

HB

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Representative Dave Donley  
P. O. Box V  
Juneau, Alaska 99811

February 12, 1990

Dear Representative Donley,

This office represents the Juneau Sanitation Corporation, an Alaska corporation with headquarters in Juneau, Alaska.

The purpose of this letter is to share with you, on behalf of the Juneau Sanitation Corporation, certain opinions and suggestions regarding HB 310, "An Act relating to waste collection and recycling... ."

The Juneau Sanitation Corporation opposes HB 310 and urges you to vote NO on HB 310.

In my opinion, this Bill does not represent a genuine effort to deal with the serious issues which recycling involves. Instead, the Bill is a thinly-disguised piece of protectionist legislation designed to limit entry into the field of waste collection and protect the position of the current holders of Certificates of Public Convenience and Necessity.

The policy of the State of Alaska should be precisely the opposite of what is embodied in HB 310. Alaska's policy should be to encourage new entrepreneurs to enter the field of recycling and waste collection, as well as encouraging existing, certificated, refuse utilities. The fact that recycling is not yet broadly successful in Alaska is reason enough to encourage new entrants into this sector of our economy.

My specific comments on HB 310 are set forth below.

Section 2 of HB 310 seeks to limit the ability of the Alaska Public Utilities Commission to issue new certificates of Public Convenience and Necessity. The effect of this provision is simply to perpetuate the dominant position of existing certificate holders.

In the specific case of Juneau, this section would perpetuate the monopoly position of Channel Sanitation. There is absolutely nothing to indicate that the positive public benefits that recycling offers will be promoted by closing off entry into this part of our local economy. Quite the opposite is true. Juneau needs new blood in the recycling field.

We can see no good reason to reward existing refuse utilities by limiting competition.

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In addition, Section 2 contains a needlessly vague and overly broad standard for the APUC to implement: "...if the certificate utility and its affiliates are incurring operating and capital expenses for waste recovery in an amount less than three percent of the annual operating and capital expenses..."

Finally, Section 2 also unnecessarily requires the APUC to make an express finding that the certificated utility "will not provide satisfactory service." Such a standard would be an almost insurmountable hurdle. With this standard the APUC might never approve a new applicant who might be able to make recycling profitable in Juneau.

The net effect of this Bill would be to needlessly chill Alaska's economy. HB 310 unnecessarily establishes barriers to people who want to enter the recycling business. HB 310 would be bad for Alaska's environment and bad public policy.

Please VOTE NO on HB 310.

Thank you for considering these views.

Sincerely,



Gregory F. Cook  
Attorney for the  
Juneau Sanitation Corp.