

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON ENERGY**

April 18, 2017

5:17 p.m.

MEMBERS PRESENT

Representative Adam Wool, Chair
Representative Ivy Spohnholz, Vice Chair
Representative Matt Claman
Representative Dean Westlake
Representative DeLena Johnson
Representative Jennifer Johnston
Representative George Rauscher

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 206

"An Act relating to an exemption for low-voltage projects from contractor requirements; and relating to an exemption from electrical administrator requirements."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 206

SHORT TITLE: EXEMPTION: CONTRACTORS, ELECTRICAL ADMIN.

SPONSOR(S): REPRESENTATIVE(S) TALERICO

03/31/17	(H)	READ THE FIRST TIME - REFERRALS
03/31/17	(H)	ENE, L&C
04/11/17	(H)	ENE AT 10:15 AM CAPITOL 17
04/11/17	(H)	-- MEETING CANCELED --
04/18/17	(H)	ENE AT 5:15 PM CAPITOL 106

WITNESS REGISTER

REPRESENTATIVE DAVE TALERICO

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented HB 206 as prime sponsor.

ELIJAH VERHAGEN, Staff
Representative Dave Talerico
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided an overview of HB 206 on behalf of the bill sponsor, Representative Talerico.

SARA CHAMBERS, Deputy Director
Division of Corporations, Business, and Professional Licensing
Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: During the hearing of HB 206, provided testimony representing the Department of Commerce, Community & Economic Development.

DEBORAH KELLY, Director
Division of Labor Standards & Safety
Department of Labor & Workforce Development (DOLWD)
Juneau, Alaska

POSITION STATEMENT: During the hearing of HB 206, provided testimony representing the Department of Labor & Workforce Development.

TOM BRADY
Microcon
Wasilla, Alaska

POSITION STATEMENT: During the hearing of HB 206, offered comments regarding Sec. 2 of the legislation.

JOE ASHCRAFT
Ketchikan, Alaska

POSITION STATEMENT: During the hearing of HB 206, testified as to his experience.

WILL JOHNSON
Alaska Satellite Internet
Fairbanks, Alaska

POSITION STATEMENT: During the hearing of HB 206, offered concern.

CRAIG MAPES
Tenakee Springs, Alaska

POSITION STATEMENT: During the hearing of HB 206, offered concern.

BRIAN ASHTON
Wrangell, Alaska

POSITION STATEMENT: During the hearing of HB 206, offered support for the legislation.

WALTER ROBINSON

International Brotherhood of Electrical Workers 1547

Nenana, Alaska

POSITION STATEMENT: During the hearing of HB 206, testified in opposition.

ACTION NARRATIVE

[5:17:16 PM](#)

CHAIR ADAM WOOL called the House Special Committee on Energy meeting to order at 5:17 p.m. Representatives Wool, Johnston, Johnson, Westlake, Rauscher, Spohnholz, and Claman were present at the call to order.

HB 206-EXEMPTION: CONTRACTORS, ELECTRICAL ADMIN.

[5:17:47 PM](#)

CHAIR WOOL announced that the only order of business would be HOUSE BILL NO. 206, "An Act relating to an exemption for low-voltage projects from contractor requirements; and relating to an exemption from electrical administrator requirements."

[5:18:18 PM](#)

REPRESENTATIVE DAVE TALERICO, Alaska State Legislature, described that new satellite internet technology may provided new potentials to Alaska's rural schools and villages. In December 2016, the "Gen 5" satellite was launched over Texas and two of the spot beams on Gen 5 are pointed toward Alaska. It appears that, at some point in time, Alaska may receive satellite internet into Alaska's remote locations at about 25 megabits per second wherein, currently, some rural areas are at five and six megabits. The intent of the bill is to make sure there are not a lot of restrictions on the satellite installers, "in particularly, if something crossed over where it looked like maybe it -- it covered these people that would do the installations or people that could maintain them. In particularly in our rural communities to see if there would be issues with them getting hooked up or them being able to maintain those."

