

LEGISLATIVE FINANCE-HOUSE / SENATE FINANCE COMM. FILES 8879

SB 348 cont. - SB 353 662 253

Subject: USE OF FIREARMS, RESTRAINTS AND OTHER FORCE

VI. PROCEDURES:

- A. Probation Officers may be authorized to carry a firearm on duty under the following circumstances:
1. Upon approval of the Regional Administrator, a Probation Officer may carry a firearm only when he or she is a certified officer and his or her immediate supervisor believes the use of deadly force may be necessary to prevent the officers death or serious physical injury. When the Regional Administrator is not readily available, the District Supervisor may authorize the carrying of a firearm;
 2. The carrying of firearms on duty for purposes other than training and/or qualification is prohibited except in accordance with this policy;
 3. The authorization to carry a firearm will be specific as to time and circumstance and will terminate upon reasonable belief that death or serious physical injury is no longer imminent;
 4. When a first line supervisor is not readily available, a Probation Officer may make the decision to carry independently if:
 - a. he or she believes that under the guidelines of this policy he or she would be permitted to carry;
 - b. if the need to conduct a necessary contact or supervision step is urgent and cannot reasonably await a supervisor's authorization; and
 - c. the action is immediately reported through a supervisor to the Regional Administrator, as circumstances allow; and
 5. This Policy does not require a Probation Officer to carry a firearm in the discharge of official duties.
- B. Documentation is required each and every time a Probation Officer is armed in accordance with this policy, as follows:
1. A Report of Carrying a Firearm (form 20-902.16A) will be completed by the requesting Probation Officer prior to each authorized carrying of a firearm other than for practice or qualification. Each officer shall file the report with his or her immediate supervisor;
 2. A line entry must be made in the Weapons and Ammunition Log (form 20-902.16B) each time a firearm and/or ammunition is issued;
 3. The Regional Administrator shall periodically review the records retained by the District Supervisors in accordance with 1. and 2. above;

Subject: USE OF FIREARMS, RESTRAINTS AND OTHER FORCE

4. The officer who draws or discharges a firearm for any reason in the line of duty, other than during practice or qualification, shall immediately submit a written Report of Firearm Discharge in memorandum format describing the circumstances of the discharge or show of force; and shall prepare the Special Incident Report (form 20-104.01) in accordance with 104.01, Special Incident Reporting. The Reports must be routed through the officer's immediate supervisor to the Regional Administrator;
5. In the event of firearm display or discharge per 4. above, the Regional Director in coordination with the Regional Administrator shall appoint a three member panel to review the circumstances of the incident. This panel will include the Regional Administrator acting as chairperson; and
6. The officer who discharges a firearm under the circumstances described under 4. above may be granted administrative leave as is appropriate to the circumstances at the discretion of the Regional Administrator.

C. Use of Firearms:

1. Issued firearms will be carried under the officer's control and out of sight at all times, except when in use;
2. Firearms carried by officers will be loaded at all times. All customary firearms safety precautions will be continuously practiced;
3. A Probation Officer is not authorized to carry a firearm while traceable quantities of any behavior altering substance is in the bloodstream;
4. The use of firearms is justified only when the Probation Officer reasonably believes the use or show of deadly force is necessary for defense of self or others against death or serious physical injury during the lawful discharge of official duties;
5. Warning shots are only justified under the deadly force circumstances outlined under D. below. Warning shots pose a hazard to innocent parties and when and where they are applied as a show of force should be aimed to minimize the threat to persons;
6. Firing at a fleeing person is not permissible except as outlined under D.1. below; and
7. The authority to carry firearms carries with it an obligation and responsibility to exercise discipline, restraint and good judgment in their use.

Subject: USE OF FIREARMS, RESTRAINTS AND OTHER FORCE

D. Use of Force and/or Restraints:

1. Deadly force may be used as a last resort to prevent the loss of life and may be applied only upon a reasonable belief that death or serious physical injury is imminent. Deadly force may be used as a last resort to apprehend a fleeing felon only if the Probation Officer has a reasonable belief, based upon circumstances at the time, that the felon's escape will endanger life or inflict serious physical injury unless arrested without delay;
2. Non-deadly force may be applied under circumstances of self defense, arrest and to prevent injury to the Probation Officer or others and to stop a fleeing felon and may include the application of restraints;
3. Excessive force is never justified in the application of force by Probation Officers; and
4. Restraint Application:
 - a. Restraint equipment will be applied under all circumstances of arrest;
 - b. Restraints may be used as a precautionary measure against escape of an offender under escort for any purpose;
 - c. Restraints may be used to prevent self-mutilation, injury to others or property damage when other reasonable methods of control have been tried and have failed; and
 - d. Restraints may be used to immediately gain control of a violent or dangerous situation.

E. Firearms, Equipment and Ammunition:

1. The Department will provide authorized firearms, ammunition and equipment for all officers authorized to use them in accordance with this policy as outlined under A. above;
2. Firearms holsters and ammunition carriers will be provided by the Department. Officers may not provide nor utilize personal firearms, holsters or other weapons in the conduct of official business; and
3. Only authorized ammunition will be used in Department firearms.

F. Firearms Security:

1. Firearms and ammunition which are not in the possession of a qualified officer are to be secured in either a safe or file cabinet with a secure lock. A desk with a lock is not sufficient security;

Subject: USE OF FIREARMS, RESTRAINTS AND OTHER FORCE

2. The District Supervisor in each office having firearms assigned shall maintain the arms not in use in a secure container with controlled access; and
3. The Regional Administrator may authorize suitable firearms and ammunition storage for District Offices requiring such to be in conformance with this policy.

G. Inventory:

An inventory of firearms and ammunition will be conducted annually by the District Supervisor in accordance with 302.06, Inventory Control.

H. Training and Certification:

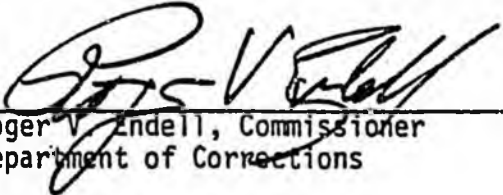
Training and certification in the use of firearms, restraints and other force will be accomplished in accordance with 401.04, Training For Specialized Groups of Employees, and 401.08, Firearms and Arrest Training For Probation Officers.

VII. IMPLEMENTATION:

This policy and procedure is effective as of the date signed by the Commissioner. Each Manager shall incorporate the contents of this document into local policy and procedure with 14 days. All local policies and procedures must conform to the contents of this document and any deviation from the contents of this document must be approved in writing by the Commissioner or designee.

DATE

August 15, 1986



Roger V. Endell, Commissioner
Department of Corrections

Forms applicable to this Policy.
INDEX #: 902.16A & B and 104.01
FORMS/A - Report of Carrying Firearm
B - Weapons and Ammunition Log
.01 - Special Incident Report

March 19, 1990

Senator Rick Uehling
Co-Chairman, Senate Finance Committee
Pouch V
Juneau, AK 99811

RE: SB 348

Dear Senator:

Senate Bill 348, which places Probation Officers in the Peace Officer's and Fireman's Retirement System will soon have a hearing in the Senate Finance Committee. I hope the information which appears below will help you in deliberations.

Probation Officers are defined as Peace Officers in AS 11.81.900 (30a). Likewise, Probation Officers are covered under the Alaska Police Standards Council Act, AS 18.65.130. Probation Officers arrest probationers (AS 33.05.070) and parolees (AS 33.16.240). Probation Officers carry guns (Department of Corrections Policy and Procedure 902.16). Probation Officers search the residences of probationers and parolees for weapons, stolen property, and drugs. All in all, Probation Officers encounter the same hazards and stresses as those experienced by other Peace Officers.

Examples of dangerous situations drawn from my own experience include an instance where an offender hired a private investigator to investigate not only myself but my family so he could find information in my background with which to embarrass or impeach me in Court. Another probationer did a "drive-by" shooting at the probation office. He shot out the windows of an office directly above the probation office. He thought he was shooting at our office and in subsequent hearings he was convicted of shooting at our office. That same day the windows in an apartment owned by the Chief Probation Officer were shot out.

While arresting an offender and booking him into Lemon Creek Correctional Center, he became enraged when I would not agree to release him and assaulted me in the booking office. Last year, it was necessary to obtain the assistance of the Juneau Police Department and the Alaska State Troopers to serve an arrest warrant on a probation violator. Since he would not come out of his residence we had to kick the door down and enter with guns drawn. This probationer was found extremely intoxicated with a rifle in easy reach.

Several years ago, I searched the residence of a probationer and found substantial quantities of cocaine and two machine guns. I often interview probationers and parolees at Lemon Creek Correctional Center. These are people whose probation I have revoked. They are, naturally, angry and hostile toward me and assault is always a distinct threat. Some Probation Officers work in Correctional Centers all the time. In doing so, they work next to Correction Officers who have

Senator Rick Uehling
March 19, 1990
page two

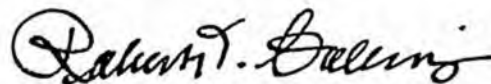
Peace Officer Retirement. This seems particularly unfair since both encounter the same stresses and dangers.

When I went to work for the Department of Corrections I was 32 years old. I felt that I was the physical equal (or perhaps better) of the 25 year old probationers and parolees with whom I dealt. Now, however, I am 48 years old. My caseload has remained in the 20-25 age group. In my opinion, it is unfair to me and a danger to the public to require older Probation Officers who are no longer the physical equal of their adversaries to arrest and struggle with younger, fitter, offenders.

