

LEG. FINANCE - BILLS 1979 - 1980 1387

SB 560 cont., thru SB 577 1387

1 existing investment authority under AS 37.10, or has proposed to purchase
2 under the terms of a portfolio plan established under this chapter;

3 (3) "certificate" means an instrument evidencing ownership of
4 one or more units and includes stock certificates, debentures or other
5 debt instruments and trust certificates;

6 (4) "commissioner" means the commissioner of revenue;

7 (5) "department" means the Department of Revenue;

8 (6) "eligibility date" means a date established by the commis-
9 sioner for a distribution of units under a portfolio plan established
10 under this chapter;

11 (7) "extended purchase plan" means the purchase of units over
12 a period of time through the exercise of purchase warrants;

13 (8) "oversubscribed" means a sale in which the total number
14 of units subscribed for exceeds the total number of units available for
15 sale;

16 (9) "person" means a natural person;

17 (10) "purchase warrant" means an instrument authorizing the
18 purchase of units under this chapter;

19 (11) "resident" means a person who maintains a permanent place
20 of abode in the state with the intention of making the state his per-
21 manent place of residence and who resides in the state continuously
22 except for temporary purposes only and with the intent of returning; a
23 person may not be considered to have gained a residence solely by reason
24 of his presence and he may not lose it solely by reason of his absence
25 because of marriage to a person engaged in the civil or military service
26 of this state or the United States; a person may not be considered to
27 lose his residence while a student at an educational institution, while
28 in an institution at public expense, while confined in prison, while
29 engaged in the navigation of waters of this state, of the United States,

1 or of the high seas, or while residing upon an Indian or military reser-
2 vation; a minor takes the residence of his parent or of his legal guar-
3 dian; a married woman may establish her own residence and does not
4 presumptively take the residence of her husband;

5 (12) "state energy resource trust" means a trust established
6 under this chapter the assets of which are a right to receive income
7 equal to a specified part of the rental, royalties, or net profits
8 belonging to the state under specified leases of state land for the
9 extraction of oil, gas, coal, oil shale, or other minerals or a speci-
10 fied part of the revenue from the sale of oil, gas, coal, oil shale, or
11 other minerals taken by the state as in kind royalties under those
12 leases;

13 (13) "state general stock ownership corporation" means a
14 corporation formed in accordance with subchapter U, Chapter 1 of the
15 Internal Revenue Code of 1954, as amended (26 U.S.C. secs. 1391 - 1397);

16 (14) "state industrial development project" means a business
17 enterprise engaged in or about to engage in natural resource extraction
18 or processing, or in manufacturing, transportation, or communications in
19 the state, and to which the state or an agency or subdivision of the
20 state contributes an investment of equity or debt exceeding \$100,000,000;

21 (15) "state investment fund" means a regulated investment
22 company organized in accordance with subchapter M, Chapter 1 of the
23 Internal Revenue Code of 1954 as amended (26 U.S.C. secs. 851 - 855);

24 (16) "state real estate trust" means a real estate investment
25 trust organized in accordance with subchapter M, Chapter 1 of the
26 Internal Revenue Code of 1954 as amended (26 U.S.C. secs. 856 - 858);

27 (17) "undersubscribed" means a sale in which the total number
28 of units available for sale exceed the number of units subscribed;

29 (18) "unit" means an undivided fractional ownership right or

1 interest in a trust, corporation, fund, project or enterprise established
2 under this chapter.

3 * Sec. 3. The enactment of a version of Senate Bill No. 170 or House Bill
4 No. 240 relating to general stock ownership corporations and creating the
5 Alaska General Stock Ownership Corporation constitutes approval of a portfolio
6 plan under AS 43.17.030 enacted by sec. 2 of this Act. After enactment of
7 either, the commissioner of revenue shall implement the portfolio plan in
8 accordance with this Act, subject to necessary appropriation. If the port-
9 folio plan is approved under this section, the commissioner of revenue may,
10 notwithstanding the approval, submit to the legislature by the 30th day of
11 the First Session of the Twelfth Legislature a revised portfolio plan if in
12 his judgment a revised plan is necessary to accomplish the policy, purposes
13 and findings under this Act or to provide complete information concerning the
14 plan. A revised portfolio plan submitted under this section is subject to
15 legislative approval under AS 43.17.030.

16 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

April 14, 1980

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the establishment of the Portfolio of Alaska Citizen Enterprises. This bill would establish a framework whereby several different types of state-owned assets could be offered for distribution and sale to Alaska residents. Under the bill the Department of Revenue would develop plans in each of the next three years for distributing and selling certain categories of assets to Alaska residents. Each of these plans would be submitted to the legislature and if the legislature enacted the required legislation, the assets would be sold and distributed to residents as provided in this bill.

Some of the possible assets which could be sold and distributed under a plan developed under this bill are assets presently held by the State of Alaska. One kind of assets which the Department of Revenue could recommend for sale and distribution to the legislature would be a state energy resource trust. An energy resource trust would hold in trust a certain portion of the state's right to receive future oil and gas royalties. Shares in this trust would be sold and distributed to eligible Alaskans.

Another kind of asset which might be sold and distributed would be shares in a portfolio of investments purchased by the state. Included in this category of possible investments are a state investment fund, a state real estate investment trust, or business enterprises engaged in business in Alaska.

A final category of investment which might be distributed under this bill are shares in corporations or industrial development projects which are initially financed by public monies from the state treasury. Included in this category are (1) industrial development projects financed in part by state funds or (2) general stock ownership corporations organized under subchapter U of the Internal Revenue Code which are initially financed by an infusion of public monies.

Up to 15 percent of the assets distributed to the Alaskans under this bill would be distributed at no charge. The balance of the assets distributed would be sold to Alaska residents at market value. The proceeds of the sale would be deposited in the Permanent Fund.

There are a number of legal problems which still need to be worked out with respect to some of the possible categories of investments provided for in this bill. For example, with respect to the energy resources trust, there is the question whether the sale of shares in such a trust would constitute an impermissible alienation of the state's mineral estate under sec. 6(i) of the Statehood Act. In addition, there is the question of whether or not such sales might constitute an impermissible dedication of state revenues. This bill, however, provides ample time for a careful review of these and other questions. Answers to these questions would necessarily be required when the Department of Revenue presented its plans to the legislature at the commencement of each of the next three legislative sessions.

The potential benefits of such a program are many. Distributing a portion of Alaska's energy wealth to the people of Alaska in the form of income-producing assets will increase the average Alaskan's involvement and awareness regarding the management of the state's natural resources. The "privatization" of a portion of our state's wealth will provide our citizens with a more personal and

direct stake not only in the decisions involving state investments and the management of state resources, but also with the development of local industry. Finally, it will provide an opportunity for increased numbers of Alaskans to participate directly in the development of major business undertakings in the state and in the free enterprise system.

Sincerely,

S/JSK

Jay S. Hammond
Governor

: THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB 564
 Title An Act establishing the portfolio of Alaska citizen enterprises
 Requested by Governor Date 4/14/80

II. FISCAL DETAIL
 Agency Affected Department of Revenue
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		496.8	531.6	568.8		
200 TRAVEL		150.0	160.5	171.7		
300 CONTRACTUAL		1,773.4	1,255.5	1,341.4		
400 COMMODITIES		11.0	11.8	12.6		
500 EQUIPMENT		15.6				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		2,446.8	1,959.4	2,094.5		

FUNDING (Thousands of Dollars)

GENERAL FUND		2,446.8	1,959.4	2,094.5		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		12	12	12		
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached analysis

IV. DATE 4/14/80 PREPARED BY Joseph K. Donoh
 AGENCY Dept of Revenue
 PHONE 465-2300
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

The attached fiscal note anticipates setting up a new division within the Department of Revenue to:

(1) contract for preliminary proposals on all six options that could possibly be developed into portfolio plans.

(2) analyze preliminary proposals and decide on an option or options for the portfolio plan.

(3) further refine and develop the chosen proposal into a portfolio plan for submission to the Legislature.

During FY 81, \$900,000 would be used for an in depth study of each of the six options (\$150,000/option). \$400,000 would then be utilized for studies necessary to develop the chosen option into a portfolio plan. In subsequent years updating the studies would be \$50,000/option (\$300,000) and then \$400,000 for further development of the chosen option.

Included in the contractual total is \$350,000 for the Department of Law; an RSA of \$75,000 for an Attorney V, and \$250,000 for outside consultation.

The options that may be utilized for a portfolio plan are extremely diverse and would necessitate the department hiring financial expertise in at least four different areas to make sound decisions benefitting the state and citizens of the state. In addition, it is anticipated an economist, research analyst and a systems analyst would be needed for the in depth analysis that would be required for development of cost benefit analyses for each proposed portfolio plan.

Clerical and administrative support for the entire staff would be provided by a contract officer, secretary and two clerk typists.

This fiscal note does not include estimates for implementation of any portfolio plan that has been submitted to the Legislature and approved.

PACE

Positions (12 PFT):

1.	PX Director - R26A at \$4,220 mo. Benefits - 7.5, FICA - 3.4, HI - 1.5	= 50.6 = <u>12.4</u>	=	63.0
2.	PX Financial Mgmt. Plnr III - R24A at \$3,781 mo. Benefits - 6.7, FICA - 3.0, HI - 1.5	= 45.4 = <u>11.2</u>	=	56.6
3.	PX Financial Mgmt. Plnr III - R24A at \$3,781 mo. Benefits - 6.7, FICA - 3.0, HI - 1.5	= 45.4 = <u>11.2</u>	=	56.6
4.	PX Financial Mgmt. Plnr II - R22A at \$3,278 mo. Benefits - 5.8, FICA - 2.6, HI - 1.5	= 39.3 = <u>9.9</u>	=	49.2
5.	PX Financial Mgmt. Plnr. II - R22A at \$3,278 mo. Benefits - 5.8, FICA - 2.6, HI - 1.5	= 39.3 = <u>9.9</u>	=	49.2
6.	GGU Contract Officer - R18A at \$2,465 mo. Benefits - 4.4, FICA - 2.0, HI - 1.5	= 29.6 = <u>7.9</u>	=	37.5
7.	SU Economist III - R21A at \$3,113 mo. Benefits - 5.6, FICA - 2.5, HI - 1.5	= 37.4 = <u>9.6</u>	=	47.0
8.	GGU Systems Analyst I - R18A at \$2,465 mo. Benefits - 4.4, FICA - 2.0, HI - 1.5	= 29.6 = <u>7.9</u>	=	37.5
9.	GGU Research Analyst III - R18A at \$2,465 mo. Benefits - 4.4, FICA - 2.0, HI - 1.5	= 29.6 = <u>7.9</u>	=	37.5
10.	GGU Secretary I - R10A at \$1,440 mo. Benefits - 2.6, FICA - 1.1, HI - 1.5	= 17.3 = <u>5.2</u>	=	22.5
11.	GGU Clerk Typist III - R8A at \$1,277 mo. Benefits - 2.3, FICA - 1.0, HI - 1.5	= 15.3 = <u>4.8</u>	=	20.1
12.	GGU Clerk Typist III - R8A at \$1,277 mo. Benefits - 2.3, FICA - 1.0, HI - 1.5	= 15.3 = <u>4.8</u>	=	<u>20.1</u>
				\$496.8

ALASKA STATE LEGISLATURE

ELEVENTH Legislature **SECOND** Session

SENATE BILL **NO. 564**

By **THE RULES COMMITTEE BY**
REQUEST OF THE GOVERNOR

"An Act establishing the portfolio of Alaska citizen enterprises; and providing for an effective date."

