

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

April 4, 2017

1:32 p.m.

MEMBERS PRESENT

Senator Mia Costello, Chair
Senator Shelley Hughes, Vice Chair
Senator Kevin Meyer
Senator Gary Stevens
Senator Berta Gardner

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CONFIRMATION HEARINGS

Board of Professional Counselors
Debra Hamilton Appointee - Soldotna

- CONFIRMATION HEARD AND HELD

Alaska Labor Relations Agency
Lee Holen - Anchorage

- CONFIRMATION HEARD AND HELD

Board of Examiners in Optometry
Erik Christianson - Ketchikan

- CONFIRMATION HEARD AND HELD

SENATE BILL NO. 80

"An Act relating to telecommunications services for certain disabled subscribers; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 85

"An Act relating to allocations of funding for the Alaska Workforce Investment Board; and providing for an effective date."

-BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: SB 80

SHORT TITLE: TELECOMMUNICATIONS: DISABLED SUBSCRIBERS

SPONSOR(s): SENATOR(s) COSTELLO

03/08/17	(S)	READ THE FIRST TIME - REFERRALS
03/08/17	(S)	L&C, FIN
03/23/17	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/23/17	(S)	-- MEETING CANCELED --
04/04/17	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

DEBRA HAMILTON, Appointee
Board of Professional Counselors
Soldotna, Alaska

POSITION STATEMENT: Testified as appointee to the Board of Professional Counselors.

LEE HOLEN, Appointee
Alaska Labor Relations Agency
Anchorage, Alaska

POSITION STATEMENT: Testified as appointee to the Alaska Labor Relations Agency.

ERIK CHRISTIANSON, Appointee
Board of Examiners in Optometry
Ketchikan, Alaska

POSITION STATEMENT: Testified as appointee to the Board of Examiners in Optometry.

SORCHA HAZELTON, Staff
Senator Mia Costello
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced SB 80 on behalf of the sponsor.

NORMAN ROKEBERG, Commissioner
Regulatory Commission of Alaska
Anchorage, Alaska

POSITION STATEMENT: Provided information related to SB 80.

DEAN GATES, representing himself

Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 80.

PATRICK REINHART, Executive Director

Council on Disabilities

Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 80.

ACTION NARRATIVE

[1:32:40 PM](#)

CHAIR MIA COSTELLO called the Senate Labor and Commerce Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Gardner, Hughes and Chair Costello. Senators Stevens and Meyer arrived soon thereafter.

CONFIRMATION HEARINGS

Board of Professional Counselors
Alaska Labor Relations Agency
Board of Examiners in Optometry

[1:33:40 PM](#)

CHAIR COSTELLO stated that the first order of business would be confirmation hearings of governor appointees to boards and commissions.

She asked Debra Hamilton of Soldotna to tell the committee about her relevant background and interest in serving on the Board of Professional Counselors in the licensed professional counselor seat.

[1:33:56 PM](#)

DEBRA HAMILTON, Appointee, Board of Professional Counselors, Soldotna, Alaska, said she has been a licensed counselor in Alaska since 2003 and, if confirmed, this will be her second term on the board. She said it has been a good professional and personal experience and she would like to continue. She has enjoyed working with the board members as they evaluate regulations and discuss what can help the profession move forward.

CHAIR COSTELLO asked if Alaska needs more counselors.

MS. HAMILTON said yes. She cited the clinic in Soldotna as an example. They have five clinicians and a patient waiting list that waxes and wanes depending on the time of year. She mentioned tele-behavioral health opportunities and noted that access to professional counseling services in rural communities is an area the board is working on. It is a growing and needed profession.

CHAIR COSTELLO asked her to comment on the board's \$264,000 surplus.

MS. HAMILTON said the budget has fluctuated widely during the time she has been on the board and license fees have been increased and decreased in response. She opined that the board is probably operating closer to breakeven than at a surplus. The hope is to adjust the licensing fees to cover annual expenses and not need make up for past years.

CHAIR COSTELLO said it's always interesting to see where the boards sit financially, although a lot is beyond the board's control because of investigations that boards are required to pay for.

