

HOUSE FINANCE COMMITTEE

April 4, 2012

1:47 p.m.

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CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 1:47 p.m.

MEMBERS PRESENT

Representative Bill Stoltze, Co-Chair  
Representative Bill Thomas Jr., Co-Chair  
Representative Anna Fairclough, Vice-Chair  
Representative Mia Costello  
Representative Mike Doogan  
Representative Bryce Edgmon  
Representative Les Gara  
Representative David Guttenberg  
Representative Reggie Joule  
Representative Mark Neuman  
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Representative Edgmon; Joe Michel, Staff, Co-Chair Stoltze; Deborah Bitney, Division Director, Department of Revenue; Representative Paul Seaton; Representative Charisse Millet; Jessica Lukin, Self; Meera Kohler, CEO, Alaska Village Electric Co-op

PRESENT VIA TELECONFERENCE

Marlene Campbell, City and Borough of Sitka; Kim Elliott, Sitka; Whitney Brewster, Director, Division of Motor Vehicles; Rodney Dial, Lieutenant, Alaska State Troopers, Ketchikan; Val Angasan, Bristol Bay Housing Authority, Dillingham; Robbie Garrett, Self, Kake

SUMMARY

HB 190 PFD ALLOWABLE ABSENCE

CSSSHB 190(FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published zero fiscal note: FN1 (REV).

HB 212 PROVISIONAL DRIVER'S LICENSE STICKER

HB 212 was HEARD and HELD in committee for further consideration.

HB 255 READING OR TYPING MESSAGE WHILE DRIVING

CSHB 255(JUD) was REPORTED out of committee with a "do pass" recommendation and with one zero fiscal note from the Department of Law, one zero fiscal note for Department of Administration by the House Finance Committee and three previously published zero fiscal notes: FN1 (ADM), FN2 (COR), FN3 (CRT).

HB 294 POWER COST EQUALIZATION

HB 294 was HEARD and HELD in committee for further consideration.

HB 365 AQUATIC INVASIVE SPECIES

HB 365 was HEARD and HELD in committee for further consideration.

[1:47:06 PM](#)

#hb190

HOUSE BILL NO. 190

"An Act relating to the allowable absence for active duty service members of the armed forces for purposes of permanent fund dividend eligibility."

Vice-chair Fairclough MOVED to ADOPT proposed committee substitute for SSB 190(FIN), Work Draft 27-LS0564\L, (Kirsch 4/4/12) as a working document.

Co-Chair Stoltze OBJECTED for the purpose of discussion.

JOE MICHEL, STAFF, CO-CHAIR STOLTZE stated that version L of the legislation reflected changes from a previous meeting. The language had been omitted from Section 2, subparagraph (f), line 29:

"such as the financial circumstances of the individual or the ability of the individual to find employment in the state;"

Mr. Michel noted that the second change in Section 2 had been the removal of the following language:

"whether the individual made a career choice or chose a career path that does not allow the individual to reside in or return to the state."

DEBORAH BITNEY, DIVISION DIRECTOR, DEPARTMENT OF REVENUE, testified in support of the changes to the legislation. She said that the department intended to create regulations that would clearly define how the statutes would be applied.

Co-Chair Stoltze WITHDREW his objection.

Vice-chair Fairclough MOVED to report CSSSHB 190(FIN) out of committee with individual recommendations and the accompanying fiscal note.

CSSSHB 190(FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published zero fiscal note: FN1 (REV).

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AT EASE

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RECONVENED

#hb365

HOUSE BILL NO. 365

"An Act relating to the rapid response to, and control of, aquatic invasive species."

Vice-chair Fairclough MOVED to ADOPT proposed committee substitute for HB 365(RES), Work Draft 27-LS1439\M as a working document.

Representative Guttenberg OBJECTED for purpose of discussion.

REPRESENTATIVE PAUL SEATON testified that the House Resources version of the bill changed the term "aquatic invasive species" to "marine aquatic invasive species". The change had been made to make the drawing of response plans easier for the Department of Fish and Game (DF&G).

Co-Chair Stoltze recalled that during past discussions concerning invasive plants an effort had been made to be inclusive of the fishing industry. He questioned the reason for the inclusivity.

Representative Guttenberg relayed that the issue of invasive species ran statewide, and that one body of water [salt versus fresh] was not more important than another.

Representative Seaton replied that no priority had been intended either way. He said that the intention of the legislation was to provide a way for departments to respond quickly to an emergency situation triggered by a new invasion.