REPRESENTATIVE TALERICO advised there are two regulations that make installing the internet satellites reasonably cost prohibitive, especially in the rural areas. He pointed out that "originally HB 206 seeks to exempt" the satellite internet installers who perform that work from the cost of paying for and obtaining the handyman license. Currently, he explained, the installers have a requirement to be trained and certified by FCC regulations before they perform an installation or make adjustments to the satellite, and the bill language exempts satellite installers from paying and having an electrical administrator oversee their installations. These are all low voltage projects that do not involve any household current or high voltage, he explained, and the only thing they actually involve is the plugging in of an appliance into a wall outlet. It is not electrical work, per se, that a certified electrician would be performing, he described.

5:22:09 PM

REPRESENTATIVE TALERICO noted that people have concerns as to whether the legislation was "going outside of the realm and everything." He explained that he is working with the Department of Labor & Workforce Development (DOLWD), and the Department of Commerce, Community & Economic Development (DCCED) as to "what can we really do here" because the departments have concerns that if this bill is not worded correctly, it would exempt people from doing things they should not be doing such as, climbing up poles and getting close to high power wires. There was also the question of the "handyman license provides for coverage for liability, they have a low amount of bonding that they get." He pointed out that handymen perform "all kinds of things" but if they drilled a hole in someone's home and hit a waterpipe or an electrical line, there would be a way to cover the damage. He said he is crafting language with those departments' suggestions to narrow the focus and make people more comfortable with the language moving forward. Alaska, he noted, is behind the curve when technology hits and advancing to satellite technology would move Alaska closer to the curve. He advised that education and students' ability to stay connected is his priority intent, stressing the importance of continued attention on the issues. He related that the House Special Committee on Energy was probably all in agreement that distance delivery education is desperately needed out there and commented that within the House Education Standing Committee there was much discussion about equalizing Alaska's education and giving the same opportunities to people in remote areas as are available in some of the urban centers. He said his take is

that the urban centers "would be more than happy to do distance delivery education if the technology was in place."

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CHAIR WOOL pointed out that this bill is a work in progress and that he did not want to hammer on a bunch of details that possibly would not be included in the final product. He related that a high-level overview of the bill would be appreciated.

[5:25:58 PM](#)

ELIJAH VERHAGEN, Staff, Representative Dave Talerico, Alaska State Legislature, advised that HB 206 has two exemptions, as follows: [Section 1, Sec. 08.18.161(8)] page 2, line 11, has the "re-added exemption that used to be in there all the way until 2014," and the wording was change, as follows: "work on a low voltage project" wherein previously this was an exemption of "under \$10,000 for all work -- all construction work." The intent of this bill is the tremendous opportunity to deliver broadband to rural areas and schools, approximately 19 volts for the cables. The sponsor specifically included the language "low voltage projects under one or more contracts where the aggregate price or the total price is \$10,000 or less," he explained, and an amendment is being crafted to shrink the \$10,000 limit down to roughly \$2,000. Wherein, he advised, if something went wrong the consumer would be protected and it would be on a small scale under \$2,000. However, he commented, the majority of satellite installations are approximately \$500, and in small rural areas a service provider would train local individuals and get them up to FCC regulations, and they would be certified before providing satellite installation because they do not want to "mess up the entire satellite." In the event that trained individual performed "a lousy job" on one customer's project, word of mouth would spread, and the individual would no longer be hired, he said.

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MR. VERHAGEN referred to HB 206, [Sec. 2, AS 08.40.190(b)(12)] page 4, line 12, and advised that the second exemption refers to the list of exemptions from requiring electrical administrators oversight of a project, "[12] installation, maintenance, and repair of low voltage telecommunications, broadband transmission, and video services." He then referred to page 3, line 30, and advised that "(7) the installation, maintenance, and repair of fire alarms, intrusion alarm, or other low voltage

signaling systems of 48 volts" is exempted. He explained that the sponsor believes that "this is very similar to that exemption" because it is 56 volts or less and defined by the National Electrical Code (NEC). He explained that the installer plugs into the receptacle they will eventually plug the transmitter into, and if the outlet is wired incorrectly, they cease the project and the customer would have to get a licensed electrician to fix the outlet or fit it themselves. The oversight of an electrical administrator is obsolete in the mind of the sponsor because the installers are dealing with low voltage and, he reiterated, the sponsor is crafting an amendment to fix loopholes or unintended consequences.

