

**ALASKA STATE LEGISLATURE
JOINT MEETING
HOUSE LABOR AND COMMERCE STANDING COMMITTEE
SENATE LABOR AND COMMERCE STANDING COMMITTEE**

March 14, 2007

3:35 p.m.

MEMBERS PRESENT

HOUSE LABOR AND COMMERCE

Representative Kurt Olson, Chair
Representative Mark Neuman, Vice Chair
Representative Carl Gatto
Representative Gabrielle LeDoux
Representative Jay Ramras
Representative Robert L. "Bob" Buch
Representative Berta Gardner

SENATE LABOR AND COMMERCE

Senator Johnny Ellis, Chair
Senator Con Bunde

MEMBERS ABSENT

HOUSE LABOR AND COMMERCE

All members present

SENATE LABOR AND COMMERCE

Senator Gary Stevens, Vice Chair
Senator Bettye Davis
Senator Lyman Hoffman

COMMITTEE CALENDAR

CONFIRMATION HEARING(S)

Commissioner, Department of Labor & Workforce Development

Clark "Click" Bishop - Fairbanks

Commissioner, Department of Commerce, Community, & Economic
Development

Emil Notti - Anchorage

Regulatory Commission of Alaska

Kate Giard - Anchorage

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

CLARK "CLICK" BISHOP, Acting Commissioner
Department of Labor & Workforce Development
Juneau, Alaska

POSITION STATEMENT: Testified as appointed commissioner of the
Department of Labor & Workforce Development.

EMIL NOTTI, Acting Commissioner
Department of Commerce, Community, & Economic Development
Juneau, Alaska

POSITION STATEMENT: Testified as appointed commissioner of the
Department of Commerce, Community, & Economic Development.

KATE GIARD, Commissioner, Chair
Regulatory Commission of Alaska (RCA)
Department of Commerce, Community, & Economic Development
(DCCED)
Anchorage, Alaska

POSITION STATEMENT: Testified as an appointee to the Regulatory
Commission of Alaska.

ACTION NARRATIVE

CHAIR JOHNNY ELLIS called the joint meeting of the Senate and House Labor and Commerce Standing Committees to order at [3:35:08 PM](#). Senators Bunde and Ellis, and Representatives Gardner, Gatto, Neuman, Buch, and Olson were present at the call to order. Representatives Ramras and LeDoux arrived as the meeting was in progress.

CONFIRMATION HEARING(S)

Commissioner, Department of Labor & Workforce Development

[3:36:15 PM](#)

CHAIR ELLIS announced that the first order of business would be the confirmation hearing on the appointment of Clark "Click" Bishop as commissioner to the Department of Labor & Workforce Development.

[3:36:23 PM](#)

CLARK "CLICK" BISHOP, Acting Commissioner, Department of Labor & Workforce Development (DLWD), began by giving a brief history of his residency in Alaska. He then offered information regarding his employment history as it relates to this position, highlighting 17 years of experience working as an operating engineer. He also shared information regarding his family and interests. His interests include: dog mushing, boat racing, and volunteer work. He explained that his love for volunteer work led him to his most recent position with the Alaska Operating Engineers Employers Training Trust. He shared his experience working with apprentices, offering his belief that this may be a "calling" for him. He said "[It] took a little soul-searching and thought for me to come here, but ... finally, ... I made up my mind to ... take this challenge on." He stated his desire to "pay it forward" to the people of Alaska.

CHAIR ELLIS thanked Acting Commissioner Bishop for his willingness to serve the state in this capacity.

[3:41:30 PM](#)

REPRESENTATIVE GARDNER inquired as to what Acting Commissioner Bishop considers to be the biggest problems facing the state, and how he intends to deal with these problems.

ACTING COMMISSIONER BISHOP replied that he would like to see the creation of more industry jobs. He opined that more entry-level positions are needed. He shared his belief that there is room for improvement in the Alaska resident hire rate throughout the state. He has met with representatives from the fishing and oil industries in order to move forward with this goal. He opined that improving Alaska hire would create more job opportunities for Alaskans. He offered to meet with members to discuss this further, if so desired.