[1:39:04 PM](#)

SENATOR STEVENS joined the committee.

SENATOR GARDNER asked if she has personal experience working with tele-behavioral health services.

[1:39:35 PM](#)

SENATOR MEYER joined the committee.

MS. HAMILTON said she has clients in western Alaska and Wrangell that she sees through tele-behavioral health.

SENATOR GARDNER asked her to comment on the difference in effectiveness between seeing clients face-to-face versus telephonically.

MS. HAMILTON said there have been connection difficulties with her client from Wrangell and, with the client's permission, they have resorted to Facetime when with the secure link is down. They generally communicate using a computer and iPad and the clarity is usually very good. She has never met the client in person, but they have a positive therapeutic relationship. Each case is evaluated separately to determine whether teleservices are appropriate for a client. Video conferences are much

superior to the telephone. "There's a lot of potential for doing tele-behavioral health."

CHAIR COSTELLO thanked Ms. Hamilton for being willing to serve.

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CHAIR COSTELLO asked Lee Holen of Anchorage to tell the committee about her experience and interest in serving on the Alaska Labor Relations Agency as well as any challenges she foresees.

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LEE HOLEN, Appointee, Alaska Labor Relations Agency, Anchorage, Alaska, said she has been an attorney in Anchorage for about 40 years and most of that time she has practiced employment and labor law. Recently she has worked in mediation and arbitration and has found it interesting. She is reducing her practice and decided this would be a good time to serve on a committee like this. She said she isn't sure where the board is headed because she hasn't attended any meetings.

CHAIR COSTELLO asked what the six-member board does.

MS. HOLEN said her understanding is that the board emphasizes the resolution of contractual disputes between unions and government entities through mediation which has resulted in lesser consequences and lesser expense.

CHAIR COSTELLO found no further questions and thanked Ms. Holen for being willing to serve.

[1:44:27 PM](#)

CHAIR COSTELLO asked Eric Christianson of Ketchikan to tell the committee about his professional background and interest in serving on the Board of Examiners in Optometry in an optometrist seat.

[1:44:45 PM](#)

ERIK CHRISTIANSON, Appointee, Board of Examiners in Optometry Ketchikan, Alaska, said he graduated from optometry school in 1986 and immediately moved to Alaska. He worked in various locations throughout the state before moving to Ketchikan where he has practiced for 27 years. He served on the board for two terms in the late 1990s and now that his sons are grown he has time to devote to public service. He enjoyed working with the board in the past and is eager to help put regulations forward to advance the field of optometry.

CHAIR COSTELLO reviewed Mr. Christianson's resume and noted that it reflects his desire to improve his community. Finding no questions, she thanked Mr. Christianson for being willing to serve.

She stated that the names of all appointees the committee has heard from would be advanced in one batch.

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At ease

SB 80-TELECOMMUNICATIONS: DISABLED SUBSCRIBERS

[1:48:52 PM](#)

CHAIR COSTELLO reconvened the meeting and announced the consideration of SB 80.

[1:49:19 PM](#)

SORCHA HAZELTON, Staff, Senator Mia Costello, Alaska State Legislature, introduced SB 80 on behalf of the sponsor reading from the following prepared statement:

The bill before you, Senate Bill 80, seeks to improve technology and services available to deaf, hard-of-hearing, and speech impaired Alaskans. This is a provision to expand the Regulatory Commission of Alaska's authority to collect surcharges to support these programs beyond current limitations. As the world moves toward more mobile devices, the expansion of services offered and of the surcharge is necessary to reflect the development of wireless and voice over internet protocol (VoIP) services. Page 1, Lines 13 & 14 illustrate this portion of the bill, and include these additional telecommunication services beyond the traditional wireline telephone. Currently, technology offered by the Regulatory Commission of Alaska (RCA) is outdated and doesn't reflect the capabilities of the digital world. Through this bill, the RCA will be better able to provide for the 21st century needs of the deaf, hard-of-hearing, and speech-impaired communities. In members' packets, you'll also find a support letter from the Governor's Council on Disabilities and Special Education.

