

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

April 8, 2002

3:25 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
Representative Joe Hayes

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 409

"An Act rejecting the use of daylight saving time."

- MOVED HB 409 OUT OF COMMITTEE

HOUSE BILL NO. 277

"An Act relating to liens by owners of self-storage facilities; distinguishing self-storage facility liens from another type of storage lien; and excluding self-storage liens from the treatment of certain unclaimed property."

- HEARD AND HELD; ASSIGNED TO SUBCOMMITTEE

HOUSE BILL NO. 448

"An Act relating to establishing a data base of residential telephone customers who do not wish to receive telephone solicitations, providing that the data base be compiled at no cost to the customers, requiring telephone solicitors to purchase the data base, and requiring paid solicitors to register; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 429

"An Act relating to certain licenses for the sale of tobacco products; relating to tobacco taxes and sales and cigarette tax

stamps; relating to provisions making certain cigarettes contraband and subject to seizure and forfeiture; relating to certain crimes, penalties, and interest concerning tobacco taxes and sales; relating to notification regarding a cigarette manufacturer's noncompliance with the tobacco product Master Settlement Agreement or related statutory provisions and to confiscation of the affected cigarettes; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

PREVIOUS ACTION

BILL: HB 409

SHORT TITLE:ELIMINATE DAYLIGHT SAVING TIME

SPONSOR(S): REPRESENTATIVE(S)LANCASTER BY REQUEST

Jrn-Date	Jrn-Page		Action
02/13/02	2233	(H)	READ THE FIRST TIME - REFERRALS
02/13/02	2233	(H)	L&C
03/06/02	2496	(H)	COSPONSOR(S): KOHRING
03/15/02	2563	(H)	COSPONSOR(S): CROFT
03/25/02	2674	(H)	COSPONSOR(S): WILSON
03/27/02		(H)	L&C AT 3:15 PM CAPITOL 17
03/27/02		(H)	-- Meeting Canceled --
04/03/02	2788	(H)	COSPONSOR REMOVED: WILSON
04/04/02	2806	(H)	COSPONSOR(S): FOSTER
04/08/02		(H)	L&C AT 3:15 PM CAPITOL 17

BILL: HB 277

SHORT TITLE:SELF-STORAGE FACILITY LIENS

SPONSOR(S): REPRESENTATIVE(S)DAVIES

Jrn-Date	Jrn-Page		Action
01/14/02	1947	(H)	PREFILE RELEASED 1/4/02
01/14/02	1947	(H)	READ THE FIRST TIME - REFERRALS
01/14/02	1947	(H)	L&C, JUD
01/30/02	2100	(H)	COSPONSOR(S): DYSON
03/27/02		(H)	L&C AT 3:15 PM CAPITOL 17
03/27/02		(H)	-- Meeting Canceled --
04/08/02		(H)	L&C AT 3:15 PM CAPITOL 17

BILL: HB 448

SHORT TITLE:TELEMARKETERS PHONE LISTS/REGISTRATION

SPONSOR(S): REPRESENTATIVE(S)CRAWFORD

Jrn-Date	Jrn-Page		Action
02/19/02	2309	(H)	READ THE FIRST TIME - REFERRALS
02/19/02	2309	(H)	L&C, JUD
03/13/02	2530	(H)	COSPONSOR(S): MORGAN
03/15/02	2564	(H)	COSPONSOR(S): PORTER, KERTTULA
03/18/02	2593	(H)	COSPONSOR(S): LANCASTER
03/19/02	2611	(H)	COSPONSOR(S): HUDSON
03/22/02	2654	(H)	COSPONSOR(S): GREEN, HAYES
03/25/02	2674	(H)	COSPONSOR(S): HALCRO
03/26/02	2691	(H)	COSPONSOR(S): GUESS, WILSON
03/27/02	2720	(H)	COSPONSOR(S): MEYER, CROFT
04/01/02		(H)	L&C AT 3:15 PM CAPITOL 17
04/01/02		(H)	Scheduled But Not Heard
04/02/02	2765	(H)	COSPONSOR(S): BERKOWITZ
04/04/02	2806	(H)	COSPONSOR REMOVED: LANCASTER
04/05/02	2820	(H)	COSPONSOR(S): LANCASTER
04/08/02		(H)	L&C AT 3:15 PM CAPITOL 17

WITNESS REGISTER

REPRESENTATIVE KEN LANCASTER

Alaska State Legislature
Capitol Building, Room 421
Juneau, Alaska 99801

POSITION STATEMENT: Testified as the sponsor of HB 409.

JUSTIN CARRO, Intern
for Representative Lancaster
Alaska State Legislature
Capitol Building, Room 421
Juneau, Alaska 99801

POSITION STATEMENT: Provided clarification with regard to
Alaska data regarding accidents during a time change.

DENNIS HARRIS
PO Box 21214
Juneau, Alaska 99802

POSITION STATEMENT: Indicated opposition to HB 409 and in
relation to HB 277, provided information regarding seizure of
the property of military personnel stationed overseas.
Testified in favor of HB 448, but suggested improvements.

RICH POOR

PO Box 240176
Douglas, Alaska 99824
POSITION STATEMENT: Testified in opposition to HB 409.

RANDY LORENZ
326 North Bailey House
Palmer, Alaska 99645
POSITION STATEMENT: Testified in support of HB 409.

PAULA RAK
PO Box 1852
Wrangell, Alaska 99929
POSITION STATEMENT: Testified in opposition to HB 409.

ROY HOYT, JR.
PO Box 2121
Homer, Alaska 99603
POSITION STATEMENT: Testified in opposition to HB 409.

ROBERT TOBEY
(No address provided)
POSITION STATEMENT: Testified in opposition to HB 409.

LEIGH DENNISON
(No address provided)
POSITION STATEMENT: Testified in support of HB 409.

CHARLES BROBST, President and CEO
North Pacific Auctioneers Limited
(No address provided)
POSITION STATEMENT: Testified in support of staying on standard
time and related concerns and suggestions for HB 277.

JOEL CURTIS
(No address provided)
POSITION STATEMENT: Discussed problems with the current system
of changing between daylight saving time and standard time.

LYNN WILLIS
(No address provided)
POSITION STATEMENT: Testified in support of HB 409.

BOB WOLVINGTON
(No address provided)
POSITION STATEMENT: Testified in support of HB 409.

JOANN JACKINSKY

PO Box 1025
Kasilof, Alaska 99610
POSITION STATEMENT: Testified in support of HB 409.

HELEN DONAHUE, Staff
to Representative Ken Lancaster
Alaska State Legislature
Capitol Building, Room 421
Juneau, Alaska 99801
POSITION STATEMENT: Answered questions regarding HB 409.

REPRESENTATIVE JOHN DAVIES
Alaska State Legislature
Capitol Building, Room 415
Juneau, Alaska 99801
POSITION STATEMENT: Testified as the sponsor of HB 277.

AMY KAUFMAN, Staff
to Representative Davies
Alaska State Legislature
Capitol Building, Room 415
Juneau, Alaska 99801
POSITION STATEMENT: Provided additional information regarding
HB 277.

GRANT CARLIN, Self-Storage Operator
(No address provided)
POSITION STATEMENT: Testified in support of HB 277.