[3:43:52 PM](#)

ACTING COMMISSIONER BISHOP, in response to a question from Representative Olson regarding the State Training Employment

Program (STEP), stated that he would like to create additional funding for training entities to apply for grants.

REPRESENTATIVE OLSON questioned whether it would be a more equitable split between union and non-union organizations.

ACTING COMMISSIONER BISHOP replied that the funds will be available to everyone, and stated that he intends to maximize this funding.

REPRESENTATIVE OLSON stated that historically, this has not been the case.

ACTING COMMISSIONER BISHOP opined that it will be a competitive grant process.

[3:45:29 PM](#)

REPRESENTATIVE NEUMAN in regard to private industry funding education, stated that finding a way to allow this has been very difficult. One of his goals has been to [create grade appropriate programs that combine core subjects with "on the job" education]. He opined that math and reading are learned through applied sciences, and inquired as to how the aforementioned programs may be created at the secondary level.

ACTING COMMISSIONER BISHOP replied that he has been working with the Department of Education and Early Development (EED) to create a vehicle for work readiness skills for high school students. He offered to share the details of this at a later date.

REPRESENTATIVE NEUMAN commented that it is important to allow private industry to fund education.

[3:49:47 PM](#)

REPRESENTATIVE LEDOUX explained that she represents many small communities where unemployment is a problem. She inquired as to the ways by which the DLWD might get more work to these villages.

ACTING COMMISSIONER BISHOP replied that more detail is needed regarding the specific area, and the resources available. He surmised that public works jobs come to small villages once every 20 years. He stated that previously, he was responsible

for training rural residents for specific projects coming to the community.

[3:52:35 PM](#)

ACTING COMMISSIONER BISHOP, in response to a question from Representative Gatto, explained that a template is in place for training pipeline workers. However, it would need to be expanded to train a large amount of workers in a short period of time. In response to an additional question, he stated that the program is able to produce an entry-level worker in six weeks.

[3:54:37 PM](#)

REPRESENTATIVE RAMRAS stated that it can be difficult to find entry level workers. He shared his hope that the DLWD would take a "broad approach" in regard to the J-1 visa workers, which he opined are an integral part of the seasonal workforce in the hospitality industry. In regard to the state minimum wage, he shared his hope that the DLWD would appoint someone to assist in finding a resolution for both employers and employees. He stressed the importance of a resolution that does not restrict wage increases while trying to meet federal and state minimum wage requirements. In regard to union versus non-union facilities, he expressed hope that the DLWD would take an "even-keeled approach" to the value of individuals that go through either type of facility. Finally, he explained that there is a need for a "just in time" delivery of entry-level workers for state positions. He opined that the DLWD needs an individual who can facilitate this.

[3:59:11 PM](#)

ACTING COMMISSIONER BISHOP assured members that he is able to honestly distinguish between union and non-union workers.

REPRESENTATIVE NEUMAN inquired as to how the university system and the DLWD might work together to facilitate the training that is needed to fill new correctional facility jobs in certain areas of the state. He pointed out that schools are offering classes that are required, but these are not being recognized. Therefore, students are not receiving credit for classes already taken, and must take these again through the Division of Corrections.

ACTING COMMISSIONER BISHOP replied that he has many ideas. One idea involves bringing entry-level workers into state jobs, and

training within the department. He stated that he needs to meet with the departments involved and the education system to develop a vehicle to supply the aforementioned workforce.

[4:03:02 PM](#)

SENATOR BUNDE inquired as to how the recommendations put forth by the governor's transition team might be implemented.

ACTING COMMISSIONER BISHOP replied that he issued a copy of the transition report to each director within the DLWD. While a number of the recommendations met with legal concerns, the DLWD has taken action on several of the remaining recommendations. In response to an additional question, he explained that the Alaska Workforce Investment Board (AWIB) has a new director, adding that it is his goal to make this the "voice" of workforce development in Alaska.

SENATOR BUNDE thanked Acting Commissioner Bishop for his willingness to serve.

