



Volume 1, Issue 5
Fall 2003

Alaska State Legis- lature



House of Representa- Representative

HUGH "BUD" FATE

119 N. Cushman St. Suite 207
Fairbanks, Alaska 99701
(907) 452-6084
Fax: (907) 452-6096

State Capitol, Room 128
Juneau, Alaska 99801-1182
(907) 465-4976
Fax: 465-3883
Toll Free:
1 866-465-4976

District 7 Update

THE GAS PIPELINE MOVING FORWARD

It's still a question in a lot of peoples mind. When is Alaska going to start building a natural gas pipeline? Representative Fate was part of a group of the decision makers that met for two special meetings recently in Anchorage to discuss that very question.

The group consisted of members of the House and Senate Resources and Finance Committees, Administration and Industry officials. While no specific agreements were worked out during the forum several proposals were explained as to who needs what, when.

Harold Heinze of the voter approved Alaska Natural Gas Development Authority (ANGDA) outlined the direction the panel is taking. Presently, they are using a combination of information already gathered and from new research developed since the group first met in May. The ANGDA is working on ideas to move the through Alaska line forward.

Also on hand for the meeting were Sempra Energy's David Freer and Greg Bartholomew. Sempra is the company proposing to build a liquid natural gas receiving facility on the Baja Peninsula that, when finished in 2007 will produce one-billion cubic feet of natural gas per day for the West Coast.

Bartholomew expressed strong interest in using Alaska gas for the project because the next nearest supplier is 2,500 sea miles farther away. Discussions on that proposal are expected to con-



Rep. Fate and Mark Meyer, Director of the Division of Oil and Gas, discuss gas reserves for the Interior and the Pipeline

tinue in the coming months.

A lot of what, where, and when will also be based on decisions in Washington, D.C. The Joint Congressional Conference Committee is still hammering out a compromise on the Energy Bill that includes several Alaska gas line incentives.

NEIGHBORHOOD MEETING SCHEDULE

- Sep. 23* **Univ. Comm. Presbyterian Church**
- Sep. 30* **China 1 Intern. Buffet**
- Oct. 14* **Vallata Restaurant**
- Oct. 21* **Grange Hall**
- Nov. 4* **China 1 Intern. Buffet**
- Nov. 18* **To Be Announced**

FATE'S BILLS PASSED INTO LAW

LEGISLATION CROSSES FINAL HURDLE

After a long hard 120 day legislative session and passage of four important bills, Representative Fate's efforts were rewarded with the Governor's signature making the bills law.

"No matter how hard you work during the session moving legislation, it's not over until the Governor puts his signature on the document" said Fate. "I'm happy to say that the four bills I passed this year are all about to become law."

That list includes **House Bill (HB) 14** which allows a person to take care of a terminally ill family member without losing their permanent fund dividend.

Early on in the session, **HB 16** was passed and signed into law, allowing the state and pipeline developers to reopen negotiations. **HB 86** makes those, who attempt to stop permitted projects without a just reason, responsible for all costs associated with the delay.

Also **HB 283** is good news for Alaska's Coal industry. It doubles the amount of acreage coal companies can lease for exploration.

"There's still lots of work to be accomplished in the coming year," said Fate. I look forward to another successful session, beginning in January."

TAKING IT TO THE STREETS "OR AT LEAST THE NEIGHBORHOODS"

What's on your mind for the coming session? That's what Representative Fate wants to know during a series of neighborhood meetings scheduled through November.

"The key is communication. It's important to me to know exactly how the residents of District 7 feel about the issues we are facing," said Fate. "Those include everything from budget shortfalls to how we get small mining operations working again."

The meetings will be held on Tuesday nights from 7 to 9 p.m. at various locations around the District. A list of when and where is located



Representative Fate explains the importance of his legislation during a bill signing ceremony with Governor Frank Murkowski

on the front page of this newsletter.

If you can't make the meeting but would like some direct input, go to Representative Fate's web page and answer the survey questions. There's a space for other comments as well. The web address and the survey questions are on Page 3 of this newsletter.

WHAT'S ON TAP FOR '04

Representative Fate is already working on proposals for the next session, including several ideas that have been presented during the District 7 community meetings.

In addition to the Remote Cabin Bill and the No-call List, Representative Fate is reviewing first drafts of bills that will assist skilled labor in license renewal, and allow the University of Alaska to obtain state land for development. He also is looking at legislation to assist resident seniors, and to revive the small mining industry in the state.

"Every time I attend one of the community meetings I hear another idea about some of the things state government can do to help. Many of those ideas are aimed at getting the economy moving," Fate said.

The Second session of the Alaska State Legislature gets underway on January 12, 2004.

Bringing back Mining

Once upon a time, the Interior of Alaska made it's living with small miners bringing home the gold. It was an industry that allowed a family to earn a good living through hard work. Those days all but ended when the regulators, both state and federal, began to take over with cumbersome requirements.

Today the industry that built Fairbanks consists mostly of a few large companies that must meet the direct bottom line to their stockholders. Representative Fate, as Chair of the House Resources Committee wants to change that by bringing back the profitability to the small family oriented miner.

