

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

May 12, 2019

4:00 p.m.

MEMBERS PRESENT

Representative Adam Wool, Chair
Representative Sara Hannan
Representative Louise Stutes
Representative Josh Revak
Representative Dave Talerico

MEMBERS ABSENT

Representative Andi Story
Representative Zack Fields

COMMITTEE CALENDAR

SENATE BILL NO. 83

"An Act relating to the Regulatory Commission of Alaska; relating to the public utility regulatory cost charge; relating to the regulation of telecommunications; relating to exemptions, charges, and rates applicable to telecommunications utilities; relating to regulation of telephone services; and relating to alternate operator services."

- MOVED HCS SB 83 (L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 83

SHORT TITLE: TELECOMMUNICATIONS REGULATION/EXEMPTIONS

SPONSOR(s): SENATOR(s) BIRCH

03/11/19	(S)	READ THE FIRST TIME - REFERRALS
03/11/19	(S)	L&C
03/26/19	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/26/19	(S)	Heard & Held
03/26/19	(S)	MINUTE(L&C)
04/02/19	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/02/19	(S)	Moved SB 83 Out of Committee
04/02/19	(S)	MINUTE(L&C)
04/03/19	(S)	L&C RPT 4DP
04/03/19	(S)	DP: REINBOLD, GRAY-JACKSON, COSTELLO, BIRCH

04/15/19 (S) TRANSMITTED TO (H)
04/15/19 (S) VERSION: SB 83
04/16/19 (H) READ THE FIRST TIME - REFERRALS
04/16/19 (H) L&C, FIN
04/17/19 (H) JUD REPLACES FIN REFERRAL
05/01/19 (H) L&C AT 3:15 PM BARNES 124
05/01/19 (H) Heard & Held
05/01/19 (H) MINUTE(L&C)
05/08/19 (H) L&C AT 3:15 PM BARNES 124
05/08/19 (H) Heard & Held
05/08/19 (H) MINUTE(L&C)
05/11/19 (H) L&C AT 11:00 AM BARNES 124
05/11/19 (H) Heard & Held
05/11/19 (H) MINUTE(L&C)
05/12/19 (H) L&C AT 4:00 PM BARNES 124

WITNESS REGISTER

SENATOR CHRIS BIRCH
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, offered comments during the hearing on SB 83.

BOB PICKETT, Commissioner
Regulatory Commission of Alaska
Palmer, Alaska

POSITION STATEMENT: Answered questions during the hearing on SB 83.

ACTION NARRATIVE

[4:00:54 PM](#)

CHAIR ADAM WOOL called the House Labor and Commerce Standing Committee meeting back to order at 4:00 p.m. Representatives Talerico, Stutes, Revak, and Wool were present at the call back to order. Representatives Hannan arrived as the meeting was in progress. Representative Claman joined in the audience.

SB 83-TELECOMMUNICATIONS REGULATION/EXEMPTIONS

[4:01:10 PM](#)

CHAIR WOOL announced that the only order of business would be SENATE BILL NO. 83, "An Act relating to the Regulatory Commission of Alaska; relating to the public utility regulatory

cost charge; relating to the regulation of telecommunications; relating to exemptions, charges, and rates applicable to telecommunications utilities; relating to regulation of telephone services; and relating to alternate operator services."

CHAIR WOOL moved to adopt Amendment 8, [labeled 31-LS0563\M.11, Fisher, 5/12/19], which read:

Page 1, line 4, following "**services**";:
Insert "**relating to exempt employees**;"

Page 1, following line 14:
Insert new bill sections to read:

"* **Sec. 2.** AS 39.25.110 is amended to read:

Sec. 39.25.110. Exempt service. Unless otherwise provided by law, the following positions in the state service constitute the exempt service and are exempt from the provisions of this chapter and the rules adopted under it:

(1) persons elected to public office by popular vote or appointed to fill vacancies in elected offices;

(2) justices, judges, magistrates, and employees of the judicial branch including employees of the judicial council;

(3) employees of the state legislature and its agencies;

(4) the head of each principal department in the executive branch;

(5) officers and employees of the University of Alaska;

(6) certificated teachers and noncertificated employees employed by a regional educational attendance area established and organized under AS 14.08.031 - 14.08.041 to teach in, administer, or operate schools under the control of a regional educational attendance area school board;