To provide some background, in the 1990s, the Legislature tasked the RCA with adopting regulations

to require telephone companies to provide access to public telecommunication services to these groups of Alaskans, in the form of the telecommunications relay service or TRS. (3AAC 51) TRS system includes services like teletype units (TTY), captioned telephones (CapTel), and video relay. In addition, the RCA provides assistance devices like amplified phones that also give hard of hearing Alaskans more independence. During the establishment of initial regulations, the Commission found the most appropriate funding source for this equipment and service was through a Universal Access surcharge added to local phone rates and appearing as a line item on customers' bills. At the onset of this program, wired technology was the most prevalent, the Alaska Relay system is wirelined, and so only wired technology was permitted to have the surcharge added. Today, the program is still limited to services like TTY and CapTel telephones which send text over landlines. Because of the limitation, not only can the RCA not add a surcharge to mobile devices, but they cannot provide mobile technology to the disabled communities. Just as hearing Alaskans have shifted from landlines to cell phones, deaf, hard of hearing, and speech impaired subscribers have also shifted to mobile technology. Statute currently prevents the RCA from providing these modern pieces of technology. Despite this, wirelined equipment remains more valuable in Alaska than elsewhere because of lower internet speeds in certain parts of the state.

Passage of SB 80 could expand the number of lines surcharged by more than 990,000. The mobile and VoIP services included in this expansion mirror the FCC and other states which already have these subscribers contribute to their respective TRS funds. Over the last seven years the number of landlines in the state has dropped roughly 47%, with a 5.7% decrease in the last year alone. It is because of this that in March 2016, the surcharge was increased nine-fold. There were more landlines in 1991, when this obligation was given to the RCA. At that point, the surcharge was the equivalent of \$0.52/\$1.04 per line. At the moment, the surcharge is 9¢/18¢. The amount of the surcharge is decided on through a public hearing process. Expanding the base of surcharge would lower the cost per user, and still maintain the needed funding for the program.

The latest numbers available for TRS technology uses is for December 2016. There were roughly 4000 TTY and CapTel calls made in December by the approximately 1300 individuals served by the RCA. More modern technology is the Video Relay Service, but only about a third of Alaska's deaf population have video phones. While this system was established to ease communication between the deaf, hard of hearing, and speech impaired communities and the hearing world, there are eight times as many calls between impacted Alaskans as there are to those of normal hearing, making the use of technologies designed for the deaf and hard of hearing crucial to these communities in our state.

This bill expands access to modern technology for Alaska's deaf, hard of hearing, and speech impaired communities by expanding the devices that can be surcharged by the Regulatory Commission of Alaska. SB 80 reflects advances in technology, updating statutes formed in the 1990s to encompass the mobile devices of the 21st century.

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SENATOR STEVENS asked the amount that must be collected and the expected cost to cell phone users.

MS. HAZELTON deferred the question to the RCA commissioner.

[1:55:02 PM](#)

NORMAN ROKEBERG, Commissioner, Regulatory Commission of Alaska, Anchorage, Alaska, stated that he had been working on this issue since he joined the commission and realized how out of date the existing statute is. The primary intention of the bill is to untie the commission's hands, starting with replacing the term "telephone" with "telecommunications." This will expand the number and types of devices that can provide services to the disabled community. Second, the bill replaces the term "speech impaired" with the term "speech disabled."

He referred to page 1, line 14, and explained that the new language "for each telecommunications service" expands where the surcharge may be applied to include wireless and voice over internet (VoIP). It will significantly increase the ability to collect as well as reduce and more equitably spread the surcharge. The bill is not intended to increase revenue per se.

Responding to an earlier question, he said the current budget is about \$288,000 per year and the goal is to amass working capital of about \$300,000. The idea is to have a consistent and stable source of income to expand the number of devices that can be provided. He explained that the program started with about 297,000 landlines in 1992 and peaked at 560,000 in 2009. In December 2016, the number had fallen to 256,000 and the trend continues downward. He noted the bill packet includes a copy of form 477 that provides a picture from December 2015 where wireless amounted to 678,000, whereas a combination of wireline and VoIP subscription was about 300,000.

