

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

January 23, 2002

3:20 p.m.

MEMBERS PRESENT

Representative Lisa Murkowski, Chair
Representative Andrew Halcro, Vice Chair
Representative Kevin Meyer
Representative Pete Kott
Representative Norman Rokeberg
Representative Harry Crawford

MEMBERS ABSENT

Representative Joe Hayes

COMMITTEE CALENDAR

HOUSE BILL NO. 245

"An Act relating to marital and family therapists."

- MOVED CSHB 245(L&C) OUT OF COMMITTEE

HOUSE CONCURRENT RESOLUTION NO. 12

Relating to the preservation of employment opportunities for United States longshoremen with respect to unloading and loading of foreign vessels.

- MOVED HCR 12 OUT OF COMMITTEE

PREVIOUS ACTION

BILL: HB 245

SHORT TITLE: MARITAL & FAMILY THERAPISTS

SPONSOR(S): REPRESENTATIVE(S) WILSON

Jrn-Date	Jrn-Page		Action
04/12/01	0988	(H)	READ THE FIRST TIME - REFERRALS
04/12/01	0988	(H)	L&C, FIN
01/23/02		(H)	L&C AT 3:15 PM CAPITOL 17

BILL: HCR 12

SHORT TITLE: FOREIGN SHIPS AND U.S. LONGSHOREMEN

SPONSOR(S): REPRESENTATIVE(S) MOSES

Jrn-Date	Jrn-Page		Action
03/26/01	0728	(H)	READ THE FIRST TIME - REFERRALS
03/26/01	0728	(H)	L&C
01/23/02		(H)	L&C AT 3:15 PM CAPITOL 17

WITNESS REGISTER

REPRESENTATIVE PEGGY WILSON

Alaska State Legislature
Capitol Building, Room 409
Juneau, Alaska 99801

POSITION STATEMENT: Testified as sponsor of HB 245.

CATHERINE REARDON, Director

Division of Occupational Licensing
Department of Community and Economic Development
P.O. Box 110806

Juneau, Alaska 99811-0806

POSITION STATEMENT: Provided information on licensing of
Marital and Family Therapists.

MERCY DENNIS, Former Chair

Board of Marriage and Family Therapy
[No address provided]

POSITION STATEMENT: Testified in support of HB 245.

LARRY HOLMAN, President

Alaska Division of Marriage and Family Therapy
[No address provided]

POSITION STATEMENT:

TIM BENINTENDI, Aide

to REPRESENTATIVE Carl Moses
Alaska State Legislature
Capitol Building, Room 500
Juneau, Alaska 99801

POSITION STATEMENT: Introduced HCR 12 on behalf of
Representative Carl Moses, prime sponsor.

PETE HENDRICKSON, Longshoreman

[No address provided]
Dutch Harbor, Alaska

POSITION STATEMENT: Testified in support of HCR 12 as Alaskan representative to the international executive board, International Longshore and Warehouse Union.

ACTION NARRATIVE

TAPE 02-03, SIDE A
Number 0001

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

HB 245-MARITAL & FAMILY THERAPISTS

Number 0086

CHAIR MURKOWSKI announced that the first order of business would be HOUSE BILL NO. 245, "An Act relating to marital and family therapists."

REPRESENTATIVE PEGGY WILSON, Alaska State Legislature, testifying as the sponsor of HB 245, explained that she was submitting HB 245 at the request of the Association of Marital and Family Therapists. Basically the bill brings the standards for Marital and Family Therapists (MFTs) up to the same standards as those of the other mental health care professionals in the state as well as to those of the National Association of Marital and Family Therapists. In addition, the state association has included a provision related to consumer protection. She noted that there were people on the teleconference line and in the room who could provide additional information and answer questions. House Bill 245 has a zero fiscal note.

Number 0288

REPRESENTATIVE CRAWFORD inquired as to what an MFT is. It seemed to him that licensed clinical social workers, ministers, and marriage counselors do the same type of work, and he wondered if all of those people would be affected by HB 245.