(7) certificated teachers employed by the Department of Education and Early Development as correspondence teachers, teachers in skill centers operated by the Department of Education and Early Development or by the Department of Labor and Workforce Development, or in Mt. Edgecumbe School;

(8) patients and inmates employed in state institutions;

(9) persons employed in a professional capacity to make a temporary or special inquiry, study or examination as authorized by the governor;

(10) members of boards, commissions, or authorities;

(11) the officers and employees of the following boards, commissions, and authorities:

(A) [REPEALED]

(B) Alaska Permanent Fund Corporation;

(C) Alaska Industrial Development and Export Authority;

(D) Alaska Commercial Fisheries Entry Commission;

(E) Alaska Commission on Postsecondary Education;

(F) Alaska Aerospace Corporation;

(G) [REPEALED]

(H) Alaska Gasline Development Corporation and subsidiaries of the Alaska Gasline Development Corporation;

(12) the executive secretary and legal counsel of the Alaska Municipal Bond Bank Authority;

(13) the state medical examiner, deputy medical examiner, and assistant medical examiners appointed under AS 12.65.015 and pharmacists and physicians licensed to practice in this state and employed by the Department of Health and Social Services or by the Department of Corrections;

(14) petroleum engineers and petroleum geologists employed in a professional capacity by the Department of Natural Resources and by the Alaska Oil and Gas Conservation Commission;

(15) [REPEALED]

(16) persons employed by the division of marine transportation as masters and members of the crews of vessels who operate the state ferry system and who are covered by a collective bargaining agreement provided in AS 23.40.040;

(17) officers and employees of the state who reside in foreign countries;

(18) employees of the Alaska Seafood Marketing Institute;

(19) emergency firefighting personnel employed by the Department of Natural Resources for a fire emergency or for fire prevention and related activities conducted under AS 41.15.030;

(20) employees of the Office of the Governor and the office of the lieutenant governor, including the staff of the governor's mansion;

(21) [REPEALED]

(22) youth employed by the Department of Natural Resources under the Youth Employment and Student Intern programs;

(23) [REPEALED]

(24) students employed by the state institutions in which the students are enrolled;

(25) [REPEALED]

(26) investment officers in the Department of Revenue;

(27) [REPEALED]

(28) persons engaged in employment or pre-employment training programs operated by the Department of Military and Veterans' Affairs;

(29) [REPEALED]

(30) a person employed as an actuary or assistant actuary by the division of insurance in the Department of Commerce, Community, and Economic Development;

(31) [REPEALED]

(32) a participant in the Alaska temporary assistance program under AS 47.27 who holds a temporary position with the state in order to obtain job training or experience;

(33) a person employed as a convener under AS 44.62.730 or as a facilitator under AS 44.62.760 related to a negotiated regulation making process under AS 44.62.710 - 44.62.800;

(34) the chief executive officer and employees of the Alaska Mental Health Trust Authority employed under AS 47.30.026(b);

(35) the assistant adjutant general for space and missile defense appointed under AS 26.05.185;

(36) the victims' advocate established under AS 24.65.010 and the advocate's staff;

(37) employees of the Alaska mental health trust land unit established under AS 44.37.050;

(38) the executive director of the Council on Domestic Violence and Sexual Assault established under AS 18.66.010;

(39) the executive director and employees of the Knik Arm Bridge and Toll Authority under AS 19.75.051 and 19.75.061;

(40) the chair of the Workers' Compensation Appeals Commission (AS 23.30.007);

(41) the Alaska Gasline Inducement Act coordinator appointed under AS 43.90.250;

(42) oil and gas audit masters employed in a professional capacity by the Department of Revenue and the Department of Natural Resources to collect oil and gas revenue by developing policy, conducting studies, drafting proposed regulations, enforcing regulations, and directing audits by oil and gas revenue auditors;

(43) the in-state gasline project coordinator appointed under AS 38.34.010;

(44) the executive director and employees of the Alaska State Council on the Arts employed under AS 44.27.054 and 44.27.055;

(45) utilities analyst masters employed in a professional capacity by the Regulatory Commission of Alaska under AS 42.04.050(a).

* Sec. 3. AS 42.04.050(a) is amended to read:

(a) The chair of the commission is responsible for directing the administrative functions of the commission and carrying out the policies as set by the commission. The commission chair may employ engineers, hearing examiners, administrative law judges, arbitrators, mediators, experts, clerks, accountants, **a number of utilities analyst masters corresponding to the number of commissioners, not to exceed five,** and other agents and assistants considered necessary. Employees of the commission who are not in the exempt service under AS 39.25.110 or the partially exempt service under AS 39.25.120 are in the classified service under AS 39.25.100."