[4:07:29 PM](#)

REPRESENTATIVE BUCH acknowledged that this position requires a lot of work, and may result in a loss of income. He expressed his appreciation for Acting Commissioner Bishop's willingness to take this on. In regard to apprenticeship programs, he opined that converting to a state program may be appropriate.

ACTING COMMISSIONER BISHOP replied that this is included in his list of goals for the Department.

[4:09:20 PM](#)

CHAIR ELLIS stated that he has several concerns to discuss, possibly at a future hearing of the Senate Labor and Commerce Standing Committee. In regard to the DLWD decision on the Anchorage Hockey Officials, Inc. qualifying as an employer, he shared concerns regarding the possibility of creating additional fees, and the effect this would have on youth and their families. He stated that this could also be discussed at a later time.

Commissioner, Department of Commerce, Community, & Economic Development

[4:10:33 PM](#)

CHAIR ELLIS announced that the next order of business would be the confirmation hearing on the appointment of Emil Notti as commissioner of the Department of Commerce, Community, & Economic Development.

4:11:03 PM

EMIL NOTTI, Acting Commissioner, Department of Commerce, Community, & Economic Development (DCCED), began by giving a brief history of his residence in Alaska. He graduated from Mt. Edgecumbe High School in Sitka and spent 4 years in the U.S. Navy. Following this, he earned a bachelor's of science degree (BS) in Aeronautical Engineering and Electronics Engineering. He previously served as Commissioner of the Department of Community and Regional Affairs. He stated that he did not seek out the position of DCCED commissioner, adding that "it took some consideration" to take it on. "I find it very interesting - very challenging," he said. He commented that the Department affects the lives of all Alaskans. Additionally, all state agencies report to DCCED.

4:13:40 PM

REPRESENTATIVE NEUMAN in regard to the formation of boroughs in Alaska, asked how the DCCED plans to move towards the constitutional mandate to create more boroughs within the state.

ACTING COMMISSIONER NOTTI shared a recent situation regarding the formation of a borough in Skagway. He explained that while previously, he was able to get involved in discussions with the local boundary commission, he is now unable to do so. He opined that boroughs should be formed; however, they should cover several communities. This would allow local resources to support the various cities within the borough. He opined that it is not in the states best interest to have enclaves that are not taxed by a large group. He stated that DCCED will do what is necessary to encourage borough development.

REPRESENTATIVE NEUMAN opined that this is important, especially when the status of education funding is considered.

4:17:04 PM

REPRESENTATIVE GATTO observed that many Alaskan Native leaders are graduates of Mt. Edgecumbe High School. He asked whether it would be worthwhile to consider creating more schools like this.

ACTING COMMISSIONER NOTTI replied yes. He stated that this would allow many children to be removed from unhealthy home environments, although not all home situations are unhealthy. He opined that this would have a positive effect on youth. He shared details of his experience attending boarding schools, beginning at age 11. He explained that the students participated in the activities needed to maintain the facilities. He stated that work ethic must be learned at an early age, adding that high school is a good place to teach this. In response to an additional question, he shared his belief that 14 years old is a good age to begin attending boarding school.

[4:21:27 PM](#)

REPRESENTATIVE RAMRAS inquired as to what steps would be taken to assist in improving the Alaska Industrial Development and Export Authority (AIDEA). Additionally, he questioned the Department's position on the situation in Bristol Bay involving Pebble Mine.

ACTING COMMISSIONER NOTTI replied that he needs to gather additional information regarding AIDEA. He stated that he would meet with the commissioners on the board and discuss this. In regard to Pebble Mine, he stated that DCCED is responsible for "responsible economic development." He pointed out that other departments are responsible for environmental concerns. While he is not taking a position on this issue, his job is to ensure that the environment is "friendly to business."

CHAIR ELLIS, in regard to high-speed internet access statewide, inquired as to whether the state might have a roll in making this happen.

ACTING COMMISSIONER NOTTI replied that this would greatly increase communication across the state. He then commented on the various types of internet access and related costs.

CHAIR ELLIS requested that this be given further consideration.

SENATOR BUNDE stated that he shares concerns regarding urban and rural youth and their work ethic. He then thanked Acting Commissioner Notti for his willingness to serve.

