

HB

43

Bill Version: CSHB 43 (L&C)  
Publish Date: HOUSE 2/4/87

REQUEST \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: An Act Relating to Return  
Transportation for Workers  
Sponsor: Donley and Koponen  
Requestor: \_\_\_\_\_

Agency Affected: A11  
BRU: A11  
Components: A11

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

<sup>(L&C)</sup>  
CSHB 43 deals with paying return transportation costs for workers whose employment is terminated within the first year.

Provision for financing the return transportation of new employees to their original place of residence upon termination of employment has been public policy since 1949. The significance of CSHB 43 is that the proposed definition of "employer" would, for the first time, make the law applicable to State employees.

Prepared By: Diana DeSimone *Diana DeSimone* Phone: 465-4430  
Division: Personnel Date: 1/30/87

Approved by Commissioner: Garrey Peska *Garrey Peska* Date: 1/31/87  
Agency: Department of Administration

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

In FY 86, the State expended \$1,232,000 for moving and relocation costs. This figure includes legislative relocation costs which totaled \$219,100 in FY 86. Deducting costs for legislative moves leaves approximately \$1,000,000 for moving other State employees. The average cost of moving these employees is between \$10,000 and \$15,000. (Costs are higher because these are permanent versus temporary moves.) At an average of \$12,500 per move, this equates to about 80 moves of "regular" State employees.

We estimate that only about 10 percent of these paid moves are to entice new employees to join the State workforce, the only situation to which CSHB 43 would apply. (Paying moves of "on-board" State employees is usually associated with getting a seasoned, trained employee to change their location for the good of the service.)

In the eight situations to which CSHB 43 is applicable, it is unlikely that more than one or two of the employees would terminate within the first year. Therefore, the associated moving costs could be absorbed with existing resources.

Alaska State Legislature  
Representative Niilo Koponen

Pouch V  
Juneau, Alaska 99811  
(907) 465-4992

542 4th Avenue, Suite C  
Fairbanks, Alaska 99701  
(907) 456-8161

18 April 1988

RECEIVED  
APR 18 1988

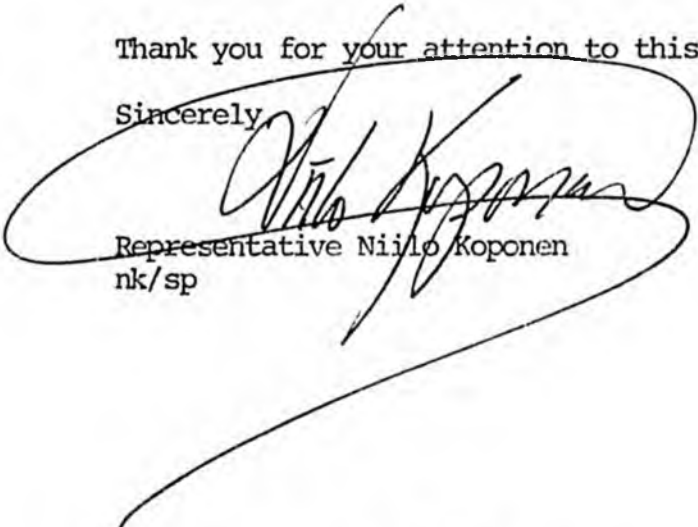
Senator Mitch Abood  
Capital Room 423

Dear Senator Abood:


Enclosed are 30 letters signed by individuals in the Interior who are in support of House Bill 43. I would like these letters put in the back-up file that you have on House Bill 423.

Thank you for your attention to this matter.

Sincerely,

  
Representative Niilo Koponen  
nk/sp

RECEIVED  
APR 18 1988

P.S. - SB2 passed out of House HESS  
this am - 

April 12, 1988

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

A handwritten signature in cursive script that reads "James W. Johnson". The signature is written in dark ink and is positioned below the word "Sincerely,".

James W. Johnson  
950 27th Avenue  
Fairbanks, Alaska 99701

April 12, 1988

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

A handwritten signature in cursive script that reads "Mark Rosser". The signature is written in dark ink and is positioned below the word "Sincerely,".

Mark Rosser  
P.O. Box 1606  
Fairbanks, Alaska 99707

April 12, 1988

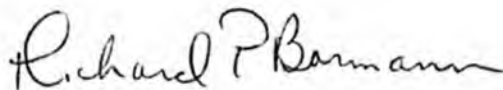
Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

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Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,



Richard Bormann  
4101 Parks Ridge Road  
Fairbanks, Alaska 99709-2112

April 12, 1988

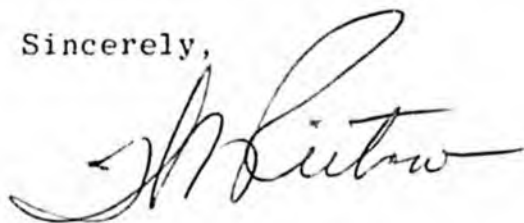
Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

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Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

A handwritten signature in cursive script, appearing to read "W. Ristow".

William Ristow  
2441 Columbine Drive  
North Pole, Ak. 99705

April 12, 1988

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

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I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,



6 mi. Chena Ridge

Frank Therell  
P.O. Box 81701  
College, Ak. 99708

April 12, 1988

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,



Michele Rosser  
P.O. Box 1606  
Fairbanks, Alaska 99707

April 12, 1988

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

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I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

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Sincerely,



Craig Chelidinas  
P.O. Box 73704  
Fairbanks, Alaska 99707

April 12, 1988

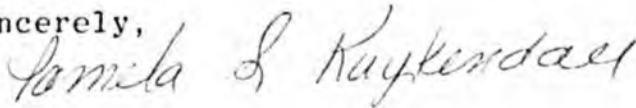
Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

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Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,



Pamela L. Kuykendall  
518 Ketchikan Avenue  
Fairbanks, Alaska 99701

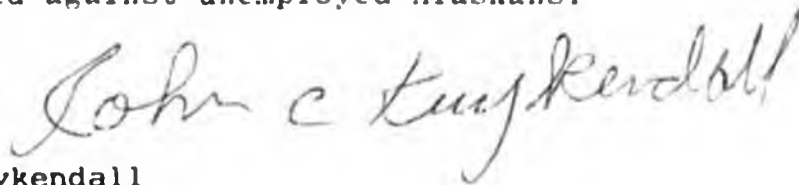
Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

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Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,



John C. Kuykendall  
518 Ketchikan Ave.  
Fairbanks, AK 99701

April 12, 1988

John Bethea  
1613 Crosson  
Fairbanks, Alaska 99701

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

*John Bethea*

April 12, 1988

Rick Goodman  
P.O. Box 73934  
Fairbanks, Ak. 99707

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

*Rick Goodman*

April 12, 1988

Mark Lindsey  
P.O. Box 65  
Fairbanks, Alaska 99707

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

A handwritten signature in cursive script that reads "Mark Lindsey". The signature is written in dark ink and is positioned to the right of the typed name "Mark Lindsey" in the letter's closing.