Introduced in the Senate 4/16/80, 19....

HISTORY IN THE SENATE

1980		Read first time and referred to Committee on Finance												
4	16	Reported back with recommendation that												
		Read second time and												
		Read third time and												
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SECRETARY OF THE SENATE														

HISTORY IN THE HOUSE

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CHIEF CLERK OF THE HOUSE														

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
	 by Governor
		Filed with Lt. Governor
		Chapter No.



RECORDS CERTIFICATION



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James O. Smith
Signature of Camera Operator

3/23/90
Date

SB 568

Introduced: 4/18/80
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE
BY REQUEST

2 SENATE BILL NO. 568

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an agricultural processing faci-
7 lities revolving loan fund."

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

9 * Section 1. AS 44.33 is amended by adding new sections to read:

10 Sec. 44.33.480. AGRICULTURAL PROCESSING FACILITIES REVOLVING LOAN
11 FUND. (a) The agricultural processing facilities revolving loan fund
12 is established in the Department of Commerce and Economic Development.
13 The council shall administer the fund. The fund may be financed by
14 appropriations from the legislature.

15 (b) The council shall use money in the fund to make loans to
16 individuals, partnerships, corporations, or agricultural cooperatives
17 for the construction, operation or purchase of agricultural processing
18 facilities.

19 (c) A loan made under this section

20 (1) may not exceed a term of 25 years;

21 (2) may not exceed \$2,500,000;

22 (3) shall bear interest at a rate not to exceed nine and
23 one-half percent;

24 (4) shall be secured by a first priority lien and appropriate
25 security agreement.

26 (d) In this section, "agricultural processing facilities" includes
27 port facilities for the storage and shipment of grain, centralized grain
28 handling facilities, slaughterhouses, dairy plants, and vegetable pro-
29 cessing plants.

COMMITTEE COPY

1 * Sec. 2. AS 44.33.500 is amended by adding a new paragraph to read:

2 (3) "fund" means the agricultural processing facilities re-
3 volving loan fund.
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ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND... Session

SENATE BILL..... NO. 568....

By THE RULES COMMITTEE BY...
REQUEST

"An Act establishing an agricultural processing facilities revolving loan fund."

Introduced in the Senate 4/18/ 19 80

HISTORY IN THE SENATE

19 80

4 18

Read first time and referred to Committee on Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
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PASS Effective Date
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Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

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HISTORY IN THE SENATE

19

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..... by Governor

Filed with I.t. Governor

Chapter No.

Introduced: 4/18/80
Referred: Finance

BY THE RULES COMMITTEE
BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 568

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

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16 individuals, partnerships, corporations, or agricultural cooperatives
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James O. Smith
Signature of Camera Operator

3/23/90
Date

Introduced: 4/22/80
Referred: Finance

BY THE RULES COMMITTEE
BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 571

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the purchase of small business
7 loans by the commissioner of commerce and economic
8 development."

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

10 * Section 1. AS 45.95.020 is amended by adding a new subsection to read:

11 (e) The commissioner may purchase a guaranteed portion of loans
12 made by the federal Small Business Administration at the interest rate
13 provided in (a) of this section for loans made by the commissioner.
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ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND... Session

SENATE BILL..... NO. 571...

By THE RULES COMMITTEE
BY REQUEST

"An Act relating to the purchase of small business loans by the commissioner of commerce and economic development."

Introduced in the Senate 4/22/80, 1980

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ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL..... NO. 571

By THE RULES COMMITTEE
BY REQUEST

"An Act relating to the purchase of small business loans by the commissioner of commerce and economic development."

Introduced in the Senate 4/22/80, 1980

HISTORY IN THE SENATE

1980		Read first time and referred to Committee on												
4	22	Finance												
		Reported back with recommendation that												
		Read second time and												
		Read third time and												
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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		Reported correctly engrossed												
		Signed by President												
		Sent to House												
SECRETARY OF THE SENATE														

HISTORY IN THE HOUSE

19		Read first time and referred to Committee on												
		Reported back with recommendation that												
		Read second time and												
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		Reported correctly engrossed												
		Signed by Speaker												
		Returned to Senate												
CHIEF CLERK OF THE HOUSE														

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
	 by Governor
		Filed with Lt. Governor
		Chapter No.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 571

Title Relating to the purchase of small bus loans by the commissioner of

Requested by Commerce and Economic Development

Date April 23, 1980

II. FISCAL DETAIL

Agency Affected Commerce and Economic Development

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Division of Business Loans

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS. CLAIMS. ETC.	0	0	0	0	0	0
TOTAL	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 (Specify Fund Source)	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

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There is no additional fiscal impact associated with passage of this bill.

IV. DATE 4-23-80

PREPARED BY David Creekman

AGENCY Dept. of Commerce & Economic Development

PHONE 465-2504

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

CATEGORY: DEVELOPMENT

AGENCY: COMMERCE AND ECONOMIC DEVELOPMENT

PROGRAM: ECONOMIC DEVELOPMENT

BRU (S): BUSINESS LOANS

The Business Loans BRU provides Alaskan businesses and residents with long term, low interest financing which is usually not available from private lending institutions. Specific loan programs include:

Small Business Loans These loans are generally too risky or too small to interest private lending institutions.

Commercial Fishing Loans provide commercial fishermen with capital for purchase or upgrade of vessels needed to remain competitive. Due to high risk and unpredictable fish seasons, local banks have been reluctant to make these loans.

Tourism Loans provide capital for the expansion of tourist facilities.

Fisheries Enhancement Loans provide long-term, low interest loans for hatchery planning and construction, in support of private ownership of hatcheries by qualified nonprofit corporations.

Child Care Facilities Loans provide financing for the development of licensed child care facilities which helps stabilize that portion of the work force dependent on these services.

Water Resources Loans provide funds for hydroelectric and water supply projects. With the exception of certain previously conceived projects, this program has been replaced by the Power Project Loan Fund.

Historical Districts The intent of these loans is to foster an awareness of the need to preserve our historical past.

Residential Care Facilities provides residential care facilities with financing needed for renovation or equipment needed to comply with licensing standards. Loans are often not available from private lending institutions.

Alternative Technology and Power Resource Loans This loan fund assists in the development of energy production utilizing sources other than fossil fuel.

The Division has decentralized it's operations with the opening of offices in Anchorage and Fairbanks. As a result, the number of applicants has doubled. This outreach effort will continue in FY 81.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
LOAN FUND ADM	882.6	916.8	836.6	860.4			916.5
** TOTAL	882.6	916.8	836.6	860.4			916.5
** CHANGE VERSUS 80 AUTH							6.5%
OBJECT DESCRIPTION							
PERS. SERV.	646.9	675.2	652.9	675.7			712.8
TRAVEL	121.0	121.0	42.5	90.8			70.9
CONTRACTUAL	71.0	76.9	90.7	60.4			90.7
COMMODITIES	7.0	7.0	6.9	6.0			7.5
EQUIPMENT	13.3	13.3	10.2				
LANDS/BLDG	23.4	23.4	33.4	27.5			34.6
FUNDING SOURCE							
GENERAL FUND	882.6	916.8	836.6	860.4			916.5
** GENERAL FUND CHANGE VS. 80 AUTH							6.5%
POSITIONS							
FULL-TIME	23.0	23.0	23.0	23.0			23.0
STAFF MONTHS	276.0	276.0	276.0	276.0			276.0

Introduced: 4/22/80
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE
BY REQUEST

2 SENATE BILL NO. 571

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the purchase of small business
7 loans by the commissioner of commerce and economic
8 development."

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

10 * Section 1. AS 45.95.020 is amended by adding a new subsection to read:

11 (e) The commissioner may purchase a guaranteed portion of loans
12 made by the federal Small Business Administration at the interest rate
13 provided in (a) of this section for loans made by the commissioner.
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RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

3/23/90
Date

Introduced: 4/22/80
Referred: Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 575 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing the issuance and sale of an addi-
7 tional \$15,987,000 in revenue bonds for international
8 airports; and providing for an effective date."

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

10 * Section 1. AS 37.15.410 is amended to read:

11 Sec. 37.15.410. BOND AUTHORIZATION. For the purpose of providing
12 part or all of the money to be used, with or without any grants or other
13 money which may become available, the issuance and sale of interna-
14 tional airport revenue bonds [OF THE STATE] in the total principal sum
15 of not to exceed \$59,312,000 [\$43,325,000] is authorized to acquire,
16 equip, construct and install the additions, improvements, extensions
17 and facilities authorized in AS 37.15.510. The principal of and
18 interest on these bonds shall be paid out of and secured by the gross
19 revenues derived by the state from the ownership, lease, use and oper-
20 ation of the airports, and of all the facilities of them and out of any
21 other revenues or money which the state legislature may provide exclu-
22 sive of any state tax or license.

23 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
24 070(c).