All of our probationers and parolees are felons. We do not supervise misdemeanants. Thus, we supervise only the most dangerous kind of repeat offenders. Since we face the same stresses and dangers as those experienced by Police Officers, Correction Officers, and Alaska State Troopers, it seems just that we be included in the Peace Officer Retirement System.

Thank you for giving me the opportunity to air my views. The above information is my own position and may not reflect the position of the Department of Corrections. If you have any questions, please do not hesitate to contact me.

Very Truly Yours,



Robert K. Collins
District Probation Supervisor
9340 View Drive
Juneau, AK 99801
789-2074 (home)
465-3180 (work)

RKC/lc
cc: Keith Stell, Chief Probation Officer, Juneau

MAR 14 1990

March 9, 1990

Rick Uhelwig
Senate Finance Committee
Pouch V
Juneau, AK 99811

S.B. 348

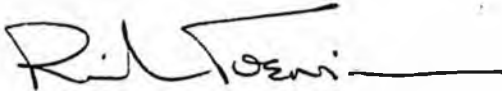
Dear Sir,

I have been advised that you and other members of your Committee are reviewing a Bill sponsored by Senator Jim Duncan and others which would place Probation Officers under the Peace Officer Retirement System. I am a Probation Officer at Hiland Mountain Correctional Center and would ask you for your support on this effort.

Correctional Officers have been members of the Peace Officers Retirement program since 1975. I work on a daily basis side by side with those officers. I come face to face on a daily basis with more felons than any Law Enforcement Officer sees in a month (they are on the retirement program, as well!!!).

I would appreciate your supporting this Bill and remembering us when it comes up for a vote on the floor. Thank you for your consideration of this letter and this matter.

Sincerely,



Rick Toenies, POII
Hiland Mtn. Corr. Ctr.
PO Box 600
Eagle Rv., AK 99577

STATE OF ALASKA

DEPARTMENT OF CORRECTIONS

BOARD OF PAROLE

STEVE COWPER, GOVERNOR

ALASKA BOARD OF PAROLE
P.O. BOX 7
JUNEAU, ALASKA 99811-2000
PHONE: (907) 485-3384

February 27, 1990

Honorable Jim Duncan
Alaska State Senate
Room 119 Capitol Building
P.O. Box V
Juneau, Alaska 99811

RE: Senate Bill 348

Dear Senator Duncan:

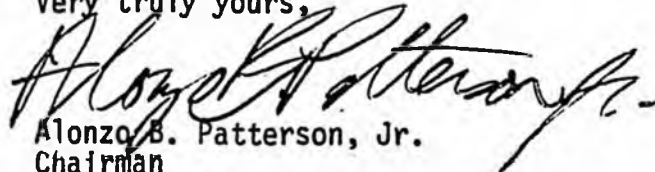
The members of the Alaska Parole Board would like to take this opportunity to commend you for the introduction & the support of Senate Bill 348. We strongly support this legislation.

As you know, the members & staff of the Parole Board work daily with the probation/parole officers around Alaska. We are aware of the physical danger, emotional stress, threats and intimidation they are subject to on a regular basis. I understand ample testimony has been provided to legislative committees so the members understand the hazards probation/parole officers are faced with. Probation/parole officers are peace officers & have the authority to arrest without a warrant. They interact daily with the same felons arrested by police officers & supervised by correctional officers in our correctional facilities.

The probation/parole officer's role has become more community protection oriented in recent years, making the job more hazardous and stressful. We believe the minimal funding necessary to put probation/parole officers under the 20 year retirement is fully justified and long past due.

We greatly appreciate your support in strengthening the criminal justice system in Alaska.

Very truly yours,



Alonzo B. Patterson, Jr.
Chairman

ABP/rs

cc: Co-Sponsors

ALASKA PEACE OFFICERS ASSOCIATION, INC.



Shirley A. Warner
PRESIDENT

4501 S. Bragaw St.
Anchorage, Alaska 99507-1599

Telephone
(907) 786-8451

Payanne
PEACE OFFICERS ASSOCIATION
file

P.O. Box 240106 • Anchorage, AK 99524-0106 • (907) 376-8481

Transcript RM 308



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Ketchikan
LeRoy Mestas

Petersburg
Scott Eddy

February 16, 1990

The Honorable Senator Jim Duncan
P. O. Box V
Juneau, Alaska 99811

Dear Senator Duncan,

The Alaska Peace Officers Association, Inc. supports Senate Bill 348 which grants probation officers status as peace officers under the public employees' retirement system.

We believe that Probation Officers are a dedicated and professional group who encounter the same type of dangers as do peace officers. Probation Officers work hand in hand with law enforcement to maintain order and enforce the law when probationers do not abide. For these reasons Probation Officers should be entitled to the same retirement system. We appreciate your insight and your representation in sponsoring this bill on behalf of our fellow officers.

Sincerely,

Shirley A. Warner

Shirley A. Warner
President

Mike Miller
Box 2149A, Juneau, AK 99802
586-3067

February 6, 1990

Hon. Jim Duncan
Alaska State Senate
Capitol Building
Juneau, AK 99811

Dear Senator ~~Duncan~~: *JIM*:

I would like to take this opportunity to commend you for introducing SB 348.

You will no doubt recall that during my time in the legislature I was, like you, a strong advocate for the original Alaska Peace Officers retirement provisions in PERS and -- again, like you -- an equally strong advocate for the later inclusion of certain Department of Corrections employees in the plan.

I certainly agree with you that Probation/Parole officers should also be included in the Peace Officers provisions and that their inclusion is long overdue.

As you are aware, since my retirement from the House I've been a member of the Alaska Parole Board and from my position on that board I have come to have a deep and abiding respect for the Probation and Parole Officers of this state. Dealing now first-hand with the probationers and parolees these public servants are required to supervise, I have become more convinced than ever of the appropriateness of their inclusion in the Peace Officers plan.

Literal physical danger, heavy caseloads, and burnout are only a few of the reasons Probation Officers should be included. (Concerning danger: Just last week the Parole Board had before it a revoked parolee who obtained a gun and shot through the windows of what he thought was the local probation/parole office. He was upset because the parole officer was doing his job of supervising. Fortunately in this instance, no one was injured. But this example (which, incidentally, is not isolated) gives you some idea of the type of personality that probation/parole officers deal with on a daily basis. Heavy caseloads and burnout, though perhaps not as dramatic, are likewise standard conditions of this type of work. I would be glad to give you personal observations in these areas as well, if you wish.

Again, I commend you and your co-sponsors for initiating this legislation. If you feel it would be useful, feel free to share this letter with any of your colleagues.

Best personal regards.

Sincerely,


Mike Miller

January 29, 1990

Senator Jim Duncan
PO Box V
Juneau, Alaska 99801

Dear Senator Duncan:

Senate Bill 348, which places probation officers in the Peace Officers and Fireman's Retirement System will soon have a hearing in the Senate Health, Education and Social Services Committee. I urge you to pass this bill out of committee with a "due pass". I hope the information which appears below will help you in deliberations.

Probation officers are defined as Peace Officers in Alaska Statute 11.81.900(38). Likewise, probation officers are covered under the Alaska Police Standards Council Act (AS 18.65.130). Probation officers can and do arrest probationers (AS 33.05.070) and parolees (AS 33.16.240). Probation officers encounter the same hazards and stresses as those experienced by other peace officers. For instance, probation officers sometimes carry guns in the execution of their work (Department of Corrections Policy and Procedure 902.16). Probation officers search the persons and residences of people on probation and parole. Probation officers often find themselves in dangerous situations where they may be physically assaulted or shot during an arrest or search.

Examples from my own experience as a probation officer include an instance where an offender hired a private investigator to investigate not only myself but my family so that he could find information in my background with which to embarrass or impeach me in Court. Another probationer did a "drive-by" shooting at the probation office. Earlier in the evening he had shot out the windows in an apartment building owned by the Chief Probation Officer. Interestingly, he shot out the Law Library windows one floor above the probation office by mistake as he thought the probation office was on the fourth floor rather than the third floor of the Court building. In any case, at a hearing, he was found guilty of deliberately shooting at us.

While arresting an offender and booking him into Lemon Creek Correctional Center, he became enraged when I would not agree to release him. He assaulted me in the booking room of the prison. Last year, it was necessary to obtain the assistance of the Juneau Police Department and the Alaska State Troopers to serve an arrest

January 29, 1990
Page Two

warrant on a probation violator. Since he would not come out, we had to kick down the door of his trailer and enter with guns drawn. This probationer was found extremely intoxicated. A rifle was within easy reach.

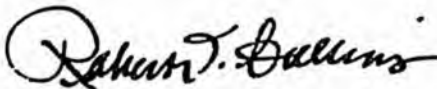
Several years ago, I searched the residence of a probationer and found substantial quantities of cocaine and two machine guns. Probationers and parolees often make threats of violence against probation officers and while I do not take each and every one of them seriously, cummulatively they cause a lot of stress.

Probation officers are required to enter correctional centers two to three times per week in order to do intake interviews, participate in parole hearings, and a host of other activities which usually include direct face-to-face contact with inmates who are angry and hostile. Some probation officers do all of their work in correctional centers and are in close proximity to inmates all day, every day. They work right next to correction officers who have had Peace Officer and Fireman Retirement for years. The dangers encountered by these probation officers are exactly the same as those encountered by their correction officer associates. The only difference is that correction officer have Peace Officer Retirement and probation officers do not.