Representative Guttenberg felt that the ability to respond rapidly was a necessity for both lakes and salt water. He suggested that some invasive species could make their way into the water by way of pet shops. He added that some invaders could be brought to marine waters by way of fresh water.

Representative Guttenberg WITHDREW his OBJECTION. There being NO further OBJECTION it was so ordered.

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Representative Costello expressed concern for the particular area of Sand Lake, which was a fresh water lake.

Representative Seaton shared that the Department of Fish and Game (DF&G) had indicated that the word "aquatic" was too broad a term. The understanding was that the bill would not make it through the legislative process using such a general term. He stated that the decision was made to concentrate on marine waters. He relayed that he supported the eradication of invasive species throughout the state and maintained no objection to broadening the language to

include aquatics, provided it did not require DF&G to draw up an emergency plan for every stream and lake in Alaska. He reiterated that the intent was to examine emergency situations in limited geographic areas where response could be swift and successful. He furthered that an emergency situation, involving the contamination of an entire river system, would require an extended amount of response time. He asserted that the legislation was intended to provide rapid response to emergency situations in a limited area.

Representative Costello commented that her district had been dealing with safety issues related to Sand Lake. She understood that there were many ways to go about solving the Sand Lake problem; her approach was to submit a capital budget request.

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Representative Neuman testified that his region of the Susitna River Valley was experiencing a problem with Northern Pike. The invasive species had devastated tributaries at Alexander Creek, which negatively affected the salmon population. He highlighted that the loss of salmon supply for commercial and sport fishing would have a negative effect on the economy. He wondered if language could be written into the bill that would speak to responding to the problem of Northern Pike.

Representative Seaton explained that the purpose of the legislation was to provide DF&G with the tools to perform an emergency eradication in a limited geographic area. He said that the eradication of Northern Pike in the entire Susitna drainage could harm other species of fish in the water. He relayed that the tools already being used under the invasive species plan were meant for long-range planning. He reiterated that the purpose of the bill was to deal with a new invasive species in a small area. He assured the committee that the debate was not about saltwater species being more important than fresh water species, but stressed there were different ways that endemic infestations were handled versus an emergency reaction to a new invasion in a limited geographic area. He furthered that the bill would give DF&G the ability to allow for the sacrifice of management of one species in a limited geographic area in order to eradicate any new invasive species.

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Representative Neuman noted that the bill would create a plan for salt water. He said that in the case of Alexander Creek, the Northern Pike could be specifically targeted in early spring because there were no salmon species yet in the tributaries large enough to be caught in nets. He argued that this was exactly what the department was already doing in the marine aquatic areas; developing a long-term plan that would eradicate the invasive species in order to save fisheries important to the economy. He believed that the long-term plan should be written into the legislation.

Representative Seaton agreed with Representative Neuman. He added that there was a long-term plan to target longer periods of time. He restated that the intention of the bill was to give the emergency authority to eliminate everything in a limited geographic area in order to eradicate a new invasive species before it spread to rest of the state.

Representative Neuman hoped to discuss the issue further with the department.

Co-Chair Thomas cited sub-section (f):

"In this section, "marine aquatic invasive species" means an organism introduced to a marine ecosystem to which it is not native and whose introduction causes, or is likely to cause, economic or environmental harm or harm to human health."

Representative Neuman felt that further clarification was necessary.

Representative Seaton clarified that the term "marine" was generally applied to salt water. He said that both fresh and salt water could be addressed in the legislation.

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Representative Wilson questioned if any projections had been made of how handling small areas at a time could benefit the state financially.

Representative Seaton replied there was currently an invasive species council that focused on long-range plans,

but that the legislation was intended to provide the tools to make the immediate eradication of new invasive species possible. He stressed his desire to ensure emergency response capability for the department.

Representative Wilson understood that the bill contained a plan for solely salt water, which had resulted in a smaller fiscal note.

Representative Seaton replied that that was correct. He said that according to the department the lake systems were so different that the plans to develop each one would have taken over ten years.

Co-Chair Thomas understood that the department was seeking the ability to actively respond to an infestation rather than spending \$20 million on a written plan.

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Representative Gara shared Representative Neuman concern for fresh water. He expressed concern that the bill was not tailored to deal with fresh water issues. He pointed out to the committee that the implementation of an emergency kill of Northern Pike could risk the health of many other species of fish. He stated that he did not believe that the legislation was worded in a way that would effectively protect fresh water.