Introduced: 4/22/80
Referred: Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 575 am

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4 ELEVENTH LEGISLATURE - SECOND SESSION

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James O. Smith
Signature of Camera Operator

3/23/90
Date

March 25, 1980

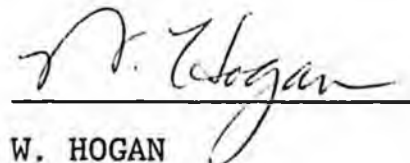
ANALYSIS OF SB 449 (An Act making a special appropriation to DOT
for improvements at Fairbanks International
Airport)

The bill would appropriate \$15,987.0 from the general fund. Would provide:

- Terminal expansion (min. 20,000 sq. ft.) plus ramp area, access and parking. \$ 12,487.0
 - 1400 ft runway extension to accomodate aircraft of 1,000,000 lb. gross take-off weight. 3,500.0 *
- * Per DOT-PF fiscal noce would require \$8,300.0

Related circumstances:

1. DOT-PF is now developing a master plan for Fairbanks International Airport. It will deal with need for terminal space, runway extensions, etc. Completion of the master plan is scheduled for September, 1980.
2. \$8,500.0 in Airport Revenue Bonds were authorized in 1979. Work is proceeding. It included sewer modifications, ramp and apron work and additional parking. To be done is a fuel hydrant system, a bonded warehouse and terminal expansion. Bonds have not been sold. Original problem with bonds was Counsel's concern with whether the bonded warehouse qualified for construction under a revenue bond issue. Problem now is the 8% interest ceiling on the bonds. Construction funds are being borrowed from the International Airport fund pending sale of the bonds. (Per John Bates 3/25/80)


W. HOGAN

3B449

John August -
Label - Phase II.

Get a c. of this unit &
Attach.

A - see me please

Pl. see me on this

Funding Information	
General Fund	\$15,987,000 20,792,000
Other Funds	-0-
	<u>\$15,987,000</u>

Introduced: 2/18/80
Referred: State Affairs and Finance

1 IN THE SENATE

BY FAHRENKAMP, BRADLEY AND FERGUSON

2

SENATE BILL NO. 449

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Department of Transportation and Public Facilities for improvements at the Fairbanks International Airport; and providing for an effective date."

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8

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

11 * Section 1. The sum of ~~\$15,987,000~~ ^{20,792,000} is appropriated from the general fund
12 to the Department of Transportation and Public Facilities for the construc-
13 tion of improvements to the Fairbanks International Airport, to be allocated
14 as follows:

15

terminal expansion and ramp construction \$12,487,000

16

runway extension ~~3,500,000~~ ^{SIB \$8,300,000}

17

* Sec. 2. The appropriation made by this Act is for a capital project and
18 is subject to AS 37.25.020.

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* Sec. 3. This Act takes effect July 1, 1980.

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*Total is more than 3.5 \leftarrow to 8.3
with ADAP. fund which word states already
exists.*

*See me on this regarding previous note
on Int'l Air Rev. Fund!*

MEMORANDUM

TO: Senator John Sackett
FROM: Bill Hogan
SUBJECT: Funds Available in the International Airports Revenue Fund
DATE: March 27, 1980

At this time the International Airports Revenue Fund has:

Cash	\$ 1,500.0
Investments	31,500.0
	<hr/>
	\$ 33,000.0 - million

They are drawing on these assets for the \$8,500.0 in improvements now in progress at Fairbanks Airport.

They are now out to bid on Anchorage Airport improvements which have been estimated at \$28,500.0.

If revenue bonds cannot be sold and the projects go ahead they will deplete most of the investments. (Bonds probably cannot be sold because of an 8% interest ceiling and an A rating.)

(Information was obtained from Heinz Noonan.)

BH:dh

NOTE FOR FILE, SB 575

COMPANION LEGISLATION SB 449 (Special appropriation to Dept.
of Transportation and Public
Facilities for improvements at
the Fairbanks International
Airport)

A M E N D M E N T

OFFERED IN THE SENATE:

By: FINANCE COMMITTEE

To: _____ SENATE BILL No. 575

HOUSE BILL No. _____

PAGE: 1

LINE: 13 and 14

Line 13

Following "sale of" insert "international Airport"

Line 14

delete "of the state"

A. Mendenhall

Introduced: 4/22/80
Referred: Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 575

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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10 * Section 1. AS 37.15.410 is amended to read:

11 Sec. 37.15.410. BOND AUTHORIZATION. For the purpose of providing
12 part or all of the money to be used, with or without any grants or other
13 money which may become available, the issuance and sale of ^{International Airport} revenue bonds
14 ~~of the state~~ in the total principal sum of not to exceed \$59,312,000
15 [\$43,325,000] is authorized to acquire, equip, construct and install the
16 additions, improvements, extensions and facilities authorized in AS 37.-
17 15.510. The principal of and interest on these bonds shall be paid out
18 of and secured by the gross revenues derived by the state from the
19 ownership, lease, use and operation of the airports, and of all the
20 facilities of them and out of any other revenues or money which the
21 state legislature may provide exclusive of any state tax or license.

22 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
23 070(c).

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James O. Smith
Signature of Camera Operator

3/23/90
Date

COMMITTEE REPORT

HOUSE

(11)

FURTHER:

5/27/80

Date: 5/30/80

Ms. Speaker:

The Committee on FINANCE has had SB 577 am

"An Act continuing the existence of the Alaska Public Utilities Commission and amending the statutes relating to its responsibilities; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^HCS for SB 577 (Finance) same title
 new title
 and recommends individual rec.
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO-PASS

Duncan
Smith
Hick
Freeman

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Montgomery (No Rec)
Hansen

Freeman
Wick

CHAIRMAN

Original sponsor: Commerce Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 577 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Alaska Public
7 Utilities Commission and amending the statutes relating
8 to its responsibilities; and providing for an effective
9 date."

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

11 * Section 1. AS 29.48.060 is amended to read:

12 Sec. 29.48.060. PUBLIC UTILITIES RATES. The assembly acting for
13 the area outside cities and the council acting for the area within a
14 city may regulate, fix, establish and change, as it considers proper,
15 the rates and charges imposed for utilities services given to the muni-
16 cipality or its inhabitants by a municipally owned utility [PUBLIC
17 SERVICE ASSOCIATION, CORPORATION, OR INDIVIDUAL NOT REGULATED] under
18 AS 42.05 and may regulate and provide what is a reasonable deposit for
19 meters and security for service to be given, provided that interest is
20 [BE] paid on the deposit. All rates, charges and regulations shall be
21 reasonable and shall permit a fair and reasonable return on invested
22 capital.

23 * Sec. 2. AS 42.05.121(a) is amended to read:

24 (a) The commission may employ an executive director who shall have
25 had at least five years of experience in public utility management or
26 regulation, law, accounting, or an allied field. The executive director
27 is responsible for directing the administrative functions of the commis-
28 sion and carrying out the policies as set by the commission. [THE
29 EXECUTIVE DIRECTOR MAY BE ONE OF THE COMMISSION MEMBERS.] The commis-

1 sion may employ engineers, hearing officers, experts, clerks, account-
2 ants, and other agents and assistants it considers necessary. The
3 executive director [, IF NOT A MEMBER OF THE COMMISSION,] and his deputy
4 are in the partially exempt service under AS 39.25.120. All other
5 employees and agents of the commission, other than legal counsel, are in
6 the classified service under AS 39.25.100. [THE COMBINED SALARY OF AN
7 EXECUTIVE DIRECTOR WHO IS A MEMBER OF THE COMMISSION MAY NOT EXCEED THAT
8 OF A SUPERIOR COURT JUDGE.]

9 * Sec. 3. AS 42.05.321 is amended by adding a new subsection to read:

10 (b) This section and AS 42.05.311 apply to all utilities whether
11 or not they are exempt from other regulation under AS 42.05.711 or
12 42.05.713.

13 * Sec. 4. AS 42.05.391(a) is amended to read:

14 (a) A [NO] public utility may not, as to rates, grant an unreason-
15 able preference or advantage to any of its customers or subject a cus-
16 tomer to an unreasonable prejudice or disadvantage. A [NO] public
17 utility may not, establish or maintain an unreasonable difference as to
18 rates, either as between localities or between classes of service.

19 A municipally owned utility may offer uniform or identical rates for a
20 public utility service to customers located in different areas within
21 its certificated service area who receive the same class of service.

22 * Sec. 5. AS 42.05.421(a) is amended to read:

23 (a) When a tariff filing is made containing a new or revised rate,
24 classification, rule, regulation, practice, or condition of service the
25 commission may, either upon written complaint or upon its own motion,
26 after reasonable notice, conduct a hearing to determine the reasonable-
27 ness and propriety of the filing. Pending such a hearing the commission
28 may, by order stating the reasons for its action, suspend the operation
29 of the tariff filing for

1 (1) an initial period not longer than six months beyond the
2 time when it would otherwise go into effect if the annual gross revenues
3 of the utility making the filing are more than \$3,000,000; and

4 (2) not longer than 150 days if the annual gross revenues of
5 the utility making the filing are \$3,000,000 or less.

6 * Sec. 6. AS 42.05.711(b) is amended to read:

7 (b) Public utilities owned and operated by a political subdivision
8 of the state and none of whose utilities [, EXCEPTING THE FURNISHING OF
9 COLLECTION AND DISPOSAL SERVICE OF GARBAGE, REFUSE, TRASH OR OTHER WASTE
10 MATERIAL,] is in competition with any other utility, are exempt from the
11 provisions of this chapter, other than the provisions of AS 42.05.221 -
12 42.05.281, unless the owner and operator elects to be subject to all
13 provisions of this chapter [NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS
14 CHAPTER, MUNICIPALITIES PROVIDING COLLECTION AND DISPOSAL SERVICE OF
15 GARBAGE, REFUSE, TRASH OR OTHER WASTE MATERIAL WITHIN THEIR CORPORATE
16 BOUNDARIES ARE NOT SUBJECT TO REGULATION BY THE ALASKA PUBLIC UTILITIES
17 COMMISSION UNLESS THE MUNICIPALITY ELECTS TO BE SUBJECT TO THE PRO-
18 VISIONS OF THIS CHAPTER.]

19 * Sec. 7. AS 42.05.711(e) is amended to read:

20 (e) Notwithstanding any other provisions of this chapter, any
21 electric or telephone utility that does not gross \$50,000 [\$25,000]
22 annually is exempt from regulation under this chapter [HEREUNDER] unless
23 25 percent of the subscribers petition the commission for regulation.

24 * Sec. 8. AS 42.05.711 is amended by adding new subsections to read:

25 (f) Notwithstanding any other provisions of this chapter, an
26 electric or telephone utility that does not gross \$400,000 annually may
27 elect to be exempt from the provisions of this chapter other than AS 42.-
28 05.221 - 42.05.281 under the procedure described in AS 42.05.712.

29 (g) A utility, other than a telephone, electric, garbage, or cable

1 television utility, that does not gross \$100,000 annually may elect to
2 be exempt from the provisions of this chapter other than AS 42.05.221 -
3 42.05.281 under the procedure described in AS 42.05.712.

4 (h) A cooperative organized under AS 10.25 may elect to be exempt
5 from the provisions of this chapter, other than AS 42.05.221 - 42.05.281,
6 under the procedure described in AS 42.05.712.

