

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

February 18, 2010

9:01 a.m.

MEMBERS PRESENT

Senator Linda Menard, Chair
Senator Kevin Meyer, Vice Chair
Senator Hollis French

MEMBERS ABSENT

Senator Albert Kookesh
Senator Joe Paskvan

COMMITTEE CALENDAR

SENATE BILL NO. 260

"An Act relating to electronic voting procedures for electric and telephone cooperatives; and providing for an effective date."

- MOVED SB 260 OUT OF COMMITTEE

SENATE BILL NO. 261

"An Act relating to the membership of the Alcoholic Beverage Control Board; and providing for an effective date."

- MOVED SB 261 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 260

SHORT TITLE: ELECTRIC & TELEPHONE COOPERATIVES' VOTING

SPONSOR(s): STATE AFFAIRS

02/05/10	(S)	READ THE FIRST TIME - REFERRALS
02/05/10	(S)	STA, JUD
02/18/10	(S)	STA AT 9:00 AM BELTZ 105 (TSBldg)

BILL: SB 261

SHORT TITLE: ALCOHOLIC BEVERAGE CONTROL BD MEMBERS

SPONSOR(s): OLSON

02/05/10	(S)	READ THE FIRST TIME - REFERRALS
02/05/10	(S)	STA, L&C

02/18/10

(S)

STA AT 9:00 AM BELTZ 105 (TSBldg)

WITNESS REGISTER

PHIL STEYER, Director of Government Relations and Corporate Communications
Chugach Electric Association
Anchorage, AK

POSITION STATEMENT: Supported SB 260.

RICHARD GAZAWAY, Advisory Section Manager
Department of Commerce, Community & Economic Development (DCCED)
Anchorage, AK

POSITION STATEMENT: Provided information for SB 260.

GREG BERBERICH, CEO
Matanuska Telephone Association (MTA)
Matanuska, AK

POSITION STATEMENT: Supported SB 260.

TIM BENINTENDI
Aide to Senator Olson
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Presented SB 261.

DALE FOX, President and CEO
Alaska Cabaret, Hotel, Restaurant and Retailers Association
(CHARR)
Anchorage, AK

POSITION STATEMENT: Provided information on SB 261, but advised holding the bill for input from industry members.

ROBERT FROEHLE, Superintendent
Regional Wellness Forum (RWF)
Nome, AK

POSITION STATEMENT: Supported SB 261.

BIRDIE TRAINOR, Director
Coed Wellness Program and Suicide Prevention Program

POSITION STATEMENT: Testified on behalf of Berda Willson, Chair, Regional Wellness Forum (RWF), in support of SB 261.

ACTION NARRATIVE

[9:01:16 AM](#)

CHAIR LINDA MENARD called the Senate State Affairs Standing Committee meeting to order at 9:01 a.m. Present at the call to order were Senators French, Meyer and Menard.

SB 260-ELECTRIC & TELEPHONE COOPERATIVES' VOTING

[9:01:52 AM](#)

CHAIR MENARD announced that the first order of business to come before the committee was SB 260. She turned the gavel over to Vice-Chair Meyer.

SENATOR MENARD, sponsor of SB 260, said SB 260 gives telephone and electric cooperatives the option of allowing members to vote by electronic transmission. Currently, co-op members may only vote in person or by mail. These methods are outdated and could be having a negative impact on member participation in elections. She noted that the fiscal note for SB 260 is zero. The Matanuska Telephone Association (MTA) members have already voted to adopt a new bylaw allowing electronic transmission voting. MTA, and other co-ops, now need the Legislature to amend the statutes to allow electronic transmission voting.

[9:04:40 AM](#)

PHIL STEYER, Director of Government Relations and Corporate Communications, Chugach Electric Association, said Chugach Electric is an Anchorage-based, member-owned cooperative providing electric service and is strongly supportive of SB 260. He stated that electronic transmission voting would be optional, not mandatory, and co-op members would also need to amend their bylaws to enact it. Chugach has already amended its own bylaws to enable electronic transmission voting if state statute is changed.

SENATOR FRENCH asked if co-ops are going to electronic voting.

MR. STEYER replied that co-ops in the Lower 48 are going to electronic voting. He said Chugach Electric has spoken with some firms who provide this service elsewhere about providing electronic voting in Alaska.