Co-Chair Thomas said that the other body put in a request in the FY13 Operating Budget to increase money in for the problem of Northern Pike.

Vice-chair Fairclough shared that the House Finance Committee had changed more than sub-section (f) of the original legislation. She suggested that committee members familiarize themselves with the changes between the original document and the one that was currently before the committee.

MARLENE CAMPBELL, CITY AND BOROUGH OF SITKA (via teleconference) voiced support for the bill. She testified that an invasive species identified in 2010, had rapidly had spread. She said that DF&G had done a dive survey and had mapped the infestation, which had been confined to Whitening Harbor until the movement of aqua farm pieces into Sitka Sound. She feared that the spread of the species

could potentially eradicate all other species, which would have a negative impact on Sitka fisheries. She relayed that there was wide support in the community to hire an expert environmental firm to contain and eradicate the invader. She stressed that Sitka had 5 harbors that generated approximately \$140 million in commercial fisheries monies per year. Additionally, 10 percent of Sitka's population was directly involved in the sea industry, and indirect impact was nearly 50 percent. She concluded that the issue was of grave importance to the future if the fishing industry and urged the timely passage of the legislation.

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KIM ELLIOTT, SITKA (via teleconference), voiced support for the bill. She voiced concern that the issue of invasive species in Alaska be addressed immediately, beyond talking at the table. She feared that the invasive species in Sitka Sound would spread to affect the herring and scallop populations.

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Co-Chair Thomas CLOSED public testimony.

HB 365 was HEARD and HELD in committee for further consideration.

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AT EASE

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RECONVENED

#hb212

HOUSE BILL NO. 212

"An Act relating to requirements for persons holding provisional drivers' licenses."

[2:38:01 PM](#)

Vice-chair Fairclough MOVED to ADOPT the committee substitute for HB 212, Work Draft 27-LS0738\I as a working document. There being NO OBJECTION it was so ordered.

REPRESENTATIVE CHARISSE MILLET introduced her support staff.

JESSICA LUKIN, SELF, testified that the Alaska Graduated License Program was a three-step program designed to develop safe driving habits, as well as to slowly introduce young drivers to Alaskan road systems. One of the steps in the program was graduating from an instructional permit to a provisional license. Having a provisional license had the following restrictions:

- Driver may not carry passengers unless one of the passengers was at least 21 years of age
- Passengers under the age of 21 must be siblings
- Driver may not operate vehicle between the hours of 1 AM and 5 AM unless accompanied by a person at least 21 years of age

Ms. Lukin continued that although the restrictions were in place, they were generally ignored by many young drivers. She directed committee attention to her presentation titled "Novice Driver Safety: Safer Alaskan Roads for Alaskan Drivers." She testified that she had recently had the experience of participating in the Juneau Close-Up program. As homework she had been required to study state and local government, and to present an idea for legislation to a state representative or senator; the product was HB 212.

Ms. Lukin cited page 2 of her presentation, which was a photograph of the car she and her family had been extracted from after being struck head-on by a teenaged driver. She shared that the accident had moved her to advocate for safer teen driving practices. She continued to page 3 titled, "Cause of death among teenagers between 1999-2006." The chart highlighted that of the 48 percent of unintentional injuries suffered by teenagers in the United States, 73 percent were motor vehicle traffic accidents. Page 4 illustrated the Alaska Statistics for Drivers 14-16 (2004-2008). She pointed out that out the numbers were highest in 2008. Page 5 cited more statistics for drivers 16-17, specifically the total drivers in fatal crashes by age in Alaska from 2002 to 2011. She noted that there was no information available of the effects of the accidents on the occupants of the other vehicles or the general public. Page 6, titled "Provisional Licensed Drivers" listed that provisional licensed drivers were hazardous due to:

- Apprehension
- Lack of experience

- Weather conditions
- No driver's education requirement
- Alaska's diversity from other states

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Ms. Lukin continued with page 7, titled "Solution":

- A person holding a provisional driver's license shall display in the rear window of each vehicle operated by the person a sticker issued by the department that identifies that the vehicle is operated by a provisional licensee.

Ms. Lukin directed the committee's attention so page 8, which contained pictures of the proposed stickers as they were used in other areas of the world. She continued to page 9, titled "Why This Solution?"