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ACTING COMMISSIONER NOTTI replied that he looks forward to working with the legislature.

Regulatory Commission of Alaska

[4:28:12 PM](#)

CHAIR ELLIS announced that the final order of business would be the confirmation hearing of Kate Giard, appointee to the Regulatory Commission of Alaska.

KATE GIARD, Commissioner, Chair, Regulatory Commission of Alaska (RCA), Department of Commerce, Community, & Economic Development (DCCED), began by giving a brief history of her experience with the RCA. She explained that she has been chairman of the RCA for three years. Her goals as chairman have included increased transparency, improved internal and external accountability, and lifting the regulatory burden, in order to promote economic development in the state of Alaska. She stated that she is a certified public accountant (CPA) and offered details regarding her work history. She said:

I have a great desire to serve the public good in Alaska. It has been a state that has been good to me. And I work very hard to try to give back to Alaska. It has taken ... someone who has probably moderate intellect and moderate skills, and ... given me an opportunity to grow at a much higher level than I ever thought I would be. So, I am humbled by the opportunity to serve.

MS. GIARD went on to explain the reasons she is a candidate for reappointment to the RCA. These include a knowledge of Alaska's complex regulatory environment and the education time invested. Additionally, she is known among the federal organizations, and has worked with the Alaska Congressional Delegation. She opined that she has a "fairly good" reputation, and the legislature is aware of her good qualities, along with any character flaws.

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REPRESENTATIVE NEUMAN related a story of his positive experience with the RCA and its assistance with the Talkeetna Water and Sewer Project.

REPRESENTATIVE OLSON, in response to a question from Representative Ramras, explained that the confirmations would

not be advanced at this time, thus allowing additional time for questions.

REPRESENTATIVE RAMRAS stated that he has heard reports of the RCA being controlled by a three-vote majority, of which Ms. Giard is a member. Referring to specific RCA commissioners, he explained that he had also heard reports that Ms. Giard advocated the appointment of the aforementioned commissioners. He stated that this is troubling, if the reports are accurate. This makes individuals in the utility industry nervous, as a voting pattern has emerged. He shared his understanding that some utilities feel intimidated with regard to coming before the RCA to level any criticism. He questioned whether it is appropriate to advocate for the appointment of commissioners, and inquired as to how concerned the utilities should be that concerns will be dealt with fairly. He opined that the state has "effectively intimidated the utilities."

MS. GIARD stated that these are important comments, and should be thoroughly addressed. Therefore, she would attempt to answer the questions, and would also supply further information. She explained that the RCA retains records of all decisions made and panels that are assigned. While she does not know how frequently the aforementioned members are on panels together, this data can be evaluated to see how often this occurs. She stated that she did advocate for the appointment of certain commissioners. She explained that the RCA needs high quality individuals, and her goal is to find and promote the best candidates possible. She said "I scoured around to find them. I think I've done a good job at that. I think you have good quality commissioners as a result of that." She shared her belief that this is not an unusual practice. The control point, she said, is that the governor ultimately selects the candidate, which is then approved by the legislature. She detailed her reasons for promoting Commissioner Anthony Price and Commissioner Jan Wilson.

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MS. GIARD stated that the utilities have expressed concern about discussing concerns with the commissioners. She said:

That intimidation factor, I think, exists because the utilities are concerned that, whatever they say, we will then go into adjudication and make a decision based on an adjudicatory record opposed to them because they don't like Kate Giard or they don't like

this last decision. ... I think that the Alaska Legislature provides an extraordinarily positive control point over the activities of the RCA. But there is another control point over the activities of the RCA, and that is superior court. So, if the RCA is making decisions that are reactionary to the unhappiness of utilities or pipeline carriers, those decisions will be appealed to the superior court, and they won't be based on a record, and they won't be upheld. And what you will begin to see, is decision ... after decision, will be overturned. That's not been the case. The RCA's decisions in some major issues, such as the Trans-Alaska Pipeline System (TAPS) issue ... have all been upheld recently ... by the superior court.