During a recent meeting held in Fairbanks, members of the mining community and state officials involved in the industry met to discuss how to proceed in that direction. The four hour discussion resulted in some positive ideas about the state's positive involvement as well as potential legislative language to once again promote environmentally sound small mining.

The bill will revise existing statute and allow for incentives to help the small miner get started. Those incentives will assist a small operator to afford the expenses associated with starting a mine and to hopefully operate at enough profit to feed the family.

Representative Fate is confident that by working closely with the mining community, the Administration, and the Legislature that the bill can be successfully passed during the second session of the 23rd Alaska Legislature.

"I believe this is the type of legislation that Alaska needs to move forward in resource development in a shorter time frame," said Fate. "The Governor has strongly outlined the need for our economy to be resource based. Many of the ideas on the table are critical to the long term needs of our state. By moving forward with incentive legislation for the small miner, I believe many of those operations will be on line sooner than the larger scale proposals being considered."

Fate added, "Mining is not a short term investment for the small operator. Unlike the big companies, a family oriented mine is often passed on from generation to generation. It is the true small business that has made the economy of this country great. In the Interior that small business is the small miner. We need to assure that we, as a legislature, do everything possible to help, not hinder the future of mining."

Feds and State talking again

In what has been an almost non-existent occurrence in the past, state legislator's recently had an opportunity to discuss important issues with a Federal Cabinet member face to face.

Secretary of Interior, Gale Norton visited Alaska to see first hand what the department can do to assist the economy in the state. During that visit she opened her door to three state legislators, Senate President Gene Therriault, Senate Resources Committee Chair Scott Ogan and House Committee Chair Hugh Fate. The legislators were offered 30 minutes to discuss the issues and explain our needs. Once the meeting started, it didn't end until ninety minutes later with the Secretary actually taking notes herself and responding on issues from access, to tourism potential, to development of resources, to subsistence.

Speaking for the White House, access issues are two fold with navigable waters and traveled established trails under RS 2477. The latter is also an issue in other western states. Navigable waters is and will be reviewed under the statehood act which is specific.

There was also an open discussion on the backcountry designations from the previous administration that essentially shut down Alaska industries with job loses in the hundreds. Many of those designations are under review.

Representative Fate brought up the issue of selling subsistence caught fish for a profit. While selling may be traditional, the amount of fish being sold should be considered a commercial enterprise. The Secretary indicated that this was already being considered as a problem.

Fate also brought up the specific issue of topographic and magnetic mapping of the state. Alaska is the only state without high resolution accurate mapping information. Both are critical to expansion of resource development as well as backpacker needs. The Secretary appeared surprised that funding had not been provided to advance the mapping needs. Even the Director of the Denali National Park indicated the accurate maps would be valuable to future tourism development and park management.

The meeting also served as an introduction of the Resource Legislative Leadership to the Secretary. It established an important dialog that is expected to continue in the coming months about issues critical to Alaska.

Alaska State Legislature
House of Representatives

119 N. Cushman Street, Suite 207
Fairbanks, Alaska 99701

Phone: (907) 452-6084

Fax: (907) 452-6096

Email:

Representative_Hugh_Fate@legis.state.ak.us

We're on the Web

www.akRepublicans.org/fate/index.php

Rep. Hugh "Bud" Fate
Chair- House Resources Comm.
Member:
House Transportation Comm.
House Oil & Gas Comm.
Military & Veteran Affairs

I want to know

It's only a few short months before we will be returning to Juneau for the Second Session of the 23rd Alaska State Legislature. We have all heard about what will be facing us during those 120 days, including the potential of \$250 million in proposed budget cuts and a push for new revenue.

I am interested in how you feel about the upcoming debate and eventual vote on these and other issues. That is in part why I am holding the neighborhood meetings, to hear directly from you about those and other issues. I also realize that not everyone will find those meetings convenient, and may not be able to attend.

In order to receive as much input as possible from as many people in District 7, I am including a short survey on revenue. It includes the issues I think will be before the legislature in 2004.

I would appreciate you taking just a few minutes to respond to the questions below and return your answers to my e-mail address. I would also appreciate you passing along this newsletter to those who might not be on my e-mail list so they might send in their responses as well. Thanks for your support and I hope to see you at the neighborhood meeting near you.

SURVEY For Rep. Hugh "Bud" Fate

1. The value of your dividend is never a sure thing. It increases or decreases depending on stock prices, income from oil to the state, expenses incurred by the state, and legislation. Given these variables would you still vote to place the dividend in the Constitution even if it meant curtailing important public services just to meet the dividend demand?
 YES NO
2. Based on some assumptions, increased industry and pipeline construction in the state will mean the possible doubling of our population and a large increase in costs to state and local services. Which would you prefer? Taxes or losing the annual Permanent Fund Dividend Check.
 Taxes Losing PFD Check
3. If taxes become necessary, which form of taxation would you prefer?
 Sales Income
4. During the 21st Alaska Legislature, then Senator Jerry Mackie introduced a resolution (SJR 33) that would pay a Permanent Fund lump sum to all eligible Alaskans. The estimated amount was \$25,000. That would be the final Permanent Fund Check, **EVER**. If that plan was reintroduced, would you be in favor of it?
 Yes No

Do you have any other thoughts you would like to add. Please feel free to use the space below.