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4192

SENATE FINANCE COMMITTEE REPORT

DATE: 3/6/90

FURTHER:

DATE TURNED INTO OFFICE: 3/15/90

The Finance Committee considered

SB 492

~~SENATE FINANCE COMMITTEE REPORT~~

"An Act relating to the inspection of boilers and pressure vessels."

and recommended:

replace with _____ CS
 or adopt _____ CS

SB 492 (LRC)

same title
 new title
 technical title change (HB only)

attached amendment(s)

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

DOLabor 3/5/90

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

J. Durca
[Signature]
[Signature]
Paul Grail
John Healy (DO PASS)

1. _____ 2. _____
Co-Chairs: Signatures and Recommendations

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION CS SB 492 (L&C)

PUBLISH DATE: 3/6/90

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
 Title: "An Act relating to the inspection
of boilers and pressure vessels." BRU: Labor Standards & Safety
 Sponsor: Frank, Coghil, Sturgulewski Components: Mechanical Inspection
 Requestor: Senate Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Note: There will be no impact on FY 90.

Prepared by: Tom Stuart, Director Phone: 465-2712
 Division: Labor Standards & Safety Date: 3/5/90
 Approved by Commissioner: Jim Sampson Date: 3/5/90
 Agency: Department of Labor

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

Changes in CSSB492 (L+C)
 have no fiscal impact. This
 fiscal note is appropriate.
 Projections of no fiscal impact
 would continue through 1996.

page 1 of 1

Original sponsor(s): SEN. FRANK, Coghill, Sturgulewski

1 IN THE SENATE BY THE LABOR & COMMERCE COMMITTEE
2 CS FOR SENATE BILL NO. 492 (L&C)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL
6 For an Act entitled: "An Act relating to the inspection standards for
7 boilers and pressure vessels."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 18.60 is amended by adding a new section to read:

10 Sec. 18.60.315. INSPECTION STANDARDS. The 1989 edition of the
11 National Board Inspection Code Manual for Boiler and Pressure Vessel
12 Inspectors constitutes the minimum boiler and pressure vessel in-
13 spection standard of the state for boilers and pressure vessels after
14 they have received their initial inspection certificates from the
15 Department of Labor. The Department of Labor may adopt regulations
16 for the maximum practical implementation of the manual and may grant
17 an exception from a specific provision of the manual when the depart-
18 ment determines that the implementation of the provision would be
19 impractical.

STEVE FRANK
DISTRICT K
SEAT A

119 N. Cushman, Rm. 213
Fairbanks, Alaska 99701

While in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3709
Capitol Rm. 514

Alaska State Legislature



Senate

MEMBER
Finance Committee
Resources Committee
Legislative Council
Special Committee on Banking &
Economic Development

VICE-CHAIR
Community & Regional
Affairs Committee

MEMORANDUM

TO: Senator Rick Uehling, Co-Chairman
Senator John Binkley, Co-Chairman
Senate Finance Committee

FROM: Senator Steve Frank

RE: CS SB 492 "An Act relating to
the inspection of boilers and pressure vessels."

DATE: March 12, 1990

Thank you for hearing SB 492.

The legislation will allow the Department of Labor to adopt the National Board Inspection Code (NBIC) Manual for Boiler and Pressure Vessel Inspectors. The National Board Code is intended to "...maintain the integrity of such boilers and pressure vessels after they have been placed into service..."

Currently, the Department only operates under the American Society of Mechanical Engineers (ASME) code, which establishes the rules of safety governing the design, fabrication and inspection during construction of boilers and pressure vessels. These two codes are intended to be complementary and allow for a complete safety inspection program both before, during and after construction.

The Department of Labor supports this legislation as do the impacted industries, such as, ARCO Alaska, Fairbanks Municipal Utilities System and the Alaska Pulp Corporation. Without SB 492, the Department tells us that they cannot adopt the new code because they do not have the statutory authority.

Thank you for your consideration.

STATE OF ALASKA

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

P.O. BOX 21149
JUNEAU, ALASKA 99802-1149
PHONE: (907) 465-2700

FAX: (907) 465-2784

March 5, 1990

The Honorable Dick Eliason, Chairman
Labor & Commerce Committee
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Eliason:

The Department has reviewed the draft committee substitute for Senate Bill 492 (L&C), which adopts the 1989 National Board Inspection Code Manual for boilers and pressure vessels.

We have worked closely with the sponsor on this bill, and support it.

Thank you.

Sincerely,



Eileen Plate
Special Assistant

EP:kh

Municipal Utilities System

March 2, 1990

Senator Steve Frank
Alaska State Legislature
P.O. Box V
Juneau AK 99811

Dear Senator Frank:

I have had the opportunity to review the Labor and Commerce Committee Substitute for Senate Bill No. 492. The original Senate Bill 492 and the Labor and Commerce Committee Substitute both address a present legislative need for the State of Alaska. The owners and users of pressure vessels throughout the state and the Department of Labor all recognize the necessity for adoption and use of the National Board Inspection Code Manual for boiler and pressure vessel inspectors. However, the legislative procedure has not existed which would allow the Alaska Department of Labor to administratively adopt applicable portions or all of the National Board Inspection Code. The Committee Substitute for Senate Bill No. 492 clearly paves the way and provides the necessary vehicle the Department of Labor needs to continue to perform a valuable service to the citizens of Alaska.

I heartily support the Labor and Commerce Committee Substitute for Senate Bill No. 492 and certainly hope that the remaining necessary steps are completed and fruitful so as to allow the bill to become a very useful piece of legislation.

Sincerely,



Marty M. Lanum
Fairbanks Municipal Utilities System
Electric Utility Superintendent

dj



ALASKA PULP CORPORATION

4600 SAWMILL CREEK ROAD
SITKA, AK 99835-9801

RECEIVED
DECEMBER 20 1989
11 11 AM '89

January 24, 1990

The Honorable Richard Eliason
Alaska State Senate
Room 417, Capitol
P.O. Box V
Juneau, Alaska 99811

Dear Senator Eliason:

Some time ago, I spoke to you about urgent need for Alaska adopting a Uniform Boiler and Pressure Vessel Safety bill.

There is a good deal of interest statewide on this issue because of the arbitrary and constantly changing interpretation of the current law by the Department of Labor. As an example, Department of Labor has required proof testing on boilers and pressure vessels after even very minor repairs. This practice leads to premature leaking and is a step backwards as a safety practice. Boiler manufacturers, insurance underwriters, and the National Board disagree with the State's implementation of this practice of proof testing.

The Municipality of Fairbanks Utilities is currently drafting a bill, and we understand that that bill will be forwarded to the Legislature very shortly.

There is widespread support around the State for this law change. Fundamentally, it would adopt National standards and implement a boiler and pressure vessel law similar to what is currently in use in most of the other states. The current Alaska law was adopted in 1955, which was before the time when there was much in the way of pressure vessel or industrial application in the State.

In any event, we hope that you will be able to support the law revisions when the bill is drafted and gets to your committee.

Very truly yours,

ALASKA PULP CORPORATION

Franklin C. Roppel
Executive Vice President

FCR:lc

cc: John Dapceвич
747-8303
8849