7 (i) On June 30, 1981, a utility which furnishes collection and
8 disposal service of garbage, refuse, trash, or other waste material and
9 has gross revenues of \$400,000 or less is exempt from the provisions of
10 this chapter, other than the certification provisions of AS 42.05.221 -
11 42.05.281, unless 25 percent of the subscribers or subscribers represent-
12 ing 25 percent of the gross revenue of the utility petition the commis-
13 sion for regulation.

14 (j) After June 30, 1983, a refuse utility is exempt from the
15 provisions of this chapter.

16 * Sec. 9. AS 42.05 is amended by adding a new section to read:

17 Sec. 42.05.712. DEREGULATION BALLOT. (a) A utility or coopera-
18 tive which may elect to be exempt from the provisions of this chapter
19 shall poll its subscribers in the manner described in this section.

20 (b) The votes of a majority of those voting are required for a
21 utility or cooperative to elect exemption under (a) of this section.

22 (c) Each subscriber or member of the utility or cooperative shall
23 receive notice of an election under this section with his regular bill
24 for service at least 60 days before the date set for the election. The
25 notice shall contain impartial language informing the subscribers or
26 members that an election on the option of deregulation or regulation by
27 the Alaska Public Utilities Commission will be held within 60 days and
28 that a ballot to participate in that election will be mailed or delivered
29 to each subscriber or member of the utility or cooperative with his

1 regular bill for service. The notice shall also state that a subscriber
2 or member of the cooperative is entitled to vote in the election without
3 regard to whether his account with the utility or cooperative is current
4 and that the ballot must be postmarked or returned to the utility or
5 cooperative within 30 days after it was mailed or otherwise delivered to
6 the subscriber or member. The notice shall also announce the schedule
7 for one or more public meetings which shall provide an opportunity for
8 the subscribers or members to discuss this election. The public meeting
9 or meetings shall be held not more than 30 days before the ballots are
10 mailed or distributed to those eligible to vote. A cooperative may
11 satisfy this requirement by including a discussion of this election on
12 the agenda of an annual meeting if the annual meeting is scheduled to be
13 held not more than 30 days before the election.

14 (d) A ballot with return postage paid shall be mailed or delivered
15 to each subscriber or member of the utility or cooperative with his bill
16 for service and shall contain only the following language:

17 "Shall(name of utility or cooperative)
18 be exempt from regulation by the Alaska Public
19 Utilities Commission?
20 [] YES [] NO"

21 (e) During the 60 days immediately preceding an election under
22 this section a list of subscribers or members of the utility or cooper-
23 ative shall be made available at cost to any subscriber or member of the
24 utility or cooperative who requests one. The list shall be in the same
25 form that is available to the utility or cooperative.

26 (f) The board of directors of a utility or cooperative may call an
27 election under this section on its own initiative and shall call an
28 election upon receipt of a valid petition from its subscribers or
29 members. A petition shall be considered valid if it is signed by not

1 less than the number of subscribers or members equal to ten percent of
2 the first 5,000 subscribers or members and three percent of the sub-
3 scribers or members in excess of 5,000. An election under this section
4 may only be held once every two years.

5 (g) A utility or cooperative which is already exempt from regu-
6 lation under this section may elect to terminate its exemption in the
7 same manner.

8 * Sec. 10. AS 42.05 is amended by adding a new section to read:

9 Sec. 42.05.713. CABLE TELEVISION SYSTEMS. (a) Notwithstanding
10 other provisions of this chapter, a cable television system which (1) is
11 located in a service area in which cable television systems provide five
12 or more channels to a subscriber; (2) has a subscriber penetration ratio
13 of less than 70 percent and certifies that fact to the commission; and
14 (3) is located in a service area which has available two significantly
15 viewed commercial television stations or one significantly viewed com-
16 mercial television station and a public television station, shall be
17 exempt from the provisions of this chapter.

18 (b) Local television channels which are available without the use
19 of a community antenna system and are rebroadcast by cable television
20 systems may not be counted under (a)(1) of this section.

21 (c) In this section

22 (1) "cable television system" or "system" means a community
23 antenna television system which provides television service to paid
24 subscribers by means of cable;

25 (2) "earth station" means a structure or device used to
26 receive signals from a satellite;

27 (3) "public television station" means a station which offers
28 only programming designed to serve noncommercial educational, public or
29 instructional purposes, including service by translating systems licensed

1 by the Federal Communications Commission;

2 (4) "significantly viewed television station" means a station
3 which is viewed as described in 47 C.F.R. 76.5(k) and includes service
4 by translating systems licensed by the Federal Communications Commis-
5 sion;

6 (5) "subscriber penetration ratio" means the number of sub-
7 scribing residences divided by the total number of residences having
8 cable available.

9 * Sec 11. AS 44.66.010(a)(4) is amended to read:

10 (4) Alaska Public Utilities Commission (AS 42.05.010) --
11 June 30, 1984 [1980];

12 * Sec. 12. A cable television system which holds a certificate of public
13 convenience and necessity issued by the Alaska Public Utilities Commission
14 for its service area on or before the effective date of this Act must hold
15 that certificate for at least four years from the date of its issuance to be
16 eligible for the exemption under AS 42.05.713 enacted in sec. 10 of this Act.

17 * Sec. 13. This Act takes effect June 30, 1980.
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changes - P. 2, Sec. 5 (Delete)

P. 7, L. 24 - change
three to four

Original sponsor: Commerce Committee

Offered: 5/27/80
Referred: Finance

Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 577 (finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Alaska Public
7 Utilities Commission and amending the statutes relating
8 to its responsibilities; and providing for an effective
9 date."

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

11 * Section 1. AS 29.48.060 is amended to read:

12 Sec. 29.48.060. PUBLIC UTILITIES RATES. The assembly acting for
13 the area outside cities and the council acting for the area within a
14 city may regulate, fix, establish and change, as it considers proper,
15 the rates and charges imposed for utilities services given to the muni-
16 cipality or its inhabitants by a municipally owned utility [PUBLIC
17 SERVICE ASSOCIATION, CORPORATION, OR INDIVIDUAL NOT REGULATED] under
18 AS 42.05 and may regulate and provide what is a reasonable deposit for
19 meters and security for service to be given, provided that interest is
20 [BE] paid on the deposit. All rates, charges and regulations shall be
21 reasonable and shall permit a fair and reasonable return on invested
22 capital.

23 * Sec. 2. AS 42.05.121(a) is amended to read:

24 (a) The commission may employ an executive director who shall have
25 had at least five years of experience in public utility management or
26 regulation, law, accounting, or an allied field. The executive director
27 is responsible for directing the administrative functions of the commis-
28 sion and carrying out the policies as set by the commission. [THE
29 EXECUTIVE DIRECTOR MAY BE ONE OF THE COMMISSION MEMBERS.] The commis-

1 sion may employ engineers, hearing officers, experts, clerks, account-
2 ants, and other agents and assistants it considers necessary. The
3 executive director [, IF NOT A MEMBER OF THE COMMISSION,] and his deputy
4 are in the partially exempt service under AS 39.25.120. All other
5 employees and agents of the commission, other than legal counsel, are in
6 the classified service under AS 39.25.100. [THE COMBINED SALARY OF AN
7 EXECUTIVE DIRECTOR WHO IS A MEMBER OF THE COMMISSION MAY NOT EXCEED THAT
8 OF A SUPERIOR COURT JUDGE.]

9 * ~~Sec. 3. AS 42.05.131 is amended by adding a new subsection to read:~~

10 (b) A member or employee of the commission may not, for two years
11 after leaving his position as a member or employee of the commission,
12 act as agent or on behalf of a public utility in any matter before the
13 commission. A member or executive director of the commission, may not,
14 for two years after leaving his position as member or executive director
15 of the commission, seek or take employment in a public utility regulated
16 by the commission. A violation of this subsection is a class A mis-
17 ~~demeanor.~~

18 * Sec. ³~~4~~. AS 42.05.321 is amended by adding a new subsection to read:

19 (b) This section and AS 42.05.311 apply to all utilities whether
20 or not they are exempt from other regulation under AS 42.05.711 or
21 42.05.713.

22 * Sec. ⁴~~5~~. AS 42.05.391(a) is amended to read:

23 (a) A [NO] public utility may not, as to rates, grant an unreason-
24 able preference or advantage to any of its customers or subject a cus-
25 tomer to an unreasonable prejudice or disadvantage. A [NO] public
26 utility may not, establish or maintain an unreasonable difference as to
27 rates, either as between localities or between classes of service.
28 A municipally owned utility may offer uniform or identical rates for a
29 public utility service to customers located in different areas within

Delete

1 its certificated service area who receive the same class of service.

2 * Sec. ~~5~~⁵. AS 42.05.421(a) is amended to read:

3 (a) When a tariff filing is made containing a new or revised rate,
4 classification, rule, regulation, practice, or condition of service the
5 commission may, either upon written complaint or upon its own motion,
6 after reasonable notice, conduct a hearing to determine the reasonable-
7 ness and propriety of the filing. Pending such a hearing the commission
8 may, by order stating the reasons for its action, suspend the operation
9 of the tariff filing for

10 (1) an initial period not longer than six months beyond the
11 time when it would otherwise go into effect if the annual gross revenues
12 of the utility making the filing are more than \$3,000,000; and

13 (2) not longer than 150 days if the annual gross revenues of
14 the utility making the filing are \$3,000,000 or less.

15 * Sec. ~~6~~⁶. AS 42.05.711(b) is amended to read:

16 (b) Public utilities owned and operated by a political subdivision
17 of the state and none of whose utilities [, EXCEPTING THE FURNISHING OF
18 COLLECTION AND DISPOSAL SERVICE OF GARBAGE, REFUSE, TRASH OR OTHER WASTE
19 MATERIAL,] is in competition with any other utility, are exempt from the
20 provisions of this chapter, other than the provisions of AS 42.05.221 -
21 42.05.281, unless the owner and operator elects to be subject to all
22 provisions of this chapter [NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS
23 CHAPTER, MUNICIPALITIES PROVIDING COLLECTION AND DISPOSAL SERVICE OF
24 GARBAGE, REFUSE, TRASH OR OTHER WASTE MATERIAL WITHIN THEIR CORPORATE
25 BOUNDARIES ARE NOT SUBJECT TO REGULATION BY THE ALASKA PUBLIC UTILITIES
26 COMMISSION UNLESS THE MUNICIPALITY ELECTS TO BE SUBJECT TO THE PRO-
27 VISIONS OF THIS CHAPTER.]