All of our probationers and parolees are felons. We do not supervise misdemeanants. Since we face the same stresses and dangers as those experienced by police officers, correction officers, and Alaska State Troopers, it seems just that we be included in the Peace Officer Retirement System.

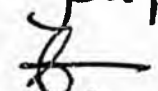
Thank you for giving me the opportunity to air my views. The above information is my own position and may not reflect the position of the Department of Corrections. If you have any questions, please do not hesitate to contact me.

Very Truly Yours,



Robert K. Collins
District Probation Supervisor
9340 View Drive
Juneau, Alaska 99801
Phone: 789-2074 (h)
465-3180 (w)

RKC/cm
cc Keith Stell, Chief Probation Officer, Juneau

PS: Jim, thanks so much for all your work.
It wouldn't be happening except for you,


September, 1982, I disarmed a 17 year old probationer after the Juneau Police Department had conducted a day long search for him. The probationer, R.R., had been given a suspended institutional order earlier in the year. After several months, his behavior had deteriorated and the boy's foster parent told him that I would be advised of his wrong behavior, which would mostly likely lead to a stay at McLaughlin Youth Center. R.R. decided that if he killed his probation officer, in this case me, he wouldn't have to go to McLaughlin. He proceeded to ransack his foster home, stealing a .44 magnum pistol with 40 rounds of ammo, then left a note saying that after he killed me, he would return to kill the foster parent. I literally ran into R.R. at Foodland, bumping into him as I left the store. He had the pistol in his pants and was attempting to draw it when I collided with him.

I "retired" in June, 1984, a victim of burnout. At that time I was effectively working seven days a week, sixteen hours a day. I was constantly receiving crisis calls from probationers, their parents, the Receiving Home or from JPD/AST to assist in juvenile arrests. The "retirement" was brief. I continued to receive calls and have threats made against me. In October, I was informed that R.R. had been released from McLaughlin and returned to Juneau. Shortly after his return, he attempted to purchase a firearm, telling several peers that he was going to finish the job he had started with me.

In January, 1985, I sustained a broken jaw, broken nose, broken ribs and lost 2 teeth when assaulted downtown by a group of four or five former clients. The basis for this assault was nothing more than revenge for acts I had committed in an official capacity while working as a Probation Officer.

I actually feel safer and more secure as a Correctional Officer than I ever did as a Probation Officer. Prisoners, as a rule, are less hostile and more accepting of supervision than probationers. Probationers tend to focus their anger at the P.O. rather than the nebulous "system" that prisoners express their anger towards. Also, a probation officer deals with the same people that a correctional officer does, but the P.O. is usually one on one, whereas in a correctional setting, there are always a number of staff on hand to diffuse any disturbance or disagreement.

I have long argued that Probation Officers face the same dangers and stresses that police and correctional officers do. I am strongly in support of including probation officers in the Peace Officer Retirement Program.

Sincerely,



N. L. Anderson

NLA/jmg

RECEIVED JAN 22 1990

*Raymond
File*

Jan. 11, 1990

Senator Jim Duncan
Alaska Legislature
Pouch M
Juneau, AK 99801

Dear Senator Duncan:

Like my fellow Probation Officers, I should like to take this opportunity to pass along helpful information regarding your bill putting probation officers under the Peace Officer Retirement System.

Have worked as a probation officer in Alaska since 1969 in Ketchikan and Anchorage. My degree is in psychology and I first began working with criminals at Montana State Prison in 1967. Most Criminal Justice Managers that I know from across the nation have adopted Peace Officer Retirement Programs or are moving in that direction. Factors of employee stress, risk and burnout are paramount to this issue.

In Alaska there are, in adult corrections, two basic types of probation officers. Those in the "field" who work with offenders who are on probation or parole and "institutional" probation officers who are assigned to correctional facilities such as Highland Mountain, Cook Inlet Pretrial Facility and Spring Creek located in Seward.

An issue long overlooked is that correctional officers have been in the Peace Officer Retirement System since 1975. Institutional Probation Officers share the same work place and the same proximity to prisoners as correctional officers do every day. Risk and stress factors are the same.

Community Probation Officers are those agents who daily are placed in the position of directing offenders into or away from certain behavior, placing restrictions upon them or becoming the authority responsible for the offenders loss of freedom when a condition of release has been violated. Occasionally, for their effort, threats are made against the officer and while most are hollow at best, the officers fear for his welfare and associated stress is no less greater. Here are some examples of threats

made against me.

1972: Father of a person I placed in custody threatens to kill me. He is stopped at a local air charter service in Ketchikan. He is intoxicated and has a rifle in his possession.

1973: I'm called at my office by a house parent at the local childrens home and asked to help with a problem involving two male residents. Upon my arrival at the childrens home I learned that the two male residents had attempted to set up an ambush. It was planned that as I walked in the door I would be struck with metal tubs removed from bunk beds.

1974: I travel by charter plane to Metlakatla, on Annette Island near Ketchikan to arrest a client. I locate him at his parents home and advise that I'm placing him under arrest and taking him back to Ketchikan. He wants to know if he can pack some clothing in the next room. Permission is granted and a few moments later he is heard loading a high powered rifle. After a few minutes of desperate pleading by his mother and this writer he puts the weapon down.

1976: An adult female person is shot by a high powered rifle in Ketchikan. The shooter called me at home soon afterwards and advised that he wanted to see me. He admits to shooting the woman but says he no longer has the weapon. I know from experience that this person does not like me so after advising him that I will meet him at a local hotel where he has a room I contact the local police department. The police subsequently go to the hotel and make an arrest. The person in question still has the rifle in his possession and advised police that he was going to shoot me.

1979: Disgruntled client threatens to kill me and members of my family when he is released from prison.

There have been other threats made against me throughout the years but this should give you some idea of what I have had to occasionally put up with. No threat has ever been carried out but the fear and stress of same to me and my wife has been real none the less.

No one can last in this business for thirty years and remain productive. Alaska is unable to attract competent employees because there are few incentives for them. And when they are hired they don't tend to stay very long. An example of this is the Anchorage Probation office. In the last twenty-four months there has been a 90% turnover in line officers. It takes two years to train a probation officer. Frequently employees will quit before training is complete.

I am hoping this information proves to be of benefit to you. We look forward to passage of this bill.

Thanking You in Advance

Barton Penny
4561 Sandy Beach Dr.
Anchorage, Ak. 99502
243-7666

RECEIVED

JAN 13 1990

*Debbie
Where is the
Return Address
For James*

January 11, 1990

Senator Jim Duncan
Alaska Legislature
Pouch "V"
Juneau, Alaska 99811

Re: Peace Officer Retirement
for Probation Officers

Dear Senator Duncan:

I am writing regarding the probation officers inclusion in the peace officers retirement program. I have worked as a probation officer in Ketchikan, Sitka, Anchorage, and Kenai for 14 of the past 16 years. I have worked in both field offices and institutions. I am currently employed as the assistant superintendent at Lemon Creek Correctional Center.

I have worked with numerous people through the years, 95% of whom have been convicted felons. It was suggested that I provide you with some specifics of dangerous situations I've been involved in as a probation officer. I should note that many of these events did not seem unusually dangerous at the time but in retrospect I'm amazed that I and some of my colleagues survived.

In Ketchikan a client convicted of assault told his psychiatrist that he'd given serious thought to getting a machine gun and returning to my office to "blow everyone away". The psychiatrist called to warn me to be careful with this fellow. Shortly thereafter, the client's wife found a note in his packet that she felt I should know about as it was very odd and appeared to threaten his probation officers life. I have attached a copy for your review.

In Anchorage, I had a client very angry because a condition of his probation said he would have to see a psychiatrist for treatment. Over several months he objected, I insisted and finally, he calmly indicated that his last probation officer had not required him to see a psychiatrist so if I insisted he could simply get rid of me and then he wouldn't have to see a psychiatrist. I did try to insure that he understood it didn't work that way, but this is the same fellow who didn't think he was a criminal just because he'd been convicted of murder. He felt criminals were folks who had stolen, or robbed banks, etc. To put this incident in perspective, this fellow became angry with the victim in his murder case following a verbal altercation. He left the bar, took a taxi to his residence, had the taxi wait, while he entered the house picked up his gun and then returned to the bar. He called his victim outside and shot him 5 times at close range.

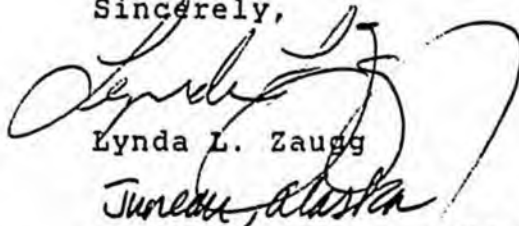
During my tenure in Sitka , my office was responsible for numerous smaller communities in the outlying area. On one of many trips to Angoon I was doing follow up on a complaint regarding a probationer. It was one of those situations where the community leaders wanted something done about a problem individual and other members of the community did not want anything done except for me to leave town. It was an overnight trip, unarmed, without back up. That evening as I walked down the road with the public health nurse a car attempted to run over me. If it had not been for the nurse flipping me into the ditch I would have been hit. The driver was the problem individual I had talked with earlier in the day. He had been drinking.