STEVE CONN (ph)
(No address provided)
POSITION STATEMENT: Testified in agreement with Mr. Brobst's
comments.

CODY RICE, Intern
for Representative Joe Hayes
Alaska State Legislature
Capitol Building, Room 422
Juneau, Alaska 99801
POSITION STATEMENT: Presented HB 448.

BOB TAYLOR
Alaska Commission on Aging
PO Box 110209
Juneau, Alaska 99811
POSITION STATEMENT: Testified in support of the approach of HB
448.

MARIE DARLIN

AARP

(No address provided)

POSITION STATEMENT: Testified that AARP would like to see HB 448 passed once the concerns of the attorney general's office are addressed.

ACTION NARRATIVE

TAPE 02-52, SIDE A

Number 0001

CHAIR LISA MURKOWSKI called the House Labor and Commerce Standing Committee meeting to order at 3:25 p.m. Representatives Murkowski, Halcro, Meyer, and Crawford were present at the call to order. Representatives Kott, Rokeberg, and Hayes arrived as the meeting was in progress.

HB 409-ELIMINATE DAYLIGHT SAVING TIME

CHAIR MURKOWSKI announced that the first order of business would be HOUSE BILL NO. 409, "An Act rejecting the use of daylight saving time."

Number 0129

REPRESENTATIVE KEN LANCASTER, Alaska State Legislature, testified as the sponsor of HB 409. Representative Lancaster stated that HB 409 allows Alaska to stay on year round standard time just like Hawaii, Arizona, parts of Indiana, and numerous areas around the world. Representative Lancaster explained that daylight saving time was originally introduced as a health measure in the seventeenth hundreds, and was again implemented in World War I and World War II and during the energy crisis in the 1970s. "The modern world no longer starts and stops with the rise and fall of the sun," he said. Representative Lancaster informed the committee that to date his office has received 100 letters in support of HB 409 and 5 against it.

REPRESENTATIVE MEYER noted his support of this legislation. He inquired as to why this legislation has been introduced in the past, but hasn't passed.

REPRESENTATIVE LANCASTER noted that Representative Rokeberg is the one who held the last bill introduced on this topic in committee. Representative Rokeberg and others claim that

elimination of daylight saving time could have some detriment economically. However, Representative Lancaster indicated that he wasn't convinced it made such a difference. In further response to Representative Meyer, Representative Lancaster acknowledged that one concern is that a 5-hour difference between here and the East Coast is too much. With regard to that concern, Representative Lancaster related his belief that there should be a West Coast stock market and it should be located in Alaska.

Number 0410

REPRESENTATIVE HALCRO noted that the committee packet includes a study produced by the National Sleep Foundation (NSF) with regard to fatal accidents following changes to daylight saving time. The NSF study seemed to conclude that the day after time changes, there was a higher degree of fatal accidents. However, the Alaska Department of Transportation & Public Facilities indicates that this isn't an issue in Alaska.

Number 0466

JUSTIN CARRO, Intern for Representative Lancaster, Alaska State Legislature, related his understanding that the system used by the Alaska Department of Transportation & Public Facilities is too archaic for the department to extract that specific data, while nationally the data supports [what NSF reports].

REPRESENTATIVE LANCASTER informed the committee that the school district [in his area], especially the Soldotna High School government class, wanted this legislation to pass.

REPRESENTATIVE CRAWFORD related his experience as a construction worker. He informed the committee that for the first few weeks after a time change it's difficult for the body to adjust. Furthermore, he has noticed that there are more accidents when people are tired and sleepy and thus he applauded Representative Lancaster for bringing this legislation forward.

DENNIS HARRIS related that he enjoyed the extra hour of daylight that he received due to the change. "Quite frankly, I think it isn't broke and it doesn't need fixing," he said.

Number 0654

RICH POOR provided the following testimony:

This letter is to register my objection to keeping Alaska on Alaska standard time year-round. The bill, if passed, would make doing business between Alaska and the Lower 48 more difficult. It would reduce after-hour recreational activities, and would impact travel to and from Alaska. Here are some of the examples of the potential problems that would occur seven months out of the year:

* After-work recreational opportunities such as fishing, softball, baseball, football, hiking, soccer, et cetera will lose an additional hour of evening daylight. This would definitely impact Southeast Alaska in particular, and the rest of Alaska during the late summer and fall. Communities have put millions of dollars into the construction of outdoor recreational facilities that would be used less if this bill were passed.

* Businesses with suppliers and home offices in the Lower 48 states would lose an additional hour of communication time.

* Communication with Washington, D.C., would be reduced by an additional hour.

* Stockbrokers, financial institutions, and people in general that deal with the New York Stock Exchange would have to get up an hour earlier to deal with the opening of the stock market.

* Tourists crossing the borders into Alaska would have to change their watches back two hours instead of one hour.

* People flying south in the morning with connecting flights out of Seattle would have to get up an hour earlier. ... Also people traveling outside would face increased jet lag even traveling to the West Coast.

* Telephone contact with relatives in the Lower 48 would be reduced by two hours

Number 0766

There is a misperception in other parts of the state that the governor and the legislature had the time zone changed in the early 1980s just to accommodate Juneau. This is not true. Prior to the change, Southeast [Alaska] was on Pacific time, Yakutat was on Yukon time, the Rail Belt was on Alaska/Hawaii time and western Alaska was on Aleutian time. So everyone in the state had to make an adjustment except for Yakutat. This, however, did put 95 percent of the state's population on one time zone and made a major improvement in communication throughout the state.

If it is decided that Alaska should be on one time year round, then make it Alaska Daylight Savings time. You would still accomplish one of the objectives in this bill, not having to change your clock back and forth twice a year, but you would also eliminate the examples identified above. The most positive impact with daylight savings time would be that five months out of the year Alaska would be on the same time as the rest of the West Coast, and an hour closer to the Heartland and the Eastern Seaboard.

After talking to several stockbrokers, businessman, and people in the financial and tour industry, the common response was "Why do we want to put Alaska further behind the rest of the nation seven months out of the year?" They did say, however, that they would be mildly supportive to stay on Alaska daylight savings time year round because it would bring us closer to the Lower 48 states five months out of the year.

MR. POOR turned to the issue of safety and highlighted that in Fairbanks and Anchorage the worst traffic accidents occur in the winter, usually in the evening. If Alaska was on Pacific daylight time all year, there would be an extra hour of daylight in the evening during the winter. Therefore, rush hour would occur in the daylight rather than in the dark.

Number 0889

RANDY LORENZ, former committee aide for the House Health, Education and Social Services Standing Committee, testified via teleconference. He informed the committee that during his time as the committee aide he worked on HB 4, the legislation to eliminate daylight saving time. He noted that the committee

should have his written testimony in the committee packet. Mr. Lorenz also informed the committee that the [U.S. National] Highway Traffic Safety Administration conducted research of 33 states in the Lower 48. The study found that during the change to daylight saving time there was a 7 percent increase in traffic fatalities and there was a corresponding decrease during the change back to standard time. Furthermore, the increased sleep deficiency caused by that change is compounded by the changes in illumination when driving to and from work. Mr. Lorenz pointed out that the aforementioned [difficulties with the change to daylight saving time] and [the fact that] our society is sufficiently sleep deprived result in a significant increase in one's susceptibility to accidents. The aforementioned results in higher costs for insurance and workers' compensation claims. He noted that the his testimony doesn't [even] address the impact the change to daylight saving time has on mentally and emotionally ill individuals. He further noted that his testimony doesn't discuss the positive economic benefits to staying on standard time, especially with regard to developing Alaska's connection with the Pacific Rim and the possibility of a mobile logistic center.