[5:32:00 PM](#)

MR. VERHAGEN, in response to Chair Wool, agreed that he was solely discussing satellite systems, and the intent conveyed was simply for broadband satellite receivers.

CHAIR WOOL commented that there were discussions about other types of low voltage systems, such as fire alarms, nurse call systems, or something similar, and this was for residential or small commercial.

REPRESENTATIVE TALERICO agreed, and he said language is being crafted to bring to the committee wherein it is clearly defined "where the system would be."

[5:32:51 PM](#)

REPRESENTATIVE JOHNSON expressed concern that hazardous or classified sites might be exempted.

MR. VERHAGEN replied that the concerns are not necessarily dealing with satellite broadband internet but deal with "messing with the power grid." In the event there are unintended consequences in this bill because of that issue, the amendment would clarify it and it may include the word "wireless" because this broadband transmission satellite is wireless and not plugged into the main power grid that is high voltage and dangerous. The amendment, he offered, will reflect that the sponsor is not trying to open this up to other areas, in that it is primarily for wireless broadband internet.

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REPRESENTATIVE CLAMAN asked whether the receivers today would receive a satellite system if they were available, and whether they were small, medium, or large sized receivers. Also, he noted that he questions asking anyone in rural or urban Alaska to install anything of any significance for less than \$10,000.

REPRESENTATIVE TALERICO advised that the dish is sometimes as large as a 48-inch, but typically, the dish is approximately 30-inches and is plugged into the house. He said he had been told that the installations cost approximately \$500.

CHAIR WOOL opined that sometimes they are subsidized "because they know you are going to have a service you pay every month," similar to buying a printer for \$40, except the ink is \$50.

[5:36:41 PM](#)

REPRESENTATIVE SPOHNHOLZ asked the cost of a handyman license.

MR. VERHAGEN opined that in a two-year period, a person would pay \$400 for a handyman license, on top of a \$50 per year business license, and bonding insurance for up to \$5,000. The installers will be trained by Hughes Net, Microcom, Direct TV, or others, and must be certified by the FCC and receive a certification number before they are allowed to "ever mess with the satellites." Another hurdle for rural Alaskans is requiring them to pay an additional \$500 to receive a handyman license, except that license entails things not related to satellite installation whatsoever, which is the reason for the exemption for low voltage projects.

[5:38:20 PM](#)

REPRESENTATIVE SPOHNHOLZ asked whether there would be enough work for a person to perform this service exclusively, and not just become the "handy people" in rural communities.

REPRESENTATIVE TALERICO responded that the rural economy is different than what he is accustomed and believes this is an "additional thing" someone would do together with their subsistence lifestyle. He offered that subsequent to the installation there would be service on the system, and the work evolving from this legislation would be more on the part-time side.

[5:39:49 PM](#)

REPRESENTATIVE SPOHNHOLZ surmised that Representative Talerico was crafting an amendment to narrow the focus more clearly to solely exempt the satellite installers as opposed to a broader exemption

REPRESENTATIVE TALERICO answered that the concern was that there would be unlicensed and unbonded linemen crawling up on poles. That is not the intention and, he described, this is more like working on separate standalone systems bringing the 19-volt wire in, and not being part of an electrical grid.

[5:41:23 PM](#)

REPRESENTATIVE SPOHNHOLZ asked whether the installers would be able to help schools obtain broadband access as well.

REPRESENTATIVE TALERICO replied that as the language is narrowed down, a lot of it will depend upon the actual system "they choose to install."

Typically, he said, in the event the school wants to "do something large" it would probably be accomplished via contract and take more than one person to handle the equipment. He commented that not necessarily every student in his district attends the public school because they are in locations where public school is not available. His hope, he offered, is that at some point those students would be able to stay connected and have that interaction with the rest of the state as far as their education.

MR. VERHAGEN added that some of the providers have advised that they will develop an "education or school package" for rural schools and offer a special deal.

[5:44:52 PM](#)

SARA CHAMBERS, Deputy Director, Division of Corporations, Business, and Professional Licensing (DCBPL), Department of Commerce, Community & Economic Development (DCCED), was available for testimony and questions.

