| Item               | Quantity | Unit | Material Cost  | Installation Cost | Total Cost             |
|--------------------|----------|------|----------------|-------------------|------------------------|
| EQUIPMENT          | 1        | lump | \$4,080,500.00 | \$662,880.00      | \$4,743,380.00         |
| STRUCTURES         | 1        | lump | \$307,395.00   | \$456,632.00      | \$783,107.00           |
| BUSWORK            | 1        | lump | \$160,670.00   | \$280,810.00      | \$441,480.00           |
| FOUNDATIONS        | 1        | lump | \$780,192.00   | \$815,410.00      | \$1,595,602.00         |
| GROUNDING          | 1        | lump | \$31,570.00    | \$197,100.00      | \$228,670.00           |
| PROTECTIVE RELAYS  | 1        | lump | \$250,000.00   | \$120,000.00      | \$370,000.00           |
| CONDUIT AND CABLES | 1        | lump | \$289,500.00   | \$156,000.00      | \$445,500.00           |
| SITE PREPARATION   | 600000   | sf   | \$1.50         | \$1.00            | \$1,500,000.00         |
| CRUSHED ROCK       | 600000   | sf   | \$1.00         | \$0.50            | \$900,000.00           |
| <b>TOTALS</b>      |          |      |                |                   | <b>\$11,007,739.00</b> |

## 230KV Upgrade Cost Estimate

4/3/01

| EQUIPMENT<br>Item   | Quantity | Unit | Material Cost | Mat Cost Per Unit | Installation Cost | Inst Cost Per Unit | Total Cost     |
|---|----------|------|---------------|-------------------|-------------------|--------------------|----------------|
| POWER TRANSFORMER: 230/138KV, 150MVA                                      | 1        | ea   | \$750,000.00  | \$750,000.00      | \$126,780.00      | \$126,780.00       | \$876,780.00   |
| POWER TRANSFORMER: 230/138KV, 100MVA                                      | 1        | ea   | \$650,000.00  | \$650,000.00      | \$126,780.00      | \$126,780.00       | \$776,780.00   |
| POWER TRANSFORMER: 230/24.9KV, 12/16/20MVA                                | 1        | ea   | \$380,000.00  | \$380,000.00      | \$72,450.00       | \$72,450.00        | \$452,450.00   |
| POWER TRANSFORMER: 230/24.9KV, 6.25MVA                                    | 2        | ea   | \$345,000.00  | \$690,000.00      | \$52,450.00       | \$104,900.00       | \$794,900.00   |
| POWER CIRCUIT BREAKERS 230KV, SF6, 1200 AMP                               | 10       | ea   | \$89,000.00   | \$890,000.00      | \$10,920.00       | \$109,200.00       | \$999,200.00   |
| POWER CIRCUIT BREAKERS 138KV, SF6, 1200 AMP                               | 4        | ea   | \$80,000.00   | \$320,000.00      | \$10,920.00       | \$43,680.00        | \$363,680.00   |
| SWITCH, GOAB, VERTICAL BREAK, 230KV, 1200 AMP                             | 20       | ea   | \$16,500.00   | \$330,000.00      | \$3,120.00        | \$62,400.00        | \$392,400.00   |
| SWITCH, GOAB, VERTICAL BREAK, 138KV, 1200 AMP                             | 4        | ea   | \$12,500.00   | \$50,000.00       | \$3,120.00        | \$12,480.00        | \$62,480.00    |
| SWITCH, GOAB, V-BREAK, 230KV, 1200 AMP,<br>LIVE_BREAK WITH MOTOR OPERATOR | 1        | ea   | \$20,500.00   | \$20,500.00       | \$4,210.00        | \$4,210.00         | \$24,710.00    |
| TOTALS  |          |      |               |                   | \$4,080,500.00    | \$662,880.00       | \$4,743,380.00 |

## 230KV Upgrade Cost Estimate

4/3/01

## STRUCTURES

| Item                                  | Quantity | Unit | Material Cost | Mat Cost Per Unit | Installation Cost | Inst Cost Per Unit | Total Cost   |
|---------------------------------------|----------|------|---------------|-------------------|-------------------|--------------------|--------------|
| 230KV DEAD END STRUCTURE (SINGLE BAY) | 5        | ea   | \$12,960.00   | \$64,800.00       | \$12,868.00       | \$64,340.00        | \$129,140.00 |
| 230KV SWITCH STAND                    | 21       | ea   | \$3,055.00    | \$64,155.00       | \$4,130.00        | \$86,730.00        | \$150,885.00 |
| 230KV THREE PHASE BUS SUPPORT         | 21       | ea   | \$2,130.00    | \$44,730.00       | \$4,112.00        | \$86,352.00        | \$131,082.00 |
| 230KV SINGLE PHASE BUS SUPPORT        | 63       | ea   | \$1,590.00    | \$100,170.00      | \$2,310.00        | \$145,530.00       | \$245,700.00 |
| 138KV DEAD END STRUCTURE (SINGLE BAY) | 2        | ea   | \$9,970.00    | \$19,940.00       | \$9,360.00        | \$18,720.00        | \$38,660.00  |
| 138KV SWITCH STAND                    | 4        | ea   | \$1,765.00    | \$7,060.00        | \$3,410.00        | \$13,640.00        | \$20,700.00  |
| 138KV THREE PHASE BUS SUPPORT         | 4        | ea   | \$1,635.00    | \$6,540.00        | \$3,400.00        | \$13,600.00        | \$20,140.00  |
| 138KV SINGLE PHASE BUS SUPPORT        | 12       | ea   | \$1,590.00    | \$19,080.00       | \$2,310.00        | \$27,720.00        | \$46,800.00  |
| TOTALS                                |          |      |               | \$307,395.00      |                   | \$456,632.00       | \$783,107.00 |