In Kenai I worked in an institution and faced the same hazards as any of the correctional officers working in the facility. I can provide examples but I think the attached copy of an incident report more clearly identifies the hazard all staff face working in an institution. I was also in Kenai when a friend and fellow probation officer was fire bombed in his home at 3:00 a.m.. He spent about 3 weeks in the burn unit at Providence Hospital. He has scars both physical and mental that will stay with him for the rest of his life. He stayed in probation about a year after the bombing, long enough to say he wasn't run off. He has since quit and moved out of state. He was a five or six year employee when he left. The police have identified one of his clients as his assailant however they have not been able to charge.

There are other instances of clients threatening my well-being and/or that of my family but ever other probation officer in the state can provide similar examples. I would hope that my examples have been able to point out that probation officers work with the same clients as other law enforcement personel. They have the same problems and experience similar risks. I strongly support probation officers inclusion in the peace officer's retirement program.

If there is any other information I can provide that would help as you consider the appropriateness of probation officers in the peace officer retirement system, please feel free to contact me. I would appreciate your support.

Sincerely,



Lynda L. Zaugg

Juneau, Alaska

cc: Senator Adam
Senator Eliason
Senator Fisher, P
Senator Sturgulewski
Rep. Swackhammer

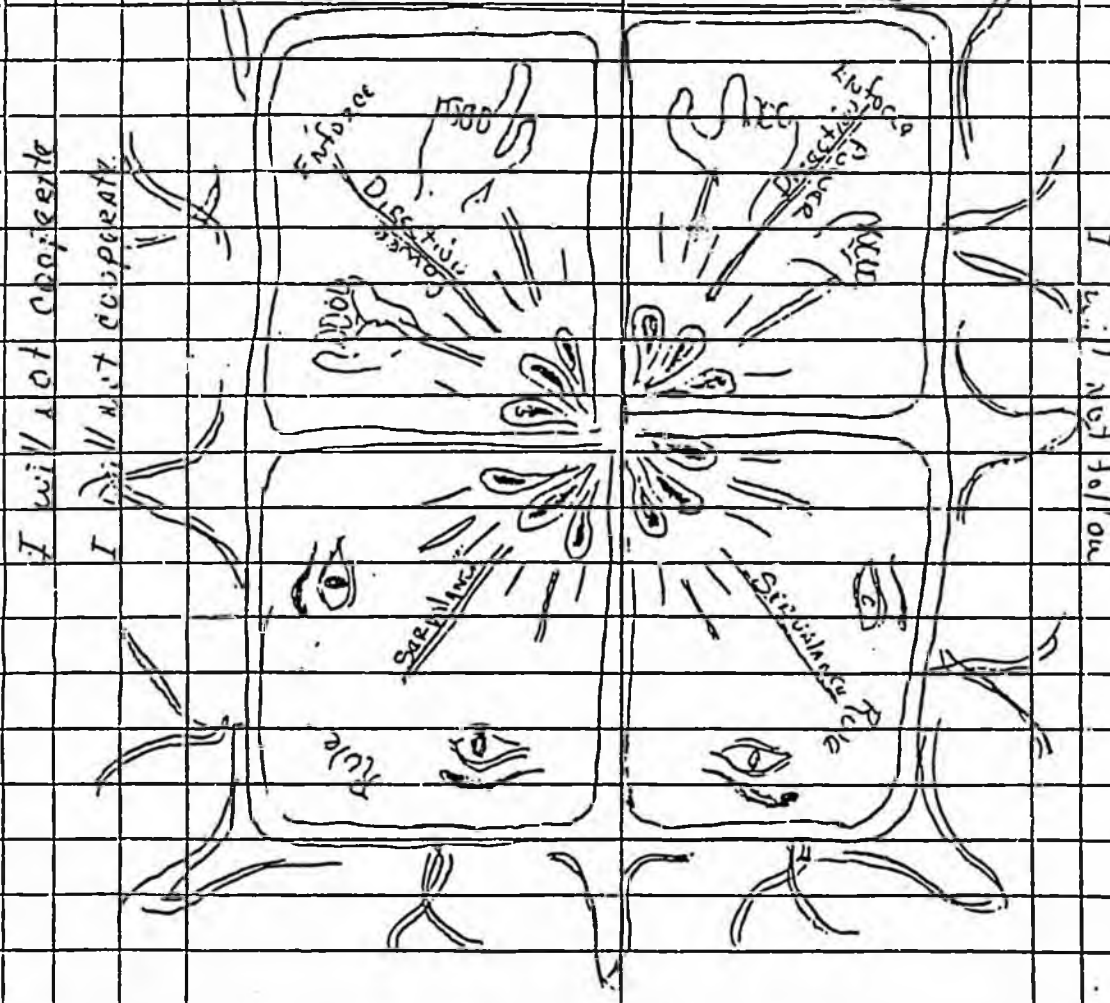
*P.O. Box 020805
Juneau, AK 99802*

Probation will only hurt your self!!

Time Clock	Date	19	Driver	Cob No.
	SPEEDOMETER	TOTAL MILES	PAID MILES	UNITS
FINISH		She will die trying		
START		She is not helping anyone		
Mrs. Worked	DIF.	But going to hurt her self.		
		TRIPS		
		UNITS		
		EXTRAS		
		OUT OF TOWN		
		TOTAL TURNED IN		

DICTATORSHIP - IS NOW!

TRIP	No. Pass.	TIME OUT	TIME IN	FROM	TO	OUT OF TOWN	CITY
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							



I will not follow

DICTATORSHIP IS BETTER

GASOLINE	1	2	3	4	5	6	7	8	9	10	OIL	1	2	3	4	5
----------	---	---	---	---	---	---	---	---	---	----	-----	---	---	---	---	---

TRIP	No. Post.	TIME OUT	TIME IN	FROM GOOD	TO BAD	OUT OF TOWN	CITY
23					They have not DEVIED me, but		
24					only destroyed them selves.		
25					You have come to your FND.		
26	Edm			People	You that have come to hurt		
27	Edm			back to	me ARE STARING at self destruction		
28	Edm			back to	Right in the fac. For the Fox will		
29	Edm			back to	Starting At my NERVES		
30	Edm			back to	Starting At my NERVES		
31	Edm			back to	Starting At my NERVES		
32	Edm			back to	Starting At my NERVES		
33	Edm			back to	Starting At my NERVES		
34	Edm			back to	Starting At my NERVES		
35	Edm			back to	Starting At my NERVES		
36	Edm			back to	Starting At my NERVES		
37	Edm			back to	Starting At my NERVES		
38	Edm			back to	Starting At my NERVES		
39	Edm			back to	Starting At my NERVES		
40	Edm			back to	Starting At my NERVES		
41	Edm			back to	Starting At my NERVES		
42	Edm			back to	Starting At my NERVES		
43	Edm			back to	Starting At my NERVES		
44	Edm			back to	Starting At my NERVES		
45	Edm			back to	Starting At my NERVES		
46	Edm			back to	Starting At my NERVES		
47	Edm			back to	Starting At my NERVES		
48	Edm			back to	Starting At my NERVES		
49	Edm			back to	Starting At my NERVES		
50	Edm			back to	Starting At my NERVES		

INCIDENT REPORT

NAME: INFORMATION	D.O.B.	INSTITUTION: WILDWOOD CORRECTIONAL CENTER	DATE: 06/27/85
----------------------	--------	--	-------------------

INCIDENT
 DISCIPLINARY
 ACCIDENT
 INJURY

DESCRIBE INCIDENT: _____
 RULE INFRACTION _____

At approximately 1500 hours, above noted date, while conducting a search of the basement area this Officer discovered the following items of contra-band/weapons.

1. One piece of metal approximately two and one half inches wide and approximately two and one half feet long fashioned and sharpened into a sword type knife. This item was located in the air vent in the janitorial closet in the basement. NOTE: It was necessary for me to aquire a screw-driver to gain access to this suspected weapon.

2. One soda pop can containing an unknown oily substance with a cloth running from the inside of the can to the outside. This item is suspected to be a firebomb. The item was located in a vent in the old weight room in the basement. This item was located and set up in a way that would cause the liquid to spill onto the front of the person who found it unless, of course, the person knew exactly where it was located.

3. One wooden stick approximately three feet long with razor blades attached to the end. This item is suspected to have been constructed for use as a weapon.

Item #1 and #3 are currently secured in evidence locker #1. Item #2 was destroyed due to the dangerous nature of the liquid inside.

COPY OF INCIDENT TO OFFENDER _____ DATE _____ TIME _____

DISPOSITION: These items were not found due to a random search. The search was conducted after I recieved a telephone call from Officer [redacted] from her home informing me that she had found a note in her jacket from an unidentified inmate with the areas that these items could be located. There is reason to believe that at least one additional firebomb is in the building.	CHAIRMAN:
	MEMBER:
	MEMBER:

EVIDENCE UPON WHICH DECISION WAS MADE:

*Cop to all proper staff
 11/27/85*

YOU HAVE A RIGHT TO APPEAL THIS DECISION WITHIN 72 HOURS, IN WRITING TO THE SUPERINTENDENT. DATE AND TIME SUBMITTED _____ TO WHOM _____

REVIEWED BY SUPERINTENDENT _____

FINAL COPY TO OFFENDER _____ DATE _____ TIME _____ OFFICERS INITIAL _____

RECEIVED DEC 26 1989

James Duncan + P.O.