April 12, 1988

Bruce J. Bryant  
P.O. Box 74361  
Fairbanks, Alaska 99707

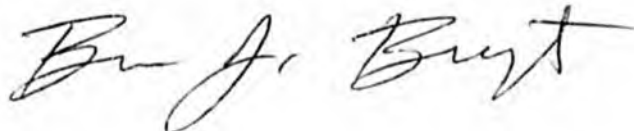
Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

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Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

A handwritten signature in cursive script that reads "Bruce J. Bryant". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

April 12, 1988

Noah Samuels  
P.O. Box 1426  
Fairbanks, Alaska 99707

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

*Noah Samuels*

April 12, 1988

Walter I. Plant III  
P.O. Box 73218  
Faibanks, Alaska 99707

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

*Walter I. Plant III*

April 11, 1988

Don Haugen  
506 Ketchikan  
Fairbanks, Alaska 99701

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely, *Don E Haugen*

April 11, 1988

Eugene O'Brien  
P.O. Box 2067  
Fairbanks, Alaska 99707

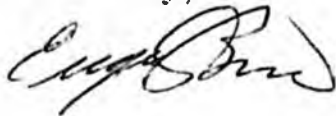
Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

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Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,



April 11, 1988

Sam Helms  
1524 Stacia Street  
Fairbanks, Alaska 99701

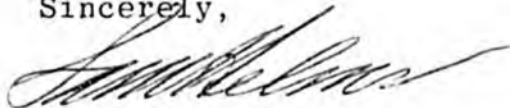
Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

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Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,



April 11, 1988

Don Kirk  
P.O. Box 80702  
College, Ak. 99708

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

A handwritten signature in cursive script that reads "Don Kirk". The signature is written in dark ink and is positioned below the typed name "Don Kirk".

April 7, 1988

Lee J. Mathis  
P.O. Box 1778  
Fairbanks, Alaska 99707

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

*Lee J. Mathis*

April 6, 1988

Rick Reichmann  
P.O. Box 2633  
Fairbanks, Ak. 99707

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

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Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

  
Rick Reichmann

April 6, 1988

John McFarlane  
P.O. Box 719  
Delta, Ak. 99737

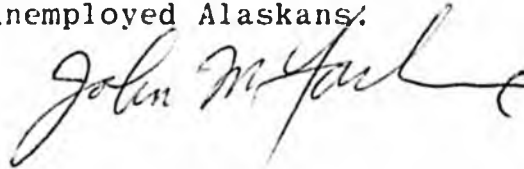
Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

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Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

A handwritten signature in cursive script, reading "John McFarlane". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

April 6, 1988

Curtis Scholle  
750 Congressional Drive  
Fairbanks, Alaska 99701

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

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Sincerely,

A handwritten signature in cursive script that reads "Curtis R. Scholle". The signature is written in dark ink and is positioned below the typed name "Curtis Scholle" in the header.

April 6, 1988

Sue Martin  
1357 Smithson  
North Pole, Alaska 99705

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

I would like you to know that I appreciate the intent and idea behind House Bill #43. With our local hire legislation under attack, this bill will make an employer think twice before hiring cheap outside labor over qualified Alaskan workers. Though the night flight shuttle to Prudhoe Bay is still better than half-full of outside workers daily, this bill is a positive step in the right direction.

Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

*Sue Martin*

April 6, 1988

Mike Shaw  
P.O. Box 58124  
Fairbanks, Ak. 99707

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Koponen:

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Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

*Michael J. Shaw*

April 6, 1988

Fred Landru  
1109 Steese Highway  
Fairbanks, Alaska 99701

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

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Sincerely,



April 6, 1988

Chuck Smithson  
1357 Smithson Road  
North Pole, Ak. 99705

Representative Niilo Koponen  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

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Thank you for at least attempting to even the unfair odds stacked against unemployed Alaskans.

Sincerely,

*Chuck Smithson*



Official Business

# Alaska State Legislature

## House of Representatives

### Office of the Chief Clerk

C  
Pouch V  
State Capitol  
Juneau, Alaska 99811

RECEIVED

MAR 18 1988

HB 43

March 18, 1988

Mr. Norman Kruckenberg  
P. O. Box 10449  
Fairbanks, Alaska 99710

Dear Mr. Kruckenberg:

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 43 "Return Transportation for workers" passed the House and was sent to the Senate. It is in the Senate State Affairs Committee, with further referrals to the Labor & Commerce Committee, the Judiciary Committee, and the Finance Committee.

I have transmitted copies of your letter regarding the bill to the sponsor, Representative Dave Donley, and to the Senate State Affairs Committee.

Sincerely yours,

Irene Cashen  
Chief Clerk

cc: Rep. Donley  
Senate State Affairs ✓



*OK Lumber Company, Inc.*  
*Building Supply Center & Hardware*

March 5, 1988

P. O. BOX 10449  
FAIRBANKS, ALASKA 99710  
(907) 457-6270  
FAX (907) 457-3122

IRENE CASHEN, CHIEF CLERK  
CAPITOL, ROOM #214  
P.O. BOX V  
JUNEAU, ALASKA 99811

Re: CSHB 43. Return Transportation for workers.

Dear Sir or Ms.,

This bill requires employers to provide transportation for workers to point of hire if

(A) termination of employment is within one year and beyond the control of the employee.

(which means if the person cannot handle the job or gets fired the employer is still responsible to take him back to where-ever!)

(B) It was agreed to furnish transportation initially.

(In which case I don't know why we need the law to begin with!)

(C) The person requests return transportation within 45 day of termination.

(Same logic as item A's answer)

(D) The person is from out of state.

(Which is just what the state of Alaska needs to do, which is to legislate laws that make it that much easier for people to come to Alaska with transportation paid both going and coming, because I am sure that this will really help local employment!)

The employers of Alaska and the State of Alaska do not need this noose around their neck! I am sure that if the occasion arises that you cannot hire someone special that you need either within the State or the locality of the job, employers and employees can keep right on doing what it says in item (B) which is to agree to furnish transportation initially. And the State of Alaska does not need to pass a law to get involved with employer and employee negotiations.

I have not seen who has sponsored this bill but he certainly does not have the state of Alaska and its people in mind!

Sincerely Yours

*Norman Kruckenberg*  
Norman Kruckenberg



*OK Lumber Company, Inc.*  
*Building Supply Center & Hardware*

March 5, 1988

P. O. BOX 10449  
FAIRBANKS, ALASKA 99710  
(907) 457-6270  
FAX (907) 457-3122

MITCHELL ABOOD  
CAPITOL, ROOM #423  
P.O. BOX V  
JUNEAU, ALASKA 99811

RECEIVED  
MAR 17 1988

C  
HB 43

Ref: CSHB 43. Return Transportation for workers.

Dear Sir or Ms.,

This bill requires employers to provide transportation for workers to point of hire if  
(A) termination of employment is within one year and beyond the control of the employee.  
(which means if the person cannot handle the job or gets fired the employer is still responsible to take him back to where-ever!)

(B) It was agreed to furnish transportation initially.  
(In which case I don't know why we need the law to begin with!)

(C) The person requests return transportation within 45 day of termination.  
(Same logic as item A's answer)

(D) The person is from out of state.  
(Which is just what the state of Alaska needs to do, which is to legislate laws that make it that much easier for people to come to Alaska with transportation paid both going and coming, because I am sure that this will really help local employment!)

The employers of Alaska and the State of Alaska do not need this noose around their neck! I am sure that if the occasion arises that you cannot hire someone special that you need either within the State or the locality of the job, employers and employees can keep right on doing what it says in item (B) which is to agree to furnish transportation initially. And the State of Alaska does not need to pass a law to get involved with employer and employee negotiations.

I have not seen who has sponsored this bill but he certainly does not have the state of Alaska and its people in mind!