SENATOR FRENCH asked if SB 260 has had any opposition.

MR. STEYER replied no, not that he knows of. He said a lot of work has been done to put the idea of electronic voting out there and take input from different cooperatives during the resolutions process in the Alaska Power Association. Any issues have been resolved to get to SB 260 today. He explained that the

real key for co-ops is that electronic voting is optional and would only be taken up by co-ops whose members vote to amend their bylaws.

[9:08:05 AM](#)

SENATOR FRENCH asked if the implementation of electronic voting would cost the coops money or save them money.

MR. STEYER replied that, for Chugach Electric, he believes the costs would increase initially but would decrease later on. Setting up and processing electronic voting would cost money initially. He explained that members would still be mailed a ballot packet, with the option for electronic voting included, for at least the first few years. Eventually, the system could change so that members who prefer to vote electronically would notify the co-op and not be sent a packet. Money will be saved in the long-term.

VICE-CHAIR MEYER asked if a paper trail will be available should the validity of the electronic voting be challenged.

MR. STEYER replied that the method used to implement electronic voting would determine if a paper trail would be kept; Chugach Electric has not decided on the method. He said Chugach, or any co-op, should not engage in electronic voting unless an election would be fair, secure and able to withstand any challenge.

SENATOR MENARD said different companies that set up electronic voting would have securities in place.

[9:12:05 AM](#)

SENATOR MEYER noted that other states use electronic voting with success.

RICHARD GAZAWAY, Advisory Section Manager, Department of Commerce, Community & Economic Development (DCCED), said he prepared the fiscal note and is available for questions.

GREG BERBERICH, CEO, Matanuska Telephone Association (MTA), said MTA is a member-owned cooperative providing local, long-distance, wireless broadband internet and DTV services. He stated his support for SB 260 and said the Internet has changed communication and business. In 2007, MTA members overwhelmingly voted to adopt a change in its bylaws to allow electronic voting. He said electronic voting will be faster and more efficient, save printing costs, make counting more efficient and reduce wasted paper.

[9:15:08 AM](#)

He noted that MTA's bylaw includes provisions that if electronic voting is conducted, members will have three options to vote: electronically, in person or by mail upon request.

SENATOR MEYER asked if MTA has an auditor during elections to verify that someone is not voting in person, on paper and electronically.

MR. BERBERICH replied yes and said that an independent firm conducts the elections.

[9:16:15 AM](#)

VICE-CHAIR MEYER closed public testimony.

SENATOR FRENCH moved to report SB 260 from committee with individual recommendations and attached fiscal note(s). There being no objection, the motion carried.

[9:17:05 AM](#)

VICE-CHAIR MEYER announced an at ease from 9:17 a.m. to 9:18 a.m.

SB 261-ALCOHOLIC BEVERAGE CONTROL BD MEMBERS

[9:18:40 AM](#)

CHAIR MENARD said the next item to come before the committee was SB 261.

TIM BENINTENDI, aide to Senator Olson, said SB 261 responds to the array of alcohol related problems unique to small communities in rural Alaska. Wellness services cannot keep up with the adverse impact of alcohol related problems. The profile of these problems needs to be raised. The state's Alcoholic Beverage Control Board (ABC) is comprised of five members, two of whom must be actively engaged in the alcoholic beverage industry and three of whom represent the general public. SB 261 would require one of the three general public positions to be filled by a resident of a rural area. SB 261 defines "rural area" as a community with a population of 4500 or less that is not connected by road or rail to Anchorage or Fairbanks. A defined rural board member could affect policy discussion and ABC Board decisions in a positive way.

SENATOR MEYER asked for examples of communities that would qualify.

MR. BENINTENDI listed several communities that would qualify: Dillingham, Unalaska, any community in the Lincoln Peninsula Borough, Nome and Kotzebue. He noted he is referring to cities or communities as opposed to census areas. He stated that SB 261 would not take effect until the next available public member seat turns over.

[9:22:49 AM](#)

SENATOR MEYER noted some areas under 4500 are dry communities and asked if someone from a dry community should be on the ABC Board.

MR. BENINTENDI replied yes, an applicant from a dry community would be valid. He explained that while dry communities are officially dry, they still have alcohol related problems and rural representation on the ABC Board could bring attention to these problems and some specific focus into the forum.