REPRESENTATIVE WILSON explained that a licensed MFT has to go through specific training and have 1,500 hours of experience.

She deferred to Catherine Reardon, of the Division of Occupational Licensing, to provide further detail.

Number 0271

CATHERINE REARDON, Director, Division of Occupational Licensing, Department of Community and Economic Development, informed the committee that her division is involved in licensing MFTs. The affected individuals are already licensed, and this bill merely modifies the statutes that govern how those professionals do their work, including the grounds for disciplinary action and public protection features of the law. Therefore, this bill doesn't expand licensure requirements or change any limitations on other professionals such as those mentioned by Representative Crawford. Several behavioral health and mental health professions are licensed through the division, including social workers, the psychologists, the licensed professional counselors, MFTs, psychiatrists, and medical doctors [MDs] who are regulated by the medical board as well as other MDs.

MS. REARDON pointed out that MFTs and professional counselors fall under "title restriction" laws, which means it is not against the law to engage in the activities of a MFT or professional counselor without a license. However, it is illegal to call yourself a "licensed marriage and family therapist" or a "licensed professional counselor" without, indeed, holding that license, which is different from most of the state's licensing laws. Therefore, these laws do not impinge on the ability of pastoral counselors or anyone else to assist families if those families so choose.

MS. REARDON said she thinks there are several reasons for licensure of MFTs. It allows those consumers who are interested to know that going to a licensed MFT means they are going to a person who has had specific academic training and experience. Also, it opens up the possibility, although not the promise, that the provider's services might qualify for insurance coverage. It is rare for an insurance company to cover treatment by a person who is not licensed by the state, she explained.

Number 0625

CHAIR MURKOWSKI referred to the portion of Section 2 that requires the therapist to submit to a reasonable physical and mental examination in order to determine the therapist's capacity to practice. She asked why it would be necessary for a

MFT to have the physical capacity to practice. How would a physical disability, such as being in a wheelchair, hinder a person's ability to practice as a therapist, she wondered.

MS. REARDON answered that she did not think that type of disability would be a hindrance. She pointed out that the proposed statutory language says, "If the board has credible evidence sufficient to conclude that the physical capacity is at issue," the board could order this examination. The language mimics another mental health statute, and she thought that is probably why HB 245 is worded in that way. However, she pointed out, sometimes mental issues have physical origins, such as the development of Alzheimer's disease.

CHAIR MURKOWSKI responded that she thought it was appropriate to give the board the discretion to look at that evidence [of physical capacity] and whether that might be compromising the therapist's ability to practice. She then asked, "How do we define 'healing arts'?" [Page 4, line 2].

MS. REARDON recalled that the term was defined in statute. In regard to the previous question [about physical capacity], Ms. Reardon noted that Mercy Dennis of the American Family Therapy Board may have something to say about whether the board would have any concern about removal of the term "physical."

CHAIR MURKOWSKI directed attention to page 3, and pointed out the requirements that this individual practice within three years of the his/her application. "What was the reason for that," she asked.

MS. REARDON deferred to association representatives because the association had proposed the changes.

Number 952

REPRESENTATIVE KOTT noted that the legislative audit division basically suggested that the legislature look at combining the Board Of Professional Counselors and the Board of MFTs. He asked Ms. Reardon to comment on that.

MS. REARDON said that although she could, she was under the impression that the Board of Professional Counselors sunset extension legislation may be considered by this committee next week and would offer another forum for discussing the topic. She informed the committee that the boards have discussed the merger, but don't support it. She noted that there is an issue

of money, as one board is in the red and the other is in the black.

Number 1075

REPRESENTATIVE HALCRO referred to page 3, Section 4, which discusses communications with law enforcement. He asked what has been done up until now.

MS. REARDON replied that it is probably something that each therapist has to wrestle with individually, and "having the assurance that it is an OK thing to do would probably be a great relief to them."