Sincerely Yours

*Norman Kruckenberg*  
Norman Kruckenberg



*OK Lumber Company, Inc.*  
*Building Supply Center & Hardware*

March 14, 1988

P O BOX 1C449  
FAIRBANKS, ALASKA 99710  
(907) 457-6270  
FAX (907) 457-3122

Senator John Binkley  
Representative Mark Boyer  
Senator Faiks  
Representative Menard,

Ref: SB363 and HB 403 (the same)  
Ref: SB67 and HB 440

Sirs and Ms.:

75% of the small business in this state of Alaska in 1986 have voted against this type of insurance! Do you not pay attention to what we have to say via the NFIB (National Federation of Small Business)

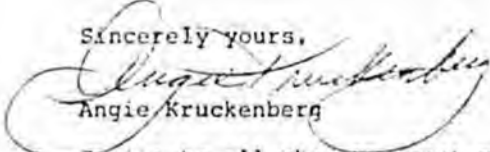
If we have a drug and alcohol problem, then it's our personal responsibility to take care of it.. IT IS NOT THE RESPONSIBILITY OF THE TAXPAYERS to take care of our vices! If one plays with fire..he or she had better be prepared to be burned! Vote against this program. Senator Binkley and Representative Boyer, I urge you to listen to the taxpayer and those small business's that keep the taxpayers and you employed. Vote against this type of insurance.

Senator Faiks. I urge you to vote against this bill you have your name tagged to. This is still a free country, but with the legislation you people are trying to put into being..it soon won't be!

Rep. Menard, So now you all got your way with pregnancy coverage; letting the government stick its nose into peoples private affairs, Now you have to cover the other side that can't get pregnant! What next? Insurance to cover the mongrel stray dog that made your dog pregnant? And of course, then an insurance to cover the cat that can't have a litter of kittens?

To all of you, are we in a free country? Are we to be subjected and liable for everyones vices and personal affairs? I urge you to take responsible action, and cool down your desires to become A SOCIALIST GOVERNMENT! Read your history books..Socialism does not make a strong country!

Sincerely yours,

  
Angie Kruckenberg

Copies to all who represent me in Alaska



*OK Lumber Company, Inc.*  
*Building Supply Center & Hardware*

March 11, 1988

P O BOX 10449  
FAIRBANKS, ALASKA 99710  
(907) 457-6270  
FAX (907) 457-3122

Ref: Workmans Comp article, as in todays Newsminer, inclosed.

To my representatives, legislators, senators, and to all those who represent me in my Government.

Sirs/Ms.;

In reference to paragraph 1 and 2. This is the main problem of the high costs of insurance. Is there any paper trace by the state, upon the insurance carriers, of the employers claim costs that are in reserves? And is there any paper trace of the insurance carriers ever returning these amounts back to the employer? \*\*\*see exhibit 1\*\*\*

In my case, and I am inclosing my total history of claims in this letter. I can show you where the reserve amounts have sat dormant, as a cost to me, while the insurance company collected interest, and charged me higher costs in the high risk pool, while these funds were not used. \*\*exhibit 2\*\*

I am complainly highly because this one case, (JUNE 13. 1985) of an employee who broke an ankle when he said he fell off the trailer bed, with no witnesses. The Coastal people told me he stepped out of the truck and broke his leg. Flipppo tells me he stepped off the end corner of the trailer between it and the truck. When Coastal called me about it, I immediately called Humana Hospital where they took him, to request a blood test, as he seemed very "funny acting" when he left my office. I was told that they could not do that. This was the man's third trip to Anchorage for us and he knew that this was just a temporary situation.

We all know that 1985 in Alaska took a nose dive as far as the economy goes, and MANY employees used workmans compensation for their means of support in this declining era. If each case was thoughtly investigated during this time period, you would see MASSIVE FRAUD by employees, the medical association and the legal professions. They all wanted to live in the manner that they became accustomed to during the BOOM years! (And we have only 3 fraud investigators in the entire State!)

Page 2

It was later, upon getting back all the references and the inquiries into his history that I found out that he had lied on his application with me. He wrote that he had NEVER been in an accident. (when in fact he had three with his past employer, "Wickland Oil Transport" 1st one not chargeable to him. 2nd one could have been avoided by himself. In the 3rd one he killed several people! And in this one he collected workmans compensation from the state of California! YET ON HIS APPLICATION FORM HE TELLS ME HE HAD NEVER EVER COLLECTED COMPENSATION! AND HE SAYS HE NEVER HAD AN ACCIDENT! (This was told to me by telephone by his ex-boss Gerry Heifner for whom he worked from 6/78 to 3/85) I have his payroll files in my office and will send you all pages if you request.

I have talked to each of my insurance agents and NO ONE WOULD INVESTIGATE THIS CASE! In 1987 I had someone investigate where he lives and what he does. He lives in a high income area, a very elaborate home, with swimming pool and emmensities that many people would desire. He manages a condominium or apartment complex, and it would not surprise me if he isn't a partner in it.

With a figure of almost half a million dollars on this case, I was told 1st by Dorothy Ronning, of Dawson Insurance (1985 agent), and then by Kathy, 1986 and 1987 agent at James and Associates, in Seattle, Ws. that the amount is TOO LITTLE FOR THE INSURANCE COMPANY TO INVESTIGATE! *How accurate*

Sure, why should they investigate? It will only cost them money...when in fact all they have to do is "set aside a reserve" for this account..against my account, add it to the many other employer "reserve" accounts in the same situation, CALL A MEETING WITH THE STATE OF ALASKA GOVERNMENT, tell our state people that they (THE INSURANCE COMPANYS) have to have MORE MONEY! SO UP GOES THE INSURANCE RATES FOR WHATEVER % THEY ASK FOR; And all the time all these reserves (listed as additional claim costs) are sitting in their bank accounts drawing more interest!

OF COURSE THE MORE THEY CAN SHOW AS TO HOW HEAVY THE CLAIMS ARE, THE MORE PREMIUM THAT THEY CAN CHARGE US!!

Have you people who are representing us looked at this side of the coin? Please do, if you haven't! I don't know how long we employers will last at the rate it is going now!

TRUSS FABRICATION PLANT • DOORS • WINDOWS • CABINETS

FACILITIES LOCATED AT 640 RONLOFF STREET, JUST OFF OF 4 MILE OLD STEEZE HWY. ACROSS FROM CURRY'S CORNER

Why isn't it possible for employers to get a history of employees on the following:

1. Driving records, every state.
2. Proof of medical certificates, and Doctors address on same. see attached. \*\*\*exhibit 3\*\*\*The doctor's name is not signed as an "MD!" And no address to check it out for my protection as an employer!
3. Workmans compensation records, every state.
4. The permission to request another physician's examination if something seems to appear fraudulent. And when it is shown as fraudulent (my case, 4/1/78 John Balsh. another Doctor wrote me that this injury was not due to his work at our place, but a prior problem he had.) see #5 below.
5. Cooperation from the state and/or insurance company for investigation, if an employer finds there are abuses here.
6. Every employer to receive from his carrier, a loss claim record of injured employees without the hassel of going through his agent, who sometimes does not want to bother. It's almost like they want to keep it a secret! Plus, many self employed people have no knowledge of what to ask for to protect themselves, to be aware of what is going on in their workmans comp account.