[5:44:57 PM](#)

DEBORAH KELLY, Director, Division of Labor Standards & Safety, Department of Labor & Workforce Development (DOLWD), was available for testimony and questions.

[5:45:06 PM](#)

MS. CHAMBERS related that she is looking forward to continuing to work with the sponsor and the committee to move the language toward the sponsor's intent. She related that this legislation falls within the Department of Commerce, Community & Economic Development (DCCED) statutes, but she works closely with the DOLWD because it has electrical and mechanical expertise and it also works on enforcement with her department. She referred to HB 206, Section 1, and advised it is the construction contractor exemption which would exempt the stated work from having any construction contractor license, and she offered concern from the consumer protection standpoint of exemption from licensure. She explained that for general contractors, specialty contractors, and handymen, there are no rigorous education requirements. The focus is on having a registration of that license type and making sure the person is properly bonded and insured if they have employees. The rigors are not large, she described, but to pay the fee for a general contractor or a handyman is \$235 every two years, the bonding for a handyman is \$5,000 wherein the fee is two percent to four percent, and the general contractor bond is \$20,000. She offered that it is a couple of hundred dollars per year to be a handyman when "you are all in," and any handyman installer who performs any handyman work under \$10,000 regardless of what it is, if its repair effecting the structure of a home, for example, a contractor license would be required.

[5:48:13 PM](#)

CHAIR WOOL surmised that the \$10,000 threshold is for a handyman license and above that amount a general contractors license is required and commented that a handyman license is contractor's license.

MS. CHAMBERS offered that it is a contractor license for that smaller dollar threshold, anything above that amount would require a general, a specialty, or a general with a residential endorsement license.

CHAIR WOOL surmised that up until 2014, the \$10,000 and below figure was exempt from any licensure, and this is a recent addition.

MS. CHAMBERS agreed, and she said the legislature made that change in 2014.

CHAIR WOOL offered a scenario of a carpenter performing small jobs living in rural Alaska, and 2014 rolls along requiring that for this type of work under \$10,000, a license would be required. He asked whether her division was tracking how many people were getting these licenses.

MS. CHAMBERS answered absolutely and said there was a misunderstanding that any work under \$10,000 was exempt. She explained that if it was covered in a license, for example, carpentry work requires a specialty contractor license, so even if someone was hanging crown molding in a home, they would need a specialty contractor license under state law.

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REPRESENTATIVE RAUSCHER asked that Ms. Chambers explain the confines of a subcontractor or specialty license.

MS. CHAMBERS explained that the specialty contractor license can take up to three specialties, and a long list of specialties has been developed over the years. These are special jobs wherein someone might have two or three specialties, such as hanging drywall, but not contracting to build a home. Beyond the three specialties, she explained, a person would need a general contractor license, and noted that specialty contractors cannot bid for their own projects, a general contractor would have to bid.

[5:51:27 PM](#)

CHAIR WOOL noted that a handyman does not have a performance test of knowledge, wherein they basically just sign up, obtain a bond, and they are qualified. In the event the person is a specialty contractor, asked whether there is a performance or knowledge test.

MS. CHAMBERS replied that the only areas of testing in the construction contractor field is if residences are being built. The electrical, mechanical, and administrator license types are cousins to the construction contractor license type and do require testing with a far more extensive education experience, such as journeyman or certificate of fitness. She said that for a construction contractor, "if you want to build a home that's the only testing. You can build all the buildings you want and not have any performance measures."

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REPRESENTATIVE RAUSCHER asked whether she meant building homes as a business for other people.

MS. CHAMBERS answered that Representative Rauscher was exactly correct, there are quite a few exemptions and one exemption is if the person is building their own home.

MS. CHAMBERS offered that was the extent of her testimony with the final remark that this not a performance-based type of license, but the bonding does provide an element of protection for consumers to have recourse through the department's investigative procedures should something go awry outside the realm of licensure. She added that that was one of the reasons the department believes contractor licensure is important for satellite installers as it currently stands in the bill.

