

**ALASKA STATE LEGISLATURE**  
**HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

February 28, 2001

3:20 p.m.

**MEMBERS PRESENT**

Representative Lisa Murkowski, Chair  
Representative Andrew Halcro, Vice Chair  
Representative Kevin Meyer  
Representative Norman Rokeberg  
Representative Harry Crawford  
Representative Joe Hayes

**MEMBERS ABSENT**

Representative Pete Kott

**COMMITTEE CALENDAR**

CONFIRMATION HEARINGS

Occupational Safety and Health Review Board

Cliff Davidson - Kodiak

- CONFIRMATION (ADVANCED 2/27/01) NOW BEING HELD BECAUSE OF QUESTION RELATING TO EXPIRATION DATE OF TERM

Board of Dental Examiners

Rena Anderson - Anchorage

- CONFIRMATION HELD BECAUSE OF QUESTION RELATING TO EXPIRATION DATE OF TERM

Michael P. Moriarty - Seward

- CONFIRMATION ADVANCED

Board of Dispensing Opticians

Ann M. Bezona - Kodiak

- CONFIRMATION ADVANCED

Larry E. Harper - Anchorage

- CONFIRMATION ADVANCED

Board of Marital & Family Therapy

Ann W. Swift - Fairbanks

- CONFIRMATION ADVANCED

State Medical Board

Martha Tillion Cotton - Eagle River

- CONFIRMATION ADVANCED

Constance E. Livsey - Anchorage

- CONFIRMATION ADVANCED

Board of Examiners in Optometry

William D. Faulkner - Anchorage

- CONFIRMATION ADVANCED

Pharmacy Board

Mark D. Bohrer - Eagle River

- CONFIRMATION ADVANCED

Cindy Bueler - Anchorage

- CONFIRMATION ADVANCED

State Physical Therapy & Occupational Therapy Board

JoAnne Bell-Graves - Juneau

- CONFIRMATION ADVANCED

Board of Psychologist & Psychological Associate Examiners

Cathy W. Biggerstaff - Anchorage

- CONFIRMATION ADVANCED

Board of Social Work Examiners

Diane M. DiSanto - Anchorage

- CONFIRMATION ADVANCED

Board of Professional Counselors

David F. Leonard - Fairbanks

- CONFIRMATION ADVANCED

HOUSE BILL NO. 113

"An Act relating to health care insurance payments for hospital or medical services; and providing for an effective date."

- MOVED CSHB 113(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 81

"An Act extending the termination date of the Board of Dental Examiners."

- MOVED CSHB 81(L&C) OUT OF COMMITTEE

HOUSE CONCURRENT RESOLUTION NO. 1

Relating to establishing a Task Force on a Statewide Comprehensive Energy Plan.

- MOVED CSHCR 1(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 58

"An Act relating to the calculation and payment of unemployment compensation benefits; and providing for an effective date."

- BILL HEARING POSTPONED to 3/9/01

HOUSE BILL NO. 11

"An Act relating to required notice of eviction to the dwellers, tenants, and owners of mobile homes in mobile home parks before redevelopment of the park."

- BILL HEARING POSTPONED

**PREVIOUS ACTION**

BILL: HB 113

SHORT TITLE:HEALTH CARE INSURANCE PAYMENTS

SPONSOR(S): REPRESENTATIVE(S)GREEN

Jrn-Date	Jrn-Page		Action
02/05/01	0241	(H)	READ THE FIRST TIME - REFERRALS
02/05/01	0241	(H)	L&C, HES
02/26/01		(H)	L&C AT 3:15 PM CAPITOL 17
02/26/01		(H)	Heard & Held
02/26/01		(H)	MINUTE(L&C)
02/28/01		(H)	L&C AT 3:15 PM CAPITOL 17

BILL: HB 81

SHORT TITLE:DENTISTS/DENTAL HYGIENISTS & ASSISTANTS

SPONSOR(S): REPRESENTATIVE(S)FATE

Jrn-Date	Jrn-Page		Action
01/19/01	0130	(H)	READ THE FIRST TIME - REFERRALS
01/19/01	0130	(H)	L&C, FIN
01/29/01		(H)	L&C AT 3:15 PM CAPITOL 17
01/29/01		(H)	Heard and Held
01/29/01		(H)	MINUTE(L&C)
02/14/01		(H)	L&C AT 3:15 PM CAPITOL 17
02/14/01		(H)	<Bill Postponed>
02/26/01		(H)	L&C AT 3:15 PM CAPITOL 17
02/26/01		(H)	Scheduled But Not Heard
02/28/01		(H)	L&C AT 3:15 PM CAPITOL 17

BILL: HCR 1

SHORT TITLE:STATEWIDE COMP ENERGY PLAN TASK FORCE

SPONSOR(S): REPRESENTATIVE(S)BERKOWITZ

Jrn-Date	Jrn-Page		Action
01/12/01	0066	(H)	READ THE FIRST TIME - REFERRALS
01/12/01	0066	(H)	CRA, L&C
01/17/01	0117	(H)	COSPONSOR(S): KAPSNER
01/19/01	0134	(H)	COSPONSOR(S): LANCASTER
02/19/01	0375	(H)	COSPONSOR(S): HALCRO
02/20/01		(H)	CRA AT 8:00 AM CAPITOL 124
02/20/01		(H)	Moved CSHCR 1(CRA) Out of Committee
02/20/01		(H)	MINUTE(CRA)

02/21/01	0382	(H)	CRA RPT CS(CRA) 4DP 1NR
02/21/01	0382	(H)	DP: HALCRO, SCALZI, GUESS, MORGAN;
02/21/01	0382	(H)	NR: MEYER
02/21/01	0382	(H)	FN1: ZERO(H.CRA)
02/26/01		(H)	L&C AT 3:15 PM CAPITOL 17
02/26/01		(H)	Scheduled But Not Heard
02/28/01	0472	(H)	COSPONSOR(S): MURKOWSKI
02/28/01		(H)	L&C AT 3:15 PM CAPITOL 17

**WITNESS REGISTER**

KEVIN JARDELL, Staff  
to Representative Joe Green  
Alaska State Legislature  
Capitol Building, Room 403  
Juneau, Alaska 99801  
POSITION STATEMENT: Spoke on behalf of the sponsor of HB 113.

REPRESENTATIVE JOE GREEN  
Alaska State Legislature  
Capitol Building, Room 403  
Juneau, Alaska 99801  
POSITION STATEMENT: Sponsor of HB 113.

BOB LOHR, Director  
Division of Insurance  
Department of Commerce & Economic Development  
3601 C Street, Suite 1324  
Anchorage, Alaska 99503-5948  
POSITION STATEMENT: Answered questions regarding HB 113.

KATIE CAMPBELL, Actuary of Life and Health  
Division of Insurance  
Department of Community & Economic Development  
P.O. Box 110805  
Juneau, Alaska 99811-0805  
POSITION STATEMENT: Answered questions regarding HB 113.

REPRESENTATIVE HUGH FATE  
Alaska State Legislature  
Capitol Building, Room 416  
Juneau, Alaska 99801  
POSITION STATEMENT: Testified as the sponsor of HB 81.

CATHERINE REARDON, Director  
Division of Occupational Licensing

Department of Commerce & Economic Development  
P.O. Box 110806

Juneau, Alaska 99811-0806

POSITION STATEMENT: Reviewed the board's position on CSHB 81,  
Version O.

GEORGE SHAFFER, DMD

Licensed Dentist

306 Main Street, Suite 202

Ketchikan, Alaska 99901

POSITION STATEMENT: Offered an amendment to CSHB 81 for the  
committee's consideration.

DR. TOM HIPSHER, President

Alaska Dental Society

9170 Jewel Lake Road, Suite 203

Anchorage, AK 99502-5381

POSITION STATEMENT: Testified in support of CSHB 81 as amended  
[by Dr. Shaffer's offered amendment].

REPRESENTATIVE ETHAN BERKOWITZ

Alaska State Legislature

Capitol Building, Room 404

Juneau, Alaska 99801

POSITION STATEMENT: Testified as the sponsor of HCR 1.

STEPHEN CONN, Executive Director

Alaska Public Interest Research Group (AkPIRG)

P.O. Box 101093

Anchorage, Alaska 99510

POSITION STATEMENT: Testified on HCR 1; offered resources,  
networks, or expertise, should AkPIRG be chosen to participate  
on the task force.