Number 1167

REPRESENTATIVE MEYER, in regard to the aforementioned merger, asked how many people would be impacted.

MS. REARDON informed the committee that at the beginning of the current fiscal year, there were 100 licensees in the MFT program and 327 licensed professional counselors. In further response to Representative Meyer, Ms. Reardon said she didn't know whether most of the 100 MFTs were from Anchorage, but [could provide that information].

Number 1218

REPRESENTATIVE KOTT returned to the fiscal issue and inquired as to which group was operating in the red and which in the black. He wondered if consolidation might result in a be better fiscal position.

MS. REARDON explained that the MFTs have a deficit and the professional counselors have a significant surplus. However, the professional counselors have only been licensed for about two years. During that two years, there have not been any significant investigations with the associated expert witness and legal costs [associated with an expensive disciplinary case], whereas the MFTs have. The MFTs' deficit is directly related to an expensive [disciplinary case] like that."

REPRESENTATIVE KOTT asked how long one could operate in the red. He wondered if it would be possible to review their fees and adjust them upward.

MS. REARDON said that is what the division does. By regulation, the division raises and lowers fees, attempting to have each program break even. The fees for the MFTs are significantly higher than for professional counselors in an attempt to overcome the deficit. "Our basic system is to try to give programs two license cycles -- four years -- to pay back deficits or consume surpluses...", she explained. She noted that there is a bit of a spiral problem to consider, in that when licensing fees are very high, fewer people choose to renew, thus shrinking the pool of payers.

Number 1450

MERCY DENNIS, Former Chair, Board of Marriage and Family Therapy, testified by teleconference. She began by clarifying that she was no longer a board member, as her term had ended, but that she had served seven years. She explained that the request for the changes [in HB 245] came after several years' work by a task force made up of psychologists, social workers, and MFTs, members of the state board, and members of the professional associations. The purpose was to bring the Alaska statutes in all professions up to date in relation to other states, as well as bringing each profession more parity within the state. She turned to the wording that the MFTs used relating to the physical and mental examinations. "That whole section was taken straight out of what is already in the psychology statutes" in the interests of parity among the professions, she said.

Number 1582

CHAIR MURKOWSKI returned to Representative Halcro's question concerning Section 4(a)(5).

MS. DENNIS, in regard to what was done before, explained that each therapist did what he/she thought was ethical and proper. "Taking the risk that they could be breaking privileged communication as confidential communication, as they see it," she pointed out. Therefore, [the language in Section 4(a)(5)] attempts to protect the professional. Ms. Dennis recalled that this issue had been discussed in the social work field as well. Again, this is an attempt to get Alaska caught up with the rest of the country.

Number 1631

CHAIR MURKOWSKI posed a scenario in which a client, a wife, is fearful of a threat by her husband. The [MFT] feels that the threat is a serious, imminent threat of physical harm. If this provision were passed, then the [MFT] has the ability to notify concern of the imminent threat. Chair Murkowski inquired as to what happens if [the MFT] doesn't notify [law enforcement] and there is an incident. Is there an obligation or liability on the therapists for failure to inform, she asked.

MS. DENNIS said that she didn't read Section 4(a)(5) that way. As a therapist, Ms. Dennis specified that she would have to hear the threat from the client. For example, she would have to have a husband in the office saying that he has a gun in his car and intends to kill his wife.

CHAIR MURKOWSKI related her understanding of Section 4(a)(5) in that the threat didn't have to come directly from [the client]. The language refers to "a communication to a potential victim ... where a threat ... has been made by a client". Therefore, she read the language to mean that the wife could tell the therapist that she is fearful for her life and identify the fear as coming from her husband. However, she understood Ms. Dennis to mean that the [therapist] would have to hear it from the husband.

MS. DENNIS addressed the situation posed by Chair Murkowski. She said that in such a situation she may suggest that the wife make a call from the therapist's office, so that the wife reports the threat, or that the wife has a safe plan. Ms. Dennis emphasized that she would address the wife's safety with the wife.