If these above items were possible, these types of people would not go from state to state, taking advantage of their employers with accidents coverage by workmans compensation. Nor would it be allowable for doctors to dig up 30 and 40 year old childhood injuries, and add it to a simple scratch, protect it by a band-aid, and expand a \$100. workmans comp visit, into over \$100,000. of costs. Inclosed is a picture of this injured employee, 7 hours after the accident, at a company picnic on July 22, 1986. \*\*\*exhibit 4\*\*\* This band aid injury tacked on a claim cost of \$112,000. to my account!

With only 3 fraud investigators in the state, how do I as an employer protect myself from this kind of problem?

There should be limits set to the costs charged by the medical profession and the legal profession. Present method makes it easy and lucrative for them, because it is a workmans compensation injury. See copy of different cost scales for this chiropratic clinic attached. \*\*\*exhibit 5\*\*\* I am sure if medical clinics were checked, you would see similar differences as I show you here, but with only 3 fraud investigators in Alaska, its very easy to "get away with it".

Again, how can employers protect themselves of this? We are not ever told or given reports of what is going on with the injured employee! It is our premiums that pay for this, we employers of all people should be allowed to know!

In the past 15 years, we have had over 700 employees on our payroll. Per my OSHA records, I had 42 accidents: 27 with No Days Lost. 9 with a total of 13 days lost. 1 with 2 weeks lost. 1 with 42 days lost. 1 with 3 months lost. 1 fraud that was caught. 2 still outstanding, both fraudulent, but still collecting.

1973	40 accidents.	1974	4 accidents.	1975	1 accident.
1976	1 accident	1977	1 accident	1978	2 accident
1979	NO ACCIDENTS.	1980	2 accidents.	1981	1 accident.
1982	8 accidents.	1983	4 accidents.	1984	NO ACCIDENTS
1985	6 accidents	1986	11 accidents	1987	3 accidents.

If I had cooperation of suspicious cases, the entire cost of workmans compensation claims for this firm for 15 years, would be less than the premium that I paid in this 1 year for 1987. See attached 1987 total premium cost. *solid* (C)

If we cannot get proper audit controls of the insurance companys showing the ACTUAL claims paid, instead of the fictitious reserve\* accounts being added to the claim costs, thus throwing an inflated amount of claim costs upon the employers, of which they base the employers premiums costs; I'd like to suggest the following:

Is it possible to drop all insurance carriers, let the state start from scratch, and underwrite the workmans compensation insurance, with adequate investigators, and set limits on each and every injury what ever it may be, (example; a finger worth 1000., an arm 50,000. etc.) If this method were used, it would not be, as lucrative to sacrifice the finger or arm for Workmans compensation funds. Doctors on the other hand would only receive a set amount for that finger or arm. And the legal profession would not be so "sue happy" if there was a maximum amount in place.

And then perhaps, by the employers track and safety records, the state would allow them to have certain limits by which they could self-insure. In addition, have a state fund, (collected from all employers to cover certain catastrophic injuries that are reviewed by a board and thoroughly investigated.)

Also, make it mandatory that every employer would get at least a quarterly report of all costs that occur in that employers claim record.

Thank you for hearing me out. Please advise if anything in these areas can be corrected.

Sincerely yours,

*Angie Kruckenberg*  
Angie Kruckenberg

*Most of these are  
the same "stamps" and  
a big hole in the*

begun arriving late Saturday even-

(See GAMES, Page 5)

# Legislator problem: to cut worker comp rates or revise state law

By LARRY PERSILY  
Associated Press Writer

JUNEAU—Legislators disagree on whether the state should force insurance companies to lower worker's compensation rates or just revise the compensation law and hope for a rate decrease.

Opposition to mandatory rate reductions also is coming from insurance companies and the state insurance director.

The Senate last month passed a major rewrite of worker's compensation laws, but the House Labor and Commerce Committee chairman said Thursday the bill is inadequate and he wants to change it.

The Senate bill (SB322) does not require insurance companies to lower their rates. The bill was drafted with help from a statewide labor and management task force.

A proposed House substitute would require companies to decrease their rates by 6 percent for 18 months.

"We're asking worker's to agree to some compromises . . . and in that process one of our primary goals is to reduce rates," said Rep. Dave Donley, Labor and Commerce chairman.

The Anchorage Democrat said,

"The Senate bill fails to address many legitimate public concerns and is a mediocre product that does not adequately or fairly address the issues hundreds of Alaskans have asked us to address."

Senate Labor and Commerce Committee Tim Kelly said he is nervous about a mandated rate decrease.

"You might see insurance companies decide not to offer coverage up here," Kelly said, noting that although the state can require rate cuts it cannot require companies to do business in Alaska.

The Anchorage Republican said employers could find it difficult to obtain coverage if an excessive mandatory rate reduction forces companies to stop writing policies in Alaska. That would defeat the bill's purpose to bring about affordable worker's compensation coverage.

"You've got to have some control over the insurance industry," Kelly said, because the state requires employers to carry the insurance. But too much state control of rates could lead to problems, he said.

"At first blush it would appear that mandated rate decreases are attractive," said Paul Roller, acting director of the Division of In-

urance. But the state cannot force a company to "write insurance at a loss, he said.

"We are opposed to mandatory rate decreases because they are unworkable," Roller said.

Alaska employers spent about \$180 million on worker's compensation insurance in 1987. Recent rate increases and fears of another major increase prompted legislators, labor and management representatives to join forces in an attempt to rewrite state laws setting out benefits for injured worker's.

The bill would restrict claims for stress-related injuries, reduce benefits to people living out of state, limit rehabilitation services and change several other aspects of the program, with the intent of lowering costs to insurance companies and rates to employers.

A letter of intent accompanying the Senate bill said the measure is expected to result in at least a 2 percent drop in rates, but letters of intent do not carry the force of law.

Fewer cases going to litigation, lower rehabilitation costs and fewer stress-related claims are the major money-savers of the bill.

Roller said Maine tried manda-

(See WORKERS, Page 5)

Shultz said, underscoring the seriousness with which the United States views the situation there.

He accused Noriega of trying to impose a military coup in Panama by deposing President Eric Arturo Delvalle, whom the United States regards as the legitimate constitutional authority.

Under the Caribbean Basin Initiative, Panama and about 20 other countries are eligible to sell most products duty-free to U.S. markets.

But this measure will have mostly symbolic impact because the bulk of Panama's exports to the Un-

## WORKERS

(Continued from page 1)

tory rate cuts in 1985 and the state has suffered through tremendous problems since then, including massive rate increases to return insurance companies to financial stability.

Donley expects to move the bill out of his committee next week, sending it to House Judiciary for further review.

Labor and Commerce members are scheduled to vote Tuesday on the substitute version and other proposed amendments to the Senate bill. If the House changes the bill, it would have to return to the Senate for concurrence with the amendments.

Donley wants to amend the bill to provide a "direct cash incentive for businesses to develop and maintain workplace safety programs." His proposed amendments would require insurance companies to pay a 5 percent to 10 percent rebate of premiums to employers that have an approved safety program and have not been cited for serious safety violations in the past year.

"The total failure of the other body (the Senate) to act on work place safety legislation . . . requires that we try to incorporate some protection for worker's health and safety in the measure before us," Donley said.

Safety incentives are the best way to save lives and save money on insurance, he said.