MEERA KOHLER, President and CEO

Alaska Village Electric Cooperative (AVEC)

(No address provided)

POSITION STATEMENT: Testified in favor of HCR 1; expressed  
gratitude for the inclusion of AVEC in Version J; offered AVEC's  
expertise, regardless of whether it is included.

SUE SCHRADER, Conservation Advocate

Alaska Conservation Voters and Alaska Conservation Alliance

P.O. Box 22151

Juneau, Alaska 99802

POSITION STATEMENT: Testified on HCR 1; expressed appreciation  
for the Alaska Conservation Alliance's inclusion in Version J;

discussed the importance of having different views at the table from the beginning.

### **ACTION NARRATIVE**

TAPE 01-26, SIDE A  
Number 0001

CHAIR LISA MURKOWSKI called the House Labor and Commerce Standing Committee meeting to order at 3:20 p.m. Members present at the call to order were Representatives Murkowski, Halcro, Meyer, Crawford, and Hayes. Representative Rokeberg arrived as the meeting was in progress.

### CONFIRMATION HEARINGS

Number 0108

CHAIR MURKOWSKI announced that the committee would take up the balance of the individuals presented for confirmation who were not covered yesterday in the joint meeting with the Senate Labor and Commerce Committee. [She first addressed confirmations advanced at that hearing that would be put on hold temporarily.]

### Occupational Safety and Health Review Board

CHAIR MURKOWSKI directed the committee's attention to the name of Cliff Davidson from Kodiak, who was signed off on yesterday by the committee for a seat on the Occupational Safety and Health Review Board. Chair Murkowski explained that it came to [the committee's] attention that with the expiration of the term being matched to the March 1 deadline, Mr. Davidson's term was due to expire March 1, 2001. By the time the full bodies get around to confirmation, his term would have already expired. Therefore, the recommendation regarding Mr. Davidson had been pulled; his name would be reconsidered after the expiration date was figured out.

### Board of Dental Examiners

CHAIR MURKOWSKI announced that also pulled after the previous day's hearing was the recommendation regarding Ms. Rena Anderson of Anchorage to the Board of Dental Examiners. [However, the Board of Dental Examiners weren't addressed at the previous day's hearing.] Her term expired on January 31, 2001, and she hasn't been reappointed yet; it is in "limbo." [The committee]

will take up her name again when the expiration [date] has been figured out.

[The nomination of Michael P. Moriarty was also before the committee, and his confirmation was advanced as part of the group listed below.]

Board of Dental Examiners; Board of Dispensing Opticians; Board of Marital & Family Therapy; State Medical Board; Board of Examiners in Optometry; Pharmacy Board; State Physical Therapy & Occupational Therapy Board; Board of Psychologist & Psychological Associate Examiners; Board of Social Work Examiners; Board of Professional Counselors

CHAIR MURKOWSKI referred to the committee packet. She noted that several other individuals were before the committee for confirmation. [They were: Michael P. Moriarty, Board of Dental Examiners; Ann M. Bezona, Board of Dispensing Opticians; Larry E. Harper, Board of Dispensing Opticians; William D. Faulkner, Board of Examiners in Optometry; Mark D. Bohrer, Pharmacy Board; Cindy Bueler, Pharmacy Board; Ann W. Swift, Board of Marital and Family Therapy; Martha Tillion Cotton, State Medical Board; Constance E. Livsey, State Medical Board; JoAnne Bell-Graves, State Physical Therapy and Occupational Therapy Board; David F. Leonard, Board of Professional Counselors (see discussion below); Cathy W. Biggerstaff, Board of Psychologist and Psychological Associate Examiners; and Diane M. DiSanto, Board of Social Work Examiners.]

CHAIR MURKOWSKI asked if there were any questions regarding the confirmations to the various boards; none were offered.

Number 0242

CHAIR MURKOWSKI directed the committee's attention to the resume of David F. Leonard, who was seeking reappointment to the Board of Professional Counselors. She said the statute requires that this person not be employed in or live with an individual who is employed in a related health field. Judging from his resume, it is impossible to tell whether Mr. Leonard has any connection to a related health field. "We" have asked for clarification and have been told that the governor's office does the checking once a name is submitted. She had spoken to Ms. Reardon, Department of Community and Economic Development (DCED), and will get confirmation on the status of this individual [soon]. [Mr. Leonard's confirmation was advanced.]

Number 0347

REPRESENTATIVE HALCRO made a motion to move appointees' names forward for consideration by the full House of Representatives [in a joint hearing with the full Senate].

CHAIR MURKOWSKI clarified that the committee is moving the names forward as a recommendation of the committee, and is not signing off on the confirmations at this point in time; however, a sheet would go around that members could sign off on. She noted that the termination dates have been corrected to reflect a termination [date] of March 1 of any respective year.

[The confirmations were advanced to the full House of Representatives for consideration in a joint hearing with the full Senate.]

HB 113-HEALTH CARE INSURANCE PAYMENTS

Number 0453

CHAIR MURKOWSKI announced that the first bill to be heard today would be HOUSE BILL NO. 113, "An Act relating to health care insurance payments for hospital or medical services; and providing for an effective date."

CHAIR MURKOWSKI mentioned that the committee should have received a proposed CS for HB 113, an amendment offered by Representative Green, testimony of Nicole Bagby from Aetna US Healthcare, and a letter from Doug Bruce from Providence Health Systems in Alaska.

Number 0553

REPRESENTATIVE HALCRO made a motion to adopt the proposed CS as the work draft, 22-LS0418\F. There being no objection, Version F was adopted as the working document.

KEVIN JARDELL, Staff to Representative Joe Green, Alaska State Legislature, speaking on behalf of the sponsor, said there has been one change from the last version of HB 113. In Section 1, subsection (a) the segregation between paper claims and electronic claims has been removed, as well as referring to working days. It now reads that a paper or an electronic clean claim must be paid within 30 calendar days.

REPRESENTATIVE ROKEBERG asked why it had gone to 30 calendar days versus 20 working days.

REPRESENTATIVE JOE GREEN, Alaska State Legislature, sponsor stated that it was at the request of the insurance companies, which preferred to use calendar days because states may have different holidays and so forth.

Number 0632

REPRESENTATIVE ROKEBERG said it could make a difference because if there were a holiday, it would extend it out [if one was using working days] beyond 30 days, in his opinion.

MR. JARDELL said they went with working days because that was what the state has used in the past; however, most states use calendar days, and with computer programs for keeping up with billing, it is easier to incorporate calendar rather than working days.

REPRESENTATIVE HALCRO asked about a handout regarding the physician survey results regarding timeliness of claims payment submitted by the Alaska State Medical Association. He said it compares Medicare, Medicaid, and private health insurance. He referred to information on the handout, the average, high, low, and medium. He asked for clarification of what this meant.

Number 0728

MR. JARDELL responded that the person who drafted it [was not present] and didn't want to speak definitively on this. He said he could get that information for the committee. He said the average, high, low, and medium referred to payments made by the three carriers.

REPRESENTATIVE HALCRO said he assumes that this represents the average length of a claim, the average time of payout. He asked if there was rhyme or reason to this.

MR. JARDELL said the person drafting this sent out a survey. The Alaska State Medical Association sent out this survey to the doctors, and he believed there was someone online at the Legislative Information Office (LIO) that could speak to this. He said he didn't have the actual definition of the terms.

REPRESENTATIVE HALCRO said he assumes that the "high" are those claims that are appealed or are more questionable in nature.

REPRESENTATIVE GREEN said these claims go back and forth and on and on.

REPRESENTATIVE HALCRO said even for claims of the most contentious nature, private industry still responds 40 days faster than government; it takes 56 days for Medicaid [payments].

MR. JARDELL deferred the questions to the drafters and the people who submitted this.

REPRESENTATIVE HALCRO verified that the legislation only applies to private companies, private carriers, and so forth.

MR. JARDELL responded that it doesn't apply to Employee Retirement and Income Security Act (ERISA) policies.

REPRESENTATIVE HALCRO said "we" are holding those in the private sector to a higher standard than we do government.

MR. JARDELL said not necessarily. Government has its own regulations and rules. For example, the state policy with Aetna has a 15-day incentive turnaround. It is a shorter time period than 30 days for their turnaround. He clarified that these rules don't apply to them.