[5:53:50 PM](#)

MS. KELLY mentioned that there are EA exemptions related to this type of work already, such as, manufacture, maintenance and repair of electrical equipment, and electric work under \$5,000 in communities of under 500 people or remote communities. She explained that the EA is a public safety measure in order to be certain the person supervising the work understands the code because there are real dangers associated with electrical installations, including those low voltage electrical installations because they do not exist in a vacuum. She related that the manner in which this bill is written will affect a broader range of work than intended and creates a substantial public safety concern, not just an electrical concern but a structural concern as well. The department is working with the sponsor to address these public safety concerns because the bill allows people working on or around the high voltage power grid to then bring an electrical connection from that grid into a home or business, she stressed.

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CHAIR WOOL surmised that if it is a population under 500 people or a remote community and the cost does not exceed \$5,000, "so what the bill sponsor said earlier was say, under \$2,000 and in rural communities only" would be exempt from the electrical administrator (EA) based on the current exemptions.

MS. KELLY responded that she was unsure whether the sponsor was talking about making a specific rural exemption for the EA, but

the \$2,000 requirement was related to HB 206 Section 1, and Sec. 2 does not have an associated dollar amount.

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MS. CHAMBERS referred to Sec. 2, and advised it would modify AS 08.40.190(b), which is the rural exemption stating the specifics that would exempt rural communities from needing that electrical exemption.

[Public testimony was opened.]

[5:57:35 PM](#)

TOM BRADY, Microcon, referred to HB 206, Sec. 2, and advised it deals with the installation of satellite broadband, satellite video, and other broadband services. He called the committee's attention to AS 08.40.005, and said it gives the purpose of the electrical safety program in Alaska. This statute, he explained, is supposed to protect the safety of people (audio difficulties) from the danger of improperly installed electrical wiring and equipment by providing procedures to assure the public that that persons responsible for making electrical installations are qualified, and secondly that (audio difficulties) persons are qualified. He pointed to AS 08.40.200 and said that electrical wiring means and includes: wiring, fixtures, conduits, appliances, devices, equipment, overhead or underground wiring systems, or other equipment in connection with the general distribution or utilization of electrical energy. Satellite equipment cabling, he said, is not used for the general distribution and use of electrical energy, so it would appear that the satellite broadband industry and television industry did not follow Alaska's statutes. He explained that this came about approximately 18 months ago the DOLWD and DCCED advised "us of potential violations" of Alaska's contracting law, 12 AAC 21.260, dealing with communications contractors. In 2008, the DOLWD in consult with the DCCED redefined the satellite television industry as being of the audio-visual industry, and he related that that is a redefinition that the audio-visual industry did not recognize or understand. This bill clarifies that the satellite television, broadband industry and the wireless broadband industry, would not fall under AS 08.40.005 and its subsequent sections. The satellite television broadband industry to a certain extent is self-regulating in that the major service providers have specific training and certification programs for its field workforce of employees, contractors, and independent retailers,

he explained. In addition, he advised, the National Satellite Broadcasting and Communications Association conducts certification programs on behalf of service providers for residential and commercial installations, which is supplemented by online training with Direct TV, Dish Network, Myoset, and Hughes Networks. He related that they are not trying to avoid regulations (audio difficulties) contractor license rule in the State of Alaska, they are saying that any regulatory structure must have a clear public purpose and be appropriate, enforceable, and reviewed on a recurring basis (audio difficulties) small business. The specific requirement for an electrical administrator (EA) in inside and outside communications is (audio difficulties) small business and (audio difficulties) do the job involved. He said he would address a comment from DOLWD regarding extending the energy grid into the home, "We don't do that, we're not allowed to do that, we're not qualified to do that. We work only with the distribution of video and broadband services and the associated equipment provided by the service provider."

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CHAIR WOOL asked the voltage of satellite, and also the amperage.

MR. BRADY responded that currently the highest voltage used in satellite television and satellite broadband is 29 DC volts and approximately 1.5 amps.