CHAIR MURKOWSKI remarked that the language would need to be reviewed because the language, as she reads it, doesn't require that the communication come from the individual making the threat.

MS. DENNIS commented that the language could be returned to the legal department. She offered to find out from where the language originated.

Number 1798

CHAIR MURKOWSKI referred to Section 5(8) regarding sexual misconduct with a client. That provision includes a two year period during which the therapist couldn't engage in any sexual

contact with the person [client]. She assumed that this time period is similar to that of other professionals.

MS. DENNIS answered that the language is similar to that regarding psychologists in Alaska.

Number 1856

REPRESENTATIVE WILSON referred to page 3, line 17, subsection (a), and asked if that language answers some of Chair Murkowski's question.

CHAIR MURKOWSKI clarified her concern that Ms. Dennis wouldn't reveal her communication [of a threat] unless the communication came from the person making the threat. However, the language merely says "a communication to a potential victim, but not necessarily a direct communication from the would-be perpetrator to the therapist." Therefore, again, the wording should be reviewed to ensure that it is as the board desires.

Number 1908

REPRESENTATIVE HALCRO related his understanding that "a communication" would come from the MFT, not from the victim. He felt that the language made sense.

MS. DENNIS clarified that the idea is to provide protection to the therapist [who communicates the threat expressed by the client to law enforcement]. In closing, Ms. Dennis remarked that the profession views HB 245 as a housekeeping measure.

Number 2014

LARRY HOLMAN, President, Alaska Division of Marriage and Family Therapy, testified via teleconference. Mr. Holman echoed Ms. Dennis' testimony characterizing [HB 245] as an attempt to bring [Alaska's] MFT standards up to those of the other mental health standards of the state as well as nationwide. In regard to communicating the potential for serious physical harm, Mr. Holman felt that it's a common misconception by probably all therapists that there has been a law to [communicate a potential threat to law enforcement]. This [HB 245] probably confirms what is already being done, for the most part. Mr. Holman said that he didn't view Section 5 as problematic. However, he acknowledged the difficulty in husband-wife situations in which there is often hearsay. [The therapist] walks a fine line in this area. He agreed with Ms. Dennis' earlier statement that

the threat would have to come from a client about their intention to harm someone.

MR. HOLMAN turned to the sexual misconduct issue. He remarked that the sexual misconduct issue has been one of the most problematic areas for all mental health professions, and therefore a firm limit is established [in HB 245]. [The therapist] is in the position of having a different sort of relationship in that the clients are oftentimes quite vulnerable. Although the two-year limit is a bit arbitrary, the limit needs to be a fairly long time.

Number 2163

CHAIR MURKOWSKI announced that after reading Section 4(a)(5) again, it does make sense. She then turned to Section 4(a)(6), which discuss unprofessional or unlawful conduct in the provision of mental health services. She inquired as to how one would define unprofessional conduct.

MR. HOLMAN pointed out that MFTs have a code of ethics. Therefore, if the [action] is in violation of the code of ethics, then it would be unprofessional. He related his belief that statute says that if [MFTs] don't follow the American Association of Marriage and Family Therapists' code of ethics, then the therapist could be disciplined.

Number 2240

MS. REARDON returned to the healing arts matter. In regard to the reference to "practitioner of the healing arts" on page 4, line 2, Ms. Reardon pointed out that there is not a definition of such in the Title 8 statutes. Therefore, that term could be defined through regulations of the board. However, that term is found in Title 47, the statutes regarding obligations to report potential child abuse. She explained, "Practitioners of the healing arts have to report, and so there's the definition in that statute of what that covers." Ms. Reardon felt that replacing the language ["practitioner of the healing arts"] with "another licensed professional" would probably read [and apply] just as well.