December 21, 1989
P.O. Box 917
Douglas, AK 99824

The Honorable James Duncan
Alaska State Senate
Pouch "V"
Juneau, Alaska 99811

RE: PEACE OFFICER RETIREMENT FOR PROBATION OFFICERS

Dear Senator Duncan:

It is my understanding that you will be attempting to pass a bill during this legislative session which will give Alaskan Probation/Parole Officers 20 year retirement.

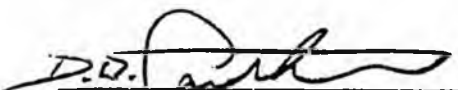
I wish to express my support of this bill and any actions you feel appropriate to have it passed into law.

I am presently the Superintendent of the Lemon Creek Correctional Center and have worked for the Alaskan Corrections system for approximately 14 years. I have had the privilege of being an institutional probation/parole officer at Lemon Creek for several years and a field probation/parole officer in Bethel Alaska for several years. It is a dangerous job and in my opinion, deserving of the 20 year retirement. I personally have been in numerous situations where I was stranded, due to weather, in small, isolated western Alaskan villages for days and had to deal with intoxicated felonious probationers shooting firearms or assaulting family members.

Additionally, institutional probation/parole officers deal one hundred percent of their time with some of Alaska's most dangerous prisoners. If a list were developed outlining several of the prisoners presently incarcerated and their offenses, I believe it would underscore the difficult and dangerous job these professional officers have.

Again, I appreciate your efforts in obtaining 20 years retirement for probation/parole officers and recognizing the important role they play in our Criminal Justice System. Thank you.

Sincerely,


D. W. Carothers

DWC/jmg
cc: Representative Swackhammer

November 21, 1989

Sen. Jim Duncan
P.O. Box V
Juneau, Alaska 99811-3100

RECEIVED NOV 27 1989

*Raymond
P. Kelly*

Dear Jim,

I am writing this letter to add my support to the bill you will be submitting this legislative session that would place Probation Officers under the 20 years retirement plan.

I have been with the Department of Corrections for approximately 21 years now. Four of those years has been as a Probation Officer assigned to the Lemon Creek Correctional Center. During my time at this facility as a Probation Officer I was exposed to the same dangers that Correctional Officers faced. As an institutional Probation Officer I have prepared many many reports that have resulted in inmates not getting out on parole. I have been required to qualify with weapons. I have had to pick up inmates on work furlough that had violated rules.

It should be noted that Probation Officers do have some power of arrest. It should be understood that Probation Officers face physical injury or death when attempting to arrest Parole/Probation violators that do not want to return to jail. Passage of this bill will of course make me eligible to retire. It will, I believe, save the State money down the road. There are many employees that would take advantage of the retirement that have lots of years in and are well up on the pay scale. The State of Alaska could hire replacements for those people for I would think one third the cost.

Thank you for your support in this matter

Yours Truly,

Brice H. Pearson

*Juneau
Lemon Creek Corr-Ctr*

Susan G. Ford
P.O. Box 2748
Sitka, Ak 99835

Senator Jim Duncan
P.O. Box V
Juneau, Ak 99811-3100

November 21, 1989

Dear Senator Duncan:

I thought it would be helpful to share with you some "real-life" experiences I have had in my role as a probation officer over the past 8 years. I believe you will agree that a probation officer is most definitely a peace officer and subject to the same stresses and hazards as law enforcement officers etc.

Approximately three years ago I was supervising a man with a history of misdemeanor assaultive conduct as well as felony level property crimes. This individual had a serious alcohol problem which further increased his potential for violence. While residing in Sitka this man violated his probation by committing a new misdemeanor offense, consuming alcohol and failing to report to his probation officer. He was arrested and a bail review hearing was held. The judge released this man back to the community under the condition he not consume alcohol at frequent establishments that serve alcohol. Less than 6 hours later, while having dinner at a local

restaurant, I observed this man staggering through the restaurant. Consequently I enlisted the assistance of our local police department and contacted this man on his fishing vessel. He was extremely intoxicated. I arrested him for violating probation and his conditions of release. This man proceeded to threaten me over the course of the booking process and for several days thereafter. He threatened to shoot me, sink my boat when my family was on it, blow me up, and harm my family. Following his court arraignment he whispered to me that I would be sorry if he got out of jail. Fortunately this man did not follow through on his threats but he did cause a good deal of anxiety and concern for my family and myself.

Approximately 4 years ago I was involved in the search of one of my probationers houses. This individual had 2 prior felonies and an assaultive background. The search turned up several handguns and ammunition stolen in a burglary several weeks previously. Fortunately I was able to arrest this man without incident but the potential for

harm is always there. The very nature of our jobs (places probation officers in a touchy position); we enforce the orders of the Court which often means violating a persons probation and threatening their freedom.

On one occasion following a sentencing hearing 2 1/2 years ago in which I recommended a stiff sentence for a child abuser, the defendants wife became extremely angry. Not only did she verbally assault me in the courtroom but she attempted to physically confront me. The defendant (her husband) was able to grab her and hold her down while I left the Court Room.

Finally I wanted to share with you an incident that involved a fellow probation officer in the Anchorage / Kenai area. This man had his home fire bombed and was seriously burned as a result. Although the police investigation was never able to determine who was responsible, this man was very certain one of his probationers was to blame based on past supervision problems.

In conclusion, there is always the potential

you violence with this position. There is certainly ongoing stress and the underlying knowledge that many of our day to day duties place us in dangerous situations.

Thank you once again Senator Duncan for your sponsorship of the bill relating to placing probation officers under Peace Officers Retirement.

Sincerely,

Susan J. Toed
P.O. Box 2748

SITKA, ALASKA 99835

CC Representative Ben GRUSSENDORF
Senator Richard ELIASON

Alaska State Legislature

HOUSE OF REPRESENTATIVES



RECEIVED NOV 14 1989

E 'RECEIVED'

1989

REPRESENTATIVE FRAN ULMER

November 13, 1989

Senator Jim Duncan
P.O. Box V
Juneau, AK 99811

Dear Senator Duncan:

I would like to let you know of my support for your proposed legislation which would include probation officers under the status of peace officers for retirement in the Public Employees Retirement System. I would be very interested in receiving more information pertaining to this proposed legislation, including information relating to the cost of adding these employees to PERS.

Please let me know if there is anything I can do to help with this proposal on the House side.

Sincerely,

Handwritten signature of Fran Ulmer in cursive script.
Fran Ulmer

Ketchikan

November 8, 1989

Senator Jim Duncan
ATTN: Roxanne
PO Box V
Juneau, Alaska 99811

Dear Roxanne:

Lew Reece indicated to me the other day that Senator Duncan would be interested in some of the day to day activities of probation officers in terms of the Peace Officers Retirement. Let me give you some examples of things that have happened recently. In my own case, just a few days ago I assisted Bob Collins in arresting a murderer we have on parole. It was a fairly routine arrest except for the fact that the guy was a dangerous person who gets real dangerous when he has been drinking and that is basically why we arrested him. It is always a touchy situation when you go to arrest one of these fellows who has violently taken someone's life in the past (he stabbed his wife to death with a letter opener during one of his drinking bouts). At any rate, you don't know when you go to arrest one of these guys if they are armed or not. In this case he went along with us without any problems and we were relieved that that was the situation.

I just got a call from Sue Ford in our Sitka Probation Office. She notifies me that the probation office car has had the tires slashed. She doesn't know who did it but it could be any one of a number of people that she has supervised. Sue, by the way, has had several threats to her over the past years she has worked in Sitka and will be forwarding a copy to Senator Duncan detailing those threats.

Enclosed with this letter is a threatening letter to Patty Barnes, our probation officer in Ketchikan. The letter is postmarked from Seattle on 23 October 1989. The contents of the letter you can read for yourself and interpret for yourself what it might mean. Again, we don't know who sent the letter but assume it is someone she has been supervising, either on probation or parole.

Finally, attached is a sheet of photographs of guns recovered from the Fairbanks Probation District in the past year. This does not include all of the guns that have been recovered but for graphic purposes does include many automatic weapons which are not, of course, used for hunting purposes.

Senator Jim Duncar,
November 8, 1989
Page Two

I have encouraged the probation officers to contact your office with information concerning their daily activities with reference to the stress level and the hazardous duty that we really are engaged in. This is peace officer work, no two ways about it and the probation officers should be accorded the benefit of Peace Officer Retirement.

Again, Roxanne, thanks to you and Senator Duncan for your help with this.