[6:02:47 PM](#)

JOE ASHCRAFT offered that he was speaking from Yakutat and had installed approximately 60 Hughes Nets and they were working well. He related there was misinformation regarding [schools] and said that unless Hughes Net takes the Fair Access Policy (FAP) - the cap limits on these off, it would not be viable for a school because it works so fast. Right now, he said, "we're talking 40 megs down or so with Hughes Net trying to match the broadband definition from the FCC of 25 megs going forward." He explained that a school of 10-20 students may use up the 550 gigs available for the month within a few days and then it goes back down to a slow speed - slower than the KU Band that most of the schools have currently which are "un-fab." For the most part, the system is low voltage and not much danger, except in areas with lightning, such as around Pelican, because lightning and other access current can build in some of those places. He opined, that for some of these people, trained,

untrained, or do their own, somebody needs to oversee and train them well. He then related an anecdote about a woman in Hoonah with many dishes on her roof that eventually it ruined her roof. He does think there should be regulation, but it stands that the person hiring subcontractors would monitor what they do, audit the installations, and make sure the consumer was not put out money-wise for poor installations. The Hughes Net dishes are .98, a little less than a meter, there will be some with 1.2-meters used on the edges of these signals to try to get a signal. He related that last year the state required him to install a 2.4-meter dish at a construction site, it took quite a while to get that dish to the construction site and at a large expense. The 1.2-meter dish had worked fine for the three months prior to the installation of the 2.4-meter dish, and the new dish worked approximately a percentage point better. He suggested that the industry sit down with the representatives to brainstorm because technology is moving fast, wherein in 2-3 years "One Web" will be available for students and everyone all over the world and will dispel any need for an electrical administrator.

[6:07:25 PM](#)

MR. ASHCRAFT, in response to Chair Wool, answered that he is a dealer from Ketchikan and has performed installations for approximately 30 years.

CHAIR WOOL asked whether \$2,000 would cover most of the installations.

MR. ASHCRAFT said that it depends upon the dish wherein an install of an "I Direct System" with a 2.4-meter dish is usually around \$1,200, and GCI does the same thing for approximately \$2,500. He then explained the various charges and related that \$2,000 is a good figure.

[6:09:15 PM](#)

WILL JOHNSON, Alaska Satellite Internet, explained his background with Hughes Net, operating the flight school in Bethel and training local pilots.

CHAIR WOOL asked Mr. Johnson to speak to the bill at hand.

MR. JOHNSON advised that Alaska Satellite Internet now partners with over 400 installers in rural areas with "more active customers than anyone in the nation." He assured the committee

that the exemptions for electrical administrator are unworkable and "you will absolutely kill the deal to require an electrical administrator," and also will kill it with bonding and licensing. He explained that the application alone will turn installers in the bush away, and he is trying to remove obstacles that prevent local people from installing these systems. As to the installations, he said, over the years they have not had a problem with ruining houses or roofs or electrocuting people because none of this has ever happened. He pointed out that home schooling is a big deal in the bush and they do not have internet, but the kids at school have internet. He said, "If we continue on the course we're going, I'm going to have to shut down my business, tell all those installers good-bye - there'll be no more work for them." His installers have advised him that they will not do the licensing and bonding due to the expense, especially because they only install possibly 3-10 systems per year, and Mr. Johnson wants them available to service the systems. He said that the other model is where installers from "the big city" are sent out at an enormous expense and install "a whole bunch of them at once," except if a system breaks down no one will come out from the city to service that system. He stressed that he likes Native installers.

[6:15:00 PM](#)

MR. JOHNSON, in response to Chair Wool, reiterated that he has 400 installers in rural Alaska and has installed thousands of systems. He then mentioned that he only wants one business model because he can't have six different business models for each region.

CHAIR WOOL asked whether Mr. Johnson had said that for all of his installers, if they had to get a handyman license, register with the state, and get bonded, that it would be a hurdle they would not cross.

MR. JOHNSON answered that it is a "bridge too far," for the average rural person because it economically does not make sense with the limited money they have, the limited money they will receive from the installations, and it would also be a "nightmare for him to comply with, and it's -- it's just not going happen." He pointed out that anyone who feels differently is not familiar with the conditions in the villages.

MR. JOHNSON, in response to Chair Wool, advised that he does not know a single person with a handyman's license and all this does is make people break the law.