- This is a simple solution to benefit Alaskan drivers
- It will impress other driver's to be more cautious driving around the novice driver
- It will provide other drivers the information necessary to understand the Provisional Licensee's position
- This will assist law enforcement officers in implementing the law

Ms. Lukin continued to page 10, titled "Enforcement":

- Failure to display a sticker as required by this subsection is an infraction and may be punished by a fine of not more than \$200

Ms. Lukin continued to page 11, which suggested what might occur if the bill were passed into law:

- The State of Alaska will supply the Department of Motor Vehicles with stickers to distribute to those persons acquiring an Provisional License
- Those acquiring a Provisional License will pay for the sticker as part of the permitting process
- Sticker will be placed on the rear window of the operating vehicle.

Ms. Lukin concluded with page 12, "Summary":

- Teen drivers with Provisional License are statistically more hazardous to themselves and other Alaskans
- Require Provisional drivers to identify their status
- Reduce the number of accidents and infractions in Alaska, and help save Alaskan lives

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Vice-chair Fairclough noted that tinted windows could interfere with sticker visibility. She added that page 2, lines 15-16 indicated that communities under 500 people would not need to apply, creating a new threshold under state law. She felt that a threshold already written into statute should be used.

Ms. Lukin responded that the new threshold was necessary because it was assumed that smaller, less populated, rural areas would have less actual miles of drivable road.

Vice-chair Fairclough requested a response from the Department of Motor Vehicles (DMV). She shared the story of the tragic death of a young woman in her community. The young woman's mother had queried whether the tragedy could have been avoided if she had been driving with a passenger. She suggested that the sticker on a vehicle could be a problem if exploited by a predator searching for easy victims.

Ms. Lukin agreed that the situation had been tragic. She noted that the victim had not been underage and pointed out that any person anywhere could be stalked by a sexual predator. She shared that she had talked with the manager of the special Department of Traffic Safety in New Jersey, where the bill had been implemented, and had learned that research had shown that sexual predators were more likely to use the internet to target victims.

Vice-chair Fairclough requested that the legislation be held until further research could be done. She noted that Alaska had the highest rates of domestic violence and rape in the country. She pointed out to the committee that the Covenant House was located in downtown Anchorage, and that predators walked 4th and 5th Avenues in Anchorage waiting for an opportunity to strike. She asserted that she was not

trying to kill bill, but wanted more input from the community.

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Vice-chair Fairclough continued her questioning. She asked about small communities that had a population of under 500 people. She understood that the communities would need to enforce the stickers if they were on the road system.

Ms. Lukin replied in the affirmative. She added that she had talked to members of the Anchorage Police Department while researching whether the victims of sexual statistically knew their predators. She reported that statistically, victims of sexual assault knew their attackers prior to the assault.

Vice-chair Fairclough agreed that most victims of sexual assault knew their attackers.

Co-Chair Stoltze mentioned in gangs in Florida had targeted rental cars with visible stickers; out-of-state drivers did not qualify under the right-to-carry law and would therefore be unarmed.

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Representative Wilson requested further risk research done. She queried whether males would be more reckless than female drivers. She wondered if there were statistics available showing that incidents of accidents involving teenaged drivers in New Jersey had lessened under the legislation.

Ms. Lukin explained that the goal of the legislation was to provide new drivers a wider berth from more experienced drivers. Additionally, it would aid law enforcement in catching teenage drivers carrying too many passengers. She shared that school districts in Wasilla and Eagle River had reported problems with teens driving with too many underage passengers at lunch and after school. She noted that most accidents involving teenaged drivers occurred during after school hours.

Representative Wilson expressed concern that police would be pulling over cars with many passengers, and a sticker in the window, even if it was driven by an adult.

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Ms. Lukin highlighted that new subsection (c) had been added to the legislation in order to speak to Representative Wilson's concerns. She said that driving was a responsibility and that teen drivers should go through a checklist every time they got in the car; checking lights and turn signals, making sure they have their license, checking for the sticker in the back window, and all other safety precautions.

Representative Wilson suggested that Ms. Lukin might understand when she was older, and a mother, that young people would not take the listed necessary precautions. She offered that Ms. Lukin would "understand when she was older."

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Representative Neuman applauded the effort of the bill. He asserted that teenagers were already "cop magnets". He wondered how it could be ensured that young people were not being treated as a second class. He voiced strong support for preliminary driver's education courses. He thought that the bill infringed on the rights of teenagers and made them targets for the police.