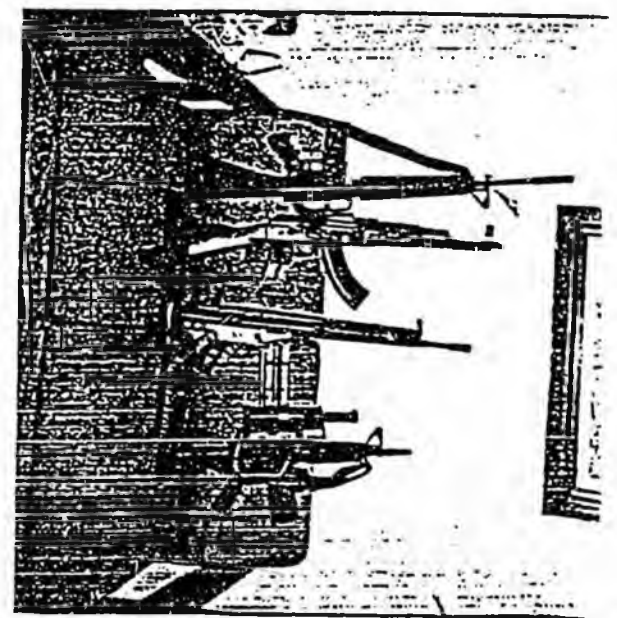
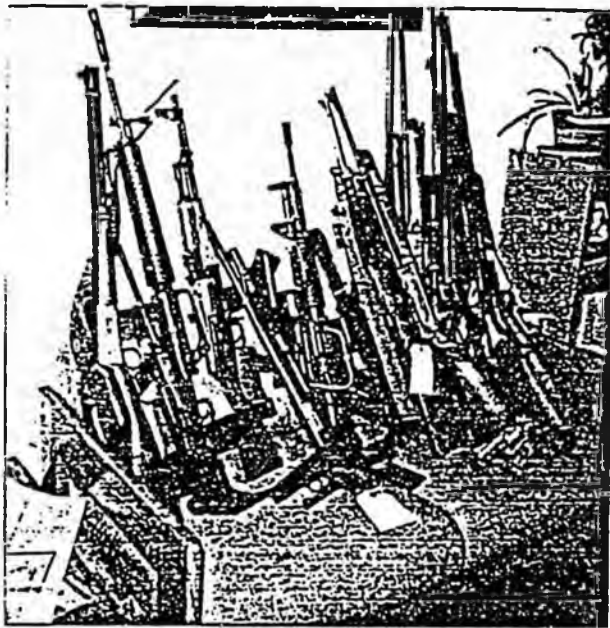
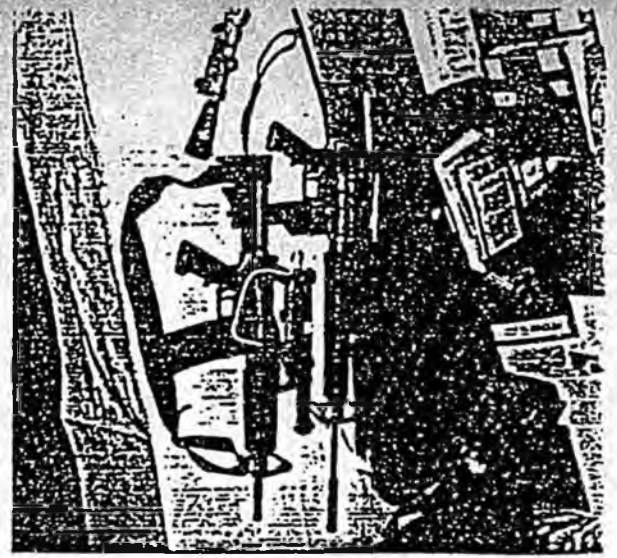
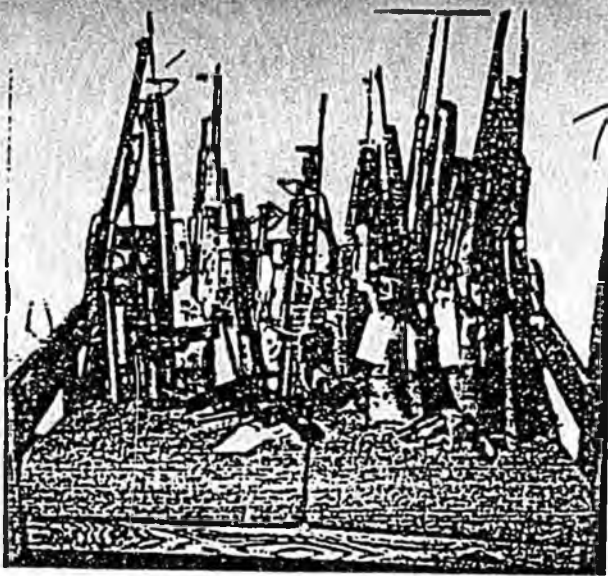
Sincerely,



Keith Stell
17025 Glacier Highway
Juneau, Alaska 99801

KS:cm

cc Representative Fran Ulmer
Representative Bill Hudson
Representative Swackhammer





Patty Barnes
415 main st rm 202
Ketchikan, Alaska
99901

BITCH,
HELL
IS
COMING
TO
GET
YOU!

RECEIVED

Carlson

November 2, 1989

Senator Jim Duncan
Alaska Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Duncan:

I thought that a few examples of danger and stress faced by probation officers might help you justify your Bill putting probation officers under the Peace Officers Retirement System.

Some examples from my own experience include threats made on my life by dangerous psychopaths like Wallace Creer in 1984. My life was threatened by Gary Nolt in 1986 and 1987. My family has been threatened by probationer Randy Rodrigues in 1987. These are only a few examples. In actuality, my life has been threatened many times by probationers and parolees but, unfortunately, I do not always make notes and so when relying on my memory, I can't always remember names and dates from long ago.

I was assaulted at Lemon Creek Correctional Center when I was booking probationer Laberne Ebona in 1988. I was assaulted by probationer Gary Nolt in 1982. Probationer Ken Lancaster drove by the probation office and shot at our windows with a 12 gauge shotgun in 1986 or 1987. He hit the windows of the law library one floor above us; however, at an adjudication hearing the Court found that Mr. Lancaster was attempting to hit the windows in the probation office.

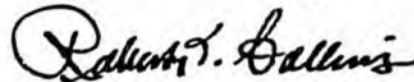
We routinely arrest probationers and parolees and are empowered to do so by statute (AS 33.05.070 and 33.16.240). In July, 1987 I accompanied several Juneau police officers and Alaska State Troopers to the residence of Daniel Trapp, a probation absconder. Mr. Trapp refused to answer our instructions to come out and surrender. The door was kicked down and we entered with guns drawn. Mr. Trapp was inside, extremely intoxicated, with a rifle not far away. In 1986 I searched the residence of probationer Scott McGonegal where I found substantial quantities of cocaine and a 9 mm sub-machine gun. I could cite a number of other examples.

Senator Jim Duncan
November 2, 1989
Page Two

I am enclosing a copy of Department of Corrections Policy and Procedure 902.16 which describes the Department's gun policy. It is currently being revised to allow probation officers more independent discretion.

Jim, I have called a number of other probation officers around the State and have asked them to give you a few examples from their own personal experience, hopefully the equivalent of the information I have provided above. If I can be of further assistance, please do not hesitate to call on me.

Very Truly Yours,



Robert K. Collins
Probation Officer III
Juneau

RKC/cm
Enclosure

RECEIVED OCT 27 1989

File

October 23, 1989

Senator Jim Duncan
P.O. Box V
Juneau, Alaska 99811-3100

Dear Senator Duncan:

Great news has been forwarded to us of the job well performed in your recent introduction of a bill recognizing Probation Officers be implemented in the Peace Officers retirement. Your work, support and action on our behalf is greatly appreciated. Contact has been made to our State Senator and House Representative in Juneau, Alaska, requesting they support or co-sponsor your bill.

Again, Senator, great thanks for your recent work and support of the bill.

Sincerely,

Paul P. Smith
Paul P. Smith
Probation Officer III

Donald L. Constantine
Donald L. Constantine
Probation Officer II

Rebecca A. Hildreth
Rebecca A. Hildreth
Probation Officer II

Robert D. Rearden
Robert D. Rearden
Probation Officer I

P.O. Box 1114
Bethel, Alaska 99559-1114

RECEIVED OCT 24 1989

Royanne

October 23, 1989

Senator Jim Duncan
P. O. Box "V"
Juneau, AK 99811-3800

Dear Senator Duncan,

I am writing this letter to express my appreciation concerning the bill you have submitted which would grant probation officers law enforcement retirement.

As you are aware, probation officers believe that peace officer retirement is long overdue. We will do whatever we can to generate support for the bill and trust that you will work vigorously to see that it passes.

If there is anything that myself or other probation officers can do to assist you in the passage of this bill, please let us know. Once again, a sincere thanks for sponsoring the bill and for considering the interests of state employees. There are many of us who will not forget your efforts past and present.

Sincerely,

Curt Geoffrion

Curt Geoffrion
District Supervisor
Adult Probation
Kenai

6

0-1

October 17, 1989

ALASKA PROBATION/PAROLE ASSOCIATION POSITION PAPER

The Alaska Probation/Parole Association supports the passage of Senator Duncan's proposed legislation. This bill would make probation officers members of the Peace Officers Retirement System. Current employees would have the option of buying into the Peace Officers Retirement System. New employees hired after the effective date of the bill would automatically be members of the Peace Officers Retirement System. Requiring current employees to "buy in" will maintain the integrity of the retirement fund.

It is the position of the Association that, in order to attract and retain qualified probation officers, encourage career advancement, and fairly compensate probation officers for the physical and mental stress of their job duties, probation officers should be placed in the Peace Officers Retirement System. The Association offers the following commentary in support of this position.