28 * Sec. ~~7~~⁷. AS 42.05.711(e) is amended to read:

29 (e) Notwithstanding any other provisions of this chapter, any

1 electric or telephone utility that does not gross \$50,000 [\$25,000]
2 annually is exempt from regulation under this chapter [HEREUNDER] unless
3 25 percent of the subscribers petition the commission for regulation.

4 * Sec. ~~8~~⁷. AS 42.05.711 is amended by adding new subsections to read:

5 (f) Notwithstanding any other provisions of this chapter, an
6 electric or telephone utility that does not gross \$400,000 annually may
7 elect to be exempt from the provisions of this chapter other than
8 AS 42.05.221 - 42.05.281 under the procedure described in AS 42.05.712.

9 (g) A utility, other than a telephone, electric, garbage, or cable
10 television utility, that does not gross \$100,000 annually may elect to
11 be exempt from the provisions of this chapter other than AS 42.05.221 -
12 42.05.281 under the procedure described in AS 42.05.712.

13 (h) A cooperative organized under AS 10.25 may elect to be exempt
14 from the provisions of this chapter, other than AS 42.05.221 - 42.05.281,
15 under the procedure described in AS 42.05.712.

16 (i) On June 30, 1981, a utility which furnishes collection and
17 disposal service of garbage, refuse, trash, or other waste material and
18 has gross revenues of \$400,000 or less is exempt from the provisions of
19 this chapter, other than the certification provisions of AS 42.05.221 -
20 42.05.281, unless 25 percent of the subscribers or subscribers represent-
21 ing 25 percent of the gross revenue of the utility petition the commis-
22 sion for regulation.

23 (j) After June 30, 1983, a refuse utility is exempt from the
24 provisions of this chapter.

25 * Sec. ~~10~~⁹. AS 42.05 is amended by adding a new section to read:

26 Sec. 42.05.712. DEREGULATION BALLOT. (a) A utility or coopera-
27 tive which may elect to be exempt from the provisions of this chapter
28 shall poll its subscribers in the manner described in this section.

29 (b) The votes of a majority of those voting are required for a

1 utility or cooperative to elect exemption under (a) of this section.

2 (c) Each subscriber or member of the utility or cooperative shall
3 receive notice of an election under this section with his regular bill
4 for service at least 60 days before the date set for the election. The
5 notice shall contain impartial language informing the subscribers or
6 members that an election on the option of deregulation or regulation by
7 the Alaska Public Utilities Commission will be held within 60 days and
8 that a ballot to participate in that election will be mailed or
9 delivered to each subscriber or member of the utility or cooperative
10 with his regular bill for service. The notice shall also state that a
11 subscriber or member of the cooperative is entitled to vote in the
12 election without regard to whether his account with the utility or
13 cooperative is current and that the ballot must be postmarked or
14 returned to the utility or cooperative within 30 days after it was
15 mailed or otherwise delivered to the subscriber or member. The notice
16 shall also announce the schedule for one or more public meetings which
17 shall provide an opportunity for the subscribers or members to discuss
18 this election. The public meeting or meetings shall be held not more
19 than 30 days before the ballots are mailed or distributed to those
20 eligible to vote. A cooperative may satisfy this requirement by
21 including a discussion of this election on the agenda of an annual
22 meeting if the annual meeting is scheduled to be held not more than 30
23 days before the election.

24 (d) A ballot with return postage paid shall be mailed or delivered
25 to each subscriber or member of the utility or cooperative with his bill
26 for service and shall contain only the following language:

27 "Shall(name of utility or cooperative)
28 be exempt from regulation by the Alaska Public
29 Utilities Commission?

1 [] YES [] NO"

2 (e) During the 60 days immediately preceding an election under
3 this section a list of subscribers or members of the utility or cooper-
4 ative shall be made available at cost to any subscriber or member of the
5 utility or cooperative who requests one. The list shall be in the same
6 form that is available to the utility or cooperative.

7 (f) The board of directors of a utility or cooperative may call an
8 election under this section on its own initiative and shall call an
9 election upon receipt of a valid petition from its subscribers or
10 members. A petition shall be considered valid if it is signed by not
11 less than the number of subscribers or members equal to ten percent of
12 the first 5,000 subscribers or members and three percent of the sub-
13 scribers or members in excess of 5,000. An election under this section
14 may only be held once every two years.

15 (g) A utility or cooperative which is already exempt from regu-
16 lation under this section may elect to terminate its exemption in the
17 same manner.

18 * Sec. ¹⁰ 42.05 is amended by adding a new section to read:

19 Sec. 42.05.713. CABLE TELEVISION SYSTEMS. (a) Notwithstanding
20 other provisions of this chapter, a cable television system which (1) is
21 located in a service area in which cable television systems provide five
22 or more channels to a subscriber; (2) has a subscriber penetration ratio
23 of less than 70 percent and certifies that fact to the commission; and
24 (3) is located in a service area which has available two significantly
25 viewed commercial television stations or one significantly viewed com-
26 mercial television station and a public television station, shall be
27 exempt from the provisions of this chapter.

28 (b) Local television channels which are available without the use
29 of a community antenna system and are rebroadcast by cable television

1 systems may not be counted under (a)(1) of this section.

2 (c) In this section

3 (1) "cable television system" or "system" means a community
4 antenna television system which provides television service to paid
5 subscribers by means of cable;

6 (2) "earth station" means a structure or device used to
7 receive signals from a satellite;

8 (3) "public television station" means a station which offers
9 only programming designed to serve noncommercial educational, public or
10 instructional purposes, including service by translating systems
11 licensed by the Federal Communications Commission;

12 (4) "significantly viewed television station" means a station
13 which is viewed as described in 47 C.F.R. 76.5(k) and includes service
14 by translating systems licensed by the Federal Communications Commis-
15 sion;

16 (5) "subscriber penetration ratio" means the number of sub-
17 scribing residences divided by the total number of residences having
18 cable available.

19 * Sec. ¹¹12. AS 44.66.010(a)(4) is amended to read:

20 (4) Alaska Public Utilities Commission (AS 42.05.010) --
21 June 30, 1984 [1980];

22 * Sec. ¹²13. A cable television system which holds a certificate of public
23 convenience and necessity issued by the Alaska Public Utilities Commission
24 for its service area on or before the effective date of this Act must hold
25 that certificate for at least ^{Four}three years from the date of its issuance to be
26 eligible for the exemption under AS 42.05.713 enacted in sec. 11 of this Act.

27 * Sec. ¹³14. This Act takes effect June 30, 1980.

Original sponsor: Commerce Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 577 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Alaska Public
7 Utilities Commission and amending the statutes relating
8 to its responsibilities; and providing for an effective
9 date."

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

11 * Section 1. AS 29.48.060 is amended to read:

12 Sec. 29.48.060. PUBLIC UTILITIES RATES. The assembly acting for
13 the area outside cities and the council acting for the area within a
14 city may regulate, fix, establish and change, as it considers proper,
15 the rates and charges imposed for utilities services given to the muni-
16 cipality or its inhabitants by a municipally owned utility [PUBLIC
17 SERVICE ASSOCIATION, CORPORATION, OR INDIVIDUAL NOT REGULATED] under
18 AS 42.05 and may regulate and provide what is a reasonable deposit for
19 meters and security for service to be given, provided that interest is
20 [BE] paid on the deposit. All rates, charges and regulations shall be
21 reasonable and shall permit a fair and reasonable return on invested
22 capital.

23 * Sec. 2. AS 42.05.121(a) is amended to read:

24 (a) The commission may employ an executive director who shall have
25 had at least five years of experience in public utility management or
26 regulation, law, accounting, or an allied field. The executive director
27 is responsible for directing the administrative functions of the commis-
28 sion and carrying out the policies as set by the commission. [THE
29 EXECUTIVE DIRECTOR MAY BE ONE OF THE COMMISSION MEMBERS.] The commis-

1 sion may employ engineers, hearing officers, experts, clerks, account-
2 ants, and other agents and assistants it considers necessary. The
3 executive director [, IF NOT A MEMBER OF THE COMMISSION,] and his deputy
4 are in the partially exempt service under AS 39.25.120. All other
5 employees and agents of the commission, other than legal counsel, are in
6 the classified service under AS 39.25.100. [THE COMBINED SALARY OF AN
7 EXECUTIVE DIRECTOR WHO IS A MEMBER OF THE COMMISSION MAY NOT EXCEED THAT
8 OF A SUPERIOR COURT JUDGE.]

9 * Sec. 3. AS 42.05.321 is amended by adding a new subsection to read:

10 (b) This section and AS 42.05.311 apply to all utilities whether
11 or not they are exempt from other regulation under AS 42.05.711 or
12 42.05.713.

13 * Sec. 4. AS 42.05.391(a) is amended to read:

14 (a) A [NO] public utility may not, as to rates, grant an unreason-
15 able preference or advantage to any of its customers or subject a cus-
16 tomer to an unreasonable prejudice or disadvantage. A [NO] public
17 utility may not, establish or maintain an unreasonable difference as to
18 rates, either as between localities or between classes of service.
19 A municipally owned utility may offer uniform or identical rates for a
20 public utility service to customers located in different areas within
21 its certificated service area who receive the same class of service.

22 * Sec. 5. AS 42.05.421(a) is amended to read:

23 (a) When a tariff filing is made containing a new or revised rate,
24 classification, rule, regulation, practice, or condition of service the
25 commission may, either upon written complaint or upon its own motion,
26 after reasonable notice, conduct a hearing to determine the reasonable-
27 ness and propriety of the filing. Pending such a hearing the commission
28 may, by order stating the reasons for its action, suspend the operation
29 of the tariff filing for

1 (1) an initial period not longer than six months beyond the
2 time when it would otherwise go into effect if the annual gross revenues
3 of the utility making the filing are more than \$3,000,000; and

4 (2) not longer than 150 days if the annual gross revenues of
5 the utility making the filing are \$3,000,000 or less.

6 * Sec. 6. AS 42.05.711(b) is amended to read:

7 (b) Public utilities owned and operated by a political subdivision
8 of the state and none of whose utilities [, EXCEPTING THE FURNISHING OF
9 COLLECTION AND DISPOSAL SERVICE OF GARBAGE, REFUSE, TRASH OR OTHER WASTE
10 MATERIAL,] is in competition with any other utility, are exempt from the
11 provisions of this chapter, other than the provisions of AS 42.05.221 -
12 42.05.281, unless the owner and operator elects to be subject to all
13 provisions of this chapter [NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS
14 CHAPTER, MUNICIPALITIES PROVIDING COLLECTION AND DISPOSAL SERVICE OF
15 GARBAGE, REFUSE, TRASH OR OTHER WASTE MATERIAL WITHIN THEIR CORPORATE
16 BOUNDARIES ARE NOT SUBJECT TO REGULATION BY THE ALASKA PUBLIC UTILITIES
17 COMMISSION UNLESS THE MUNICIPALITY ELECTS TO BE SUBJECT TO THE PRO-
18 VISIONS OF THIS CHAPTER.]