MR. LORENZ informed the committee that he performed his on [an informal] study on this matter. After interviewing about 200 individuals on this matter, 178 were significantly impacted by the change and complained about being anxious, tired, and irritable. He related that 50 people he interviewed said they were unable to get to sleep until their normal standard time and thus were sluggish the next morning. With regard to suggestions that Alaska go to Alaska standard time, Mr. Lorenz pointed out that federal law only allows a state to go to daylight saving time or not. A change to standard time would require an act of Congress.

Number 1185

PAULA RAK testified via teleconference in opposition to HB 409. Although some may be inconvenienced by changing their clocks twice a year, it's not as inconvenient as being two hours off of Seattle half the year. Ms. Rak pointed out that federal statutes 15 U.S. Code 260-64 says, "Time zones were established in the U.S. with the regard for the convenience of commerce and the existing junction points and division points of common carriers engaged in inter-state commerce." She informed the committee that the convenience of commerce has been defined to include the consideration of all impacts upon a community, which includes impacts on individuals, families, businesses, and other

organizations. She noted Southeast's tie to Seattle with regard to commerce. Were HB 409 adopted, [Alaska] would be one hour off of Seattle's time in the winter and two hours off in the summer.

MS. RAK recalled that in 1983 elected officials wanted to unify Alaska by combining time zones, and therefore most of Alaska changed to Alaska standard time, while most residents in Southeast Alaska wanted to stay on Pacific standard time. When most of Alaska changed [to Alaska standard time], it placed the farthest east and farthest west residents on a time zone that wasn't natural for the rhythms of the sun in either area. Although it was touted as a compromise, unfortunately everyone found it inconvenient. Ms. Rak suggested that Alaska either live with the compromise or return to the situation before 1983. If there is objection to changing clocks twice a year, then let's just stay on daylight saving time all year.

MS. RAK, speaking as a business owner, noted that she finds it very inconvenient to be four hours different from the East Coast. The change proposed in HB 409 would result in Alaska being five hours different part of the year. Ms. Rak reminded committee members that Southeast is much farther south [than the northern areas] and thus the longer days [in the Interior] are still shorter than those in Southeast. She pointed out that children would lose an hour of play time after school. Ms. Rak concluded by suggesting that northern residents could change to the time zone they like and Southeast could continue changing between standard time and daylight saving time, or perhaps Pacific standard time could be utilized for the entire state.

Number 1378

ROY HOYT, JR., testified via teleconference in opposition to HB 409. He noted that he has experienced all the time zone changes in the state, and was even a resident of Yakutat when it had its own time. He related his belief that elimination of daylight saving time would adversely impact commerce. With regard to sleep deprivation concerns, Mr. Hoyt indicated that it was in the hands of the individual.

Number 1484

ROBERT TOBEY, Small Business Owner, testified via teleconference in opposition to HB 409. In fact, HB 409 would increase the cost of doing business and decrease Alaska's competitiveness in the business world. Were HB 409 to pass, the five-hour

difference between the East Coast and Alaska would only offer a two- to three-hour overlap during the business day, which makes it extremely difficult to place orders and conduct business. The turn-around time [for orders] would effectively be lengthened by at least a day. He pointed out that most outside businesses won't attempt to place orders, start jobs, or conduct conferences during the last hour or two of the business day. Increasing the time gap with the Lower 48 will cause Alaska to suffer due to increased resistance to business travel. The time difference on travelers is a very negative factor that would have to be overcome in order to promote Alaska has a business site or convention center. Furthermore, studies have shown that more daylight in the evening saves energy due to longer light during peak demands for energy, which is an area in which Alaskans need all the help available. Moreover, this change will disrupt communications because five hours will be a big difference for Alaskans attempting to contact folks in the Lower 48. Additionally, Mr. Tobey noted that he prefers to receive prime time programming, news, and current shows rather than paid programming and advertisements.

MR. TOBEY recalled the compromise with the time zones and urged the legislature, if it must tinker with the time zones, to reduce the gap between the Lower 48 and Alaska rather than increase it. Mr. Tobey, as a parent, echoed earlier testimony that he would prefer added daylight after school when there are sports and other activities going on. More daylight provides increased safety for kids.

Number 1629

LEIGH DENNISON testified via teleconference on behalf of herself and her husband. She testified in favor of HB 409.

CHARLES BROBST testified via teleconference. He informed the committee that he is the Chairman and CEO of North Pacific Auctioneers Limited. Mr. Brobst related his experience living in Indiana, which does not change to daylight saving time. Mr. Brobst announced his support of staying on standard time. He noted that he also works for Anchorage International Airport, and informed the committee that international flights don't change to daylight saving time.

Number 1728

JOEL CURTIS testified via teleconference. He noted that although he is the Science and Operations Officer for the

National Weather Service in the Anchorage Forecast Office, the opinions he will provide will be his own. Mr. Curtis turned to the concerns that HB 409 will hurt commerce and said that he could provide numerous examples of how changing time actually "throws us off." For example, [the National Weather Service] in Anchorage has some of the best computer programmers in the nation. Yet, every year these programmers have to check the computers every year because of the change in data streams due to the time zones. Mr. Curtis pointed out that one must consider the lost wages and confusion related to the time changes. Mr. Curtis noted the current 24/7 environment of today and suggested that a business person could wake up earlier rather than a child going to school in the dark in Unalaska or Nome.

Number 1828

LYNN WILLIS testified via teleconference. He indicated that the committee packet should include a copy of his testimony. Mr. Willis echoed earlier testimony regarding the fact that when Alaska's time zones were combined in 1983, the time of day no longer matched the location of the sun, which is exacerbated by daylight saving time. For example, under daylight saving time in Anchorage and Fairbanks the sun is highest at about 2:00 p.m. rather than noon. He related the difficulties Alaskans face when changing to daylight saving time. Mr. Willis informed the committee that daylight is gained naturally. In the Southcentral area, between April 7th and 17th of this year approximately 59 minutes of daylight will be gained and thus he suggested waiting for that time to gain the hour.

MR. WILLIS discussed the 24/7 connectedness of our society. He clarified that moving an area on or off daylight saving time is accomplished by the state and Alaska wouldn't be changing time zones, which would require federal action. The few benefits of [daylight saving time] shouldn't be forced on the majority [who want to eliminate daylight saving time]. In conclusion, Mr. Willis announced his support of HB 409.

Number 1918

BOB WOLVINGTON testified via teleconference. He informed the committee that he is an air traffic controller. He said that he supported HB 409 and stressed that [the Eagle River/Anchorage area] is already one hour advanced of its true geographical time zone. With regard to the notion that the Southeast Panhandle is sacrificing to compromise for [the Interior], the majority of

the population of Alaska is sacrificing to meet Southeast's time zone. Mr. Wolvington related his belief that there wouldn't be any economic detriment to staying on standard time.