He offered to answer questions.

CHAIR COSTELLO said she became aware of this issue when Commissioner Rokeberg invited her to attend an RCA meeting.

SENATOR MEYER asked if he has suggestions for amendments to the bill.

MR. ROKEBERG said he believes the bill is close to perfect, but he is aware that one person has a suggestion for the bill.

SENATOR MEYER asked if telecommunications includes cable, computers and phones.

MR. ROKEBERG said that's correct. The statutory definition of "telecommunications" is found in AS 42.05.990(13).

SENATOR MEYER asked if all subscribers are assessed the surcharge or just disabled subscribers.

MR. ROKEBERG said every landline subscriber pays the surcharge and the services are provided by Sprint by order of the commission. A request for proposal (RFP) goes out every five years and Sprint has been the provider for four years. He reiterated that the problem is that just landline subscribers pay the surcharge and the number of those subscribers is diminishing. Last year the rate had to be increased to 9¢/18¢ to maintain cashflow to provide the service. Expanding the base of the surcharge would lower the cost per user to perhaps 4¢/5¢, maintain cashflow, and have a slightly larger surplus to expand equipment services. Just this month they authorized an iPad/tablet pilot program starting in July to expand digital equipment to those who need it.

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SENATOR MEYER asked if this could include vision impaired.

MR. ROKEBERG said the statute is limited to the deaf, hard of hearing, and speech disabled community.

SENATOR MEYER said he would think it would impact a lot of disabled people if this pertains to internet service, cable, and cell phones.

MR. ROKEBERG agreed adding that the surcharge would be confined to current landlines, wireless and voice over internet providers. That may be too broad, but the current statute is too narrow. Adopting the definition of telecommunications in the statute would avoid the problem of having to return to the legislature for any new telecommunications technology. He drew a parallel to changing the chemical composition of designer street drugs.

SENATOR MEYER asked if the surcharge is on the subscriber's plan or each phone.

MR. ROKEBERG said each phone.

SENATOR STEVENS summarized his understanding that the surcharge for every landline and wireless phone is expected to be 4¢/5¢.

MR. ROKEBERG said reducing the surcharge to that amount is his current estimate and the goal. Including wireless would spread the cost more equitably.

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SENATOR HUGHES commented that the background information in the packet includes information from Matanuska Telephone Association that shows that the population of MatSu has more than doubled since 1992 yet the number of landlines has decreased. "It really demonstrates how much cellphones are in use."

She asked him to reiterate how many cellphones are in use compared to the number of landlines.

MR. ROKEBERG said the FCC form 477 indicates that in December 2015, there were 678,000 wireless phones as opposed to 300,000 VoIP and landlines. He noted the letter in the packets where he did a "back of the napkin" calculation showing that 900,000 lines would generate \$432,000 per year in revenue, which is about \$32,000 more than is collected now. That is hopefully

enough to implement the tablet program and restart offering amplified phones. The goal is to reduce costs to consumers.

SENATOR HUGHES asked him to clarify the numbers in the budget.

MR. ROKEBERG said the current budget is \$288,000 per year and they're collecting about \$400,000. The current surcharge is 9¢/18¢ for residential or a business multiline. The two-tiered system makes projected calculations a little difficult and the commission is discussing whether to do away with it.

SENATOR HUGHES asked if any telecommunication utilities offer just internet and television, not phone service. She also asked if the utilities that provide phone, television, and internet are required to provide new services that support the use of an iPad or laptop or television.

MR. ROKEBERG clarified that the RCA is very limited in the regulation it provides to the telecommunication industry. "We do not regulate the internet; we do not regulate cable; we do not regulate a number of things." The RCA's regulatory authority is limited to phone lines in rural areas and issues such as "carrier of last resort." The commission also collects the Alaska Universal Services Fund and distributes it to the carriers that meet the criteria. Another small area of authority is the annualized review that is done in concert with the FCC for wireline certification. "By and large, generally, it would not be unfair to say the telecommunications industry is not largely regulated by the state."