MR. JARDELL, in further response to Representative Halcro, related his understanding that currently Medicare has 30 days and 15 days for a non-clean claim in order to obtain additional information on top of that. However, he offered to review that because Representative Green was only addressing the 30 working days and attempting to shorten that time and not deal with the ERISA claims.

Number 0999

REPRESENTATIVE ROKEBERG asked if this bill would cause a marginal health underwriter in the state to leave or would be a barrier to the entry into the state of a health insurance underwriter. He inquired as to whether that was given consideration.

MR. JARDELL answered that some consideration on that was given, with the understanding that the potential population for a market in Alaska is somewhat smaller than in some states. There can be a level at which it would not be marketable to come here.

However, this doesn't seem to be an additional requirement beyond what is required in other states. Furthermore, [the bill] will potentially decrease costs in Alaska and thus make it more marketable and efficient to do business in Alaska.

REPRESENTATIVE ROKEBERG pointed out that the proposed CS does not distinguish between claim types.

MR. JARDELL agreed.

Number 1097

REPRESENTATIVE HALCRO remarked that many physicians' offices do not bill an individual's insurance company, and payment is due at the time the service is rendered. The individual has to submit the claim. Representative Halcro asked if this applied to the [insurance company's] response to the individual's submission.

MR. JARDELL clarified that the intent of the bill is to apply it to any claimant. He agreed with Representative Halcro that when an individual submits a claim, the insurance company would need to respond to the individual. Mr. Jardell explained that the rights are assigned to the hospital or doctor and thus the rights are actually part of the contract with the insurer.

Number 1162

MR. JARDELL turned to the committee's previous discussion regarding the deletion of the language on page 2, beginning with line 21. The language being referred to is as follows: "The policy may not contain a provision requiring that services be provided by a particular hospital or person, except as applicable to a health maintenance organization under AS 21.86." He noted that he had drafted an amendment that would amend the provision. However, after speaking with Representative Green, Mr. Jardell understood that Representative Green didn't want to offer the amendment. After speaking with the Division of Insurance, Mr. Jardell related his understanding that there is no conflict with the current statute and the so-called patient's bill of rights that was passed or with managed care plans. The division interprets the provision as preventing any insurance company from mandating a client or an insured to go to a specific physician. He explained that under managed care plans, although a client may be persuaded to go to a certain provider under the plan, those statutes specifically precluded those plans from exclusive contracts. Therefore, an individual under

a managed care plan can always go outside that plan, although that individual may not receive the same benefits. So, removing the provision entirely could be interpreted as saying that insurers can draft a policy requiring the insured see a specific physician and thus remove the choice of physician from the insured.

Number 1306

CHAIR MURKOWSKI recalled that there was some concern that keeping the language would somehow be contradictory to last year's patient's bill of rights. Chair Murkowski requested that Mr. Lohr enlighten the committee as to why the language on page 2, lines 19-21, was included.

Number 1349

BOB LOHR, Director, Division of Insurance, Department of Commerce & Economic Development, testified via teleconference. Mr. Lohr informed the committee that the provision in question is currently found in AS 21.54.020(a). The division interprets that provision as preventing a policy from requiring a particular provider and preventing the customer the choice of going to a different provider. Although there may be a financial incentive to obtain services from a provider that is part of the plan, the customer cannot be prohibited access to an alternative provider. Therefore, if that provision was repealed or deleted, then Mr. Lohr believes that there would be no prohibition and thus plans could discriminate against other providers by providing no reimbursement for those services.

MR. LOHR turned to last year's patient's bill of rights, HB 211, and noted that he didn't see any conflict because of the exception provided in the provision. The provision includes the following language: "except as applicable to a health maintenance organization under AS 21.86." That language resolves any conflict that might exist in terms of reading the two consistently.

CHAIR MURKOWSKI asked if that was the case even though Alaska doesn't have health maintenance organizations (HMOs).

MR. LOHR replied yes and pointed out that HMOs are provided for and fully authorized. However, none have elected to come to Alaska yet.

REPRESENTATIVE ROKEBERG acknowledged that there is case law that says one can "step out," which is why there is the service option mandated in the underwriting. He asked if that is why this is acceptable.

MR. LOHR deferred to Katie Campbell.

Number 1511

KATIE CAMPBELL, Actuary of Life and Health, Division of Insurance, Department of Community & Economic Development, echoed earlier testimony that the provision is included in order to ensure that individuals have a choice. Therefore, an insurance provider can't have an exclusive provider arrangement that restricts the physicians that can be seen [unless it is an HMO]. She pointed out that the language was never part of the "prompt pay" part of the statute. Regulations on fair claim practices specify the timeframes for payment of a claim. That provision was included in order to address direct payment to a provider.

MS. CAMPBELL, in response to Representative Rokeberg, explained that a preferred provider option allows an individual to see anyone, but there is an incentive in the contract.

REPRESENTATIVE ROKEBERG interjected that there could be a closed panel.

MS. CAMPBELL said, "Not in Alaska."

REPRESENTATIVE ROKEBERG asked if that was because of last year's HB 211, which includes a point-of-service option that will take effect in July.

MS. CAMPBELL remarked, "That's an HMO; this is referring to an indemnity fee for a service plan, which all of the plans in Alaska are."

REPRESENTATIVE ROKEBERG acknowledged that, but related his understanding that the new law in July will be such "that you can have a closed panel, but it's a point-of-service option where you can step out of it and you can underwrite it separately."

MS. CAMPBELL pointed out, "That point-of-service option is applicable only within the HMO."

REPRESENTATIVE ROKEBERG said, "No, it's not." He expressed concern because that was the entire intention of [HB 211], which does impact preferred provider organizations (PPOs) because they are underwritten in Alaska by indemnity companies and a point-of-service option must be provided due to case law. However, that would not exclude the ability to have a closed panel if a different premium is paid. Representative Rokeberg clarified that a closed panel premium at a lower rate can be paid, but the [individual] must have the ability to step out of it.

MS. CAMPBELL said she would have to review the specific provision to which Representative Rokeberg is referring. She didn't recall that provision being included in the bill [HB 211]. However, she did recall that there was a provider contracting provision, the majority of which dealt with external review.

REPRESENTATIVE ROKEBERG maintained that it was in the bill [HB 211] and was a major part of the bill. He said, "That's the patient's right; they get to choose their own doctor, but the underwriter gets to underwrite for it. But it didn't necessarily restrict having a closed panel of physicians or providers. ... You can pay for it, though."

CHAIR MURKOWSKI asked if that would suffice because "then it is not an exclusive provider -- you've got to pay for it."

REPRESENTATIVE ROKEBERG clarified that one could pay for a cheaper one and have an exclusive provider. He pointed out that last week Blue Cross said that they had the cheap economy model of their plan with a closed panel.

CHAIR MURKOWSKI pointed out that the language in part read as follows: "The policy may not contain a provision requiring that services be provided". Chair Murkowski related her understanding that the bill doesn't say that an individual is required to go to a person. Although there is an option to go outside, there is no requirement that says one may not do this.

REPRESENTATIVE ROKEBERG said that there would be if there is the economy plan [under HB 211].

Number 1699

MR. LOHR suggested that the committee request an opinion from the Attorney General regarding whether there is a conflict

between the provisions in question and the patient's bill of rights.

CHAIR MURKOWSKI indicated the need for the sponsor to obtain an opinion from the Attorney General. She also indicated that public testimony on CSHB 113 would be closed.

REPRESENTATIVE GREEN suggested that the bill could be moved out and if there is a conflict, that language could be removed in the House Health, Education and Social Services Standing Committee.

CHAIR MURKOWSKI remarked that she would have no problem with deleting the sentence. However, after hearing Ms. Campbell's remarks, Chair Murkowski said that she could understand why it makes sense to maintain the language. Still, if the language is contradictory, she expressed the need to [delete the language].

REPRESENTATIVE ROKEBERG commented that it is a confusing issue. Representative Rokeberg said that he would not object to moving the bill if the sponsor agrees to let the committee know what is going on.

REPRESENTATIVE GREEN pointed out that if [the bill were moved] and he, as the sponsor, didn't keep his word, then the committee could request that the bill be returned to the House Labor and Commerce Standing Committee.

CHAIR MURKOWSKI indicated the need to hear from other committee members. She pointed out that HB 113 deals with the prompt pay issue, with the exception of this one sentence under discussion. She mentioned that she didn't have any objection to moving it out either.