Number 1973

JOANN JACKINSKY testified via teleconference in strong support of HB 409. Ms. Jackinsky informed the committee that those teenagers living in Fairbanks, Kenai, and Anchorage who wake at 6:00 a.m. per the clock are actually waking at 4:00 a.m. per their body clock. She related her belief that such was entirely too early to be expected to go to school and function. She informed the committee of the circadian clock and its relation to [sleep problems] of teenagers. She noted that the committee packet should include the pamphlet from the Anchorage School District, which includes the facts [related to sleep patterns of teenagers] and studies from which they came. Ms. Jackinsky pointed out that there are 600 licensed stockbrokers in the state, which is one-tenth of 1 percent of Alaska's population. "The other 99.9 percent of us, including our children, are forced into a clock-based system which works against our biological clocks," she explained. Therefore, she requested that the committee pass this bill on.

CHAIR MURKOWSKI, upon determining that there was no one else to testify, closed public testimony. She turned the discussion to the committee.

Number 2085

REPRESENTATIVE MEYER remarked that this is a policy call. He said he hasn't heard enough of the history as to why this bill hasn't passed in the past to not support it.

CHAIR MURKOWSKI noted that today's testimony was about 50:50 for and against. She noted her surprise that people focus on this matter when there are such weighty issues before the legislature. However, it has been mentioned that this issue has been bothering folks for many years.

Number 2174

REPRESENTATIVE ROKEBERG noted that the debate about time has been going on in Alaska since before the capital was moved from Sitka to Juneau. Over the state's history there have been numerous time changes. With an area that geographically has four time zones, Representative Rokeberg predicted that the

debate over time will continue. He acknowledged that for much of its history Southeast Alaska has been Pacific standard time and the daylight saving time impacts them the most.

REPRESENTATIVE HALCRO expressed the importance of realizing that changing clocks only occurs twice a year and for only one hour. With regard to the impact on business, Representative Halcro said that his rental car business is a perfect example because the headquarters are located in Garden City, New York. If daylight saving time was not observed, his business would be five hours behind. With regard to the difficulties this would create for those traveling, Representative Halcro didn't see how hard it would be for the human body to [transition] for an hour change. Furthermore, the change occurs on Saturday night and thus a person has Sunday to transition. Also, daylight saving time is used to promote checking things such as smoke detectors. Representative Halcro related his belief that eliminating daylight saving time does create impacts on commerce.

REPRESENTATIVE MEYER asked if the "chamber" has taken a position on this matter.

REPRESENTATIVE ROKEBERG related his belief that in the past the State Chamber of Commerce has taken a negative position on this.

HELEN DONAHUE, Staff to Representative Ken Lancaster, informed the committee that no response has been received.

TAPE 02-52, SIDE B

REPRESENTATIVE CRAWFORD remarked that he isn't so concerned about what time zone Alaska is in, although changing time twice a year is [difficult]. Representative Crawford said that changing Alaska's time zone to Alaska daylight saving time for all year would be fine with him because it would bring Alaska closer to the business hours of the Lower 48.

CHAIR MURKOWSKI related her understanding that the state's don't have the option suggested by Representative Crawford. The states can either opt in or out of daylight saving time.

REPRESENTATIVE CRAWFORD recalled that all the time zones were changed in Alaska 15-20 years ago, save Yakutat. Therefore, there must be a way.

MS. DONAHUE echoed earlier testimony that a change in time zone would have to be implemented by Congress, a state can't do so

with state legislation. She said her understanding was that Congress would have to approve such a change.

MR. POOR interjected that when Alaska did change its time zones, the Department of Transportation did so.

MR. POOR, in response to Chair Murkowski, pointed out that Metlakatla was able to change its time zone because it's a reservation.

Number 2266

REPRESENTATIVE ROKEBERG related his belief that this is a federal issue. Whether there should be daylight saving time should apply to the entire country uniformly. Representative Rokeberg noted that he is sympathetic to school children and pointed out that in Anchorage it has been determined that it's not appropriate to start high school at 7:30 a.m. Representative Rokeberg stressed the need for Alaska to be part of the United States.

REPRESENTATIVE MEYER said that he envisioned Alaska being more like Hawaii, which doesn't change to daylight saving time, than the rest of the Lower 48. Somehow those states that don't change to daylight saving time seem to manage fine. He expressed curiosity with regard to why Hawaii, Arizona, and parts of Indiana haven't changed to daylight saving time.

REPRESENTATIVE LANCASTER said he believes that those states haven't changed to daylight saving time for the same reasons proposed here in Alaska. In response to Chair Murkowski, Representative Lancaster confirmed that changing to Pacific standard time would have to be done at the congressional level.

CHAIR MURKOWSKI informed the committee that changing to Pacific standard time requires sending a petition to the U.S. Department of Transportation.

REPRESENTATIVE CRAWFORD reiterated his belief that the best solution would be for Alaska to be on Alaska daylight saving time all year and if it requires a petition to the U.S. Department of Transportation, then so be it.

Number 2019

REPRESENTATIVE MEYER moved to report HB 409 out of committee with individual recommendations and the accompanying zero fiscal

note. There being no objection, HB 409 was reported from the House Labor and Commerce Standing Committee.

HB 277-SELF-STORAGE FACILITY LIENS

CHAIR MURKOWSKI announced that the next order of business would be HOUSE BILL NO. 277, "An Act relating to liens by owners of self-storage facilities; distinguishing self-storage facility liens from another type of storage lien; and excluding self-storage liens from the treatment of certain unclaimed property."

Number 1958

REPRESENTATIVE JOHN DAVIES, Alaska State Legislature, testified as the sponsor of HB 277. Representative Davies informed the committee that the bill has received a fair amount of comment to which he has responded via the proposed committee substitute (CS). The CS addresses all the concerns raised to date.

Number 1973

REPRESENTATIVE HALCRO moved to adopt Version 22-LS0175\L, Bannister, 4/5/02, as the working document. There being no objection, Version L was before the committee.

REPRESENTATIVE DAVIES noted that an owner of a self-storage facility brought forth this issue. The problem arises when someone fails to make payment or leaves town and the owner of the facility ends up having a storage unit with full of stuff. Existing statute requires that the facility owner dispose of the material at a public auction, which the facility operators have found to be inconvenient. Once it's determined that the bill isn't going to be paid, it can take six to eight months to coordinate an auction. During that time, the facility owner has to keep the material safe and thus, it generally means that one of the storage units is in use and can't be rented. Therefore, this legislation proposes changing the requirement such that the facility owner can dispose of the material in the manner of their choice. The bill does include some protections in that the proceeds from the disposal of the material must be held for a year so that the individual who owned the material could apply for the proceeds of the sale of the material in the storage unit minus the cost of disposal.