Ms. Lukin replied that creating a second class was not the intention of the legislation. She reiterated that the goal was to keep drivers on the road safe from new, inexperienced, aggressive, young drivers. She noted that the success of the program could not be measured until the program had time to take actual affect.

Representative Neuman worried that the legislation would tax the already limited Alaska State Troopers, and would slow their response time. He believed that there were many public safety concerns that should be considered.

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Representative Doogan spoke in favor of the legislation. He shared that between the ages of 16 and 19 he had wrecked 3 automobiles. He shared Ms. Lukin's concern about young drivers, and hoped that the discussion would be fruitful.

Representative Edgmon asked if research for the legislation had revealed that law enforcement might be more accommodating to a teenager with a sticker in their window.

Ms. Lukin replied in the negative. She believed that if the officer saw a sticker they might be a bit more gracious and take the status as a new driver into consideration when weighing any small infraction.

Representative Edgmon asked if New Jersey had encountered savings on car insurance due to the legislation.

Ms. Lunkin replied that insurance companies might be willing to give breaks to users of the program.

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Representative Joule relayed that society often wanted the younger population to accept responsibility for their actions, and that the bill was offering a way to do so. He qualified that the legislation needed to be examined further.

Ms. Lukin stressed that the benefit of the legislation would be that lives would be saved. She shared that she looked forward to working with the committee on drafting a comprehensive piece of legislation.

Co-Chair Stoltze OPENED public testimony.

WHITNEY BREWSTER, DIRECTOR, DIVISION OF MOTOR VEHICLES (via teleconference), testified that the DMV currently had approximately 6250 unexpired provisional license holders. She noted the zero fiscal note attached to the bill. She shared that the static-cling decal would cost \$.25, which would cost less than \$1000 to administer. She said that there were rural exemptions for vehicle registration and insurance requirements, as well as commercial driver's licenses in communities that were off the road system, and had a daily traffic volume of 499 or less. She said that the provision would protect communities that had a daily traffic volume over 500, but were still considered very rural. She noted that some rural communities did not have access to a DMV office, and would not be required to have the provisional sticker.

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RODNEY DIAL, LIEUTENANT, ALASKA STATE TROOPERS, KETCHIKAN (via teleconference), testified that the department was neutral on the bill.

Vice-chair Fairclough reiterated her concern that by applying the sicker, young drivers would be advertising that they were alone in their vehicles, and could be targeted by predators.

Mr. Dial responded that he understood the concern, but that the department had no basis to form an opinion on the matter at this time.

Vice-chair Fairclough informed the committee that some of the smaller communities in the state had very high rates of child abuse. She maintained concern for signaling that youths were driving by themselves.

Mr. Dial stated that the safety of young people in Alaska's communities was the top priority for the department. He said that if the legislation were passed the department would diligently research any possible consequences.

Co-Chair Stoltze asked Mr. Dial remembered the situation in Florida of gangs targeting tourists.

Mr. Dial responded in the affirmative.

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Vice-chair Fairclough suggested that drivers with multiple drunk driving violations could also be required to put a sticker in their window. She requested a response from the Department of Law.

HB 212 was HEARD and HELD in committee for further consideration.

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AT EASE

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RECONVENED

#hb294

HOUSE BILL NO. 294

"An Act relating to the power cost equalization program."

Vice-chair Fairclough MOVED to ADOPT the CSHB 294 (FIN) 27-LS1108\D Work Draft as a working document before the committee.

Co-Chair Stoltze OBJECTED for purpose of discussion.

JOE MICHEL, STAFF, CO-CHAIR STOLTZE explained the changes in version D. He stated that version D added section 3 to the legislation. Section 3 added conditional language; if the bill passed it would not take effect unless there was an appropriation of \$150 million, or more, into the Power Cost Equalization fund (PCE). The appropriation would need to occur during the 27th legislature.

Co-Chair Stoltze WITHDREW his objection. There being NO further OBJECTION it was so ordered.

REPRESENTATIVE EDGMON, SPONSOR, explained that PCE was established in 1984 and provided financial relief for rural consumers, up to 500 kilowatt hours per month for those who were eligible. He related that the formula was based on fuel and non-fuel cost, and eligible communities were determined by the Regulatory Commission of Alaska. He said that the program was monitored by monthly reports to the Alaska Energy Authority (AEA). The \$400 million appropriation granted in July of 2011 raised the PCE endowment to \$700 million. He admitted that the legislation was major and had a large fiscal note attached. He strongly believed that it was the best way to assist rural consumer with escalating fuel prices.