REPRESENTATIVE ROKEBERG suggested that the committee could remove the language and the sponsor could argue in the next committee of referral as to why the language should be included.

Number 1973

REPRESENTATIVE ROKEBERG moved that the committee adopt a conceptual amendment on page 2, lines 19-21, to delete the following language: "The policy may not contain a provision requiring that services be provided by a particular hospital or person, except as applicable to a health maintenance organization under AS 21.86."

MR. JARDELL pointed out that without that language it could be interpreted to allow insurers to write policies that require exclusivity with a provider.

REPRESENTATIVE ROKEBERG expressed the need for the [Division of Insurance] and the Attorney General to ensure that the new law taking effect in July covers it or that "we" know what is going on.

REPRESENTATIVE GREEN stated that he didn't object to the conceptual amendment.

Number 2047

REPRESENTATIVE HALCRO recalled that Ms. Campbell's testimony expressed the importance of having that language.

MR. JARDELL echoed his earlier statement regarding what would occur with the removal of the language.

REPRESENTATIVE ROKEBERG noted that he didn't disagree with Mr. Jardell's interpretation. However, he added that the new statute [per HB 211] is such that there must be a point-of-service option menu provision to the policyholder. Therefore, it would be the [insured's] choice.

REPRESENTATIVE GREEN remarked, "If this hinges on that, we can leave it out because what Representative Rokeberg says, 'It's covered in a different part of law.'" If this isn't covered in a different part of law, then the language could be reinserted in House Health, Education and Social Services Standing Committee.

REPRESENTATIVE HALCRO commented that perhaps the committee should err on the side of caution and leave the language in.

REPRESENTATIVE CRAWFORD said he agreed with Representative Halcro.

CHAIR MURKOWSKI surmised that the committee is not in a position to make a recommendation on this without the assistance of the Attorney General's review. She didn't believe it necessary to hold the bill and wait for the Attorney General's review. She did point out that if the committee wishes to move out the bill, it should be done with the caveat that the Attorney General be requested to review whether there is a conflict; and if there is a conflict, the language should be adjusted.

REPRESENTATIVE ROKEBERG withdrew his conceptual amendment.

Number 2214

REPRESENTATIVE MEYER moved to report CSHB 113, Version 22-LS0418\F, Ford, 2/27/01, out of committee with individual recommendations and the accompanying fiscal note(s), with the caveat that the House Labor and Commerce Standing Committee has requested that the Attorney General provide an opinion regarding whether there the language on page 2, lines 19-21, is in conflict with the law passed last year. There being no objection, CSHB 113(L&C) and the aforementioned caveat were reported from the House Labor and Commerce Standing Committee.

HB 81-EXTENDING BOARD OF DENTAL EXAMINERS

CHAIR MURKOWSKI announced that the next order of business would be HOUSE BILL NO. 81, "An Act extending the termination date of the Board of Dental Examiners."

Number 2307

REPRESENTATIVE HUGH FATE, Alaska State Legislature, testified as the sponsor of HB 81. Representative Fate offered a proposed committee substitute (CS) for the committee's consideration.

REPRESENTATIVE ROKEBERG moved to adopt CSHB 81, Version 22-LS0375\O, Lauterbach, 2/26/01, as the working document before the committee. There being no objection, Version O was before the committee.

REPRESENTATIVE FATE informed the committee of the changes encompassed in Version O. It extends the termination date for the Board of Dental Examiners to the year 2005. On page 2, lines 1 and 11, it removes the word "prophylactic" and keeps the word "preventive" since both words have the same meaning. In Section 4, language will be added that says, "The governor, when making appointments, will consider licensed dentists nominated by the Alaska Dental Society and licensed dental hygienists nominated by the Dental Hygienists' Association." He clarified that this is not mandatory, but conveys the need for the governor to review the list supplied by the respective associations.

REPRESENTATIVE HALCRO asked if that has been a problem in the past.

REPRESENTATIVE FATE answered, "It seems to have been a problem in the past. How large a problem, I can't say." He informed the committee that these were recommendations by the Board of Dental Examiners or the Alaska State Dental Society. He noted that when he was on the Board [of Dental Examiners], they discussed this. He didn't believe it was a problem of great magnitude, although it did exist from time to time. Therefore, there were appointments to the Board of Dental Examiners that didn't carry the respect of the full Dental Society or the present board.

REPRESENTATIVE HAYES asked if this language is merely intent language since the governor can choose whomever he wants.

REPRESENTATIVE FATE noted that this had been reviewed with Catherine Reardon, Director, Division of Occupational Licensing, Department of Commerce & Economic Development, and no conflict was seen because the language only asks the governor to look at the list.

Number 2473

REPRESENTATIVE FATE continued reviewing the changes encompassed in Version 0. He referred to page 2, line 22, which requires the president of the Board of Dental Examiners to be a licensed dentist. He explained that this [requirement was deemed necessary] because being president of the Board of Dental Examiners involves more than administrative duties. Under Section 6, it refers to radiology [equipment] and the placement of the seal.

TAPE 01-26, SIDE B

REPRESENTATIVE FATE explained that currently, upon completion of the examination [of the dental radiological equipment], the examiner would take the fee directly from the dentist. Then the examiner is required to send a report to central licensing, which would issue the seal to the dentist. This language attempts to simplify the process. This was also discussed with the Division of Occupational Licensing. He explained the [new process] as follows. After the dentist gives the examiner the required fee, the [examiner] may give the dentist, who has passed the inspection, the seal that specifies a date for the next inspection. This is not really a state seal. Then the

examiner would send one copy to the Division of Occupational Licensing and the other to the dentist. Therefore, there is accountability from the dentist who has received the seal and the examination because the licensing agency knows that it has been performed and [the equipment] has passed or failed. If [the equipment] fails, there is another date automatically set by the inspector, because the equipment can't be operated if it hasn't passed inspection.

REPRESENTATIVE FATE pointed out that Section 7 of the Version O, as discussed in the sectional analysis, "makes a passing score on a clinical exam given by the Central Regional Dental Testing Service, Inc. an acceptable alternative to the Western Regional Examining Board examination." He clarified that the standard won't be reduced with this because the Western Regional Examining Board and the Central Regional Dental Testing Service have the same sort of standards. He noted that the language "provided the examination was taken on or after January 1, 1987" is deleted because the new examining board makes that provision moot. On page 3, line 31, the language "has been" has been replaced with "is", and on page 4, line 1, "a" is replaced with the word "that". Both of those changes merely clean up the language. On page 4, line 2, the language "in which the dentist is licensed" has been inserted so that a dentist can be licensed in Alaska through credentialing.

REPRESENTATIVE FATE pointed out that the bill increases the civil fine [for dentists] and specifies that the fine be \$25,000 for each violation. This is an increase from \$5,000. Finally, Version O includes new language regarding the definition of the practice of dentistry. He referred to page 6, line 26, through page 7, line 2. The definition of the practice of dentistry has been expanded to include new concepts of treatment and learning.

REPRESENTATIVE ROKEBERG asked if this would allow dentists to perform plastic surgery.

REPRESENTATIVE FATE replied no.

Number 2270

CHAIR MURKOWSKI pointed out that the original bill was merely an extension of the sunset date. Therefore, she asked if any of the expansions of the bill would result in an increase to the fiscal note, which was a zero fiscal note.

REPRESENTATIVE FATE answered that the fiscal note will remain zero.

REPRESENTATIVE ROKEBERG asked if "we" don't like dentists from the East Coast.

REPRESENTATIVE FATE said that he sat on the Board of Dental Examiners when perhaps that was true. However, now everything is done with regional examinations. Many of these regional examinations have reciprocity between examining boards. He said, "Standards have come up to where ... the boards of examiners who go over those standards basically, now, are very close to the same." Therefore, the basic training is very standardized throughout the U.S.

Number 2177

CATHERINE REARDON, Director, Division of Occupational Licensing, Department of Commerce & Economic Development, informed the committee that the division provides the staff support to the Board of Dental Examiners. In regard to the fiscal note, Ms. Reardon agreed that the proposed CS will not impact the fiscal note. However, she pointed out that the [House and Senate] Finance Committees as well as the presiding officers have requested that the administration change the way fiscal notes for board sunset extensions are presented. In the past such fiscal notes were presented as zero fiscal notes with a note regarding the prior year's costs that were anticipated in the governor's budget. Now, such fiscal notes will be positive fiscal notes that show the costs, with a comment that the money is already in the budget.