Fairbanks Daily News-Miner, Fairbanks, Alaska, Friday, March 11, 1988-5



# Weather helps cut into Redington's lead

News-Miner and AP reports  
TRIPPLE—Strong winds and unreasonably warm temperatures have whittled Joe Redington's lead in the 150-mile Iditarod Trail Sle-



By the time he decided to move, Herbie Nayokpuk decided his team rested enough to push on. Nayokpuk, known as the Shishmaref Cannonball, had arrived in Fairbanks less than six hours behind

AL. JUNT-NUMBER 366411423 ACCOUNT ID 000702435 CURRENT DATE 01/30/87  
 ACCOUNT INFORMATION REPORT PANEL ID 0509  
 ACCOUNT SUMMARY NAME G.K. LUMBER CO  
 NAME SO. K. LUMBER COMPANY, INC.  
 ADDRESS DOUBLE-K ENTERPRISE  
 P.O. BOX 10449  
 CITY FAIRBANKS STATE AK ZIP 99701

CA195038P IF YOU WISH TO SEE A CLAIM LISTING LINE BY LINE - DEPRESS PFKEY3,  
 CLAIM TOTALS - DEPRESS PFKEY4, NO CLAIM LISTING - DEPRESS PFKEY5.

PF KEY F X F

ACCOUNT NUMBER 366411423 ACCOUNT ID 000702435 CURRENT DATE 01/30/87  
 ACCOUNT INFORMATION REPORT PANEL ID 0442  
 POLICY CLAIM LISTING  
 CS177719368501

ITEM NO.	CLAIM NUMBER	DATE	DIR AMT	DIR EXP	DIR R/S	DIR INCURRED AMT	R/I INCURRED AMT	RG LINE
001	914G05622700	06/13/85	125401	2470	329417	457288	0	COMP
002	914G05626901	04/24/85	124	26	0	150	0	COMP
003	914G05626902	04/24/85	19	52	0	0	0	COMP
004	914G05626903	04/24/85	152	36	0	188	0	COMP
005	914G05626904	04/24/85	0	90	0	0	0	COMP
006	914G05628500	06/01/85	20520	565	0	21085	0	COMP
***TOTALS***			146394	3239	329417	479050	0	

CL-373-4 103

ALASKA NATIONAL INSURANCE LOSS EXPERIENCE

ALL POLICIES AND ASSOCIATED CLAIMS SINCE 1984

REPORT DATE: 12/31/87  
 BUY DATE: 08/05/88  
 EFFECTIVE DATE: 01/31/87

CLAIMANT	ACCIDENT DATE	LIVE	CLAIM NUMBER	LOC CAT	LOC CD	INS. LOSSES	PRODUCER	OFFICE	GRUP	ALLOCATED LOSS EXPENSE	NET OUTSTAND LOSS RESERVE	INCURRED LOSS AND LOSS EXPENSE
LAPPAHEE, ALDEN J.	04/29/88	150	08438	03	000 03	670.00	931	13	930	650.62	0.00	1,602.80 CLOS
LAPPAHEE, ALDEN J.	08/14/86	150	93303	03	030 06	0.00	931	13	930	0.00	0.00	61.00 CLOS
MATTIELO, PAUL M.	07/14/86	150	06573	00	030 05	110.07	931	13	930	0.00	0.00	110.07 CLOS
MATTIELO, PAUL M.	07/14/86	150	83418	00	000 06	0.00	931	13	930	0.00	0.00	311.41 CLOS
MATTIELO, PAUL M.	07/22/86	150	06345	00	030 05	10,006.53	931	13	930	3,360.41	45,336.94	111,000.00
MATTIELO, PAUL M.	07/28/86	150	83831	00	030 06	0.00	931	13	930	0.00	0.00	129.00 CLOS
MATTIELO, PAUL M.	07/29/86	150	06765	03	000 06	0.00	931	13	930	0.00	0.00	60.00 CLOS
MATTIELO, PAUL M.	07/29/86	150	83632	03	000 06	0.00	931	13	930	0.00	0.00	332.00 CLOS
MATTIELO, PAUL M.	10/13/86	150	83992	00	030 06	0.00	931	13	930	0.00	0.00	131.00 CLOS
MATTIELO, PAUL M.	11/12/85	150	83791	00	030 06	0.00	931	13	930	0.00	0.00	121.00 CLOS
MATTIELO, PAUL M.	12/26/86	150	84181	03	000 06	0.00	931	13	930	0.00	0.00	362.00 CLOS
***** LOCATION TOTALS *****						18,826.60	47,311.71	3,811.03		45,336.94	113,216.29	
***** INSURED TOTALS *****						18,826.60	47,311.71	3,811.03		45,336.94	113,216.29	

Out of Pool claim experience  
 If you are in a pool -  
 you get a different report.  
 Talk us separate.

Orchestrated

**MEDICAL EXAMINER'S CERTIFICATE**

I certify that I have examined  
**Jim Filppo**

(DRIVER'S NAME (PRINT))

IN ACCORDANCE WITH THE MOTOR CARRIER SAFETY REGULATIONS (49 CFR 391.41-131.42) AND WITH KNOWLEDGE OF HIS DUTIES, I FIND HIM QUALIFIED UNDER THE REGULATIONS.

- QUALIFIED ONLY WHEN WEARING CORRECTIVE LENSES.
- QUALIFIED ONLY WHEN WEARING A HEARING AID.

A COMPLETED EXAMINATION FORM FOR THIS PERSON IS ON FILE

IN MY OFFICE AT 1765 Challenge Way

1-5-85

*James Filppo*  
(SIGNATURE OF DRIVER)

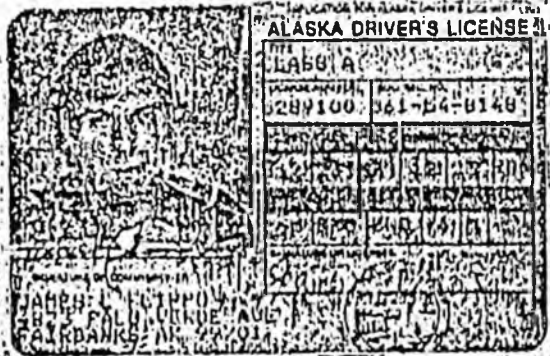
1765 Challenge Way  
(ADDRESS OF DRIVER)

A. Griest  
(NAME OF EXAMINING DOCTOR (PRINT))

*James Filppo*  
(SIGNATURE OF EXAMINING DOCTOR)

CIA Form 5486 Rev. 87

Doctor?  
Where is the title?  
Don't all doctors sign their name with title?  
Is this also fraudulent?



Picture taken at 8:00 PM, 7/22/86.  
See band-aid from doctors visit after his workmen's comp accident on 1:00PM, 7/22/86.  
The \$100.00 office visit went over a \$112,000.00 CLAIM!