MS. REARDON, in response to Chair Murkowski's question regarding how to define unprofessional conduct, said that the board has adopted a code of ethics, and therefore she viewed that [code of ethics] as having the force of law. Therefore, if one violates the code of ethics, she said she would assert that the

individual is engaging in unlawful conduct. Ms. Reardon agreed with Mr. Holman's earlier comments regarding this matter. She pointed out that people may also be reporting conduct of another health care or mental health care professional in this statute. Therefore, it could be a professional that isn't governed by the profession of marriage and family therapists' code of ethics. Ms. Reardon noted that removal of "unprofessional" wouldn't bother her.

Number 2374

REPRESENTATIVE HALCRO asked if the committee wanted to delete "unprofessional" from the text on page 4, lines 2 and 6.

REPRESENTATIVE WILSON said that she didn't really have a problem with deleting the term "unprofessional", although she noted that "they could be two different things."

CHAIR MURKOWSKI agreed with Representative Wilson, and remarked that it is a gray area.

REPRESENTATIVE WILSON deferred to the organizations on this matter.

CHAIR MURKOWSKI remarked, "What's the harm in leaving it in? From what I see, I don't see that it hurts much to keep it in."

REPRESENTATIVE CRAWFORD commented that the term "unprofessional" is fairly vague, and therefore referring to the code of ethics would add some clarity.

CHAIR MURKOWSKI recalled testimony that this [provision] refers to a national standard, not just a code of ethics. She commented that perhaps the term "unprofessional" should be left in. However, she agreed with the earlier suggestion that deleting the "healing arts" reference would be helpful.

TAPE 02-3, SIDE B

MS. REARDON said, "...restricted to professionals licensed by the State of Alaska, not by the United States government ... or the Department of Health & Social Services" If the language referred to "licensed professional" and wasn't restricted to this title, then it would [refer] to an individual that was licensed by any jurisdiction, which may be better.

MS. REARDON clarified that she was being "nit-picky" because this provision allows MFTs to break client confidentiality in order to report on other MFTs, as well as any other type of health care professional. The language could refer to "another licensed professional" or "another professional licensed under this title". "It just depends whether you want to restrict it to Title 8 or not, ... whether you want to allow for MFTs to participate in complaints against people licensed by other states ... or national entities." she said.

CHAIR MURKOWSKI inquired as to the intent of the board in including it.

MS. REARDON suspected that this degree of detail hasn't been discussed.

CHAIR MURKOWSKI asked whether there had been discussion regarding how broadly this should be interpreted. Hearing no responses, Chair Murkowski said she read the provision as being confined within Title 8. Therefore, she recommended that on page 4, line 1, before "licensed", insert "professional under this title" and on line 2, delete "practitioner of the healing arts".

MS. DENNIS related her belief that the intent of the committee that drafted this was that it cover any other person in the health care profession.

CHAIR MURKOWSKI interpreted Ms. Dennis to mean, then, that she is suggesting that the provision not be limited to those licensed under Title 8, but that it refer to any licensed professional.

MS. DENNIS asked if everyone that is licensed in the state is licensed under Title 8.

MS. REARDON explained that doctors, dentists, nurses, and chiropractors are all [licensed] under Title 8. There are various professions that aren't licensed under Title 8, although Title 8 is fairly inclusive. She noted that Title 8 included physical occupational therapists, acupuncturists, and naturopaths. However, those people licensed under the federal government or by other departments [than the Division of Occupational Licensing, DCED,] wouldn't be under Title 8.

MS. DENNIS said, "We definitely did have the intent of those licensed in the State of Alaska, and if that's all Title 8 then -- not by the State of Alaska maybe I should say."

MS. REARDON remarked that she felt comfortable that at least 95 percent of health care professionals are licensed in Title 8. However, she noted that someone working in a hospital may be licensed by another state agency that she isn't aware of.

MS. DENNIS said, "In that case, that certainly does meet the intent of the writing."

Number 2193

CHAIR MURKOWSKI said she understood that to be an acceptance of the language. Chair Murkowski moved the following conceptual amendment:

Page 4, line 1, before "licensed"
Insert "professional"

Page 4, line 2
Delete "practitioner of the healing arts".