Number 2055

REPRESENTATIVE ROKEBERG asked if the desire was to show the fiscal note as positive because the money is in hand.

MS. REARDON related her understanding "that the request has been made that we prepare the fiscal notes keeping in mind the fact that if the board was not extended, there would be a reduction in state expenditures." Therefore, the fiscal note should indicate that there is a cost to passing this legislation. Thus, costs are being shown for years 2003-2007, not for 2002 or 2008, because the latter are wind-down years.

REPRESENTATIVE ROKEBERG inquired as to where that would leave [proposed CS] 418.

MS. REARDON responded that she didn't feel that would have any impact on the final result, but rather it is a [difference] in how the same reality is shown. She explained that the money is still receipt-supported services and no increments are being requested. She highlighted that this change in fiscal notes will not impact how "our" expenditures are reflected in the state budget.

MS. REARDON thanked Representative Fate for discussing the ideas with her and taking into account her comments. She said that the division and the board would like for the Board of Dental Examiners to be extended to 2005. She expressed the need to be clear regarding which items the Board of Dental Examiners has taken a position on because sometimes people refer to the Board of the Dental Society as the Board [of Dental Examiners].

Number 1970

MS. REARDON informed the committee that the Board of Dental Examiners supports the removal of the word "prophylactic" in Section 3, which would clarify that dental assistants are not to do "prophies" that relate to cleaning. Instead, dental assistants are permitted to do the preparation for pit and fissure sealants. This is not a change in policy but rather is an attempt to offer clarity. In regard to Section 4, Ms. Reardon noted that she had communicated with the governor's office regarding the need to consider licensed dentists nominated by the two groups. She related her understanding that this language in Section 4 is acceptable and doesn't seem to present any constitutional concerns because the requirement is that they merely be considered. She mentioned that the governor's office feels that it has always considered the names brought forward by the Dental Hygienists and the Dental Society and welcomes anyone's suggestion.

MR. REARDON turned to Section 5, with which the administration has concerns. The Dental Board has not taken a board position on Section 5 or Section 4. She noted that her staff had faxed the most recent version of the proposed CS to the members of the Dental Board. Although the board has not had a public meeting at which it could vote, individual members have commented. Several board members say that they like the bill as it is, while several took issue with Section 5, as does the administration because there could be a situation in which the hygienist member or public member would be the best person to be chair. She said, "It's unclear why that option should be

foreclosed." She informed the committee that at one point the Medical Board had the public member, an attorney, as the chair. She also pointed out that the current public member of the Dental Board, although not interested in serving as chair, has chaired the Board of Providence Health System for the past five years. That position included the responsibility for credentialing physicians for each medical facility. Therefore, perhaps a public member could be qualified to serve in the capacity of the chair.

Number 1813

MS. REARDON referred to the language change in Section 6, which seems fine to her. She noted that the program was administered per the existing statute. Although the Dental Board has not taken a position on Section 6, she didn't anticipate there being a problem. In regard to Section 7, the Dental Board has taken a position in support of accepting the [passing score] of an exam given by the Central Regional Dental Testing Service. These regional exams are, in lay terms, a practical exam. As mentioned earlier, the Central and Western regions agree that their tests are comparable, and there is statistical information to support that claim. Ms. Reardon said, "I think this is a good move because I believe it benefits Alaska when it is easier for dentists from other states to relocate here." She explained that the dentists in Alaska are becoming older and thus the state may soon face a difficulty with having an adequate number of dentists. Ms. Reardon noted her support of Section 8 because it removes one of the possible stumbling blocks to dentists who are coming in from other states.

MS. REARDON pointed out that the Dental Board strongly supports the civil fine authority increase, which parallels an increase that is included in separate legislation for the Medical Board. The Dental Board did recommend adopting the American Dental Association (ADA) definition of dentistry, which appears to be what is included in HB 81. Therefore, the board would be on record as supporting that. In conclusion, Ms. Reardon reiterated that the Dental Board and the division would support this legislation with some concerns regarding the presidency issue.

Number 1656

REPRESENTATIVE HALCRO surmised that Section 5 is more of a territorial disagreement than a practical one. He asked,

"Wouldn't it be safe to assume that the president of the board should be a licensed dentist?"

MS. REARDON remarked, "I guess that that's the issue that maybe-no, perhaps it's not safe to assume it should be." She pointed out that there are three people on the board who are not dentists: the two hygienists and the public member. She acknowledged that since the majority of the board are dentists, they could, if they united, have a majority vote for the president. However, it doesn't seem necessary to thwart a future situation in which the board would feel that its hygienist member or public member would best serve as chair. She informed the committee that with occupational licensing boards, all the members vote unless there is a conflict of interest. Therefore, any one of the board members could be perceived as the tie-breaking vote and thus the chair doesn't have any special power in that regard. Ms. Reardon expected that in cases of participating in things such as the Western Regional Examining Board, a dentist member of the Dental Board would be requested to participate.

REPRESENTATIVE HALCRO inquired as to Representative Fate's contention that the president of the Dental Board will interact with other presidents of other boards and professional organizations and thus should have a background as a licensed dentist in order "to talk the talk."

MS. REARDON indicated that if the chair was not a dentist, that person could note that he or she is not a dentist. She pointed out that since she has been director, the chair hasn't always been the person participating in national meetings. For the past several years it was common for a member who is a past president of the board to be involved with the Western Region Examining Board interactions for the board.

Number 1475

GEORGE SHAFFER, DMD, Licensed Dentist in Ketchikan, informed the committee that he is a past member and past president of the licensing board. He said that he agrees with most of the comments that he has heard regarding the changes. He stated that he would like this bill to pass as presented [Version 0] with one amendment. He explained that the board has the following three purposes: to issue a license, to discipline the licensee after issuance of the license if there are problems with the practitioner, and to establish the minimum standards of competency that would allow people to practice in Alaska.

MR. SHAFFER related his belief that the minimum standard of competency is the crux of the problem in regard to who sits as the chair of the board. Sometimes it is difficult to communicate without using technical dental language between boards. He pointed out that the inclusion of another regional exam would result in more communication between the licensing boards. Dr. Shaffer informed the committee that when he was on the board, a licensed Alaskan dentist was present at every examination given by the Western Regional Examining Board, although he understands that is not the current practice. Therefore, adding the Central Regional Testing Service will include more exams and create difficulty in finding licensed personnel from Alaska who would be willing to travel to the location of [these exams] when they are given. So, he surmised that there would be more communication necessary between Alaska's Dental Board president and the licensing entities.

DR. SHAFFER specified that his amendment would be on page 3, line 16, after "or by the Central Regional Dental Testing Service, Inc.", to insert "taken after January 1, 2001,". He explained that he wanted this language because Section 7 of Version 0 deletes the language "taken on or after January 1, 1987", which defined the moment in time when the Western Regional [exam] was accepted as meeting Alaska's standards. If this is left without a starting date, he said there would be potential problems for the legal system to define at what point the exams, the Western Regional and the Central Regional, were comparable. In July 2000 the Western Regional [Board] and the Central Regional [Board] agreed that both exams were comparable. Therefore, he was uncomfortable with accepting a regional exam without a starting date.

Number 1228

DR. TOM HIPHER, President, Alaska Dental Society, informed the committee that the Alaska Dental Society recently held its executive council meeting, during which this bill was reviewed. Basically, the [executive council of the Alaska Dental Society] unanimously passed this bill as written, as amended by Dr. Shaffer.

REPRESENTATIVE FATE offered Dr. Shaffer's amendment for the committee's consideration.

MS. REARDON mentioned that she hasn't spoken with the Dental Board on this amendment. Speaking on behalf of herself, she

related her belief that even with the amendment this bill would be a good step toward making Alaska available as a place for dentists to practice. However, inserting that specific date will remove part of that gain because those who passed the [Central Regional Testing Service] exam earlier would be faced with the need to take the [Western Regional Examining Board] exam, even if the individual had been practicing for a number of years in another state without disciplinary action. Therefore, Ms. Reardon was concerned with the "difficulty and cost of coming in for a 'licensed by credentials' into Alaska." She pointed out that an individual who didn't take the [Western Regional Examining Board] exam would have to have practiced for the past five years and then would be faced with taking a test that is not easy to do after being out of school for a while. Furthermore, it has its own substantial costs. Therefore, she said, "We'll be putting off the date at which we can accept ... people just on the face of that passage of the test, but it's still better than not accepting those people at all."