## 230KV Upgrade Cost Estimate

4/3/01

| FOUNDATION<br>Item                             | Quantity | Unit | Material Cost | Mat Cost Per Unit | Installation Cost | Inst Cost Per Unit | Total Cost     |
|--|----------|------|---------------|-------------------|-------------------|--------------------|----------------|
| FOUNDATION FOR TRANSFORMER, OIL<br>CONTAINMENT | 5        | ea   | \$78,700.00   | \$393,500.00      | \$72,450.00       | \$362,250.00       | \$755,750.00   |
| FOUNDATION FOR BREAKER                         | 14       | ea   | \$1,735.00    | \$24,290.00       | \$2,150.00        | \$30,100.00        | \$54,390.00    |
| FOUNDATION FOR BUS SUPPORT, SWITCH, ETC        | 175      | ea   | \$1,918.00    | \$335,825.00      | \$2,310.00        | \$404,250.00       | \$740,075.00   |
| FOUNDATION FOR DEAD END STRUCTURE              | 9        | ea   | \$2,953.00    | \$26,577.00       | \$2,090.00        | \$18,810.00        | \$45,387.00    |
| TOTALS   |          |      |               | \$780,192.00      |                   | \$815,410.00       | \$1,595,602.00 |

230KV Upgrade Cost Estimate

4/3/01

| GROUNDING<br>Item                | Quantity | Unit | Material Cost | Mat Cost Per Unit | Installation Cost | Inst Cost Per Unit | Total Cost   |
|----------------------------------|----------|------|---------------|-------------------|-------------------|--------------------|--------------|
| CONDUCTOR, GROUND                | 5000     | lf   | \$1.00        | \$5,000.00        | \$12.00           | \$60,000.00        | \$65,000.00  |
| CONDUCTOR, FLEXIBLE COPPER BRAID | 28       | ea   | \$65.00       | \$1,820.00        | \$75.00           | \$2,100.00         | \$3,920.00   |
| GROUND RODS                      | 200      | ea   | \$25.00       | \$5,000.00        | \$500.00          | \$100,000.00       | \$105,000.00 |
| GROUND CLAMP, BRONZE             | 200      | ea   | \$30.00       | \$6,000.00        | \$35.00           | \$7,000.00         | \$13,000.00  |
| GROUNDING PLATFORM               | 50       | ea   | \$275.00      | \$13,750.00       | \$560.00          | \$28,000.00        | \$41,750.00  |
| TOTALS                           |          |      |               |                   | \$31,570.00       | \$197,100.00       | \$228,670.00 |

## Eklutna Project Transmission Line Replacement

This is a request for replacing the existing Eklutna Hydroelectric power plant transmission line, which is part of a critical Railbelt transmission network and directly serves Municipal Light & Power (ML&P), Chugach Electric Association (CEA) and Matanuska Electric Association (MEA).

It is a 28-mile line that was constructed in the 1950's as part of the Eklutna Hydroelectric Project. The transmission line follows an easement to the West of the Glenn Highway and the Old Glenn Highway, which runs from Anchorage to Palmer. The line directly ties generation sources from Anchorage to the Eklutna Hydroelectric Plant. It also serves as the alternate connection that links ML&P to CEA's transmission system and provides electrical energy to a significant portion of MEA's customers that are connected to substations off the line.

Recently, detailed inspections of the Eklutna Transmission line, brought about by repairs that were made to sections of the line lost in last year's avalanche, show that most of the line is aged and in bad condition, and will require significant refurbishment.

Currently, the owners (ML&P, CEA & MEA) are reviewing replacement and refurbishment options of the Eklutna system. For example: new design and replacement costs for just the oldest section of the line, which extends from the Eklutna plant to the first MEA substation in Eagle River (DOW), are estimated at \$6,000,000.

In addition, the Eklutna transmission line crosses the Kink River on the old, unused bridge. In the past, this bridge has been slated for demolition since it only serves foot traffic and is in disrepair. A new river crossing is necessary in order to refurbish or replace the existing transmission line and enable demolition of the old bridge.

The requirements of this project would include a new double-circuit, 230 kV insulation line design that will replace the existing wood structures with more aesthetic frameworks. It will be more considerate of avalanche problems and provide better seismic resistance. It will have the capability of transferring twice as much power, provide more redundancy and more reliability to both Anchorage and Palmer.

The new line design will extend an additional 10-miles and connect to the Southern portion of the Anchorage - Fairbanks Intertie. This will increase the reliability of MEA's current system by providing redundant circuitry and reliability.

The investment would provide significant and needy improvements to the Anchorage area and would benefit residents for 50-years or more.

The cost to replace the entire Eklutna transmission line, to include a new river crossing, and redundancy to both ML&P and CEA's system, is estimated at \$25,000,000.

Repairs to the existing equipment are already being scheduled in order to retain the system's integrity. Therefore, it is of the essence that decisions are made on whether to repair or refurbish the existing transmission line.

- Construction could start as early as 2002
- Estimated total cost of the replacement project:
  - Design - \$3,750,000
  - Construction - \$21,250,000