Therefore the language would, in part read:

"(6) a communication that indicates that another professional licensed under this title has committed an act of unprofessional or unlawful conduct ..."

There being no objection, the conceptual amendment was adopted.

Number 2153

REPRESENTATIVE HALCRO moved to report HB 245, as amended, out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, CSHB 245(L&C) was reported from the House Labor and Commerce Standing Committee.

HCR 12-FOREIGN SHIPS AND U.S. LONGSHOREMEN

Number 2130

CHAIR MURKOWSKI announced that the next order of business would be HOUSE CONCURRENT RESOLUTION NO. 12, Relating to the preservation of employment opportunities for United States

longshoremen with respect to unloading and loading of foreign vessels.

Number 2119

TIM BENINTENDI, Staff to Representative Carl Moses, Alaska State Legislature, sponsor of HCR 12, came forward to testify. He said HCR 12 addresses a longstanding and unresolved national labor issue that affects Alaskans, in that Alaskan and American longshoremen stand idle while foreign ships reflag their cargo vessels when they are entering American ports in order to use their own crews to load and unload ships.

MR. BENINTENDI said that [international] reciprocity agreements, exceptions to them, enforcement activity, and the practice of reflagging cargo vessels to skirt the intention of the United States law have been the subject of considerable and unresolved political activity in Washington, D.C., for a number of years. He said HCR 12 would petition Congress and the State Department to close the loopholes exploited by reflagging. To more fully reveal the scope of the problem, he wished to introduce Pete Hendrickson, a longshoreman from Dutch Harbor, to answer questions and provide background.

Number 2046

CHAIR MURKOWSKI asked Mr. Benintendi about the first "**WHEREAS**" in HCR 12, which appeared to highlight the port of Dutch Harbor. She asked why it was necessary to emphasize that port.

MR. BENINTENDI explained that the bulk of the longshoring activity on these freighters, mostly tramp steamers, occurs in Dutch Harbor. There is a slight manifestation of the problem in Kodiak and, to an even slighter degree, in Seward. Therefore, the emphasis is on the port of Dutch Harbor. However, the other two ports would not be beyond the realm of this issue, he added. He further noted that this resolution and this problem are not related to cruise ships.

CHAIR MURKOWSKI asked him to elaborate on that. She referred to two letters to the editor included in the packet, both of which mention cruise ships.

MR. BENINTENDI said he could not explain those references because he has understood from the beginning that only cargo vessels are a problem, not cruise ships.

Number 1958

PETE HENDRICKSON, of Unalaska/Dutch Harbor, identified himself as a longshoreman and a registered member of the International Longshore and Warehouse Union [ILWU]. He said he is currently the Alaskan representative to the international executive board of that union and safety officer for the longshore division of ILWU Unit 223 in Dutch Harbor. He also is a past president of the local.

MR. HENDRICKSON said that over the past three years, a large number of foreign trampers visiting Alaskan waters to load seafood bound for Europe and Asia have been filing for the reciprocity exception to the Immigration and Nationality Act. They can then displace Alaskan longshore workers by using their own crewmembers to work cargo on the ship side of the loading operations, he explained. This is accomplished by representing to the Immigration and Nationality Service that their flag of registry and majority ownership of the visiting vessel are from countries that currently qualify for the exception. In virtually all cases, the vessels in question have changed their flags just before arrival in order to file for the exception, he said. The result has been the loss of many thousands of hours of work for Alaskans.

Number 1862

MR. HENDRICKSON said he thinks the reciprocity exception no longer serves any useful purpose for the United States, as American seafarers no longer do any loading elsewhere in the world. "And as we have seen here in Alaska, all this does is provide a mechanism by which certain parties can exploit this exception in order to avoid Alaskan labor," he said.