Number 1018

CHAIR MURKOWSKI clarified that the amendment would read as follows:

Page 3, line 13, after "Inc."  
Insert "taken after January 1, 2001"

REPRESENTATIVE FATE asked if this amendment would preclude anyone who has taken the Western Regional exam after a certain date or if the amendment is specific to the date the Central Regional Testing Service exam was given parity of standards with the Western Regional [Examining Board] exam.

DR. SHAFFER answered, "We would not want to restrict the use of the Western Regional Board, but we would like to put a clean start date for the acceptance of the Central Regional Board. And if it takes more [work on the language] to make that clear, then I would be in favor of that as well."

REPRESENTATIVE FATE said, "Basically, what you're saying is that nobody has taken the ... Central Testing ... dental exam to even become licensed in the state and they can now, but ... the clock will begin to tick January 1, 2001. Is that correct?"

DR. SHAFFER answered in the affirmative.

Number 0862

CHAIR MURKOWSKI asked if there was a motion from the committee members to adopt the aforementioned amendment. [There was no audible motion from any committee member.] Chair Murkowski announced that there were no objections and thus the amendment was adopted.

REPRESENTATIVE HAYES moved to report CSHB 81, Version O [22-LS0375\O, Lauterbach, 2/26/01], as amended out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, CSHB 81(L&C) was reported from the House Labor and Commerce Standing Committee.

#### HCR 1 - STATEWIDE COMP ENERGY PLAN TASK FORCE

CHAIR MURKOWSKI announced the next order of business, HOUSE CONCURRENT RESOLUTION NO. 1, Relating to establishing a Task Force on a Statewide Comprehensive Energy Plan. [Officially before the committee was CSHCR 1(CRA), but packets contained a proposed committee substitute (CS), version 22-LS0307\J, Cramer, 2/27/01, which was addressed in the sponsor statement.]

Number 0792

REPRESENTATIVE ETHAN BERKOWITZ, Alaska State Legislature, sponsor of HCR 1, explained that Alaska does not have a statewide energy plan. At the national level, there is a conversation about an energy plan, which members of the [congressional] delegation are involved in. He believes it is an opportune time to put [an energy plan] together in Alaska.

REPRESENTATIVE BERKOWITZ expressed the intent of melding together components from existing proposals. He noted that AIDEA [Alaska Industrial Development and Export Authority] and the Denali Commission have been working with a three-year - or longer - program to come up with various components. There is an opportunity now to accelerate the process, he told members, and perhaps to have an impact with what happens with a gas pipeline, before anything is actually built.

Number 0684

REPRESENTATIVE BERKOWITZ asked that the committee adopt the proposed CS, Version J.

REPRESENTATIVE ROKEBERG made a motion to adopt Version J [22-LS0307\J, Cramer, 2/27/01] as a work draft.

REPRESENTATIVE MEYER specified that he wanted to speak to the version approved by the House Community and Regional Affairs Standing Committee [CSHCR 1(CRA)].

REPRESENTATIVE BERKOWITZ explained that Version J begins with the incorporation of a technical amendment proposed by Representative Meyer. Version J has 12 people on the task force. It removes one Senator and one Representative from the task force, and deletes any reference to caucus affiliation; it removes someone from the Regulatory Commission of Alaska and adds someone from the Alaska Public Interest Research Group (AkPIRG); it replaces the Alaska Federation of Natives (AFN) member with someone from the Alaska Village Electric Cooperative (AVEC); it also deletes [the members appointed by the Alaska Truckers Association and the president of the University of Alaska], adding instead [a member appointed by] the Alaska Conservation Alliance.

Number 0546

REPRESENTATIVE MEYER objected to adopting Version J as a work draft. He noted that Representatives Halcro and Berkowitz are members of the House Community and Regional Affairs Standing Committee [which Representative Meyer co-chairs]; in that committee, members spent quite a bit of time going over the task force members. He commented:

We thought that raising it from 13 to 15, and adding one from AIDEA and one from Denali [Commission] was important, to keep the sense of synergy and of all the different studies that were going on.

But what's happened here is that we're removing the trucking association, which I think the committee felt it was important to keep a business perspective on there. The reason why I think we wanted two appointed from the Senate and two from the House was so that you would have both ... a "D" and an "R" representation on this task force.

And we're removing one from the Alaska Federation of Natives and replacing it with the Alaska Village Electric Cooperative; ... frankly, I don't know if that's good or not. I would like to hear from ... Representative Morgan, who was co-chair of the [House Community and Regional Affairs Standing] Committee, or

at least somebody from rural Alaska, as to whether that's acceptable or not.

Number 0454

REPRESENTATIVE HALCRO suggested that whenever the number of politicians involved can be reduced, the more productive [a task force] will be.

REPRESENTATIVE MEYER agreed. He said, however, that if the makeup of the [task force] is going to be changed this much - reducing the number from 15 to 12, then adding the Alaska Conservation Alliance by taking off the Alaska [Trucking] Association - it warrants more discussion.

Number 0382

REPRESENTATIVE ROKEBERG said he himself has substantial objections to the makeup of the [task force] but is willing to adopt the proposed CS and talk about it.

REPRESENTATIVE MEYER removed his objection.

Number 0355

CHAIR MURKOWSKI announced that with the objection removed, the proposed CS [Version J] was before the committee.

REPRESENTATIVE BERKOWITZ told members he isn't a big fan of task forces or resolutions. However, there aren't many other tools in putting together a long-range plan. He suggested it is healthy to make this as unwieldy as possible and to bring in as disparate a group of people as possible.

REPRESENTATIVE BERKOWITZ spoke to Representative Meyer's concerns. He pointed out that in all likelihood, the person "sacrificed" from the House minority would be himself. He restated that smaller is better, generally. As for replacing the AFN representative with one from AVEC, the intent is to have a person with direct experience with some of the needs of rural Alaska; to his knowledge, there is little disagreement between AVEC and AFN on this particular issue. In addition, he wants a level of technical expertise, and some people at AVEC have been involved with policy formulation regarding energy for some time.

REPRESENTATIVE BERKOWITZ pointed out that AVEC, ARECA [Alaska Rural Electric Cooperative Association], and AOGA [Alaska Oil

and Gas Association] are business-related. Furthermore, ASTF [Alaska Science and Technology Foundation], the Denali Commission, and AIDEA could appoint a businessperson. Thus there is plenty of opportunity for the business community to weigh in.

REPRESENTATIVE BERKOWITZ emphasized that at any point, anybody from around the state can participate in this task force. He doesn't intend for it to be exclusive or an academic exercise. However, having these "entry ports" for different interest groups around the state will cause more people to weigh in and to cooperate in [the policy formulation].

REPRESENTATIVE BERKOWITZ explained that AkPIRG, which has expressed an interest in participating, is the only direct consumer representative that he knows of in the state. As for the Alaska Conservation Alliance, the model that has been followed with most successful industrial development is to bring in, at the policy formation stage, people "who might start shooting at the plan later," in order to minimize discord later. In addition, bringing different groups of people together early sometimes results in a better idea.

Number 0096

REPRESENTATIVE ROKEBERG commended Representative Berkowitz for the "light version," with a zero fiscal note and fewer legislative members in order to invite more public participation. He offered his opinion, however, that the ratio of public representatives to private representatives is nine to one, because ARECA mainly represents electrical cooperatives and AVEC is a cooperative.

TAPE 01-27, SIDE A  
Number 0001

REPRESENTATIVE ROKEBERG said there are no major consumers such as LNG [liquefied natural gas] distributors or representatives from the mining or transportation sectors. Although he believes AkPIRG would be a good member, he said, it misrepresents a legislative function to say that legislators don't represent the consumers. The makeup should be looked at further, Representative Rokeberg asserted, since he believes it is overweighted to public-sector people; to him, every representative except the AOGA person has a public orientation, including the legislators, who most often come from the public sector.

REPRESENTATIVE BERKOWITZ emphasized the difficulty of being effective with even 12 people.