19 * Sec. 7. AS 42.05.711(e) is amended to read:

20 (e) Notwithstanding any other provisions of this chapter, any
21 electric or telephone utility that does not gross \$50,000 [\$25,000]
22 annually is exempt from regulation under this chapter [HEREUNDER] unless
23 25 percent of the subscribers petition the commission for regulation.

24 * Sec. 8. AS 42.05.711 is amended by adding new subsections to read:

25 (f) Notwithstanding any other provisions of this chapter, an
26 electric or telephone utility that does not gross \$400,000 annually may
27 elect to be exempt from the provisions of this chapter other than AS 42.-
28 05.221 - 42.05.281 under the procedure described in AS 42.05.712.

29 (g) A utility, other than a telephone, electric, garbage, or cable

1 television utility, that does not gross \$100,000 annually may elect to
2 be exempt from the provisions of this chapter other than AS 42.05.221 -
3 42.05.281 under the procedure described in AS 42.05.712.

4 (h) A cooperative organized under AS 10.25 may elect to be exempt
5 from the provisions of this chapter, other than AS 42.05.221 - 42.05.281,
6 under the procedure described in AS 42.05.712.

7 (i) On June 30, 1981, a utility which furnishes collection and
8 disposal service of garbage, refuse, trash, or other waste material and
9 has gross revenues of \$400,000 or less is exempt from the provisions of
10 this chapter, other than the certification provisions of AS 42.05.221 -
11 42.05.281, unless 25 percent of the subscribers or subscribers represent-
12 ing 25 percent of the gross revenue of the utility petition the commis-
13 sion for regulation.

14 (j) After June 30, 1983, a refuse utility is exempt from the
15 provisions of this chapter.

16 * Sec. 9. AS 42.05 is amended by adding a new section to read:

17 Sec. 42.05.712. DEREGULATION BALLOT. (a) A utility or coopera-
18 tive which may elect to be exempt from the provisions of this chapter
19 shall poll its subscribers in the manner described in this section.

20 (b) The votes of a majority of those voting are required for a
21 utility or cooperative to elect exemption under (a) of this section.

22 (c) Each subscriber or member of the utility or cooperative shall
23 receive notice of an election under this section with his regular bill
24 for service at least 60 days before the date set for the election. The
25 notice shall contain impartial language informing the subscribers or
26 members that an election on the option of deregulation or regulation by
27 the Alaska Public Utilities Commission will be held within 60 days and
28 that a ballot to participate in that election will be mailed or delivered
29 to each subscriber or member of the utility or cooperative with his

1 regular bill for service. The notice shall also state that a subscriber
2 or member of the cooperative is entitled to vote in the election without
3 regard to whether his account with the utility or cooperative is current
4 and that the ballot must be postmarked or returned to the utility or
5 cooperative within 30 days after it was mailed or otherwise delivered to
6 the subscriber or member. The notice shall also announce the schedule
7 for one or more public meetings which shall provide an opportunity for
8 the subscribers or members to discuss this election. The public meeting
9 or meetings shall be held not more than 30 days before the ballots are
10 mailed or distributed to those eligible to vote. A cooperative may
11 satisfy this requirement by including a discussion of this election on
12 the agenda of an annual meeting if the annual meeting is scheduled to be
13 held not more than 30 days before the election.

14 (d) A ballot with return postage paid shall be mailed or delivered
15 to each subscriber or member of the utility or cooperative with his bill
16 for service and shall contain only the following language:

17 "Shall(name of utility or cooperative)
18 be exempt from regulation by the Alaska Public
19 Utilities Commission?
20 [] YES [] NO"

21 (e) During the 60 days immediately preceding an election under
22 this section a list of subscribers or members of the utility or cooper-
23 ative shall be made available at cost to any subscriber or member of the
24 utility or cooperative who requests one. The list shall be in the same
25 form that is available to the utility or cooperative.

26 (f) The board of directors of a utility or cooperative may call an
27 election under this section on its own initiative and shall call an
28 election upon receipt of a valid petition from its subscribers or
29 members. A petition shall be considered valid if it is signed by not

1 less than the number of subscribers or members equal to ten percent of
2 the first 5,000 subscribers or members and three percent of the sub-
3 scribers or members in excess of 5,000. An election under this section
4 may only be held once every two years.

5 (g) A utility or cooperative which is already exempt from regu-
6 lation under this section may elect to terminate its exemption in the
7 same manner.

8 * Sec. 10. AS 42.05 is amended by adding a new section to read:

9 Sec. 42.05.713. CABLE TELEVISION SYSTEMS. (a) Notwithstanding
10 other provisions of this chapter, a cable television system which (1) is
11 located in a service area in which cable television systems provide five
12 or more channels to a subscriber; (2) has a subscriber penetration ratio
13 of less than 70 percent and certifies that fact to the commission; and
14 (3) is located in a service area which has available two significantly
15 viewed commercial television stations or one significantly viewed com-
16 mercial television station and a public television station, shall be
17 exempt from the provisions of this chapter.

18 (b) Local television channels which are available without the use
19 of a community antenna system and are rebroadcast by cable television
20 systems may not be counted under (a)(1) of this section.

21 (c) In this section

22 (1) "cable television system" or "system" means a community
23 antenna television system which provides television service to paid
24 subscribers by means of cable;

25 (2) "earth station" means a structure or device used to
26 receive signals from a satellite;

27 (3) "public television station" means a station which offers
28 only programming designed to serve noncommercial educational, public or
29 instructional purposes, including service by translating systems licensed

1 by the Federal Communications Commission;

2 (4) "significantly viewed television station" means a station
3 which is viewed as described in 47 C.F.R. 76.5(k) and includes service
4 by translating systems licensed by the Federal Communications Commis-
5 sion;

6 (5) "subscriber penetration ratio" means the number of sub-
7 scribing residences divided by the total number of residences having
8 cable available.

9 * Sec 11. AS 44.66.010(a)(4) is amended to read:

10 (4) Alaska Public Utilities Commission (AS 42.05.010) --
11 June 30, 1984 [1980];

12 * Sec. 12. A cable television system which holds a certificate of public
13 convenience and necessity issued by the Alaska Public Utilities Commission
14 for its service area on or before the effective date of this Act must hold
15 that certificate for at least four years from the date of its issuance to be
16 eligible for the exemption under AS 42.05.713 enacted in sec. 10 of this Act.

17 * Sec. 13. This Act takes effect June 30, 1980.
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Original sponsor: Commerce Committee

Offered: 5/27/80
Referred: Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 577

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Alaska Public
7 Utilities Commission and amending the statutes relating
8 to its responsibilities; and providing for an effective
9 date."

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

11 * Section 1. AS 29.48.060 is amended to read:

12 Sec. 29.48.060. PUBLIC UTILITIES RATES. The assembly acting for
13 the area outside cities and the council acting for the area within a
14 city may regulate, fix, establish and change, as it considers proper,
15 the rates and charges imposed for utilities services given to the muni-
16 cipality or its inhabitants by a municipally owned utility [PUBLIC
17 SERVICE ASSOCIATION, CORPORATION, OR INDIVIDUAL NOT REGULATED] under
18 AS 42.05 and may regulate and provide what is a reasonable deposit for
19 meters and security for service to be given, provided that interest is
20 [BE] paid on the deposit. All rates, charges and regulations shall be
21 reasonable and shall permit a fair and reasonable return on invested
22 capital.

23 * Sec. 2. AS 42.05.121(a) is amended to read:

24 (a) The commission may employ an executive director who shall have
25 had at least five years of experience in public utility management or
26 regulation, law, accounting, or an allied field. The executive director
27 is responsible for directing the administrative functions of the commis-
28 sion and carrying out the policies as set by the commission. [THE
29 EXECUTIVE DIRECTOR MAY BE ONE OF THE COMMISSION MEMBERS.] The commis-

1 sion may employ engineers, hearing officers, experts, clerks, account-
2 ants, and other agents and assistants it considers necessary. The
3 executive director [, IF NOT A MEMBER OF THE COMMISSION,] and his deputy
4 are in the partially exempt service under AS 39.25.120. All other
5 employees and agents of the commission, other than legal counsel, are in
6 the classified service under AS 39.25.100. [THE COMBINED SALARY OF AN
7 EXECUTIVE DIRECTOR WHO IS A MEMBER OF THE COMMISSION MAY NOT EXCEED THAT
8 OF A SUPERIOR COURT JUDGE.]

9 * Sec. 3. AS 42.05.131 is amended by adding a new subsection to read:

10 (b) A member ^{or} ~~employee~~ of the commission may not, for two years
11 after leaving his position as a member ~~or~~ ^{or} employee of the commission,
12 act as agent or on behalf of a public utility in any matter before the
13 commission. A member or executive director of the commission, may not,
14 for two years after leaving his position as member or executive director
15 of the commission, seek or take employment in a public utility regulated
16 by the commission. A violation of this subsection is a class A mis-
17 demeanor.

18 * Sec. 4. AS 42.05.321 is amended by adding a new subsection to read:

19 (b) This section and AS 42.05.311 apply to all utilities whether
20 or not they are exempt from other regulation under AS 42.05.711 or
21 42.05.713.

22 * Sec. 5. AS 42.05.391(a) is amended to read:

23 (a) A [NO] public utility may not, as to rates, grant an unreason-
24 able preference or advantage to any of its customers or subject a cus-
25 tomers to an unreasonable prejudice or disadvantage. A [NO] public
26 utility may not, establish or maintain an unreasonable difference as to
27 rates, either as between localities or between classes of service.
28 A municipally owned utility may offer uniform or identical rates for a
29 public utility service to customers located in different areas within

1 its certificated service area who receive the same class of service.