REPRESENTATIVE DAVIES explained that Version L clarifies that the statute of the residential Landlord and Tenant Act doesn't apply in these situations. The CS also clarifies that if the

rental charges are unpaid for four days, then the facility owner may place an over lock on the unit and hold it until the rent is paid. If the rental charges are unpaid for 60 days, the facility owner may take possession of the personal property. There was objection to the language requiring the name of the facility owner to be included in the mailed notification, and therefore that was removed. If there is more than one delinquent unit at a time, a single publication can include several delinquent units. Section 34.35.649 includes the definitions of facility owner, rental agreement, and unit renter.

Number 1762

REPRESENTATIVE HALCRO informed the committee that the two places he has contacted in Juneau require a security deposit, which means that the facility owner receives one month's [rent] for a security deposit. Instead of utilizing the security deposits, the legislation specifies that after four days the locks can be changed. In Section 34.35.600(c) the legislation further specifies that "a facility owner is not required to apply a security deposit received by the facility owner to the reduction of the rental charges when determining whether the rental charges have been paid when due." He questioned why the language wouldn't specify that the security deposit be applied until it has been liquidated at which time the locks on the unit could be changed.

REPRESENTATIVE DAVIES related his belief that the current practice is to change the locks after there has been no payment for three to four days. Although he said he wouldn't have a problem with [Representative Halcro's suggestion], he suspected that the facility owners probably would.

Number 1623

AMY KAUFMAN, Staff to Representative Davies, Alaska State Legislature, testified on behalf of Representative Davies. Ms. Kaufman related her understanding that typically the security deposit is used to cover how the unit is left [upon termination of the agreement]. She acknowledged that various storage facilities could have different agreements with regard to the security deposit.

CHAIR MURKOWSKI directed attention to the definition of "amount owed" in Version L. She related her belief that the security

deposit should be used to offset the amount owed once the lien on the personal property is eliminated, at the end of the day.

REPRESENTATIVE DAVIES noted his agreement. However, with regard to changing the locks after four days, he said that would still be the preference.

REPRESENTATIVE HALCRO expressed concern with the timelines, especially for those in the military. He said that there seems to be little protection for those who might be suddenly called away. Upon hearing from the audience that military personnel are covered under federal law, Representative Halcro questioned whether that [exemption for military personnel] should be specified in the legislation.

REPRESENTATIVE DAVIES said that he wasn't sure that in fact [military personnel are exempt per the federal law]. He explained that the legislation attempts to clarify existing state statute and change the mechanism of disposal. Representative Davies remarked that even if someone is called away [for military purposes], that individual is still responsible for their affairs. Furthermore, a valid mailing address is required, which would be utilized with the certified mail notification. Therefore, maintaining normal business practices, such as a current address, would avoid problems.

Number 1465

CHAIR MURKOWSKI pointed out that the definition of "amount owed" includes personnel and administrative costs, which is fairly broad term. She asked if there is a way in which to define what is included in personnel and administrative costs.

MS. KAUFMAN said that hasn't been addressed.

REPRESENTATIVE DAVIES commented that the normal remedy for those charges viewed to be unreasonable is to go to civil court. Representative Davies related his belief that when an individual enters into an agreement to rent a storage unit, the terms and conditions should be specified in the rental agreement. Perhaps, this aspect of state law could be required to be included in the rental agreement.

CHAIR MURKOWSKI turned to Section 34.25.640 on page 4. She related her understanding that when a lien is satisfied, an acknowledgement of satisfaction has to be provided.

REPRESENTATIVE DAVIES said that he wasn't sure when the aforementioned requirement arose, and therefore he offered to look into it.

Number 1315

REPRESENTATIVE KOTT returned to the certified letter [requirement]. He posed a situation in which an individual is receiving medical treatment out-of-state for four months. Although the certified letter could have went to the individual's house, someone else could've signed for it and the individual never saw the letter. Representative Kott asked if there is another way to deliver notice such as restricted delivery, which means that the individual with the agreement would actually be the individual who signs the delivery receipt.

REPRESENTATIVE DAVIES pointed out that requiring more than a certified letter would provide no recourse if an individual dodges the receipt of the letter or doesn't specify a valid address. In existing statute, if an individual doesn't pay the rent for their unit for three months, the material inside the unit is auctioned. Although the details are being changed, the principles and timelines aren't being changed too much. In response to Chair Murkowski, Representative Davies said that Section 34.35.175(b) specifies that the facility owner may sell the articles in the unit at a public auction if the charges aren't paid within three months. Representative Davies related his belief that there are some noticing [requirements] that are included within the three months.

Number 1156

REPRESENTATIVE KOTT inquired as to the protections for the renter with regard to ensuring that the facility owner sells the items within the unit for a reasonable price. He posed a situation in which one of the articles left in a storage unit is a portrait worth \$1,000 and it's given away. The renter would still be liable for the back payments and administrative costs, and the renter's goods have been sold. He surmised that the renter had no recourse.

REPRESENTATIVE DAVIES replied yes. Under the present statute, the only recourse is the auctioning of the items in the storage unit.

REPRESENTATIVE KOTT interjected that the auctioneer would attempt to obtain the best amount possible.

REPRESENTATIVE DAVIES said that an auction can still be done; it's one of many options.

MS. KAUFMAN pointed out that most [owners] are attempting to recover lost costs and thus chances are that the [owners] would want to recover those costs.

Number 1047

REPRESENTATIVE KOTT informed the committee that he has a storage unit in Juneau that costs \$45 a month. In that unit he has about \$10,000 worth of equipment. If he falls into arrears for three months, the owner could attempt to recover the costs for the last three months by selling the equipment for \$500. Representative Kott said that is a potential situation.

REPRESENTATIVE DAVIES indicated agreement. He pointed out that an individual with a storage unit containing \$10,000 worth of stuff should be responsible and have a forwarding address. Representative Davies said he wasn't sure for whom Representative Kott was concerned.

REPRESENTATIVE KOTT remarked that there is nothing in the legislation that ensures fair market value for whatever is in the storage unit.

CHAIRMAN MURKOWSKI directed attention to page 3, line 26, which reads as follows: "(b) If the property subject to the lien appears to be salable, the facility owner shall attempt to sell the property. If the facility owner cannot sell the property or if the property appears to have little value, the facility owner may sell, give away, or throw away the property."

REPRESENTATIVE KOTT noted that his equipment is probably not salable in this city. Yet, it could be given away and he would still be responsible for the back rent, et cetera.

REPRESENTATIVE DAVIES pointed out that if the equipment was given away, there is no need to pay. He specified that the equipment would only be given away because there was no response to a letter noting that the rent was due.

REPRESENTATIVE ROKEBERG said that the question then becomes whether giving away the items stored in the unit would satisfy the lien if the owner hasn't recovered enough money.

REPRESENTATIVE DAVIES replied yes.

CHAIR MURKOWSKI surmised then that when a lien is satisfied the facility owner should be required to submit an acknowledgement of satisfaction.

REPRESENTATIVE ROKEBERG pointed out that nothing in the legislation seeks to maximize the recovery. There could be a situation in which the value of the property significantly exceeds the rent.

REPRESENTATIVE DAVIES mentioned the good faith clause. The problem is that there is a lot of different property housed in storage units, some of which is junk and some of which are hidden heirlooms. If there is [too much specificity], it's going to be difficult for facility owners to dispose of the property.

Number 0756

GRANT CARLIN, Self-Storage Operator, testified via teleconference in support of HB 277. Mr. Carlin informed the committee that storage facility operators would rather receive rent, and therefore they do everything possible to contact delinquent tenants in an attempt to avoid disposal of the property. A home telephone number, a work telephone number, and emergency contacts are all required. He noted that he has even gone through units in an attempt to find an address of relatives. Often, tenants move without providing a forwarding address or phone contacts and the emergency contacts aren't reachable. Therefore, the facility owner is left with the burden of disposing of the property, which is frequently worthless. With regard to changing the locks, Mr. Carlin clarified that no locks are changed but rather a double lock is utilized. The security deposit collected in Fairbanks isn't equivalent to a month's rent. He informed the committee that in Fairbanks's the security deposits range from \$15 to \$30.

MR. CARLIN recalled that the administrative process was brought up. He explained that the administrative process includes things such as running a newspaper advertisement, drafting notices, making copies, and office filing. If the legislation is amended to require a satisfaction of lien document, the time and work involved with that would be included in the administrative costs. Presently, in Alaska there is no statute that addresses mini-storage or self-storage facilities. The language in Chapter 45, Unclaimed Property, is an antiquated law

that really deals with forwarding merchants, wharf and warehouse operators, and tavern keepers. The self-storage industry is a relatively new industry that has come about in the last 25 years. The Unclaimed Property statute involves judicial proceedings and action by peace officers, which would be cost prohibitive and impossible with which to comply.

MR. CARLIN noted that another possibly relevant statute may be the Improvement Lien on Personal Property. However, he related his belief that the aforementioned statute doesn't apply to self-storage units because there is no improvement done to the property. Without any legislative guidelines, the facility operator is at risk for lawsuits without any authority to dispose of a tenant's property. Additionally, HB 277 provides steps for notification for delinquent tenants, which would standardize the procedures for all self-storage operators in Alaska. Hopefully, this would provide a degree of legal protection. Also, this legislation serves the delinquent tenant better than the current situation. [Currently] there is no requirement of notification that the tenant's property is being disposed of, which would be required under HB 277. Furthermore, HB 277 requires notification of disposal of property via the mail as well as broad newspaper notification. For these reasons, Mr. Carlin encouraged the committee's support of the legislation.

Number 0479

REPRESENTATIVE DAVIES requested that Mr. Carlin comment on the release of recorded liens under the current situation and the concern with being required to provide the release.

MR. CARLIN informed the committee that he has only had one tenant request a satisfaction of lien. Due to the infrequency of this, it isn't a major issue, he said. The [satisfaction of lien] isn't a great burden; it requires going to the recorder's office and filling out paperwork that is mailed to the tenant.

MR. CARLIN, in response to Representative Rokeberg, confirmed that most of what is unclaimed doesn't have any real value and ends up going to a charity. In further response to Representative Rokeberg, Mr. Carlin stated that he has been in business since 1984.

REPRESENTATIVE ROKEBERG asked if Mr. Carlin has had any experience with tenants who are part of the military.

MR. CARLIN replied yes, and informed the committee that about one-third of his customers are military. In his experience, military folks usually know in advance when they're going out on maneuvers and thus they pay in advance. He noted that he does what is possible to accommodate military customers, and he even offers military customers a discount. In response to Representative Rokeberg, Mr. Carlin said that he hasn't had any problems with his military tenants.

MR. CARLIN, in response to Chair Murkowski, specified that the costs at his facility would be fairly representative of those in Fairbanks. He informed the committee that his smallest unit is \$27 a month, a medium-sized unit is about \$60 a month, and the [largest] size would run about \$95 a month. He confirmed that he requires a \$15 security deposit so that he wouldn't have to face the cleaning [costs] for things that a tenant decided not to move. Therefore, the security deposit is essentially a cleaning deposit that is returned if the unit is vacated in the same state in which it was rented.

Number 0245

CHAIR MURKOWSKI asked if the delinquent tenants with which Mr. Carlin has had experience were delinquent for many months.

MR. CARLIN answered that in the past he has held properties for six months to a year, sometimes because the weather doesn't allow for disposal. Mr. Carlin related that frequently tenants abandon their property because the property being stored isn't worth the value of the rent owed.

Number 0078

CHARLES BROBST, President and CEO, North Pacific Auctioneers Limited, testified via teleconference. Mr. Brobst informed the committee that for a five to six year period, his company did over 90 percent of the storage auctions in Anchorage. With the changes to the code, the interest of the renter and the warehouse must be kept in mind equally. Section 34.35.600(b) provides the owner the ability to have some leverage on the renter. However, when the unit is over locked, the facility owner should send a registered letter, return receipt requested, to the renter stating that the renter is in arrears ...

TAPE 02-53, SIDE A

MR. BROBST turned to Section 34.35.610(b)(2) and Section 34.35.620 require publication of notice one time in a newspaper of general circulation. He stressed that one time isn't enough notice. He suggested publishing the notice once a week for a two week period in a newspaper of general circulation in the town where the storage facility is located. If there isn't a newspaper of general circulation, Mr. Brobst suggested four notices posted in a public location one of which would be the post office serving the area and the other being the storage facility itself and then two other general locations. This notification should give the date, time, and location of the sale and also the amount owed plus reasonable disposal costs and related fees.

Number 0127

MR. BROBST moved on to Section 34.35.630 and characterized it as a license for the facility owner to steal. When a facility owner takes possession of the property, he questioned who would determine whether the property is salable or not. A disinterested third party, such as a certified auctioneer or certified appraiser, should make the aforementioned determination. Although having a disinterested third party make the aforementioned determination will be an additional cost, a good sale [will allow the facility owner] to recover that cost. Mr. Brobst informed the committee that he has had [the property] in units bring as little as \$5 and up to \$28,000. He related the various types of property he has found in units that fell into delinquency.

MR. BROBST specified that when the over lock is done, the notification should begin with a registered letter specifying that the property will be sold. When the 60 days have past, provide [the renter] a date, time, and place where the property will be sold. If the property isn't sold on the specified date, time, and place, then the process should start over. He emphasized that too many of the auctions in Anchorage specify that the auction will occur "on or after" a certain date. Mr. Brobst said that he attempts to return all of the personal papers and photographs of the [delinquent renter] via the facility owner. Furthermore, these individuals are allowed to purchase their items at the auction. Mr. Brobst also emphasized the need for the property to be sold at the location of the storage facility.

MR. BROBST mentioned that sometimes facility owners take a partial payment and don't apply it to the bill but rather hold

the partial payment until the property is sold in hopes that there will be enough to cover the bill. Mr. Brobst said that when a partial payment is taken, the facility owner should start the notification procedure. Personally, Mr. Brobst stressed that a partial payment shouldn't be taken unless the facility owner knows that the individual is acting in good faith and attempting to get caught up because after 30 days an individual is too far behind to get caught up. With regard to the [facility owner] not following the procedures, Mr. Brobst related his feeling that the [facility owner] should face a felony and the facility owner and manager and auctioneer should be held liable. He noted that there are some storage facilities in the area that he won't do auctioneering for because of their improper notification. Mr. Brobst concluded by offering to fax the remainder of his testimony to the committee.

Number 0556

MR. BROBST, in response to Representative Rokeberg, said that an outcry auction isn't required currently, although in order to obtain the "best bang for your buck" one would perform an outcry auction. Without a disinterested third party [determining the salability of the property], the legislation opens the process up for abuse by unscrupulous managers. Mr. Brobst reiterated that an auctioneer or certified personal property appraiser would be an appropriate disinterested third party. He also reiterated the need for "falsification" to be a felony.

REPRESENTATIVE ROKEBERG pointed out that although some of the smaller communities might be large enough to have a storage facility, the community might not have auctioneers or appraisers available.

MR. BROBST suggested that a magistrate, notary public, or some other prominent official in the town could possibly determine the value of property.

Number 0754

STEVE CONN (ph) testified via teleconference. He noted his agreement with Mr. Brobst. Mr. Conn said this would be a poor time to weaken the present law. He agreed with the suggestion for a registered letter [of notification]. He also agreed that a disinterested party other than a certified appraiser or auctioneer could sign-off in order to ensure value. Mr. Conn expressed the need for the committee to think of their

constituents who, in times of need and crisis, use a storage facility and may well lose track.

Number 0861

DENNIS HARRIS addressed the question regarding what happens to the property of individuals in the military when their absence is due to overseas duty. Mr. Harris recalled that there is a federal law called the Soldiers and Citizens Relief Act, which prohibits seizures of property with liens and foreclosures on mortgages while someone is stationed overseas in the military.

CHAIR MURKOWSKI recalled that shortly after the September 11th tragedy, relief was given to those in the active military.

MR. HARRIS informed the committee that almost every time folks are called for active duty with the National Guard, there is almost always a news release reminding everyone of the [prohibition of seizures of property with liens and foreclosures on mortgages].

Number 0947

REPRESENTATIVE KOTT asked if Section 34.25.630(c) is already in statute.

REPRESENTATIVE DAVIES replied no and pointed out that there is no statute that applies directly to this circumstance.

REPRESENTATIVE KOTT questioned why one would want to make the facility owner the beneficiary of any excess money. For instance, excess money from disposal of property at the state level is forwarded to the Department of Treasury.

REPRESENTATIVE DAVIES related his interpretation of the current statute that the facility owner can sell the property and keep the proceeds. He explained that current statutes say that the proceeds of the sale are applied to pay the expenses, to the discharge of the lien, and the balance to the owner of the article, in that order. There doesn't seem to be a provision with regard to what happens when the owner can't be found.

CHAIR MURKOWSKI noted that she has identified several areas that need work, and therefore she announced that HB 277 would be assigned to a subcommittee. She announced that Representative Halcro would be the Chair and she as well as Representative Hayes would be members of the subcommittee.

MR. BROBST, in response to Representative Halcro, agreed to forward his suggestions to the subcommittee.

[HB 277 was held over.]

HB 448-TELEMARKETERS PHONE LISTS/REGISTRATION

CHAIR MURKOWSKI announced that the next order of business would be HOUSE BILL NO. 448, "An Act relating to establishing a data base of residential telephone customers who do not wish to receive telephone solicitations, providing that the data base be compiled at no cost to the customers, requiring telephone solicitors to purchase the data base, and requiring paid solicitors to register; and providing for an effective date."

CHAIR MURKOWSKI also announced that it was not her intention to move HB 448 from committee today.

Number 1244

REPRESENTATIVE KOTT moved to adopt 22-LS1407\L, Craver, 4/8/02, as the working document. There being no objection, Version L was before the committee.

REPRESENTATIVE CRAWFORD, testifying as the sponsor, related his belief that there is consensus that the present law isn't working properly because it isn't well publicized. He explained that under current law the consumer is charged to be on a do-not-call list. This legislation would transfer the cost to the telemarketers. Representative Crawford pointed out that having a single list would make it easier for the telemarketers and for enforcement when telemarketers call folks listed on the do-not-call list. Representative Crawford concluded by expressing his desire to work with all involved in order to develop a good law.

Number 1361

CODY RICE, Intern for Representative Joe Hayes, Alaska State Legislature, explained that HB 448 addresses the following main problems: the promulgation of the current statute, the payment of service for being included on the [do-not-call] list, and the clarity of definitions and exemptions. This legislation modifies the existing statute such that the burden of paying for the do-not-call list is on the users of the list, which is the telemarketer. The legislation also increases public awareness of the consumer's option to participate in the do-not-call list.

Furthermore, the legislation removes the loopholes of paid solicitors operating under exemptions of organizations by which they are contracted. Therefore, better regulation and increased revenue results. Mr. Rice said that HB 448 will return privacy to Alaskan homes while clarifying current law and increasing the safety of consumers who are the subject of predatory telemarketing.

Number 1452

REPRESENTATIVE MEYER posed a situation in which staff for politicians are being paid to make calls and asked if those staff would be included in HB 448.

MR. RICE answered that exemptions already exist for those soliciting political opinions or thoughts and those exemptions haven't been changed. In further response to Representative Meyer, Mr. Rice said that the exemptions include pollsters so long as they aren't soliciting money. In response to Representative Rokeberg, Mr. Rice specified that currently politicians are exempt and would remain so as long as they are soliciting political opinions or campaign funds from those who have expressed an interest or have contributed in the previous six months.

REPRESENTATIVE MEYER posed a situation in which a politician is calling to solicit an individual's vote.

MR. RICE said that would be considered a political opinion and would be exempt.

REPRESENTATIVE MEYER remarked that in some ways he felt that this legislation should pertain to politicians.

Number 1549

CHAIR MURKOWSKI posed a situation in which a charitable organization is soliciting funds.

MR. RICE answered that charitable organizations will continue to have exempt status so long as they operate under the current exemption clause. He explained that the current exemption clause specifies that the charitable organization [can only solicit people] who have expressed previous interest in donating funds or have done so within a specified amount of time.

CHAIR MURKOWSKI posed a situation in which her child is a participant in the Boys & Girls Club and she pays for their soccer fees. In such a situation would it be appropriate for the Boys & Girls Club to do a direct financial solicitation to me.

MR. RICE responded that he wasn't sure.

REPRESENTATIVE CRAWFORD reiterated that the current statute isn't being changed. The legislation only places the paid solicitor under this law.

CHAIR MURKOWSKI surmised then that it would be appropriate for the financial director of the Boys & Girls Club to call her. However, if the club pays for a solicitor, the club cannot call her if she [is on the do-not-call list].

REPRESENTATIVE CRAWFORD said he believes that to be correct.

Number 1625

CHAIR MURKOWSKI turned to Section 1 of [Version L] and asked if there are penalties associated to the violations [discussed in Section 1].

MR. RICE replied yes. He directed attention to the Voice of the Times article, which specifies that fines can sum up to \$5,000.

CHAIR MURKOWSKI asked if that would be the case because [the telemarketer] has violated the unfair trade practices and the penalties are already attached. The initial drafts don't appear to assess any civil penalties. In many states, [the telemarketer] can face \$500 or \$1,000 a call. She related her belief that there should be some penalties attached.

MR. RICE deferred to the representative from the Department of Law.

REPRESENTATIVE CRAWFORD related that there seems to be fairly good consensus on Sections 1 and 3-7. However, Section 2 has been the subject of some discord, which he has attempted to work through. If this legislation is held today, Section 2 could be brought back in an acceptable form. Representative Crawford explained that [everyone] is working towards putting this under a third-party contractor rather than having local exchanges or the attorney general's office being responsible for this. The

third-party contractor would administer the do-not-call list and the 1-800 number.

Number 1793

REPRESENTATIVE ROKEBERG asked if the same third party would have a database of who can be called. Representative Rokeberg indicated that the legislation doesn't seem to prohibit anything like that.

REPRESENTATIVE CRAWFORD said that it seems that the legislation is encouraging the establishment of a database of telephone solicitation. Perhaps that's why the solicitors don't mind paying for it. He inquired as to how updates of the list would be done.

MR. RICE answered that many states have updated the list quarterly. Mr. Rice agreed that this list would make it easier for telemarketers to call those not on the [do-not-call] list and it would make their job more efficient. However, those on the [do-not-call] list have the option to be on the list for free.

REPRESENTATIVE ROKEBERG inquired as to the cost of being on the [do-not-call] list in Anchorage.

REPRESENTATIVE CRAWFORD said that in Anchorage it costs about \$6.50 and is a one-time fee. In response to Chair Murkowski, Representative Crawford agreed that the fee is dependent upon the carrier and he was referring only to Anchorage and ACS.

REPRESENTATIVE MEYER pointed out that one could have caller id.

REPRESENTATIVE CRAWFORD noted that [many] of the telemarketers have their id blocked and so no id shows up.

REPRESENTATIVE KOTT informed the committee of a new item available to attach to a phone that supposedly eliminates 99.9 percent of the telemarketing telephone calls.

REPRESENTATIVE HALCRO explained that the aforementioned product is based on the idea that most telemarketers utilize an automated dialing system and when the recipient of the call answers the call is forward to an operator. When that happens, the product sends a signal that disengages the telephone.

Number 1988

BOB TAYLOR, Alaska Commission on Aging, informed the committee that he was filling in for the Executive Director of the Alaska Commission on Aging. Mr. Taylor said he wasn't sure whether the commission has had the opportunity to take a firm position on this legislation. However, all the comments thus far have been that the commission favors this type of legislation and restrictions on predatory solicitations.

Number 2039

MARIE DARLIN, AARP, expressed pleasure that these hearings are taking place. Ms. Darlin announced AARP's support of HB 448 because 50 percent of those receiving telemarketing calls are to seniors who are often the ones that are taken advantage of by telemarketers. In a recent survey of AARP members in Alaska, AARP members were asked their top priorities for legislative issues. Of the seniors age 50-59, 19 percent specified that consumer fraud was one of the prime concerns. Of the seniors age 75 and older, 30 percent specified that consumer fraud was one of the prime concerns. She said AARP would like to see HB 448 passed once the concerns of the attorney general's office are addressed. She highlighted that if HB 448 passes it won't cost the individual to be on the [do-not-call] list.

REPRESENTATIVE MEYER asked if this legislation should include those running for elected office.

MS. DARLIN said there don't seem to be too many complaints about a survey that is political in nature. In fact, seniors are often very willing to provide their opinion when their are surveys.

REPRESENTATIVE MEYER surmised then that Ms. Darlin is saying that most AARP members wouldn't mind a candidate calling and requesting their vote because the AARP member could ask questions.

MS. DARLIN reiterated her former answer and indicated agreement that the AARP member would probably ask the candidate questions.

Number 2211

REPRESENTATIVE ROKEBERG asked if AARP's support for HB 448 is related to [the belief] that the "black dot system" [the do-not-call list] isn't working.

MS. DARLIN answered that this legislation clarifies a lot of issues. Also, the legislation doesn't require the individual to pay to be on the [do-not-call] list.

REPRESENTATIVE ROKEBERG asked if Ms. Darlin feels that Alaskans aren't being served by the "black dot system."

MS. DARLIN pointed out that in lots of places in the state this system isn't even available. She pointed out that whether this system is available or not depends upon an individual's carrier as is the case with the fee.

REPRESENTATIVE CRAWFORD informed the committee that Alaska's current "black dot list" includes about 2 percent of the telephone customers in the state. The average in the states that do this is 10-20 percent. Therefore, it seems that it isn't being utilized [in Alaska]. Most of the other states charge the telemarketers rather than the consumers. Having the consumers pay to be on this list is a barrier, he related. He noted that the cost to be on the list ranges from \$6.50-\$12.50. There is even a telemarketer that has approval to charge up to \$50. Currently, many of the telemarketers utilize computer-generated lists on which the black dot isn't specified. Therefore, many people on the "black dot list" receive calls from telemarketers. This legislation attempts to create a centralized list for the entire state.

MS. DARLIN interjected that AARP members have mentioned that they have paid to be on the "black dot list," but still receive calls.

TAPE 02-53, SIDE B

Number 2338

DENNIS HARRIS informed the committee that he isn't on the "black dot list" because he was opposed to paying for it. No one should have to pay for the privilege of having an unlisted telephone number. Furthermore, he didn't believe anyone should have to pay for telemarketers to not call him. For what this legislation does in that vein, he was much appreciative. However, he expressed concern that on the state's web page, only six solicitors are listed under the current law. Therefore, he surmised that many of the people calling from outside the state aren't following Alaska's law. He informed the committee that under the federal "Junk Fax" law there is a provision that allows people who receive junk faxes to go to small claims court

and obtain a judgment against the person who sent the junk fax. He expressed the need for the same type of provision in HB 448 so that consumers won't have to depend upon the government or a government contractor to enforce this. Under the federal law, if an individual has informed someone to place him/her on the do-not-call list and the calls continue or the person/organization can't send the individual a copy of their do-not-call policy the individual can take them to court. A parallel provision in state law would be useful, he said.

MR. HARRIS expressed concern with the elderly and [telemarketers]. However, he related his belief that the First Amendment protects the rights of politicians who want to make these calls. He informed the committee that people who solicit money from him via the telephone generally don't receive money from him permanently. Mr. Harris said that he believes this legislation is necessary because he doesn't want to have to pay for the black dot next to his name in the telephone book. Mr. Harris informed the committee that most telemarketers use predictive dialers and block their caller id as does he. However, he suggested that this legislation require telemarketers to unblock their caller id so that there is a way to record the number and have it traced [so that the consumer can] keep a record of their calls. Mr. Harris directed attention to a recent Washington Post article in which Ms. Manners noted her support of a national do-not-call list, which the Federal Trade Commission is accepting comments on until April 15th. He discussed how the device that disconnects telemarketers works in more depth.

REPRESENTATIVE CRAWFORD informed the committee that there are over 16 local exchanges that provide separate "black dot lists." Many local exchanges don't sell their "black dot list" and thus the telemarketer has to go through the telephone book.

Number 2080

REPRESENTATIVE KOTT turned to Section 2 and inquired as to why business owners weren't included in this. In other words, why was this legislation limited to residential telephone numbers, he asked.

[HB 448 was held over.]

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 6:00 p.m.