Alaska Statute 01.10.060(6) defines "peace officer" as follows:
"Peace officer" means any officer of the State Troopers, members of the police force of any incorporated city or borough, United States marshals, and their deputies, and other officers whose duty it is to enforce and preserve the public peace;." Alaska Statute 11.81.900(38) defines peace officer as "... a public servant vested by law with a duty to maintain public order or to make arrests whether

the duty extends to all offenses or is limited to a specific class of offenses or offenders." In addition to the counseling and rehabilitative aspects of probation and parole work the State of Alaska class specifications for probation officer provide: "Probation Officers investigate cases of parole or probation violators, compile evidence required to effect the suspension of parolee or probationer, and apprehend violators for return to custody." Furthermore, the class specifications require that the probation officer "Cooperate with local and state police, institutional and judicial officials in the supervision of parolees and probationers," and "maintains personal contacts at office and periodically visits with parolees and probationers to assist them with problems of social readjustment." In simpler language, probation officers arrest suspected probation and parole violators, take them to the jail and book them into jail in exactly the same manner as any other peace officer. Likewise, probation officers are required to meet probationers and parolees in the field, often at the probationer's or parolee's residence under tense and hostile situations. Probation officers are required to search probationers and parolees and their residences and automobiles for the presence of drugs, stolen property, weapons, etc. Sometimes arrests and searches are accomplished with the assistance of other peace officers.

When the safety of the probation officer and society require it, probation officers are authorized to carry weapons when making arrests, home visits, and searches. In addition to the traditional law enforcement aspects of the probation officer job the nature of their service in overseeing the rehabilitation and

readjustment to society of felony offenders certainly constitutes the maintenance of public order. Probation officers are also authorized to execute judge-issued arrest warrants per A.S.33.05.070 and A.S.22.15.210. Probation officers are designated officers of the Court under A.S.33.05.030.

Probation officers also work in institutions counseling prisoners, classifying prisoners for custody and treatment, and otherwise supervising prisoners. They work directly beside correction officers and are exposed to exactly the same risk of physical harm and the same mental stress as correction officers. 7AAC60.195(e) includes institutional probation officers in the definition of "professional correctional personnel" along with correctional officers, assistant superintendent, etc. and requires that they complete similar training and meet the same rigorous physical standards. At the present time, correction officers are already members of the Peace Officers Retirement System as described in A.S.39.35.680(27)(C). It seems particularly unfair that probation officers who work in the institutional setting should be denied the same coverage in the retirement system as the other employees who work in exactly the same area and encounter the same risk and stress.

Field probation officers can transfer into institutional probation officer jobs, institutional probation officers can transfer into field probation jobs and institutional correctional officers have the opportunity to seek promotion to the position of probation officer. It would

greatly facilitate effective personnel management in the probation/parole field if institutional staff and field staff could make lateral transfers and seek promotions without having to fear loss of retirement status. In short, a correctional officer has it, a probation officer does not.

Federal probation officers in Alaska are members of the Federal Peace Officers Retirement System. A number of other state and local probation offices throughout the United States provide that their probation and parole officers be members of the Peace Officers Retirement System or have the option to join the Peace Officers Retirement System. A recent study conducted by the Anchorage Probation Office revealed that twenty-six other states define their probation officers as "peace officers" and that thirty-six states require probation officers to make their own arrests.

There is no question that probation officers render service to the state that of necessity places them in hazardous situations. Physical confrontation is to be expected. The fact that people lose their physical vigor and strength with age is a self-evident proposition. The state should encourage the retirement of person with jobs that have these demands before they pass the age where they may become a more likely target for assault by an offender. Likewise, the stress occasioned by the ever-present possibility for violence to the probation officer and threats to his family are quite similar to those experienced by police officers and should be treated in the same way.

Finally, Adult Probation Officers are under the Police Standards Council by virtue of recent legislation. They are the only employee class of peace officers under the council who do not receive peace officer retirement. This legislation is consistent with the goals and objectives of the Department of Corrections, and hopefully the Governor. So long as probation officers are expected to discharge peace officer functions, their retirement benefits should reflect that fact.

Probation Officers are vitally concerned - as are other Peace Officers - about the rampant drug use taking place in the communities of Alaska. In the war on drugs, however, the Probation Officer is often forgotten. When it comes to funding the PO is often overlooked. More and more cases etc., etc. But beyond that, it should be noted that an ever increasing number of the Probation Officer's cases are drug related. These cases can be very hazardous. There is often a great deal of money involved and in many cases - guns.

The photographs of the confiscated guns from the Northern District Probation Office are representative of firearms seized through drug related crimes. Many of the threats made on the lives of Probation Officers are drug related as a result of the Probation Officer simply doing his/her job in arresting or rearresting some dope dealer. The job is hazardous and stressful. Recognition of Peace Officer status for retirement purpose is a very positive step the Legislature can take to recognize the need to compensate these officers for the years of work protecting society.

ALASKA PROBATION and PAROLE ASSOCIATION
FACT SHEET

1. PROBATION OFFICERS are PEACE OFFICERS as defined by AS 11.81.900 (38).
2. Probation Officers have the authority to transport felons in custody, conduct searches and make arrests without warrants.
3. Probation Officers duties require that they deal exclusively with felons in community placement.
4. Probation Officers are the only employee class of Peace Officer under the Police Standards Council who are not included in Peace Officer retirement.
5. Probation Officers are routinely subjected to the same stress and danger that other Peace Officers are .
6. Probation Officers are tasked to enforce court orders, Alaska statutes for a special class of offenders- Felons.
7. In a sense of fairness and recognition of contributions to public safety Probation Officers should be included in Peace Officer Retirement.

Kayam

DEPARTMENT OF CORRECTIONS

STEVE COWPER, GOVERNOR

REPLY TO:

- X JUNEAU PROBATION OFFICE
P.O. BOX 021224
JUNEAU, ALASKA 99802-1224
PHONE: (907) 465-3180
- KETCHIKAN PROBATION OFFICE
ROOM 202, 415 MAIN STREET
KETCHIKAN, ALASKA 99901-6398
PHONE: (907) 225-3179
- SITKA PROBATION OFFICE
304 LAKE STREET, ROOM 210
SITKA, ALASKA 99835-7599
PHONE: (907) 747-6641

RECEIVED October 12, 1989

Senator Jim Duncan
P.O. Box V
Juneau, Alaska 99811

Dear Jim:

Chief Probation Officer Keith Stell tells me that you are filing a bill which would place probation officers under the peace officers retirement system. Thank you very much for supporting these efforts. We have been trying, without much success, to get under the peace officers retirement system for years.

Probation officers deal only with felons (no misdemeanants). The felons we deal with every day are often violent, emotionally disturbed people. We are required to go out into the community, sometimes at night, and arrest these people when they violate probation or parole. Likewise, our very heavy workloads, danger, and deadlines imposed by the Court, cause a high level of stress in this job.

Although I am no actuary, there are so few probation officers I cannot believe that the cost of including us in the peace officers retirement system is going to be more than a "drop in the bucket." Furthermore, it is my understanding that probation officers (myself included) are certainly willing to shoulder a share of any financial burden that our entry into the peace officers retirement system might occasion.

Once again, I wish to thank you very much for all the help you have given us and other public employees over the years.

Best regards,

Robert K. Collins

Robert K. Collins
District Probation Supervisor
Juneau

RKC/cm

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: University of Alaska
 Title: An Act Granting Probation
Officers Status of Peace Officers BRU: All
 Sponsor Under PERS Duncan Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	19.1	19.1	19.1	19.1	19.1	19.1
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	19.1	19.1	19.1	19.1	19.1	19.1

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	19.1	19.1	19.1	19.1	19.1	19.1
FEDERAL FUNDS						
OTHER						
TOTAL	19.1	19.1	19.1	19.1	19.1	19.1

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The attached sheet discusses the fiscal implications of this bill to the Public Employees' Retirement System.

Prepared by: Marsha Hubbard Phone: 474-7593
 Division: Director, Statewide Budget, Date: 2/9/90

Approved by ~~Commissioner~~ Brian Rogers Date: 2/9/90
 Agency: University of Alaska

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

This fiscal note did not accompany the bill.

Fiscal Note Analysis for Senate Bill 348
"An Act Granting Probation Officers Status of Peace Officers Under PERS"
Prepared by the University of Alaska
February 9, 1990

Analysis: This bill is intended to include Public Employees' Retirement System (PERS) members who serve as Probation Officers under "Peace Officer/Firefighter" coverage. They are currently covered under the "All Other" category.

This bill, if amended to clarify the covered group, will increase the state FY91 PERS contribution rate by .03%. The University of Alaska PERS payroll is estimated to be \$63,654,027 in FY90 and relatively stable each year thereafter.

U of A FY90 PERS Payroll

\$63,654,027
X .03%

\$19,096



Brian Rogers
Vice President for Finance
(907) 474-7448

University of Alaska
Fairbanks, Alaska 99775-5260

February 9, 1990

The Honorable Jim Duncan
Room 119
Capitol
P. O. Box V
Juneau, Alaska 99811

RE: Fiscal Note for Senate Bill 348

Dear Senator Duncan:

Enclosed is a copy of the University's fiscal note for Senate Bill 348, "An Act Granting Probation Officers Status of Peace Officers Under PERS."

If you have any questions about the note, please do not hesitate to contact me or Marsha Hubbard, Director of Statewide Budget at 474-7593.

Sincerely,

A handwritten signature in black ink, appearing to be "BR", written over a large, stylized "R".