SENATOR HUGHES summarized that this legislation requires telecommunication utilities to provide services on telecommunication devices so it's more than just a wireline telephone or cellphone. It would include a laptop and iPad and television. She asked if the utilities are going to need to provide services that they aren't currently providing on these other kinds of devices that are not phones.

MR. ROKEBERG clarified that the RCA regulates the signal going through the device and the consumer selects the device "unless they're disabled and we're providing it for them."

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DEAN GATES, representing himself, Anchorage, Alaska, said he is president of the Alaska Deaf Council and he hopes the board discusses and votes to support SB 80 when it meets this coming Thursday. Until then, he is speaking for himself in support of

SB 80. He forwarded the bill to the 10 members on the board and shared some correspondence and received positive feedback but that's anecdotal. He agreed with the earlier statement that the bill is "nearly perfect." He emphasized that the Alaska Relay system is very important for accessibility for the deaf and hard of hearing community to be able to call a business, order a pizza or find out flight information. "So, it is very important to bring the TRS system into the digital age, which this bill is intended to do."

MR. GATES said he forwarded the bill to the executive director of the watchdog group, Telecommunications for the Deaf, Inc. and the director sent an email saying that the bold changes to the TRS language by the State of Alaska "are good." It clarifies three things. One, that it is telecommunication service, not telephone service. Two, changing the label from "speech impaired" to "speech disabled" is a better way to recognize people who are speech disabled. Three, it recognizes the use of devices beyond just the landline telephone. He also cautioned Mr. Gates to ensure that the regulatory body and provider for TRS agree that this is what the bill is intended to do and what its effect will be.

He said he believes it is wise to spread the burden for the TRS program among all users of telecommunication services.

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MR. GATES said despite thinking that the bill is nearly perfect, he has a few suggestions for changes. Page 2, line 7, change the language to say, "or if the subscriber is an organization that represents or has a principle purpose to provide services to persons who are deaf, hard of hearing, or speech disabled as determined by the commission." This would allow organizations such as Access Alaska, Hope Community Services, and SAIL to qualify for an equipment distribution program. The second suggestion is to amend the language in the current statute to "people first" language. For example, "an organization representing persons who are deaf" instead of "an organization representing the deaf." He said he isn't opposed to the bill moving forward as is and he appreciates Senator Costello bringing it forward. He hopes to submit a letter of support from the Alaska Deaf Council after its next meeting.

CHAIR COSTELLO said her staff, Ms. Hazelton, will get in touch for the exact language.

SENATOR GARDNER recalled that the statutes were changed several years ago to replace the term "disabled people" with "person with a disability." She observed that this bill uses that terminology, but it seems a bit archaic. She asked him to comment on the issue.

MR. GATES said he recalls that the Governor's Council on Disabilities supported replacing throughout the statutes the term "mental retardation" to "a person with an intellectual developmental disability." His suggestions today follow what was done several years ago to use person first language.

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PATRICK REINHART, Executive Director, Governor's Council on Disabilities, responded to Senator Gardner's question saying the term "mentally retarded" was removed from state lexicon, but it wasn't a comprehensive change to people first language. The term "handicapped" was also removed from state lexicon several years ago. He highlighted that the council has an excellent publication on its website that explains what constitutes people first language for different disability groups.

Mr. Reinhart stated that the Governor's Council on Disabilities reviewed SB 80 and discussed it with Commissioner Rokeberg. Overall, they agree with the purpose of spreading the funding mechanism to support the type of services that are provided, including telecommunication relay service and the equipment support program for people who need that support. The council supports the bill and believes that Mr. Gates suggestions are reasonable.

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CHAIR COSTELLO closed public testimony on SB 80 and held the bill in committee for further consideration.

[2:39:16 PM](#)

There being no further business to come before the committee, Chair Costello adjourned the Senate Labor and Commerce Standing Committee meeting at 2:39 p.m.