*How can we survive these costs*

1987

1987

UNIT 001 MI-SEP 032 03 CLAIMI ROBERT J. MOERLES  
INSURANCE COMPANY, INC. P.O. BOX 10447 -211  
EATONVILLE, ALASKA 099710

LOSS 771.60 RATIO 04  
Additional Plan. 8548  
*Prein Cost \$24,737 - see exhibit (6) ← less cost!*

UNIT	MI-SEP	032	03	CLAIMI	ROBERT J. MOERLES	LOSS DATE	OCCURRENCE	CLAIMANT	PAID	EXP		
UNIT 001	MI-SEP	032	03	CLAIMI	MICHAEL P. SMITH							
IN LOS	DI	F	UC	CL	REF ID	CAUSE	A-1-A	RES HST	CUR-RES	PAID	EXP	
PP	020407	7	01	32	022407	WC MED	THFB19			60.00	0.00	
PP	020407	7	01	32	022407	WC MED	THFB19			71.00	0.00	
PP	020407	7	01	32	022407	WC MED	THFB19			40.00	0.00	
PP	020407	7	01	32	022407	WC MED	THFB19			107.50	0.00	
PP	020407	7	01	32	022407	WC MED	THFB19			32.10	0.00	
CL	020407	7	01	32	022407	WC MED	THFB19			0.00	0.00	
CL	020407	7	01	32	022407	WC MED	THFB19	7-		0.00	0.00	
CL	020407	7	01	32	022407	WC MED	THFB19	400		0.00	0.00	
UNIT 001	MI-SEP	032	03	CLAIMI	MICHAEL P. SMITH							
IN LOS	DI	F	UC	CL	REF ID	CAUSE	A-1-A	RES HST	CUR-RES	PAID	EXP	
UC	091107	7	01	32	092207	WC MED	GRS156	200	200		0.00	
PP	061707	7	01	32	062607	WC MED	WRLA17			101.00	0.00	
CL	061707	7	01	32	062607	WC MED	WRLA17	19-		0.00	0.00	
CC	061707	7	01	32	062607	WC MED	WRLA17	200		0.00	0.00	
PTT	0/S	LOS			200	0/S	EXP	0	LOS	371.60	EXP	0.00
PID	0/S	LOS			0	0/S	EXP	0	LOS	0.00	EXP	0.00



NAME: \_\_\_\_\_

OFFICE CALLS:		X-RAYS WITH ANALYSIS:	
97260-52 Spinal Manipulation	35	72010 Full Spine	\$150
97260 LMT Spinal Manipulation	40	72010 Full Spine Re-Check	150
97260-14 Spinal Manip. (Sun/Hol)	60	72040 Cerv Pre Pettibon	80
97260 Spinal Manipulation	N/C	72040 Cerv Obliques (2)	90
A2000 (Medicare) Spinal Manip.	40	72040 Cerv Flex/Ext. (2)	80
00590 (Medicaid) Spinal Manip.	40	72100 Lumbar-AP/Lateral	80
97761 Manual Manip Extended	55	72100 Lumbar-Obliques	80

EXAMS-NEW PATIENTS:		MEDICAID X-RAYS:	
9900 M.C. Hist/Exam	N/C	00510 Radiologic exam, spine, cerv	65
9900 Brief Hist/Exam	45	00570 Lumbosacral: anteroposterior and lateral	65
99010 Limited Hist/Exam	55		
99020 Comprehensive Hist Exam	\$155		

EXAMS-ESTABLISHED PATIENTS:		SUPPLIES	
99040 Brief Re-Exam/Evaluation	35	97700 SPS/PS Checkout	20
99050 LMT. Re-Exam/Evaluation	45	99000 SPS/PS Exam/Casting	-0
99080 Comprehensive Re-Exam	\$120	99070 Foot Levelers	**
		99070 Cervical Packs (2)	15
		99070 Ortho Cervical-Collar	29
		99070 Lumbar Support Belt	15
		99070 Cervical SP/support Block	25
		99070 Ortho Lo-Back Spinal Support	28
		99070 Exercise Fulcrums	45

SERVICES:		Week	Month
97741 Kinesiotherapy: Brief Nimm	20		
97740 Ext/Nimm Kinesiotherapy	35		
99030 Thermo-Cryotherapy	20		
97122 Traction	20		
97014 Electric Stimulas	35		
97110 Rehabilitation Exercises	12		

SPECIAL SERVICES:		CHARGE:	TAX:
4000 NSF Charges	25		
4000 NSF	40		
4000 Consultation	N/C		
4000 Chart Notes/Records	25		
97020 Narrative Report (page)	40		

\*\* See Price Lists

40 o/c.  
40  
all items marked  
- are unknown  
comp costs.

W/W.C.  
Let field  
\$505.  
If you are  
an individual  
with  
no insurance  
the cost is  
35<sup>00</sup> and  
+ 160<sup>00</sup> self pay

Ext Visit W/W.C. comp.  
W/W.C. insurance  
40<sup>00</sup> visit cost  
+ 120<sup>00</sup> = Resum cost  
total w/ w/w/c, 160<sup>00</sup>

personal visit 35<sup>00</sup> gets exact same service  
By one who has had both!

# PROVIDENCE WASHINGTON INSURANCE GROUP

- PROVIDENCE WASHINGTON INSURANCE CO.     PROVIDENCE WASHINGTON INSURANCE COMPANY OF ALASKA  
 MOTOR VEHICLE CASUALTY CO.     WESTERN ALLIANCE INSURANCE COMPANY  
 YORK INSURANCE COMPANY

- EASTERN REGIONAL OFFICE — 20 Washington Place · Providence, RI 02901  
 MIDWESTERN REGIONAL OFFICE — 209 North York Street · Elmhurst, IL 60126  
 ALASKAN REGIONAL OFFICE — 301 W. Northern Lights, Suite 501, Anchorage, AK 99503  
 SOUTHWESTERN REGIONAL OFFICE — 7715 Chevy Chase Drive · Austin, TX 78761

DATE	2/12/88
CANCELLED	<input type="checkbox"/> P/R <input type="checkbox"/> S/R
POLICY NUMBER	WC 760628

INSURED O.K. LUMBER COMPANY, INC.	LOCATION	POLICY PERIOD 1/19/87 to 1/19/88
AGENT # NAME 469 FRED S. JAMES (ASSIGNED RISK)	LOCATION	AUDIT PERIOD SAME to

DESCRIPTION	BASIC OF PREMIUM	RATE	PREMIUM	RATE	PREMIUM	RATE	PREMIUM
AK							
8232 to 1/1/88	40,886	16.22	6,632.00	}	19768	}	338 prem.
758	120,708	3.54	4,273.00				
.02	80,164	10.06	8,064.00				
8810	95,822	.82	786.00				
8742	20,439	1.04	213.00				
9898 Experience Mod 1.20			23,962.00	} 19768		} 338 prem.	
0900 Expense Constant	358019		114.00	} 19768		} 338 prem.	
8232 from 1/1/88	1,249	15.44	193.00				
8058	4,036	5.05	204.00				
2802	952	12.59	120.00				
8810	2,606	.82	21.00				
9898 Experience Mod 1.20			646.00	} 19768		} 338 prem.	
0900 Expense Constant	8843		15.00	} 19768		} 338 prem.	
	366.862						

COLUMN TOTALS

NOTE: All premiums shown have been fully earned. Payment is therefore due immediately on presentation of this bill.