Number 0130

REPRESENTATIVE ROKEBERG said he understands that, but doesn't see what the Alaska Municipal League, for example, has to do with energy, other than as a consumer. An energy plan could include anything from "green" power - such as wind, solar, or hydroelectric energy - to coal, oil, gas, or shallow-gas methane; those all require engineering elements. He emphasized his belief that there is an imbalance.

REPRESENTATIVE BERKOWITZ responded that some of the most impressive wind-power efforts are in Kotzebue, and Kotzebue Electric is a member of ARECA and AVEC. Therefore, there is access to that kind of engineering skill. He indicated he would welcome suggestions from Representative Rokeberg, however, regarding other task force members.

Number 0239

REPRESENTATIVE ROKEBERG replied that he would replace the Alaska Municipal League, the ASTF, and the Denali Commission with private-sector-oriented representatives who could provide expertise regarding where the energy comes from and how it will be distributed.

REPRESENTATIVE BERKOWITZ pointed out that the Denali Commission is working on a rural energy plan; they have engineers working for them, and a likely candidate would be Charlie Walls (ph). In addition, the hope is that ASTF could supply a member with technical expertise, which could be specified. Furthermore, the Alaska Municipal League can reach a great number of people fairly quickly.

REPRESENTATIVE BERKOWITZ said he was open to suggestions regarding transportation, for example, but emphasized that the federal commission has just a handful of people. It is critical to start this process and put a plan down, even if it is later modified. If a [task force] is too big, nothing will come of it.

Number 0397

REPRESENTATIVE ROKEBERG said he doesn't disagree with that, and that Representative Berkowitz's comments regarding the Alaska Conservation Alliance are appropriate. He added, however, "I don't think these people represent the vast majority of the people in the state or the expertise that you could bring to the issue."

REPRESENTATIVE BERKOWITZ asked whom Representative Rokeberg would suggest as a representative with business experience. [Representative Rokeberg didn't respond, and Chair Murkowski called on other members.]

Number 0473

REPRESENTATIVE MEYER offered that the president of the University of Alaska would probably designate somebody who had expertise in energy. Furthermore, members of the Alaska Truckers Association obviously use a lot of fuel. He asked why Representative Berkowitz had chosen to remove those two and add someone from the Alaska Conservation Alliance.

REPRESENTATIVE BERKOWITZ answered that he had wanted to make the [task force] smaller, and felt in some ways those needs overlapped. He had removed the university because he hadn't heard "an overwhelming response from them," although he had hoped the university might designate someone from ISER [Institute of Social and Economic Research]. Furthermore, he had removed the [Alaska Truckers Association] because in the House Community and Regional Affairs Standing Committee there was little enthusiasm and a lot of questioning about why it was included. On reflection, he said, Representative Rokeberg's point about the transportation industry as a whole is well taken; if Representative Rokeberg could come up with a good member, 13 would be a great number.

Number 0630

REPRESENTATIVE MEYER recommended that if the Alaska Truckers Association is removed, then the Alaska Conservation Alliance, which could be controversial, should be removed as well, leaving an odd number [of task force members], 11.

Number 0670

REPRESENTATIVE HALCRO responded that he believes the member from the Alaska Conservation Alliance should remain, to provide another viewpoint regarding sources of energy. Any statewide

energy plan, as Representative Rokeberg had pointed out, would entail some kind of "green" power. Furthermore, there should be a divergence of opinion at the table. He noted that he was one of the members of the previous committee who had questioned why the Alaska Truckers Association was included, and said he has no problem with removal of that organization; he pointed out that it was not a slight. He suggested that other members could be swapped.

Number 0743

CHAIR MURKOWSKI noted that she had spoken with [Representative Berkowitz's] staff and had suggested that having fewer members is better than more. She emphasized the weighty issue to be undertaken - a comprehensive statewide energy plan - with no money to do it. She proposed that even though the truckers aren't included, for example, the AFL-CIO will represent that interest. She cautioned, however, that any member may be expendable if another member is proposed. She said she doesn't believe it should be a straight-across exchange.

REPRESENTATIVE BERKOWITZ indicated he didn't intend it as a straight-across exchange; it came about as people expressed interest. He pointed out that legislators have access to people who can provide hard data. The Denali Commission could also do that. There are plenty of ways to do research.

Number 0887

CHAIR MURKOWSKI referred to two letters in packets, one from the Alaska Conservation Voters [and the Alaska Conservation Alliance] and the other from AkPIRG. She asked Representative Berkowitz whether he had sought out groups or had been contacted by groups seeking to be on [the task force].

REPRESENTATIVE BERKOWITZ answered that the one group that contacted him in the last week was the Coal Association. In addition, he'd had contact with most of these people, including AIDEA; the Denali Commission; the ASTF; ARECA; the Alaska Municipal League, which indicated that coming up with an energy plan for Alaska is one of its priorities; and Senate and House members.

Number 0950

REPRESENTATIVE ROKEBERG recommended that two members be from the Alaska State Chamber of Commerce, one representing

transportation and the other representing the natural gas industry, unless the committee could come up with something else. He would delete the Alaska Municipal League and the ASTF, and the Denali Commission was "in his cross-hairs."

REPRESENTATIVE BERKOWITZ emphasized that [the Denali Commission] has part of a plan; he wants to be able to bring in the work they've done. He characterized it as a rural plan.

REPRESENTATIVE ROKEBERG interjected, saying that was why he was reluctant, but that he believes the task force needs someone from the mining or coal groups involved. He said he thinks Representative Berkowitz has done a pretty good job in terms of public members, but it is overweighted that way. He again stated the desire for people with more technical knowledge on the task force. He commented that otherwise, it looks like something that came out of the New Deal in 1934.

REPRESENTATIVE BERKOWITZ pointed out that the New Deal worked for 60 years.

Number 1104

STEPHEN CONN, Executive Director, Alaska Public Interest Research Group (AkPIRG), testified via teleconference. He noted that AkPIRG has held itself out [for membership on the task force], as it had many times in the past when energy and utility matters were concerned, to be part of the discussion and to offer its own network of local and national expertise. He informed the committee that AkPIRG representatives attend a great number of national meetings relating to electric utilities and other matters.

MR. CONN explained that in being part of attempts to construct plans geared to the future, quite often what emerges are questions, almost checklists of areas that need to be addressed, so that when dealing with a discrete issue - whether a gas pipeline or an intertie, for example - the plan guides the discussion towards consideration of issues that otherwise might have been left out. Should the legislature go forth with the task force, Mr. Conn concluded, and should AkPIRG be chosen to be included, AkPIRG members would be very glad to offer any resources, networks, or expertise.

Number 1233

MEERA KOHLER, President and CEO, Alaska Village Electric Cooperative (AVEC), testified via teleconference. She told the committee she was gratified that Version J named AVEC as a member of the group. Her initial review of the resolution is that it is much needed in Alaska, she said, and she is anxious to see it come to fruition. Ms. Kohler noted that she had been concerned about the preponderance of non-industry representatives on the task force, but with the amendments proposed, she could see that the ensuing balance would lead to a hardworking and productive task force.

MS. KOHLER pointed out that ARECA represents not just rural electric cooperatives, but also most of the utilities serving urban Alaska. Chugach Electric, ML&P [Anchorage's Municipal Light and Power], Golden Valley Electric and Homer Electric are full members of ARECA. Ms. Kohler said she is sure that one of the urban utilities would be represented on the task force.

MS. KOHLER told the committee that the statewide rural energy plan, currently being worked on by the Denali Commission and AIDEA, is something AIDEA is spearheading; she urged that they be fully involved in development of this statewide plan, "because their input is going to be absolutely invaluable." She expressed support for the resolution and concluded, "I would be very, very happy to have AVEC participate in this in any way that we possibly can. If we're not actually named to the task force, we will certainly be available to provide whatever expertise we can."

Number 1344

SUE SCHRADER, Conservation Advocate, Alaska Conservation Voters and Alaska Conservation Alliance, came forward to testify, noting that committee members had a copy of her memorandum [dated February 26, 2001], which she wouldn't repeat. She expressed appreciation to the committee for hearing this, and to Representative Berkowitz for considering the request to him and his staff that the Alaska Conservation Alliance possibly be included on the task force.

MS. SCHRADER pointed out that many of her organizations' members have participated on other task forces, on a variety of issues including mining, university lands, and water permitting. There is a lot of wisdom to getting everything out on the table, she said, right from the start. Any of the energy plans will have environmental impacts, she pointed out, adding that she believes her organizations can bring some resources and expertise to help

look at those impacts from the beginning, to help work out details ahead of time.