[6:16:44 PM](#)

CRAIG MAPES surmised that the issue is the need for local installers due to the difficulty of installers from Juneau only being available for a short period of time. The lack of installers caused him to suggest to a distributor that he would become an installer, and while on his way to becoming an installer, realized there is a stumbling (audio difficulties) license, but easier than a lot of people out there. He explained that he is a retired school teacher, taught construction for decades, built many houses in Alaska, and is certainly qualified and able to get a handyman license. Except, he said, he does not want a handyman license to just install a system in his home and a few neighbors, nor can he afford the bond to perform this simple task. As far as safety, he noted that the first thing he learned in his national curriculum with Hughes Net training was (audio difficulties) plug a simple voltage tester into an outlet in the home and if there is any indication that the power is not (audio difficulties) the installation stops at that point and the homeowner has to get a licensed person to repair it. The system is essentially the same as plugging in a toaster wherein the installer mounts the dish under stringent standards, runs the wire to the home and plugs into a modem to an AC outlet that has nothing to do with high voltage or electrical wiring. He reiterated that this is about having local people available to perform this service, and it would be an economic and realistic burden for him to go through the hoops and expense to become a licensed contractor and buy the bond. He related the importance of crafting regulations so local people in villages can receive communication services, and while he certainly understands and supports the reasons for electrical safety codes, it would be best for local installers to install the satellite systems and help many people "because it is kind of a big deal."

[6:22:15 PM](#)

CHAIR WOOL asked whether he was currently undergoing the training from Hughes Net, or had completed the training.

MR. MAPES responded that he completed the online portion and is about to complete his hands-on training to become an installer.

CHAIR WOOL asked whether he has to pay for the training.

MR. JOHNSON advised that there is basically no charge for the training, but in his case, he has to get himself from where he lives to the training site at his own expense.

CHAIR WOOL asked whether he knows anyone in Tenakee Springs with a handyman license.

MR. MAPES answered that he does not know whether anyone has a handyman license is or is a licensed contractor.

6:23:51 PM

BRIAN ASHTON advised he is a dealer for Hughes Net, helped introduce Hughes Net into Alaska approximately 10 years ago, and he supports this legislation. He described that he is a strong advocate of living in rural Alaska being raised in Hoonah and living in Wrangell, and the importance for the rural communities to have trained local people to install and actually service the systems. He then demonstrated the actual product for the committee and how it works. The cost of the equipment is \$600, and if the system is not installed properly it could actually stress the satellite and make it work harder. Until now, he said, they have been operating with a 15-year old satellite, Generation 2 technology, providing up to 2 megabits per second, and with the new satellite there is a guarantee of a minimum of 25 megabits per second. Alaska basically "missed out on" Generation 3 and 4 satellites because they were in the East with the bigger markets. The goal is a good program training rural individual how to install and provide service to this system, not only is it needed for reliability and quickness of service, but also to preserve technology jobs in these rural communities. When it comes to protecting property, it entails a hole to push "this through the wall" and applying caulking to seal it up, and he has not had one complaint in 30 years, he said. Mr. Ashton referred to the comment that the current plans do not work for Alaska's school systems and advised that he is working with Hughes Net and its parent company to put together a plan that will work for rural schools.

6:30:46 PM

WALTER ROBINSON, International Brotherhood of Electrical Workers 1547, advise he is a 17-year electrician working around the state in low and medium voltage systems, licensed through the State of Alaska as an electrical journeyman thereby passing required tests pertaining to the National Electric Code, and is in opposition to HB 206. These standards, he explained, have

been set in place because it does not matter the voltage rate on a system, but rather what the system does, and he sees no reason to lower the standards required by the state to have the work performed by a company that does not hold an electrical administrator's license. He offered that this will open the door for other low voltage systems that are life safety (indisc.) without an electrical administrative license. This bill "targets products under \$10,000 and rural Alaska projects," and he pointed out that Alaska's rural schools are the last place to cut corners, and that electrical systems need to be installed in a safe and professional manner. The only way to ensure this happens is by using qualified licensed people and the work overseen by a person holding an electrical administrator's license. He related that rather than putting Alaskans at risk, there should be a strengthening of certification requirements. His problem is not with the satellite disk installation, he pointed out, it is that this bill opens up all low voltage systems and there needs to be a way to narrow down the scope of this bill.

[6:32:30 PM](#)

CHAIR WOOL commented that this bill is a work in progress and the bill will be before the committee in the future.

[HB 206 was held over.]

[6:33:00 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Energy meeting was adjourned at 6:33 p.m.