2 * Sec. 6. AS 42.05.421(a) is amended to read:

3 (a) When a tariff filing is made containing a new or revised rate,
4 classification, rule, regulation, practice, or condition of service the
5 commission may, either upon written complaint or upon its own motion,
6 after reasonable notice, conduct a hearing to determine the reasonable-
7 ness and propriety of the filing. Pending such a hearing the commission
8 may, by order stating the reasons for its action, suspend the operation
9 of the tariff filing for

10 (1) an initial period not longer than six months beyond the
11 time when it would otherwise go into effect if the annual gross revenues
12 of the utility making the filing are more than \$3,000,000; and

13 (2) not longer than 150 days if the annual gross revenues of
14 the utility making the filing are \$3,000,000 or less.

15 * Sec. 7. AS 42.05.711(b) is amended to read:

16 (b) Public utilities owned and operated by a political subdivision
17 of the state and none of whose utilities [, EXCEPTING THE FURNISHING OF
18 COLLECTION AND DISPOSAL SERVICE OF GARBAGE, REFUSE, TRASH OR OTHER WASTE
19 MATERIAL,] is in competition with any other utility, are exempt from the
20 provisions of this chapter, other than the provisions of AS 42.05.221 -
21 42.05.281, unless the owner and operator elects to be subject to all
22 provisions of this chapter [NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS
23 CHAPTER, MUNICIPALITIES PROVIDING COLLECTION AND DISPOSAL SERVICE OF
24 GARBAGE, REFUSE, TRASH OR OTHER WASTE MATERIAL WITHIN THEIR CORPORATE
25 BOUNDARIES ARE NOT SUBJECT TO REGULATION BY THE ALASKA PUBLIC UTILITIES
26 COMMISSION UNLESS THE MUNICIPALITY ELECTS TO BE SUBJECT TO THE PRO-
27 VISIONS OF THIS CHAPTER.]

28 * Sec. 8. AS 42.05.711(e) is amended to read:

29 (c) Notwithstanding any other provisions of this chapter, any

1 electric or telephone utility that does not gross \$50,000 [\$25,000]
2 annually is exempt from regulation under this chapter [HEREUNDER] unless
3 25 percent of the subscribers petition the commission for regulation.

4 * Sec. 9. AS 42.05.711 is amended by adding new subsections to read:

5 (f) Notwithstanding any other provisions of this chapter, an
6 electric or telephone utility that does not gross \$400,000 annually may
7 elect to be exempt from the provisions of this chapter other than
8 AS 42.05.221 - 42.05.281 under the procedure described in AS 42.05.712.

9 (g) A utility, other than a telephone, electric, garbage, or cable
10 television utility, that does not gross \$100,000 annually may elect to
11 be exempt from the provisions of this chapter other than AS 42.05.221 -
12 42.05.281 under the procedure described in AS 42.05.712.

13 (h) A cooperative organized under AS 10.25 may elect to be exempt
14 from the provisions of this chapter, other than AS 42.05.221 - 42.05.281,
15 under the procedure described in AS 42.05.712.

16 (i) On June 30, 1981, a utility which furnishes collection and
17 disposal service of garbage, refuse, trash, or other waste material and
18 has gross revenues of \$400,000 or less is exempt from the provisions of
19 this chapter, other than the certification provisions of AS 42.05.221 -
20 42.05.281, unless 25 percent of the subscribers or subscribers represent-
21 ing 25 percent of the gross revenue of the utility petition the commis-
22 sion for regulation.

23 (j) After June 30, 1983, a refuse utility is exempt from the
24 provisions of this chapter.

25 * Sec. 10. AS 42.05 is amended by adding a new section to read:

26 Sec. 42.05.712. DEREGULATION BALLOT. (a) A utility or coopera-
27 tive which may elect to be exempt from the provisions of this chapter
28 shall poll its subscribers in the manner described in this section.

29 (b) The votes of a majority of those voting are required for a

1 utility or cooperative to elect exemption under (a) of this section.

2 (c) Each subscriber or member of the utility or cooperative shall
3 receive notice of an election under this section with his regular bill
4 for service at least 60 days before the date set for the election. The
5 notice shall contain impartial language informing the subscribers or
6 members that an election on the option of deregulation or regulation by
7 the Alaska Public Utilities Commission will be held within 60 days and
8 that a ballot to participate in that election will be mailed or
9 delivered to each subscriber or member of the utility or cooperative
10 with his regular bill for service. The notice shall also state that a
11 subscriber or member of the cooperative is entitled to vote in the
12 election without regard to whether his account with the utility or
13 cooperative is current and that the ballot must be postmarked or
14 returned to the utility or cooperative within 30 days after it was
15 mailed or otherwise delivered to the subscriber or member. The notice
16 shall also announce the schedule for one or more public meetings which
17 shall provide an opportunity for the subscribers or members to discuss
18 this election. The public meeting or meetings shall be held not more
19 than 30 days before the ballots are mailed or distributed to those
20 eligible to vote. A cooperative may satisfy this requirement by
21 including a discussion of this election on the agenda of an annual
22 meeting if the annual meeting is scheduled to be held not more than 30
23 days before the election.

24 (d) A ballot with return postage paid shall be mailed or delivered
25 to each subscriber or member of the utility or cooperative with his bill
26 for service and shall contain only the following language:

27 "Shall(name of utility or cooperative)
28 be exempt from regulation by the Alaska Public
29 Utilities Commission?

1 [] YES [] NO"

2 (e) During the 60 days immediately preceding an election under
3 this section a list of subscribers or members of the utility or cooper-
4 ative shall be made available at cost to any subscriber or member of the
5 utility or cooperative who requests one. The list shall be in the same
6 form that is available to the utility or cooperative.

7 (f) The board of directors of a utility or cooperative may call an
8 election under this section on its own initiative and shall call an
9 election upon receipt of a valid petition from its subscribers or
10 members. A petition shall be considered valid if it is signed by not
11 less than the number of subscribers or members equal to ten percent of
12 the first 5,000 subscribers or members and three percent of the sub-
13 scribers or members in excess of 5,000. An election under this section
14 may only be held once every two years.

15 (g) A utility or cooperative which is already exempt from regu-
16 lation under this section may elect to terminate its exemption in the
17 same manner.

18 * Sec. 11. AS 42.05 is amended by adding a new section to read:

19 Sec. 42.05.713. CABLE TELEVISION SYSTEMS. (a) Notwithstanding
20 other provisions of this chapter, a cable television system which (1) is
21 located in a service area in which cable television systems provide five
22 or more channels to a subscriber; (2) has a subscriber penetration ratio
23 of less than 70 percent and certifies that fact to the commission; and
24 (3) is located in a service area which has available two significantly
25 viewed commercial television stations or one significantly viewed com-
26 mercial television station and a public television station, shall be
27 exempt from the provisions of this chapter.

28 (b) Local television channels which are available without the use
29 of a community antenna system and are rebroadcast by cable television

1 systems may not be counted under (a)(1) of this section.

2 (c) In this section

3 (1) "cable television system" or "system" means a community
4 antenna television system which provides television service to paid
5 subscribers by means of cable;

6 (2) "earth station" means a structure or device used to
7 receive signals from a satellite;

8 (3) "public television station" means a station which offers
9 only programming designed to serve noncommercial educational, public or
10 instructional purposes, including service by translating systems
11 licensed by the Federal Communications Commission;

12 (4) "significantly viewed television station" means a station
13 which is viewed as described in 47 C.F.R. 76.5(k) and includes service
14 by translating systems licensed by the Federal Communications Commis-
15 sion;

16 (5) "subscriber penetration ratio" means the number of sub-
17 scribing residences divided by the total number of residences having
18 cable available.

19 * Sec 12. AS 44.66.010(a)(4) is amended to read:

20 (4) Alaska Public Utilities Commission (AS 42.05.010) --
21 June 30, 1984 [1980];

22 * Sec. 13. A cable television system which holds a certificate of public
23 convenience and necessity issued by the Alaska Public Utilities Commission
24 for its service area on or before the effective date of this Act must hold
25 that certificate for at least ^{FOUR}~~three~~ years from the date of its issuance to be
26 eligible for the exemption under AS 42.05.713 enacted in sec. 11 of this Act.

27 * Sec. 14. This Act takes effect June 30, 1980.
28
29

AMENDMENT TO HCSSB 577

PAGE 7, after line 18, add a new subsection (d):

(d) notwithstanding this section, a cable television system which is exempt from regulation by the commission on June 30, 1980 shall retain that exemption.

ALASKA PUBLIC UTILITIES COMMISSION
COMMENTS ON SS FOR HB #799 and HB #806

The Commission acknowledges that a situation could occur in which individuals holding the positions referred to in the proposed legislation could personally gain from a course of action he or she directed or participated in as it related to a potential employer. However, to date the Commission is not aware of any evidence of abuse insofar as the regulatory commissions are concerned.

Setting aside the potential constitutional problems of prohibiting individuals from seeking or taking employment with a specific regulated business, the Commission observes that this proposed legislation assumes one can legislate individual ethics and morality. History is not replete with evidence to substantiate this assumption. Unfortunately, history would seem to demonstrate there are many ways to abuse the responsibility that government gives to its elected and appointed officials. The alternative to this abuse, while not failsafe, is to carefully select those persons exercising responsibility to serve the public interest in appointive and elected positions.

The APUC submits that adoption of a code of ethics applicable to elected and appointed officials would carry out the intent of this legislation in a more positive manner than what could be perceived as a negative State policy that penalizes certain classes of state employees. Further, the bill fails to address one of the more troublesome potential abuses, that is, appearing before the Commission after termination of employment, especially in a situation where the former APUC employee is appearing before the Commission on behalf of a utility or a client on whose tariff filings or other proceedings he/she worked while an APUC employee.

The Commission raises the following specific questions in regard to this legislation for consideration by its proponents. (1) Would this legislation affect the quality of candidates available to the regulatory commissions either as commissioners or staff? The Commission has justifiable reservations about the adverse impact this legislation might have on the quality of potential applicants for staff positions covered under this legislation given the prohibition of AS 39.50.090(g)(1)(2). In view of the history of limited professional staff resources available to the Commission the Commission also questions whether this section would have the effect of driving competent individuals who have made a substantial contribution during their tenure in State service outside the State to seek employment.

(2) Would there be undue discrimination against attorneys general who were assigned to regulatory commissions under the proposed future employment prohibition? One wonders whether the attorney general assigned to a regulatory commission could fall to the least qualified or interested because of such a prohibition. Another question is raised by restricting future employment of the few assistant attorneys general assigned to one of the regulatory commissions whereas the bill does not address the influence potential or actual employment offers to attorneys general assigned to other state agencies that could occur as a result of their professional responsibilities.