MS. GIARD stated that she is sorry the utilities feel unable to talk to the RCA, and expressed uncertainty as to whether this is widely spread. There are utilities that make recommendations for improvement through regulation and through the statutory revision process, and several utilities have expressed that the RCA has "never been more open."

[4:43:53 PM](#)

REPRESENTATIVE GARDNER questioned whether the RCA would benefit from reinstating an executive director position.

MS. GIARD replied that this position was removed by the legislature. She explained that the executive director had complete control over the staff, which did not reflect the adjudicatory decisions of the commissioners. The chairman of the RCA is elected by the commissioners, for a term of one year. She stated that if any of the commissioners on the RCA are unhappy with the policy or administrative direction that the agency is taking, the chair may be elected out. She opined that current statute contains protections against the chairman moving in a direction that the remaining commissioners are not favorable to. She stated that she is unsure of the value the executive director position would add.

REPRESENTATIVE GARDNER clarified that this would be a time-management tool.

MS. GIARD explained that the utilities have expressed concern regarding the executive director position. The RCA did consider seeking legislation to provide greater support for the chair;

however, the chair currently bears the burden of administering the agency.

CHAIR ELLIS pointed out that Ms. Giard has been the chairman for three years, and inquired as to the process of electing the chair.

MS. GIARD explained that the chairmanship is limited to three years. The chairman is elected by his or her peers. She explained that she is restricted from running for chairman again, as she has reached the aforementioned limit. The chairman makes \$200 per month more than other commissioners on the RCA.

CHAIR ELLIS questioned whether this limitation is wise, and whether this should be changed.

MS. GIARD replied no. She stated that prior to being reappointed as chair, she would have recommended that the commissioners vote for the chair. If the chair is doing a good job, and the feedback from the legislature and the utilities is positive, the commissioners can be trusted to vote for leadership. However, she opined that to state that changing this law "is a good idea" would be a conflict of interest, as she is reaching the end of her chairmanship. She expressed confidence in the other commissioners' ability to act as chairman of the RCA. She said "I have learned a lot serving as chair. I have hoped to have made a positive impression. And I have faith in my colleagues, that they will also lead well."

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CHAIR ELLIS pointed out that the legislature has heard criticism regarding timelines and deadlines, and asked that Ms. Giard address this.

MS. GIARD replied that the timelines followed by the RCA are set in statute, and were put in place as a result of complaints from the utility industry. At the time these complaints were received, the RCA had 400-500 outstanding dockets, and currently has 101 open dockets. She opined that the timelines should be considered successful. The RCA has been in compliance with these timelines with the exception of one mathematical calculation error which resulted in a one-day violation of the aforementioned timeline. She then explained that the RCA opened a docket to discuss timelines with regulated utilities and pipeline carriers. During this docket, the telecommunications

industry proposed a one-year timeline for everything that is not covered by current statute. The RCA feels that this is a "fine idea." The results of this docket have been submitted to the governor's office for consideration. She stated that the RCA is pro-timeline. She explained that the discovery process consumes the majority of the timeline, which allows all parties to put data on the record. The RCA must decide the case within 90 days of the final hearing date on a "moderately complex" issue, and 120 days on a "highly complex" case. This deadline has been placed by the RCA.

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MS. GIARD went on to say that the statutory deadlines set by the legislature were originally intended to preserve due-process. She explained this as it relates to a recent case involving ENSTAR Natural Gas Company (ENSTAR). She stated that she does not have a problem with new statutory timelines; however, she would like to ensure that the due-process rights of all parties wishing to participate are protected.

CHAIR ELLIS stated that this discussion would be continued during separate meetings of the House Labor and Commerce Standing Committee and Senate Labor and Commerce Standing Committee.

MS. GIARD, in closing, expressed gratitude for the opportunity to comment. She recognizes that the RCA is a challenging agency. She opined that it is a good agency, and members believe it can improve. She shared her belief that the RCA will continue to move forward, along with her faith that the legislature will reinstate the agency.

CHAIR ELLIS thanked Ms. Giard for her willingness to serve.

ADJOURNMENT

There being no further business before the committee, the joint meeting of the Senate and House Labor and Commerce Standing Committees was adjourned at [4:57:36 PM](#).