My cost to insurance company →  
24,747.00  
 My claims including 200% Reserve for 1987  
761.60

EARNED PREMIUMS (DETAIL ABOVE)	24,737.00
LESS PREMIUMS PREVIOUSLY CHARGED	16,189.00
ADDITIONAL XXXXX PREMIUMS	8,548.00

STATEMENT

INSURED'S COPY

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE  
DISTRICT ELEVEN • SPENARD

P.O. BOX V, JUNEAU 99811  
(907) 465-3892



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MAY 04 1987

C

CHAIRMAN  
LABOR AND COMMERCE  
COMMITTEE

MEMBER  
STATE AFFAIRS COMMITTEE  
HEALTH, EDUCATIONAL  
AND SOCIAL SERVICES COMMITTEE  
INTERNATIONAL TRADE  
SUB-COMMITTEE

May 4, 1987

MEMORANDUM:

To: Senator Mitch Abood, Chair  
Senate State Affairs Committee

From: Representative Dave Donley *TD*

Re: Request for hearing - HB 43

I am writing to request a hearing before the Senate State Affairs Committee on HB 43, relating to return transportation for workers.

HB 43 amends a state law that's been on the books since 1949 that requires an employer to pay return transportation costs for a worker when they paid transportation to the job site and the worker was not fired for cause.

HB 43 makes four changes to current law:

- 1) requires an employer to notify an employee of their right to return transportation,
- 2) exempts an employer from the requirement if the employee has held the job for a year or more,
- 3) provides that an employee may be returned to their place of residence at the time of hire if agreed upon by both parties at the time of termination and
- 4) requires an employer to pay return transportation costs for an employee hired from outside the state, regardless of whether they paid the way to the job site, as long as the employee has not established residency in Alaska during the course of their employment.

HB 43 passed the House unanimously nearly one month ago today.  
It has a zero fiscal note and is strongly endorsed by the Department of Labor. The Attorney General's office has submitted an opinion declaring the measure free of any Constitutional problems.

Requiring employers to provide appropriate return transportation for workers is good public policy and has economic benefits for Alaskans as well. HB 43 would have a positive effect toward encouraging Alaska hire. Your timely consideration would help Alaskan workers better compete for jobs many so badly need right now.

I'd appreciate a hearing on the measure at your earliest convenience. Please contact my office at 3892 if you have any questions or need additional information.

cc: Senator Jan Faiks, President  
Alaska State Senate

Senator Dick Eliason, Chair  
Senate Rules Committee

Senator Tim Kelly, Chair  
Senate Labor and Commerce Committee

Senator Jay Kerttula, Chair  
Senate Judiciary Committee

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act Relating to Return  
Transportation for Workers  
Sponsor: Donley and Koponen  
Requestor: \_\_\_\_\_

Agency Affected: Department of Administration  
BRU: Personnel  
Components: Centralized Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

CSHB 43 deals with paying return transportation costs for workers whose employment is terminated within the first year.

Provision for financing the return transportation of new employees to their original place of residence upon termination of employment has been public policy since 1949. The significance of CSHB 43 is that the proposed definition of "employer" would, for the first time, make the law applicable to State employees.

Prepared By: Diana DeSimone  
Division: Personnel

Phone: 465-4430  
Date: 1-21-88

Approved by Commissioner: John M. Andrews  
Agency: Department of Administration

Date: 1/23/88

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For CSHB 43

In FY 86, the State expended \$1,232,000 for moving and relocation costs. This figure includes legislative relocation costs which totaled \$219,100 in FY 86. Deducting costs for legislative moves leaves approximately \$1,000,000 for moving other State employees. The average cost of moving these employees is between \$10,000 and \$15,000. (Costs are higher because these are permanent versus temporary moves.) At an average of \$12,500 per move, this equates to about 80 moves of "regular" State employees.

We estimate that only about 10 percent of these paid moves are to entice new employees to join the State workforce, the only situation to which CSHB 43 would apply. (Faying moves of "on-board" State employees is usually associated with getting a seasoned, trained employee to change their location for the good of the service.)

In the eight situations to which CSHB 43 is applicable, it is unlikely that more than one or two of the employees would terminate within the first year. Therefore, the associated moving costs could be absorbed with existing resources.

LOCAL HIRE

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 6, 1987

SUBJECT: HB 43 (Return transportation for workers)  
TO: Senator Jan Faiks  
FROM: Teresa B. Cramer *TBC*  
Legislative Counsel

You have requested an opinion concerning whether there are constitutional problems inherent in HB 43, which requires that an employer furnish return transportation to employees in a variety of circumstances. Employers who provide transportation from the place of hire to the worksite or who agreed to employ a person who resided outside the state (whether or not the employer provided transportation to the worksite) are subject to the requirements of the bill. In my opinion, the second requirement, which applies only to employers who hire nonresidents, may be constitutionally infirm under either the equal protection clause of the state constitution or the privileges and immunities clause of the federal constitution.

The Alaska Supreme Court has held that under the state's equal protection clause, in cases not involving fundamental rights or suspect classifications, legislation must be based on a legitimate public purpose and the classification must 'be reasonable, not arbitrary, and . . . rest upon some ground of difference having a fair and substantial relation to the object of the legislation. Wilson v. Municipality of Anchorage, 669 P.2d 569, at 572, (1983) (citations omitted).

Under HB 43, employers who choose to employ a nonresident have a potential liability for transportation costs after a job ends that employers without nonresident employees do not have. While HB 43 grants nonresidents more rights than it grants residents, it can also be viewed as placing a burden on employers who choose to hire nonresidents and therefore placing the nonresident worker at a disadvantage when competing with a resident for employment in the state.

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MAY 08 1987

Either the person or the department may request transportation. The bill does not address whether or to what extent the right may be waived. If a nonresident is able to waive rights to return transportation, then the bill would not place nonresidents at a disadvantage in the competition for employment. However, because the department can make the request for return transportation on behalf of a nonresident, it is not clear that an employee would be held to have waived his rights under the statute.

To the extent that the added cost of employing nonresidents discourages employers from hiring nonresidents, a court might find that the legislation infringed on the nonresident job applicant's fundamental right to travel and therefore violated the equal protection clause of the state and federal constitutions. Under the state constitution, to justify an infringement of a fundamental right, the state would bear a higher burden of showing a fair and substantial relation between the problem posed by nonresidents and the remedy implemented by the legislation.

The employer's interest in freedom from an economic burden is an economic one. The court stated in Wilson, 669 P.2d at 572, that

(e)conomic interests have traditionally been afforded minimal protection under equal protection analyses. . . . accordingly although the relationship between the classification and the legitimate governmental objective must be fair and substantial, a less than perfect fit between the means and ends will be tolerated.

This is an easier standard to meet than the standard required to survive a challenge from a nonresident job applicant.

A possible objective of the bill is to assist nonresident workers whose employment has ended to return to their home states, and to help insure that Alaskan communities are not harmed by their presence. Factually, this may be hard to support since a nonresident entitled to the return transportation may plan to remain in Alaska regardless of being employed (an example would be a family member of someone stationed here because of military service). Unless there is some showing that the continued presence of people who were hired as nonresidents creates a problem for the state,

it is hard to support this justification. The bill also does not differentiate between nonresidents who later become residents and those who choose not to become residents.

Another possibility is that the legislation is intended to discourage the hiring of nonresidents. In Lynden Transport, Inc. v. State, 532 P.2d 700, at 711, (Alaska 1975), the court held that benefiting economic interests of residents over nonresidents is not a purpose which may constitutionally vindicate discrimination under either the federal or the state equal protection clauses.

The legislation is also subject to scrutiny under the privileges and immunities clause of the federal constitution, Article IV, Section 2. The clause provides:

The citizens of each state shall be entitled to all privileges and immunities of citizens in the several states.