(3) Would the employment prohibition extend to companies affiliated with those regulated by a commission? For example, Alascom, Inc. (a regulated utility) is a wholly owned subsidiary of Pacom, Inc. which is in turn a wholly owned subsidiary of Pacific Power & Light Company, which owns a number of other subsidiaries, including Telephone Utilities, Inc. It is unclear whether employment in Telephone Utilities, a distant cousin of Alascom, is illegal under the proposed bills.

Original sponsor: Commerce Committee

Offered: 5/27/80
Referred: Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 577

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Alaska Public
7 Utilities Commission and amending the statutes relating
8 to its responsibilities; and providing for an effective
9 date."

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

11 * Section 1. AS 29.48.060 is amended to read:

12 Sec. 29.48.060. PUBLIC UTILITIES RATES. The assembly acting for
13 the area outside cities and the council acting for the area within a
14 city may regulate, fix, establish and change, as it considers proper,
15 the rates and charges imposed for utilities services given to the muni-
16 cipality or its inhabitants by a municipally owned utility [PUBLIC
17 SERVICE ASSOCIATION, CORPORATION, OR INDIVIDUAL NOT REGULATED] under
18 AS 42.05 and may regulate and provide what is a reasonable deposit for
19 meters and security for service to be given, provided that interest is
20 [BE] paid on the deposit. All rates, charges and regulations shall be
21 reasonable and shall permit a fair and reasonable return on invested
22 capital.

23 * Sec. 2. AS 42.05.121(a) is amended to read:

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25 had at least five years of experience in public utility management or
26 regulation, law, accounting, or an allied field. The executive director
27 is responsible for directing the administrative functions of the commis-
28 sion and carrying out the policies as set by the commission. [THE
29 EXECUTIVE DIRECTOR MAY BE ONE OF THE COMMISSION MEMBERS.] The commis-

1 sion may employ engineers, hearing officers, experts, clerks, account-
2 ants, and other agents and assistants it considers necessary. The
3 executive director [, IF NOT A MEMBER OF THE COMMISSION,] and his deputy
4 are in the partially exempt service under AS 39.25.120. All other
5 employees and agents of the commission, other than legal counsel, are in
6 the classified service under AS 39.25.100. [THE COMBINED SALARY OF AN
7 EXECUTIVE DIRECTOR WHO IS A MEMBER OF THE COMMISSION MAY NOT EXCEED THAT
8 OF A SUPERIOR COURT JUDGE.]

9 * Sec. 3. AS 42.05.131 is amended by adding a new subsection to read:

10 (b) A member or employee of the commission may not, for two years
11 after leaving his position as a member or employee of the commission,
12 act as agent or on behalf of a public utility in any matter before the
13 commission. A member or executive director of the commission, may not,
14 for two years after leaving his position as member or executive director
15 of the commission, seek or take employment in a public utility regulated
16 by the commission. A violation of this subsection is a class A mis-
17 demeanor.

18 * Sec. 4. AS 42.05.321 is amended by adding a new subsection to read:

19 (b) This section and AS 42.05.311 apply to all utilities whether
20 or not they are exempt from other regulation under AS 42.05.711 or
21 42.05.713.

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24 able preference or advantage to any of its customers or subject a cus-
25 tomers to an unreasonable prejudice or disadvantage. A [NO] public
26 utility may not, establish or maintain an unreasonable difference as to
27 rates, either as between localities or between classes of service.
28 A municipally owned utility may offer uniform or identical rates for a
29 public utility service to customers located in different areas within

1 its certificated service area who receive the same class of service.

2 * Sec. 6. AS 42.05.421(a) is amended to read:

3 (a) When a tariff filing is made containing a new or revised rate,
4 classification, rule, regulation, practice, or condition of service the
5 commission may, either upon written complaint or upon its own motion,
6 after reasonable notice, conduct a hearing to determine the reasonable-
7 ness and propriety of the filing. Pending such a hearing the commission
8 may, by order stating the reasons for its action, suspend the operation
9 of the tariff filing for

10 (1) an initial period not longer than six months beyond the
11 time when it would otherwise go into effect if the annual gross revenues
12 of the utility making the filing are more than \$3,000,000; and

13 (2) not longer than 150 days if the annual gross revenues of
14 the utility making the filing are \$3,000,000 or less.

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17 of the state and none of whose utilities [, EXCEPTING THE FURNISHING OF
18 COLLECTION AND DISPOSAL SERVICE OF GARBAGE, REFUSE, TRASH OR OTHER WASTE
19 MATERIAL,] is in competition with any other utility, are exempt from the
20 provisions of this chapter, other than the provisions of AS 42.05.221 -
21 42.05.281, unless the owner and operator elects to be subject to all
22 provisions of this chapter [NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS
23 CHAPTER, MUNICIPALITIES PROVIDING COLLECTION AND DISPOSAL SERVICE OF
24 GARBAGE, REFUSE, TRASH OR OTHER WASTE MATERIAL WITHIN THEIR CORPORATE
25 BOUNDARIES ARE NOT SUBJECT TO REGULATION BY THE ALASKA PUBLIC UTILITIES
26 COMMISSION UNLESS THE MUNICIPALITY ELECTS TO BE SUBJECT TO THE PRO-
27 VISIONS OF THIS CHAPTER.]

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29 (e) Notwithstanding any other provisions of this chapter, any

1 electric or telephone utility that does not gross \$50,000 [\$25,000]
2 annually is exempt from regulation under this chapter [HEREUNDER] unless
3 25 percent of the subscribers petition the commission for regulation.

4 * Sec. 9. AS 42.05.711 is amended by adding new subsections to read:

5 (f) Notwithstanding any other provisions of this chapter, an
6 electric or telephone utility that does not gross \$400,000 annually may
7 elect to be exempt from the provisions of this chapter other than
8 AS 42.05.221 - 42.05.281 under the procedure described in AS 42.05.712.

9 (g) A utility, other than a telephone, electric, garbage, or cable
10 television utility, that does not gross \$100,000 annually may elect to
11 be exempt from the provisions of this chapter other than AS 42.05.221 -
12 42.05.281 under the procedure described in AS 42.05.712.

13 (h) A cooperative organized under AS 10.25 may elect to be exempt
14 from the provisions of this chapter, other than AS 42.05.221 - 42.05.281,
15 under the procedure described in AS 42.05.712.

16 (i) On June 30, 1981, a utility which furnishes collection and
17 disposal service of garbage, refuse, trash, or other waste material and
18 has gross revenues of \$400,000 or less is exempt from the provisions of
19 this chapter, other than the certification provisions of AS 42.05.221 -
20 42.05.281, unless 25 percent of the subscribers or subscribers represent-
21 ing 25 percent of the gross revenue of the utility petition the commis-
22 sion for regulation.

23 (j) After June 30, 1983, a refuse utility is exempt from the
24 provisions of this chapter.

25 * Sec. 10. AS 42.05 is amended by adding a new section to read:

26 Sec. 42.05.712. DEREGULATION BALLOT. (a) A utility or coopera-
27 tive which may elect to be exempt from the provisions of this chapter
28 shall poll its subscribers in the manner described in this section.

29 (b) The votes of a majority of those voting are required for a

1 utility or cooperative to elect exemption under (a) of this section.

2 (c) Each subscriber or member of the utility or cooperative shall
3 receive notice of an election under this section with his regular bill
4 for service at least 60 days before the date set for the election. The
5 notice shall contain impartial language informing the subscribers or
6 members that an election on the option of deregulation or regulation by
7 the Alaska Public Utilities Commission will be held within 60 days and
8 that a ballot to participate in that election will be mailed or
9 delivered to each subscriber or member of the utility or cooperative
10 with his regular bill for service. The notice shall also state that a
11 subscriber or member of the cooperative is entitled to vote in the
12 election without regard to whether his account with the utility or
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19 than 30 days before the ballots are mailed or distributed to those
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21 including a discussion of this election on the agenda of an annual
22 meeting if the annual meeting is scheduled to be held not more than 30
23 days before the election.

24 (d) A ballot with return postage paid shall be mailed or delivered
25 to each subscriber or member of the utility or cooperative with his bill
26 for service and shall contain only the following language:

27 "Shall(name of utility or cooperative)
28 be exempt from regulation by the Alaska Public
29 Utilities Commission?

1 [] YES [] NO"

2 (e) During the 60 days immediately preceding an election under
3 this section a list of subscribers or members of the utility or cooper-
4 ative shall be made available at cost to any subscriber or member of the
5 utility or cooperative who requests one. The list shall be in the same
6 form that is available to the utility or cooperative.

7 (f) The board of directors of a utility or cooperative may call an
8 election under this section on its own initiative and shall call an
9 election upon receipt of a valid petition from its subscribers or
10 members. A petition shall be considered valid if it is signed by not
11 less than the number of subscribers or members equal to ten percent of
12 the first 5,000 subscribers or members and three percent of the sub-
13 scribers or members in excess of 5,000. An election under this section
14 may only be held once every two years.

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16 lation under this section may elect to terminate its exemption in the
17 same manner.

18 * Sec. 11. AS 42.05 is amended by adding a new section to read:

19 Sec. 42.05.713. CABLE TELEVISION SYSTEMS. (a) Notwithstanding
20 other provisions of this chapter, a cable television system which (1) is
21 located in a service area in which cable television systems provide five
22 or more channels to a subscriber; (2) has a subscriber penetration ratio
23 of less than 70 percent and certifies that fact to the commission; and
24 (3) is located in a service area which has available two significantly
25 viewed commercial television stations or one significantly viewed com-
26 mercial television station and a public television station, shall be
27 exempt from the provisions of this chapter.

28 (b) Local television channels which are available without the use
29 of a community antenna system and are rebroadcast by cable television

1 systems may not be counted under (a)(1) of this section.

2 (c) In this section

3 (1) "cable television system" or "system" means a community
4 antenna television system which provides television service to paid
5 subscribers by means of cable;

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7 receive signals from a satellite;

8 (3) "public television station" means a station which offers
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10 instructional purposes, including service by translating systems
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12 (4) "significantly viewed television station" means a station
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17 scribing residences divided by the total number of residences having
18 cable available.

19 * Sec 12. AS 44.66.010(a)(4) is amended to read:

20 (4) Alaska Public Utilities Commission (AS 42.05.010) --
21 June 30, 1984 [1980];

22 * Sec. 13. A cable television system which holds a certificate of public
23 convenience and necessity issued by the Alaska Public Utilities Commission
24 for its service area on or before the effective date of this Act must hold
25 that certificate for at least three years from the date of its issuance to be
26 eligible for the exemption under AS 42.05.713 enacted in sec. 11 of this Act.

27 * Sec. 14. This Act takes effect June 30, 1980.
28
29