Representative Edgmon detailed that the bill expanded the monthly cap from 500 kilowatt hours to 600, and allowed for commercial uses to be brought back into the program with the limitation of 600 kilowatt hours, with an overall use per month of 2400 kilowatt hours. He added that the bill would exempt state and federal facilities and non-residential consumers.

Co-Chair Stoltze understood that the bill included small businesses.

Representative Edgmon replied in the affirmative. He explained that barber shops, coffee shops, "mom and pop" type businesses would benefit. He shared that most

communities never reached the 60 percent mark of reaching the 500 kilowatt cap. He stated that the bill was designed to allow for commercial entities in smaller communities to have some relief when providing electricity in an era of very high cost.

Co-Chair Stoltze noted that the introduction of the legislation offered an opportunity to educate the general public on traditional kilowatt per hour usage in the average home.

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Representative Edgmon described having to barge in diesel fuel to rural communities; communities with fixed utility costs spread over a small consumer base. He relayed that these small communities paid electricity rates 3 to 4 times the average rate in Anchorage, Fairbanks and Juneau.

Representative Edgmon spoke of a study done by the Institute of Social and Economic Research which had revealed that the program was in limited use in rural areas, and that the communities could utilize it more if they could keep on top of the required paperwork. He said the larger users of the program were in the northern and southeastern parts of the state. He noted that the fiscal note was for approximately \$20 million. He estimated that this was on the high-end of the price range.

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Representative Gara spoke in support of the bill. He noted that the PCE program was necessary, but stressed the importance of encouraging energy efficiency in the state. He hoped that in the future a cost savings component could be added to the program.

Representative Edgmon pointed out to the committee that the state had invested substantially in weatherization programs. The program was designed in such a way that if fuel costs went down, so did the PCE benefit. He said that in 2011, the Renewable Energy Grant Fund Program provided approximately \$6 million in energy savings; most of which could be attributed to two projects: the Gustavus False Creek Hydroelectric Project and the Pillar Mountain Wind Project in Kodiak. He added that there had been other turbine systems in Western Alaska that had contributed to

the overall reduction of PCE costs. He stressed that the report requirements were very stringent.

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Representative Wilson queried the average savings per household using the 500 kilowatt formula.

Representative Edgmon replied that the PCE program saved participating utilities approximately 30 percent.

Co-Chair Stoltze OPENED public testimony.

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VAL ANGASAN, BRISTOL BAY HOUSING AUTHORITY, DILLINGHAM, (via teleconference), testified in support of the legislation. He shared that the high cost of fuel had hindered grow the opportunity in rural Alaska. He revealed that in the area milk was \$10 per gallon, \$6 for gas. He said that surplus income in the area was non-existent. He felt that the PCE program was critical in rural areas.

Representative Edgmon interjected that he had heard reports of gas being as high as \$7.23 per gallon in Dillingham.

ROBBIE GARRETT, SELF, KAKE, (via teleconference), voiced support for the legislation. He shared that in rural areas the rates were high, especially when the rate fell under the non-commercial rate; nearly \$.85 per kilowatt. He stated that as a business owner he did not view PCE as a subsidy in perpetuity, but rather temporary assistance to help stabilize cost.

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MEERA KOHLER, CEO, ALASKA VILLAGE ELECTRIC CO-OP (AVEC), testified in favor of the bill. She stated that AVEC served 54 communities in Alaska with electricity. She stated that the average residential consumption in Alaska's villages was approximately 400 kilowatt hours year round. She said the average varied widely between regions. She relayed that averages were higher in the northwest because the water and sewer systems in the region used electricity. She opined that winter was a time of hardship in many communities; using well above the 500 kilowatt cap. She said that homes in the rural areas ranged from 600 to 1200 square feet. She

said that AVEC had approximately 2800 commercial customers, half of which would be eligible under the bill. She highlighted that AVEC represented one-third of all PCE users in Alaska, and that consumption could be expected to rise 35 to 40 percent were the legislation to pass. She informed the committee that as of the end of March 2012, the balance of the PCE Endowment fund was \$780 million. She qualified that the fund had not been that large for very long; \$400 million had recently been injected into the fund.

Co-Chair Stoltze queried when the last big injection to the fund had occurred.

Ms. Kohler explained that \$100 million from the constitutional budget reserve (CBR) had been injected upon the adoption of the fund in 2000. She added that \$85 million from the Fordham Coal sale was added several years later; then in 2006, \$187 million was added by Governor Murkowski.