Number 1420

REPRESENTATIVE MEYER said he supports representation from Ms. Schrader's group on this [task force], but wishes she could have come before the House Community and Regional Affairs Standing Committee in order to have more discussion relating to the tradeoffs. "You should be part of this task force," he added.

CHAIR MURKOWSKI closed public testimony.

Number 1464

REPRESENTATIVE MEYER expressed support for the resolution and the concept. He said there are all sorts of plans and ideas; it will be good to have a task force like this to bring them all together with a unified focus. As to whether this is the right makeup, he added, he doesn't know.

Number 1491

REPRESENTATIVE ROKEBERG concurred, then said he'd be more comfortable with a "three-member swap" along the lines he had previously suggested. Representative Rokeberg said he would accede to [Representative Berkowitz's] wisdom about the Denali Commission. He then questioned what expertise the AFL-CIO would provide; he noted that this relates to an energy policy, not the labor workforce per se.

Number 1574

REPRESENTATIVE CRAWFORD remarked that he supports the idea of having this task force, but the debate on who has more expertise could be debated indefinitely; he believes the people who construct powerhouses and wind towers, for example, should have a voice at the table, and that member is essential. Although there should be someone from the coal [industry], how many members are too many to wield? He said he'd like to have somebody from the AFL-CIO to voice the concerns of the construction industry on anything that gets built that's has to do with [Alaska's] energy policies.

Number 1677

CHAIR MURKOWSKI emphasized that this isn't to the point of talking about building anything yet. She surmised that the focus of a comprehensive plan will be on what options exist and are realistic, rather than "getting to the commitment stage." After the task force made a recommendation, the legislature or administration would take it from there; at that point, the labor organizations would have to be involved in the conversations.

CHAIR MURKOWSKI reported that in going through her list, she had singled out eight that she believes to be imperative; she returned to Representative Meyer's comment that the committee could talk about it all day without reaching consensus. She mentioned the need to incorporate some of Representative Rokeberg's suggestions.

Number 1777

REPRESENTATIVE HAYES commented that a member from AOGA could easily be a member of the State Chamber [of Commerce]. He said people wear many different hats.

REPRESENTATIVE ROKEBERG asserted that there is one private-sector person [listed in Version J].

REPRESENTATIVE HAYES said, "I think you can get to where you want to go with what you have here."

Number 1815

REPRESENTATIVE BERKOWITZ responded that he would imagine that whatever task force is put forward would have an incredible outreach, which he believes is essential. He stated:

I think it's very clear: there needs to be a lot of deliberations with various aspects of the business community involved, and [there needs] to be outreach to academia, to power-generation facilities. ... There's no way we could put everyone on here. We know how hard it is to do things with 40 people [in the House]. To cover the expertise in minute detail on a task force would require at least that many folks. ...

I would encourage the task force, to the extent I can do it from here, to reach out as far and as wide as it can, because that's going to yield the best product.

[Maybe] they can have a subcommittee. I'm not going to tell them how to do their job.

Number 1881

REPRESENTATIVE ROKEBERG referred to page 1, subsection (3) [Version J, lines 15-16, which read: "(3) to recommend financing options, including federal, state, or municipal grants, bonds, or other means"]. He suggested that the whole private sector - banks - had been skipped.

REPRESENTATIVE BERKOWITZ said that is the "other means."

REPRESENTATIVE ROKEBERG referred to page 1, line [10], which read in part: "the roles of the federal, state, municipal, and tribal governments". He said the governor had adopted "that stance" and asked whether [the statutes] have language to that effect.

REPRESENTATIVE BERKOWITZ said the federal government has adopted it, but he doesn't know whether it is in the state statutes.

REPRESENTATIVE ROKEBERG suggested there may be another way to "finesse that somewhere along the line."

Number 1959

REPRESENTATIVE ROKEBERG made a motion to adopt an amendment to remove the [Alaska] Municipal League member on page 2, line 8; and to remove the Alaska Science and Technology [Foundation] member on page 2, line 13. In their place, the [Alaska] State Chamber [of Commerce] would appoint two members chosen from the following three industries: transportation, natural gas, or coal mining. [This was later amended and split into Amendments 1 and 2.] Representative Rokeberg explained that it broadens the representation without broadening the membership.

Number 2064

REPRESENTATIVE CRAWFORD referred to [page 2] line 12, which listed "one member appointed by the Alaska Oil and Gas Association". He asked whether natural gas isn't already covered.

Number 2095

REPRESENTATIVE HALCRO asked: Why not specify that there will be one member appointed by the Alaska Miners Association? He pointed out that some members of that association might not be members of the [Alaska State] Chamber [of Commerce].

Number 2110

REPRESENTATIVE MEYER suggested that if Representative Rokeberg's intent is to have two members from the private sector, perhaps it could just say that the [Alaska] State Chamber [of Commerce] is to appoint two members from the private sector; that wouldn't narrow it so much.

Number 2161

REPRESENTATIVE BERKOWITZ said he thinks it is particularly important to [include] someone who is concerned with transportation.

REPRESENTATIVE ROKEBERG suggested perhaps the Alaska State Chamber of Commerce member could be used for the transportation member, and then there could be someone from the Alaska Miners Association.

REPRESENTATIVE BERKOWITZ proposed that along with having an Alaska State Chamber of Commerce member with expertise in transportation, someone from the RDC [Resource Development Council] could call on somebody from the coal or [mining] industry, for example.

REPRESENTATIVE ROKEBERG concurred.

Number 2199

CHAIR MURKOWSKI asked Representative Berkowitz about the deletion of the Alaska Municipal League and ASTF members.

REPRESENTATIVE BERKOWITZ expressed confidence that the assistance of the Alaska Municipal League or the ASTF could always be obtained, if needed. "This is a good public policy step," he added. "They're going to want to be there."

Number 2232

REPRESENTATIVE ROKEBERG split his amendment into two amendments. Conceptual Amendment 1, on [page 2] line 8, subsection (3), would replace the [Alaska] Municipal League member with a member

from the transportation industry appointed by the [Alaska] State Chamber [of Commerce]. Conceptual Amendment 2 would delete [page 2] lines 13-14 ["(7) one member appointed by the executive director of the Alaska Science and Technology Foundation;"]. That member would be replaced by a member [appointed by] the RDC.

Number 2328

CHAIR MURKOWSKI asked whether there was any objection to either amendment. [No objection was stated; therefore, Conceptual Amendments 1 and 2 were treated as adopted.]

CHAIR MURKOWSKI mentioned the member appointed by the AFL-CIO. She asked Representative Berkowitz whether he feels it is necessary to have a labor representative at this point.

REPRESENTATIVE BERKOWITZ replied that when talking about planning, he believes it is important "to have people who know how to do," such as people who have picked up a shovel or wielded a hammer. Engineers are great for a design, he said, but someone has to put it together; practical expertise is significant. A good plan is shaped by the limitations of a workforce regarding what is feasible.

CHAIR MURKOWSKI said she doesn't know that she agrees, but she doesn't have anybody whom she wants to put in there.

Number 2413

CHAIR MURKOWSKI referred to the termination date. She asked whether the committee really anticipates that full appointment of the membership could take until June 15. In that case, she suggested, the task force may not get much done. She asked whether there is some "magic" in that.

REPRESENTATIVE BERKOWITZ said no.

CHAIR MURKOWSKI proposed, then, that work begin immediately upon appointment of the full membership.

REPRESENTATIVE BERKOWITZ replied that if someone drags his or her heels, however, there could be a problem [without the June 15 date].

Number 2448

REPRESENTATIVE HAYES asked why there is a House member and a Senate member, and how important it is [to the sponsor]. The privatization [commission], he noted, didn't go much further than filing a report.

REPRESENTATIVE BERKOWITZ replied that [the inclusion of the House and Senate members] is out of necessity.

TAPE 01-27, SIDE B  
Number 2471

[The remainder of Representative Berkowitz's reply is inaudible because of a temporary problem with tape speed.]

REPRESENTATIVE HALCRO moved to report CSHCR 1 [version 22-LS0307\J, Cramer, 2/27/01] as amended out of committee with individual recommendations and the attached zero fiscal note. There being no objection, CSHCR 1(L&C) was moved out of the House Labor and Commerce Standing Committee.

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:45 p.m.