As noted by the Alaska Supreme Court in Francis v. Robison, 713 P.2d 259 (Alaska 1986), the primary purpose of the privileges and immunities clause is to prevent states from discriminating against nonresidents for reasons of economic protectionism. The clause does not prohibit all discrimination against a nonresident. It protects fundamental rights, and employment has been held to be such a right. If a statute impairs a fundamental right of nonresidents, discrimination is only permitted where there is a substantial reason that justifies it. To find a substantial reason, there must be a showing that nonresidents are 'a peculiar source of the evil' which the state's action is meant to remedy. There must also be a close relationship between the means employed by the statute to remedy the problem and the goal the statute seeks to accomplish. The availability of less restrictive means to accomplish that goal is relevant.

The first question to be considered is whether there is a substantial justification for the requirement for return transportation. A nonresident who provided his own transportation to the place of employment would ordinarily expect to get himself elsewhere at the conclusion of the job. To support the bill, the state would have to point to serious problems caused to the community or to workers by these nonresident employees who failed to leave after the end of their employment. It would also have to show that granting all nonresidents the right to return transportation

Senator Faiks  
February 6, 1987  
Page 4

was the best available way to solve the problem. A serious problem in a single industry, for example, would not validate the extensive reach of the bill.

There may be justifications not addressed in this memorandum that satisfy the constitutional standards. Whether the legislation would survive scrutiny depends on what the problem is and how closely the legislation is tailored to answer that problem.

The House Labor and Commerce Committee adopted a Committee Substitute which makes some changes in the mechanics of the bill, limiting the right to claim return transportation by requiring that the request be made within one year of the end of employment, and defining employer. While the one year limitation narrows the protection, it is probably not enough to remedy the other infirmities.

If I may be of further assistance, please advise.

TC:mkr  
m8/102

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REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE  
DISTRICT ELEVEN • SPENARD

P.O. BOX V, JUNEAU 99811  
(907) 465-3892



CHAIRMAN  
LABOR AND COMMERCE  
COMMITTEE

MEMBER  
STATE AFFAIRS COMMITTEE  
HEALTH, EDUCATIONAL  
AND SOCIAL SERVICES COMMITTEE  
INTERNATIONAL TRADE  
SUB-COMMITTEE

May 4, 1987

M E M O R A N D U M:

To: Senator Mitch Abood, Chair  
Senate State Affairs Committee

From: Representative Dave Donley *TD*

Re: Request for hearing - HB 43

I am writing to request a hearing before the Senate State Affairs Committee on HB 43, relating to return transportation for workers.

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HB 43 passed the House unanimously nearly one month ago today.  
It has a zero fiscal note and is strongly endorsed by the  
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Requiring employers to provide appropriate return  
transportation for workers is good public policy and has  
economic benefits for Alaskans as well. HB 43 would have a  
positive effect toward encouraging Alaska hire. Your timely  
consideration would help Alaskan workers better compete for  
jobs many so badly need right now.

I'd appreciate a hearing on the measure at your earliest  
convenience. Please contact my office at 3892 if you have any  
questions or need additional information.

cc: Senator Jan Fair's, President  
Alaska State Senate

Senator Dick Eliason, Chair  
Senate Rules Committee

Senator Tim Kelly, Chair  
Senate Labor and Commerce Committee

Senator Jay Kerttula, Chair  
Senate Judiciary Committee

Bill No. Committee Substitute for  
House Bill 43 (Rules)

Title "An Act relating to return  
transportation for workers and  
requiring payment of return  
transportation costs for workers  
hired from outside the state."

Date April 13, 1987

Contact: Tom Stuart  
465-4870

Eileen Plate  
465-2700

Committee Substitute for House Bill 43 (Rules) clarifies and strengthens provisions in AS 23.10.380 which deal with workers' rights to return transportation.

Specifically CSHB 43:

- (1) adds a third option to the destinations to which an eligible worker may be returned upon termination of employment. Under current law, an employer is responsible for return transportation to either the place of hire from which transportation was originally furnished or to another destination agreed upon by the employer and the worker. Under CSHB 43, transportation to the worker's place of residence at the time of hire is also included as an option;
- (2) limits an employer's liability for payment of return transportation to those workers terminated within one year of the date they were employed. The current law is silent in this regard;
- (3) adds a new provision requiring employers who hire workers to notify such workers of their rights to return transportation;
- (4) provides that a worker who was residing outside the state when the employer tendered an offer of employment is entitled to return transportation unless the worker establishes residency in the state. Under current law, a worker is entitled to return transportation only if the employer provided transportation to the place of employment at the time of hire; and
- (5) clarifies that the return transportation provisions are applicable to the State of Alaska as well as all other employers. This is consistent with the Department's present application of this law.

In its enforcement of the return transportation law, the Department has observed the following practices which are aimed at circumventing the overall intent of the return transportation law.

Some employers offer employment to workers residing outside the state and advise them to report to a designated location in the state. When the workers arrive, they are then informed that they will not be hired unless they pay their own travel expenses. Since under the current law return transportation is required only in those situations where the employer paid transportation to the place of employment, this practice effectively exempts the employer from his responsibilities under the return transportation law. The provisions in Section 2 of CSHB 43 would preclude employers from circumventing their obligations in this regard.

**POSITION PAPER/Department of Labor**

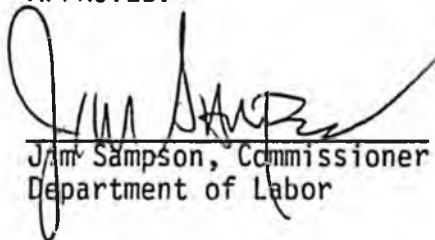
- Some employers also use the practice described above to reduce their liability for return transportation. For example, under current law a worker residing inside or outside the state can be offered a job in Nome and told to report to Anchorage or Fairbanks. The employer then pays the worker's transportation costs only from Anchorage or Fairbanks to Nome; and thereby reduces his liability for return transportation. The amendment in Section 1 of this bill which entitles the worker to return transportation to his place of residence would prevent circumvention of the intent of the law in this way.

The notification requirement in Section 2 of the bill is appropriate in order that a workers' right to return transportation is not forfeited solely because he was not aware of his entitlement. This is particularly important since a worker's right to request return transportation must be exercised within 45 days after termination of employment.

The one year limitation on rights to return transportation provided in Section 1 of the bill is an effort to apply a standard of reasonableness to the return transportation law. The law is aimed at providing return transportation to workers who incur such costs in connection with employment on a particular assignment or project that is not of a permanent or on-going nature.

The Department supports CSHB 43 (Rules), which is designed to assist in preventing the exploitation of workers. It will not have a fiscal impact on the Department.

APPROVED:



Jim Sampson, Commissioner  
Department of Labor

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

Bill Version: CSHB 43 (Rules)

Publish Date: \_\_\_\_\_

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_

Agency Affected: Labor

Title: "An Act relating to return  
transportation for workers and ..."

BRU: Labor Standards and Safety

Sponsor: Donlev, Koponen, Davidson

Components: Wage and Hour

Requestor: Senate State Affairs

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS -						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

Prepared by: <sup>MB</sup> Tom Stuart, Director *Stuart*  
Division: Labor Standards and Safety

Phone: 465-4870  
Date: 4/13/87

Approved by Commissioner: <sup>MB</sup> Jim Sampson *J. Sampson*  
Agency: Labor

Date: 4/13/87

**Distribution (by preparer):**

- Legislative Finance
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- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary