

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

February 9, 2006

1:30 p.m.

MEMBERS PRESENT

Senator Con Bunde, Chair
Senator Johnny Ellis
Senator Bettye Davis

MEMBERS ABSENT

Senator Ralph Seekins, Vice Chair
Senator Ben Stevens

COMMITTEE CALENDAR

Confirmation Hearings

Commissioner, Department of Commerce, Community & Economic
Development - William Noll
CONFIRMATION ADVANCED

Alaska State Board of Public Accountancy - Johnny Floyd, Daniel
J. Rozema, Elaine R. Williamson
CONFIRMATIONS ADVANCED

Alcohol Beverage Control Board - Shirley Gifford
CONFIRMATION ADVANCED

State Board of Registration for Architects, Engineers and Land
Surveyors - Terry Gorlick, Burdett B. Lent, Daniel E. Walsh
CONFIRMATIONS ADVANCED

Board of Chiropractic Examiners - Dr. Gregory M. Culbert, Dr.
Rosemary E. Zimmerman
CONFIRMATIONS ADVANCED

Alaska Labor Relations Agency - Matthew R. McSorley
CONFIRMATION ADVANCED

Board of Certified Real Estate Appraisers - Steven McSwain,
Richard D. Olmstead
CONFIRMATIONS ADVANCED

Real Estate Commission - Timothy J. Worthen
CONFIRMATION ADVANCED

Workers Compensation Appeals Commission - John Giuchici, Kristin Knudsen, Jim E. Robinson, Marc D. Stemp, Philip E. Ulmer
CONFIRMATIONS ADVANCED

Alaska Workers Compensation Board - Raymond S. Bridges, Stephen T. Hagedorn, Linda F. Hutchings, David B. Robinson
CONFIRMATIONS ADVANCED

PREVIOUS COMMITTEE ACTION

No previous action to record.

WITNESS REGISTER

WILLIAM NOLL
Anchorage AK

POSITION STATEMENT: Nominee for commissioner of the Department of Commerce, Community & Economic Development (DCCED).

TIM WORTHEN
Anchorage AK

POSITION STATEMENT: Nominee to the Real Estate Commission.

JOHN GIUCHICI
Anchorage AK

POSITION STATEMENT: Nominee to the Workers Compensation Appeals Commission.

KRISTIN KNUDSEN
Anchorage AK

POSITION STATEMENT: Nominee to the Workers' Compensation Appeals Commission.

JIM ROBINSON
Anchorage AK

POSITION STATEMENT: Nominee to the Workers' Compensation Appeals Commission.

MARC STEMPE
Bethel AK

POSITION STATEMENT: Nominee to the Workers' Compensation Appeals Commission.

PHILIP ULMER
Anchorage AK

POSITION STATEMENT: Nominee to the Workers' Compensation Appeals Commission.

MATTHEW R. MCSORLEY
Anchorage AK

POSITION STATEMENT: Nominee to the Alaska Labor Relations Agency.

ACTION NARRATIVE

CHAIR CON BUNDE called the Senate Labor and Commerce Standing Committee meeting to order at [1:30:35 PM](#). Present were Senator Johnny Ellis and Chair Con Bunde. He said they would take up confirmation hearings today.

[1:31:53 PM](#)

WILLIAM NOLL expressed his anticipation of serving as commissioner of Department of Commerce, Community and Economic Development. He already served as deputy commissioner for about two years. He has lived in Alaska for about 38 years mostly in the Anchorage area. He has considerable experience in the private sector in natural resource extraction industries, power generation, several commercial fishing investments and tourism. His public experience covers serving as city council member and mayor of Seward and member of the Board of Directors for the Alaska Sea Life Center.

SENATOR ELLIS said consumer protection is a big issue for him and studies indicate that seniors, and the Alaskan population generally, is targeted by scam artists from across the country. He asked Mr. Noll what he saw as the interplay between his duties if he is confirmed and the Attorney General's office on consumer protection issues.

MR. NOLL replied that the department had also identified that as an important issue. Mark Davis is the director for the Division of Banking and Securities and he is a former prosecutor. He was able to secure federal funding of about \$80,000 to \$100,000 in cooperation with the Department of Health and Social Services (DHSS) and kicked off a senior fraud campaign several weeks ago. These funds are matched with private funds and he said the program would be continued.

SENATOR ELLIS said those were good answers and he appreciates the efforts. He urged Mr. Noll to follow through with the campaign.

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SENATOR ELLIS asked him what his general goals for the department are, because of the continuing concern about the loss of some of its community and regional affairs emphasis after consolidation of the two departments.

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MR. NOLL replied that the Alaskan economy is doing very well. The coal, timber and mining industries are actually paying for themselves. Fishing and tourism is also moving forward. The Governor's Chief of Staff, Jim Clark, Jack Phillips from DCCED and the U.S. Forest Service are collaborating on an MOU to make a more logical use of the Tongass Forests.

The department's overall 2006 vision includes support of the commercial fishing industry's efforts at marketing where exports rose from \$1.74 billion in 2004 to \$2 billion in 2005. Exports were at a low of \$700 million in the late 90s. He reported that the Community Development Quota (CDQ) program, which affects 65 communities out West, is also doing well. Since its inception in 1992, communities in the program have received over \$700 million in revenues; they are holding over \$400 million in assets and of those assets, \$217 million are in cash. He said, "We are very proud of that."

The CDQ program translates into 10 percent of the Bering Sea fishing quota going to local communities that can put that money to work for them. That 10 percent has been allocated in two or three-year cycles, but he wants to change that allocation to a 10-year cycle so a CDQ group could invest in a ship or other capital asset and have a 10-year instead of a three-year amortization schedule. He also wants to release the spending authority of the CDQ groups from only fishing related matters to 20 percent non-fishing matters, but still remaining in the region. This has to be done with transparency so that every member is aware of how the money is being allocated.

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SENATOR DAVIS arrived.

[1:45:57 PM](#)

MR. NOLL related how the job centers have been vastly improved statewide and described the Business Outreach Program, which acquaints people with resources that are available to set up small businesses.

MR. NOLL admitted that he heard talk about separating the commerce and community development back out and treating it as a separate entity, but he assured the committee that the department had not lost any of its professionalism. The director of the Division of Community Advocacy, Mike Black, has 25 years in state service. That division has 50 people and they spend a lot of time on community-type activities. They recognize huge problems in rural Alaska mostly dealing with the end of municipal revenue sharing and the cost of energy. He was pleased with projects like Donlin Creek and the Pogo Mine as well as the CDQ program where people can get jobs.

CHAIR BUNDE asked for a breakdown of CDQ money by community.

MR. NOLL replied that the 65 communities organized 12 years ago into six groups. Some have only a few communities and some have more than 20. They have absolutely accurate figures and the department has a manager for the CDQ program.

CHAIR BUNDE thanked him for his time with the committee and for his willingness to serve.

[1:50:10 PM](#)

TIM WORTHEN, nominee to the Real Estate Commission, said he has lived in Alaska since 1981 and he is to fill one of the consumer positions.

SENATOR ELLIS asked about the nature of some personal information that was crossed out on his resume', but Mr. Worthen needed a copy faxed to him before he could comment.

SENATOR ELLIS asked if he spent a lot of time elsewhere for business reasons, would he be willing to teleconference into meetings.

MR. WORTHEN replied that he would attend all the meetings even though he travels a lot.

SENATOR ELLIS referenced a political campaign that Mr. Worthen lost and remarked that it was an odd thing to put on a resume' to the Legislature.

MR. WORTHEN explained that was an attempt to provide a clear picture that he has no hard feelings.

[1:55:36 PM](#)

JOHN GIUCHICI, Workers' Compensation Appeals Commission (WCAC), said he has lived for 52 years in Alaska and listed organizations in which he participates. He has served on the Workers' Compensation Board for the past 14 years. He understood that the Goal of the Commission is to speed the appeals process and have more consistent rulings than have come out of Superior Court in the past.

1:58:07 PM

KRISTIN KNUDSEN, Chair, Workers' Compensation Appeals Commission (WCAC), said she has worked with a labor law firm and the Workers' Compensation Board while in the Attorney General's Office. The WCAC has only been in existence 11 weeks and in that time it has been able to get its website up and running; decisions have already been posted on it. The board has adopted emergency regulations and the comment period has now expired. It has set up a quarterly meeting schedule and established contacts with different training organizations like the International Association of Industrial Accident Boards and Commissions, the National Judicial College and, hopefully, the National Association of Women Judges.

MS. KNUDSEN said she has worked out a docket processes and identified resources for the commission members, like communication systems so the members can communicate very easily back and forth. Members have moved into their permanent offices even though the furniture is borrowed. At this point in time, 10 appeals and four motions for extraordinary review are on the docket. Of those, two of the appeals have already been settled. Of the four motions for extraordinary review, one has settled, one has been decided and one has a draft circulating. The other is about to be heard.

SENATOR ELLIS asked if the group elected her or if she was appointed by the governor.

MS. KNUDSEN replied that she was appointed because of her experience as an attorney and the position of chair has to be an attorney admitted to practice in the State of Alaska with at least five years of experience in the area of Workers' Compensation. She is the only attorney member on the commission.

SENATOR ELLIS asked her to describe her goals for the commission and her guiding philosophy.

MS.KNUDSEN replied that workers' compensation is unique because it is only about 100 years old. Because it is purely statutory,

it is derived entire from the enabling legislation. The members wish to be careful that they do not step into the realm of the court in looking at the statutes they are essentially applying. One of the first goals of the commission is to delineate where its authority lies.

[2:04:12 PM](#)

JIM ROBINSON, Workers' Compensation Appeals Commission nominee, said he has been in Alaska for 60 years and related his extensive employment history including representing labor and management. He has already served on the Workers' Compensation Board.

SENATOR ELLIS asked what he thought about granting death benefits through the Workers' compensation system and what his philosophy is regarding the commission's work.

MR. ROBINSON replied that in the past he had supported \$1 million in death benefits, but the present rate is one that can be dealt with. He said the commission would have to continue to update regulations according to policies the legislature sets. He thought the legislature should ask the ad hoc committee to get back together and work on putting people back to work, safe work places, and guidelines to positions.

[2:09:27 PM](#)

MARC STEMP, nominee to the Workers' Compensation Appeals Commission, related that he has lived in Alaska for 32 years and has worked in rural Alaska for 30 years. He has been on the Workers' Compensation Board since 1971 and he is happy to help on this ground-breaking commission and views it as a real challenge.

[2:12:30 PM](#)

PHILIP ULMER, nominee to the Workers' Compensation Appeals Commission, testified that he has been in the safety profession for 35 years and in workers' compensation management for the last 15 years. He came to Alaska in 1983. He said that it is critical to have a system that moves forward and it needs to be fair, expedient, consistent, and adhere to the Workers' Compensation Act.

[2:19:29 PM](#)

MATTHEW R. MCSORLEY, nominee to the Alaska Labor Relations Agency, related how he came to Alaska in 1993 on a basketball scholarship and became a firefighter. He finished college and

became involved in the labor movement, which has been one of his passions through the past eight years. He stated that he looks forward to serving Alaska.

[2:20:28 PM](#)

CHAIR BUNDE read the names of appointees not present, but who had been reviewed, into the record as follows:

Johnny Floyd, Daniel J. Rozema, and Elaine R. Williamson

Shirley Gifford

Terry Gorlick, Burdett B. Lent, and Daniel E. Walsh

Dr. Gregory M. Culbert, and Dr. Rosemary E. Zimmerman

Steven McSwain, Richard D. Olmstead

Raymond S. Bridges, Stephen T. Hagedorn, Linda F. Hutchings, and David B. Robinson

CHAIR BUNDE announced that all the names would be moved forwarded, but that is not a commitment and doesn't reflect any intent by any member to vote for or against any of the appointees in future floor sessions. There were no objections. There being no further business to come before the committee, he adjourned the meeting at [2:22:57 PM](#).