Re-number the following bill sections accordingly.

REPRESENTATIVE STUTES objected for the purpose of discussion.

CHAIR WOOL explained that Amendment 8 adds a utility master to the list of exempt employees, which would allow the RCA to hire a utilities analyst master in an exempt capacity. He said that the industry is paying competitive wages that the RCA is unable to compete with; accordingly, this would allow them to hire exempt staff in order to compete with the private industry. Amendment 8 would allow them to hire up to 5 [positions].

[4:02:24 PM](#)

CHAIR WOOL proposed a conceptual amendment to Amendment 8. He explained that, currently, the RCA has five commissioners and if they were to fill the 5 exempt staff positions in the future and then subsequently lose a commissioner, this amendment would safeguard those 5 exempt staff members.

CHAIR WOOL moved Conceptual Amendment 1 to Amendment 8, as follows:

Page 4, line 29

Delete "corresponding to the number of commissioners

CHAIR WOOL announced that, there being no objection, Conceptual Amendment 1 to Amendment 8 was adopted.

[4:04:01 PM](#)

REPRESENTATIVE STUTES voiced her enthusiasm for Amendment 8 and said she was interested in hearing the bill sponsor's opinion.

[4:04:25 PM](#)

SENATOR CHRIS BIRCH, Alaska State Legislature, as prime sponsor of SB 83, said Amendment 8 addresses a serious concern of the Regulatory Commission of Alaska (RCA) and provides them latitude to secure the staffing and resources necessary to do their job. He offered his understanding that it would be revenue neutral to the state. He said that after indirect conversations with the commission, they find this amendment acceptable. He concluded by stating his support for Amendment 8 as amended.

CHAIR WOOL added that the RCA is self-funded by charges on utilities. He said this will give them flexibility on how they use their funding and will not add to the budget.

[4:05:27 PM](#)

BOB PICKETT, Commissioner, Regulatory Commission of Alaska, said he is very pleased to see this amendment come forward. He added that it will absolutely address a very critical need that the RCA has had for the last 12 years. It will let them better deal with many of the issues that have been discussed in the telecommunications bill and in the electric sector.

[4:05:58 PM](#)

REPRESENTATIVE HANNAN asked how many of these staff positions the commission currently employs.

MR. PICKETT stated that, outside several administrative law judge positions, they do not have anything that fits into this category. He said this will be helpful in finding the kind of technical and professional expertise that they have not been able to attract thus far.

[4:06:31 PM](#)

REPRESENTATIVE HANNAN asked for Mr. Pickett to describe the RCA's current employees.

MR. PICKETT replied that they have employees in the finance sector, engineering sector, and in tariffs.

REPRESENTATIVE HANNAN asked how many staff are currently employed at the commission.

MR. PICKETT stated there's approximately 55 positions across sectors

REPRESENTATIVE HANNAN asked for further explanation of the sectors.

MR. PICKETT said they have a tariff section, a common carrier section, a finance section, an engineering section, and administrative law judges with a number of paralegals, as well as support staff in their records department.

[4:08:10 PM](#)

REPRESENTATIVE STUTES withdrew her objection. There being no further objection, Amendment 8, as amended, was adopted.

[4:10:04 PM](#)

REPRESENTATIVE HANNAN questioned whether the bill will have a fiscal note even though Amendment 8 is revenue neutral, or if the RCA will need receipt authority to bill the utilities.

CHAIR WOOL said they still get the same amount of funding. The intention is that they can use those funds to hire an individual on a higher salary if several of their 55 employees retire. He noted that, currently, the commission doesn't have that hiring authority.

4:11:19 PM

REPRESENTATIVE TALERICO said that the discussion has been educational, and he is anxious to see the bill moved.

CHAIR WOOL concurred. He offered his belief that the impact of this bill will make utilities and the RCA more efficient.

4:12:21 PM

REPRESENTATIVE STUTES moved to report HCS SB 83, Version LS0563\M, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS SB 83(L&C) was reported out of the House Labor and Commerce Standing Committee.

4:13:56 PM

ADJOURNMENT

There being no further business before the committee, the Labor and Commerce Standing Committee meeting was adjourned at 4:13 p.m.