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AT EASE

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RECONVENED

Co-Chair Thomas asked if Ms. Kohler saw an end to the problem of providing affordable electricity to rural Alaska.

Ms. Kohler explained that the effective rate for residential consumers for the first 500 kilowatt hours was approximately \$.21 per kilowatt hour. She said that until the price of electricity was at a reasonable level, \$.10 to \$.12 per kilowatt, there would never be enough additional funding.

Co-Chair asked if, in the event that the state faced a deficit due to declining oil production, the PCE fund could be in danger.

Ms. Kohler replied that the fund was predicated on an adequate revenue stream.

Co-Chair Thomas stressed that oil production needed to be higher in order to fund future energy programs and projects in the state.

Representative Edgmon agreed. He felt that the PCE was expensive, but necessary for rural Alaska. He opined that the communities in rural Alaska were shrinking. He said that the legislature needed to consider what rural Alaska should look like into the future, with the understanding that the sustainability of communities was tied directly to energy.

Co-Chair Stoltze noted that the larger urban areas had voiced a majority of the support for PCE program.

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Representative Joule relayed that it was an anomaly when oil went over \$100 per barrel mark. He said that oil maintaining above \$100 per barrel was contributing the high cost of energy. He agreed that a lot of money was being spent on the issue, but believed that the money needed to be spent in order to deliver energy to all parts of Alaska. He thought that the structure of the PCE was a creative way to corral funds for energy relief.

Representative Wilson asked if there were any energy projects at work in rural Alaska that were lowering costs.

Ms. Kohler replied that the company owned more wind turbines than any other company in the state. She asserted that AVEC had been aggressive in the pursuit of affordable energy. She said that the village with the lowest fuel cost component in rural Alaska was Chevak at \$.21 per kilowatt hour, much lower than average fuel cost of \$.32 per kilowatt hour. Fifty percent of the kilowatt hour sales were eligible for the PCE fund.

Representative Wilson asked if the \$.21 cents was the total cost or the fuel surcharge.

Mr. Kohler responded that it was only the fuel surcharge.

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Co-Chair Thomas wondered what would happen to the PCE costs if the debt were retired.

Ms. Kohler said that it would have a substantial effect. She revealed that AVEC had taken \$12 million in additional long-term debt in 2011. The money was invested in communities and was the cash match brought to the Denali Commission and the renewable energy fund grants. The total debt burden for AVEC was currently approximately \$48 million; the debt service was \$1.5 million per year; if the debt were to vanish a \$.6 to \$.7 drop in cost would be observed.

Co-Chair Thomas wondered what would happen if the debt were retired, and kept from growing again.

Ms. Kohler replied that the life of a utility plant was finite. She said that continual investment was necessary. She relayed that AVEC had been whittling away at the debt, but that the cash match the company was responsible for had risen in recent years.

Co-Chair Thomas asked how many representatives served the areas under AVEC.

Ms. Kohler replied that between the house and the senate there were 9 or 10.

Co-Chair Thomas hypothesized that if each of the 10 lawmakers put in \$2 million for a capital budget request it would greatly benefit AVEC.

Ms. Kohler agreed.

Representative Edgmon reiterated that AVEC served 54 communities. He turned attention to the fiscal note. He said that the \$700 million should pay for what the bill proposed to do in a 3 to 4 year period.

Co-Chair Thomas CLOSED public testimony.

HB 294 was HEARD and HELD in committee for further consideration.

[4:08:11 PM](#)

#hb255

HOUSE BILL NO. 255

"An Act prohibiting the driver of a motor vehicle from reading or typing a text message or other nonvoice message or communication on a cellular telephone, computer, or personal data assistant while driving a motor vehicle."

Representative Gara testified that the legislation restated the intention of a bill banning the use of video screens while driving that had passed many years ago. However, the original bill did not specifically mention texting. He detailed the importance that texting be reinstated into the law. He accepted that the definition of what was distracting to a driver was changeable, but stressed that texting could be clearly defined. He said that during a four second text message a car could advance the length of a football field. He said that studies had shown that texting while driving raised the risk of a crash or near collision twentyfold. He revealed that one-third of drivers on the road were texting while operating their vehicles. He expressed concern that lives would be lost because of texting while driving. He noted that the legislation took into consideration future technological advancements to limit typing while driving or viewing visually displayed message.