SENATOR FRENCH said he questioned how to define a rural area. He asked if our statutes define "community" and how big of an area a community is.

MR. BENINTENDI replied that he originally looked at a definition of a small community as 5500 people. He said communities of that size have more resources; SB 261 is aiming at smaller communities and their issues.

SENATOR FRENCH asked if Auke Bay or Douglas, in the Juneau region, are smaller communities.

MR. BENINTENDI replied that Auke Bay and Douglas are within the Juneau City and Borough and would not be eligible.

SENATOR FRENCH said someone from the greater Juneau area, for example, should not be the rural representative. He said he supports the idea of SB 261 but is concerned that "community" could be interpreted as a subset of a city or a borough.

[9:26:08 AM](#)

CHAIR MENARD asked about Southeast communities that would be eligible.

MR. BENINTENDI replied he thought any community outside of a borough in Southeast would qualify. He noted that Ketchikan and Sitka would be too big but Skagway and Angoon would be eligible.

DALE FOX, President and CEO, Alaska Cabaret, Hotel, Restaurant and Retailers Association (CHARR), noted only ten days had passed since SB 261 was posted online and CHARR'S Government Affairs Committee has not had a chance to review it. CHARR members have expressed, through initial emails, that they don't think a problem exists and that governors have done a great job of balancing boards. He said the five current ABC members are from Anchorage, Fairbanks, Juneau and Cordova. Belen Cook, from Cordova, would fit the definition of rural community representative according to SB 261. He noted that Ms. Cook is Chair of the annual Sobriety Celebration in Cordova and is very concerned about alcohol issues. He asked the committee not to pass SB 261 out until the industry has an opportunity to review and discuss it.

[9:29:14 AM](#)

CHAIR MENARD said SB 261 goes to Labor and Commerce next which would allow ample opportunity for CHARR to weigh in.

ROBERT FROEHLE, Superintendant, Nome Youth Facility and member, Regional Wellness Forum (RWF), said the RWF is in strong support of SB 261. He said he appreciates that the ABC Board currently has a member from Cordova and would like to ensure that small communities continue to get representation. He said he sees the effects of alcohol on daily basis on the community's kids and families.

BIRDIE TRAINOR, Director, Coed Wellness Program and Suicide Prevention Program, testified on behalf of Berda Willson, Chair of the Regional Wellness Forum (RWF). Ms. Trainer read a written statement from Ms. Willson. Ms. Willson wrote that she has seen the ravages that alcohol and substance abuse are inflicting on her people. She wrote that the RWF supports the Safety Patrol, made up of about 150 volunteers, which patrols during the PFD, New Year's Eve and the Iditarod to keep residents and visitors safe and to reduce suicides, missing persons and death by accident or freezing when people are intoxicated.

[9:33:17 AM](#)

She wrote that the RWF's next meeting will be held at the Anvil Mountain Correctional Center where inmates will talk about how RWF can help them prevent repeating their mistakes. Anecdotally, 90 percent of the prisoners would not be

incarcerated if alcohol abuse were not a factor. She wrote that rural communities need a voice on the ABC Board from someone who understands rural problems like suicide, child abuse, domestic violence, accidental death and alcohol abuse. She noted that while most villages are dry, alcohol is sold or bootlegged. Her written statement concluded that the RWF is not against alcohol consumption and appreciates the ABC Board's help in ensuring that liquor establishments conform to state law.

[9:34:48 AM](#)

CHAIR MENARD closed public testimony.

SENATOR MEYER asked if anyone from the ABC Board was present.

CHAIR MENARD replied no.

SENATOR MEYER said that the sponsor of SB 261 wants to ensure that rural representation on the ABC Board continues, which he feels is a good idea.

SENATOR FRENCH concurred. He said he has some concern with the definition of "community" but noted that a subsequent committee can grapple with it to make sure the intention of SB 261 is fulfilled.

CHAIR MENARD reported that Senator Kookesh joined the meeting.

[9:36:59 AM](#)

SENATOR FRENCH moved to report SB 261 from committee with individual recommendations and attached fiscal note(s). There being no objection, the motion carried.

[9:37:24 AM](#)

CHAIR MENARD, seeing no further business before the committee adjourned the meeting at 9:37 a.m.