MR. HENDRICKSON explained that in the early 1990s Congress created what is known as the Alaska Exception to the Immigration and Nationality Act, which allows loading work to be done by foreign crew if Alaskan longshore workers are not available. This guarantees that the work will always get done, which is critical to the fishing industry, he stated. Alaska's Congressional delegation in general, and Senator Ted Stevens in particular, were instrumental in accomplishing this. Alaskan longshoremen do not think the reciprocity exception should apply to Alaska. "The alternative, if we must live with this exception, is to amend it so that its application is more true to the original intent, and it cannot be misused as it is today," he said.

MR. HENDRICKSON said he has been working on the issue for some time, visiting the U.S. Department of State and Alaska's Congressional delegation in Washington, D.C., to speak about the growing problem. Commissioner Ed Flanagan, Alaska Department of Labor, has also been involved, he reported. He said sponsors of HCR 12 think the legislature's support of their efforts to either exempt Alaska or revise the law will be instrumental to success, "as we continue to work toward a solution to what can only be called a 'scam.'"

Number 1752

CHAIR MURKOWSKI asked if there is any pending federal legislation that would address the concerns outlined in HCR 12.

MR. HENDRICKSON replied, "Not at the present time. We are working in that direction."

REPRESENTATIVE MEYER asked if the hope was that if HCR 12 passes, it will be taken to Alaska's congressional delegation.

MR. HENDRICKSON said yes.

Number 1714

CHAIR MURKOWSKI asked about the applicability of HCR 12 to cruise ships.

MR. HENDRICKSON explained that the reciprocity exception does not speak to cruise ships. He said he thinks it was intended to address only the handling of cargo.

CHAIR MURKOWSKI asked if it was defined somewhere that this reciprocity agreement would only relate to cargo vessels.

MR. HENDRICKSON said that is his understanding.

Number 1654

REPRESENTATIVE CRAWFORD observed that a lot of the problem seems to stem from the reflagging to a "flag of convenience." He asked about the process and how easy it is to reflag a vessel.

MR. HENDRICKSON suggested that the frequency with which [reflagging] is done suggests that it cannot be too difficult. He explained that flags of convenience are prevalent in world

shipping today. "Most ships in the world, regardless of where they're from and who owns them, are flagged in a handful of friendly countries with little or no standards for manning, safety, tax issues, etc.," he said. Ships from all over the world are being flagged to Panama, Libya, and Cyprus, for example. "There's apparently a fee that's paid in order to change flags," he explained, "and sometimes there may be issues with your insurance company ..., but because we see it happen on a ... pretty regular basis out here, ... I'd say that it's not particularly difficult."

CHAIR MURKOWSKI remarked that she would like to think that those flags actually mean something, but that, apparently, they do not. She asked Mr. Hendrickson if it would be more beneficial to Alaska and Alaskan workers to exempt them from the reciprocity exception or simply to repeal the reciprocity exception. She asked if one was more possible than the other.

MR. HENDRICKSON said he thought that repealing the entire reciprocity exception throughout the United States would be the better thing to do, as reciprocity does not appear to be accomplishing anything for the United States. It would be very difficult to change the federal law to that extent, he said. He thought it was more realistic to seek an Alaskan exception because something similar had been accomplished in the early 1990s as explained earlier. "We think that the process we went through that time can be gone through again without too much difficulty to create this second exception," he said.

Number 1395

CHAIR MURKOWSKI commented, "Quite honestly, I can't believe that these guys get away with what they're doing."

MR. BENINTENDI said that in addition to the obvious labor cost advantage, there are no standards for training or skill level on the operation of equipment, and that leads to safety issues.

CHAIR MURKOWSKI asked the will of the committee on HCR 12.

Number 1320

REPRESENTATIVE MEYER moved to report HCR 12 out of the House Labor and Commerce Standing Committee with individual recommendations and the accompanying zero fiscal note. There being no objection, HCR 12 was moved out of the House Labor and Commerce Standing Committee.

ADJOURNMENT

Number 1291

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:35 p.m.