Representative Joule wondered about texting by voice.

Representative Gara replied that it was not covered in the legislation. The word "typing" was used in consideration of evolving technology. He relayed that the existing distracted driving statute was not enough because it did not make texting while driving a crime. He also felt that jurors would sympathize with people who texted while driving and would not consider it a crime unless it were labeled one under the law.

Co-Chair Stoltze noted that the phone could be used as evidentiary on a texting case.

Representative Gara agreed that the phone would record the date and time of the text.

Co-Chair Stoltze asked if the court would need a subpoena for the cell phone.

Representative Gara believed that the accident would give probable cause to remove evidence from the car. He reiterated that juries would not convict under existing

laws. He hoped that there would be a public service campaign to educate people of the dangers of texting while driving. He pointed out to the committee a letter from the chief of police in member packets (copy on file).

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Representative Wilson directed attention to page 2, lines 7 through 11. She understood that the term "visual display" pertained to anything you would look at like a GPS or and OnStar map.

Representative Gara replied no. He explained that line 20 of the bill contained original language that exempted mapping devices.

Representative Wilson understood that a person could expect a misdemeanor fine of approximately \$300 for texting while driving.

Representative Gara responded only if the driver was texting while the car was in motion.

Representative Wilson pointed out that the bill did not distinguish between a driver who might swerve a little, from a driver who actually hits another car or person due to texting. She understood that under the legislation both actions would be considered a misdemeanor.

Representative Gara relayed that the understanding was not entirely correct. He clarified that if the driver was only texting, and did not hurt anyone, it would be considered a Class A misdemeanor. He furthered that under the current law if a driver injures someone they would be charged with reckless or negligent driving. He stressed that the addition of texting to the latter scenario moved the crime up a level. He asserted that texting while driving was knowingly dangerous, therefore causing an accident while texting could be considered a premeditated act.

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Vice-chair Fairclough asked about taxi cabs. She highlighted that some taxi's had an electronic screen for communicating with dispatch.

Representative Gara replied that a section for dispatch had been written into the original legislation. He cited page 3, line 3, which allowed the viewing of a dispatch screen for use of passenger transport. He thought a case could be made to remove the provision, but noted that the removal could negatively impact businesses. He said that he had not seen evidence that the dispatch screens were a major danger.

Vice-chair Fairclough accepted why the provision was there. She warned that technology was advancing quickly.

Representative Gara noted that even law enforcement had internal manuals that were followed concerning visual screens while driving.

Vice-chair Fairclough clarified that it would not be an illegal act if a person were texting while completely stopped.

Representative Gara agreed. He discussed that it was only a crime if a vehicle was moving. He stressed that the intent of the bill was not to throw innocent people in jail.

[4:24:35 PM](#)

Co-Chair Thomas opined the reality of people being injured or killed because of texting while driving. He shared that he pulled over to look at any texts that he received. He did not believe officers should have the ability to text while driving. He offered strong support for the legislation.

Vice-chair Fairclough MOVED to adopt CS HB 255 (JUD), 27-LS1165\T as a working document before the committee.

Representative Doogan directed attention to the indeterminate fiscal note. He noted that indeterminate fiscal notes made the committee's job much harder because they know what was being agreed on in terms of cost. He believed that people should even not talk on their cell phones when driving. He urged support for the legislation.

Co-Chair Thomas asked the committee to zero out the indeterminate fiscal note from the Public Defender Agency.

Vice-chair Fairclough MOVED to zero out the Public Defender Agency fiscal note (OMB component number 1631). There being NO OBJECTION, it was so ordered.

Representative Costello had signed on as a sponsor and was in strong support of the bill.

[4:30:26 PM](#)

Co-Chair Thomas OPENED public testimony.

Co-Chair Thomas CLOSED public testimony.

Vice-chair Fairclough addressed the fiscal notes: Department of Law, Department of Administration, Court System, and Department of Corrections.

Co-Chair Thomas MOVED to report CS HB 255 (JUD), 27-LS1165\T out of committee with individual recommendations and the accompanying fiscal notes.

CSHB 255(JUD) was REPORTED out of committee with a "do pass" recommendation and with one zero fiscal note from the Department of Law, one zero fiscal note for Department of Administration by the House Finance Committee and three previously published zero fiscal notes: FN1 (ADM), FN2 (COR), FN3 (CRT).

#

ADJOURNMENT

[4:33:24 PM](#)

The meeting was adjourned at 4:33 PM.