Brian Rogers
Vice President for Finance

BR:kap

Enclosure

cc: Alison Elgee, Division Director for Office of Management & Budget
Gina Spartz, Administrative Assistant for Legislative Finance Division
Senator Fred Zharoff
Senator Arliss Sturgulewski
Senator Rick Halford

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9

SENATE FINANCE COMMITTEE REPORT

DATE: 1/23/90

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered SB 349

An Act requiring dealers of new motor vehicles to be franchised.

and recommended:

- replace with _____ CS _____
- or adopt _____ CS _____
- attached amendment(s)
- _____ letter of intent adopted

- same title
- new title
- technical title change (HB only)

- do pass *Hearing 2-23-90*
- do not pass *Died in subcommittee*
- no recommendation *under Senators Binkley*
- individual recommendations *and Duncan.*
- further referral to _____

ATTACHES NEW FISCAL NOTE(S): Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS: Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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

24

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: January 8, 1990

FURTHER: Finance

Date of 5-Day Notice: 1/18/90
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 1/23/90

Labor and Commerce Committee considered

SENATE BILL NO. 349

"An Act requiring dealers of new motor vehicles to be franchised."

and recommended:

replace with _____ CS SB 349 (L+C) same title
 attached amendment(s) new title
 _____ letter of intent adopted *reports it back as follows:*

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) _____

zero fiscal note(s) Public Safety 1/16/90

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

[Handwritten Signature]

OTHER RECOMMENDATIONS:

James Hill No Rec
Attili Bodley no rec

[Handwritten Signature]
Chair: Signature and Recommendation

Offered: 1/23/90
Referred: Finance

6-1775E

Original sponsor(s): SEN. DUNCAN

1 IN THE SENATE

BY THE LABOR & COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 349 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act requiring dealers of new motor vehicles to be
7 franchised; and providing for an effective date."

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

9 * Section 1. AS 08.66 is amended by adding a new section to read:

10 Sec. 08.66.015. SALES OF NEW MOTOR VEHICLES. A person may not
11 engage in business as a dealer in new motor vehicles in the state or
12 register as a dealer in new motor vehicles under AS 08.66.010 unless
13 the person has a sales franchise from, or is authorized by, the man-
14 ufacturer of the new motor vehicles to engage in the retail sale and
15 warranty repair of the vehicles in the state.

16 * Sec. 2. AS 08.66.030 is amended to read:

17 Sec. 08.66.030. FORM OF APPLICATION. The Department of Public
18 Safety shall prescribe and furnish the form of application for dealer
19 registration. The application shall contain

20 (1) the name under which the business is conducted;

21 (2) the location of business;

22 (3) the name and address of all persons having an interest
23 in the business, and in the case of a corporation the application
24 shall contain the name and address of the two principal officers;

25 (4) the name and make of all vehicles handled;

26 (5) whether or not used vehicles are handled;

27 (6) a statement that the applicant is a bona fide dealer in
28 motor vehicles, trailers, or semi-trailers with an established busi-
29 ness at the location given;

1 (7) if the applicant is a dealer in new motor vehicles, the
2 name of the manufacturer of the new motor vehicles and the date and
3 duration of the applicant's sales franchise with the manufacturer;

4 (8) other information the Department of Public Safety
5 requires to administer this chapter.

6 * Sec. 3. AS 45.50.471(b) is amended by adding a new paragraph to read:
7 (29) violating AS 08.66.015.

8 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).
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BY SEN. DUNCAN

1 IN THE SENATE

2 SENATE BILL NO. 349

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act requiring dealers of new motor vehicles to be
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26 (5) whether or not used vehicles are handled;

27 (6) a statement that the applicant is a bona fide dealer in
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29 ness at the location given;
S

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FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act requiring dealers of new motor vehicles to be franchised
Sponsor: Cuncan
Requestor: Senate Labor & Commerce

Agency Affected: Public Safety
BRU: Division of Motor Vehicles
Component: Field Services

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER/PROG RCPT	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Negligible fiscal impact.

Changes in CS SB 349 (L&C) have no fiscal impact. This fiscal note is appropriate.

Prepared by: Jay N. Dulany, Director
Division: Motor Vehicles

Phone: 269-5551
Date: 1/16/90

Approved by Commissioner: Arthur English
Agency: Department of Public Safety

Date: 1-19-90
Page 1 of 1

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Public Safety
Title: An Act requiring dealers of new BRU: Division of Motor Vehicles
motor vehicles to be franchised
Sponsor: Duncan Component: Field Services
Requestor: Senate Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER/PROG RCPT	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Negligible fiscal impact.

Prepared by: Jay N. Dulany, Director
Division: Motor Vehicles

Phone: 269-5551
Date: 1/16/90

Approved by Commissioner: Arthur English
Agency: Department of Public Safety

Date: 1-19-90
Page 1 of 1

SB 349
file



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: SB 349

APPROVED: Mark A. Hill

TITLE: An Act requiring dealers of
new motor vehicles to be franchised.

DATE: January 19, 1990

The Department of Transportation and Public Facilities has the statutory responsibility for management of the Statewide Equipment Fleet (SEF). SEF is responsible for procurement of new replacement equipment for the fleet in order to provide safe, reliable, and cost-effective vehicles to state agencies.

Although SEF requires bidders to be a "...factory authorized dealer...", the proposed Act adds undisputable authority to this bid language. This statutory assurance minimizes the probability of the state or its citizens being sold equipment by a vendor who has no intention of providing the agreed to after sale warranty and service. This levels the playing field for all vendors and by doing so, enhances the fairness of competitive bidding in the public sector and ensures responsible service to the private sector.

For these reasons, the department supports this legislation in that it is not only in the best interests of the State Equipment Fleet, but is in the best interests of the citizens of this state.



Kenai Chamber of Commerce
402 Overland
Kenai, Alaska 99611
(907) 283-7989

February 16, 1990

Senator Jim Duncan
P.O. Box: 020690
Juneau, Alaska 99802

REFERENCE: SB 349

Dear Senator Duncan:

The Board of Directors of the Kenai Chamber of Commerce would like to commend you on your introduction of SB 349. We feel efforts to eliminate non-franchised dealers is to the benefit of our local buyers who may acquire not only a new product, but quite often a new product with no warranty or service agreements.

Out of State brokers avoid local taxes, employees, overhead and the off shoots of all of those which make our communities a better place to live.

We would appreciate it if you could direct copies of this letter to appropriate Senators and/or committees. Good luck in your endeavors and feel free to call on us if we can provide additional support.

Sincerely,

Laura Measles

Laura Measles, President
Board of Directors

LM/amc

PIONEER HONDA

1801 East Dowling Road • Anchorage, Alaska 99507 • (907) 565-8663

MARCH 2, 1990

SENATOR RICK UEHLING
P.O. BOX J
JUNEAU, AK 99811

RE: SENATE BILL 349

DEAR SENATOR UEHLING,

AS OWNER OF PIONEER HONDA, ACURA OF ANCHORAGE, AND EERO VOLKSWAGEN,
PORSCHE, AUDI AND ISUZU I WISH TO ENCOURAGE YOU TO REINSTATE THE ORIGINAL
S.B.349.

THE REVISED BILL DOES NOT ADDRESS THE PROBLEM ENTIRELY AND IS GOING TO
BE DIFFICULT TO ADMINISTER.

THANK YOU FOR YOUR CONSIDERATION AND PLEASE DISTRIBUTE THIS LETTER TO
THE OTHER COMMITTEE MEMBERS.

SINCERELY,



PHILIP C. BLACKSTONE
PRESIDENT

Competition key in auto sales

By KATE RIPLEY
THE JUNEAU EMPIRE

Buying a new car? Should you do business with a local dealer or a Lower 48 broker?

Dealers say that overall, they offer the better value in terms of price and service.

Brokers say they offer lower prices.

Buying a car is more affordable for Juneau consumers these days because of increased competition and a buyer's market, local car dealers say.

"The general climate in Juneau with respect to automobile dealers is extremely competitive," said Steve Allwine, part-owner of Mendenhall Auto Center, 8725 Mallard St.

"A person living in Juneau has a tremendous opportunity in buying a car, either from a dealer in town or in the Seattle metropolitan area," Allwine said.

New dealerships contribute to the competitive atmosphere in town, including the arrival of Lewis Motors over a year ago, and Allwine's dealership two years ago.

"I think the competition has been good for the consumer locally because I think the retailers have been more competitive in recent years, providing the consumer with a better selection of vehicles and better quality service," said John Holmquist, owner of Evergreen Ford, 8895 Mallard St.

People have a perception that buying a car from a dealer in Juneau is more expensive than buying elsewhere, Holmquist said.

Although that might have been true in the past, it's not anymore, said Jim Carter, a salesman for Honda Hut and Team Toyota, 8602 Teal St.

"I can understand the reluctance



of people here," Carter said. "In the past it may not have been as competitive as it is now. It's a buyer's market, not a seller's market, even here in Juneau."

"Car companies have equalized freight and pricing so that a car in Detroit costs the same as a car in Hawaii," said Harley Lewis, owner of Lewis Motors, 5245 Glacier Highway. Dealer markups in Juneau are usually about \$1,000 - the same as most dealer markups in Seattle, he said.

"People should at least give the local car dealers a chance, rather than assume they can get a better deal in Seattle," said Carter. "If you're going to live here and make your living here, why not support the local area?"

Car brokers - who aren't authorized from the factory to sell new cars - buy cars from dealerships and then sell them to consumers, usually at a reduced price.

"What dealers don't like about brokers is simply they can undersell the dealer in most cases," Carter explained.

Brokers usually buy from large dealerships outside Alaska that are overstocked in a particular make, Carter said. The dealership increases sales volume but doesn't have to service the customer's car later on, since brokers generally sell to someone from a different state or

area.

Though brokers may be able to offer lower prices, there are some drawbacks for the consumer.

"The biggest problem we had as a brokerage was getting the factory to be responsible for the warranty," said Todd Collins, the Southeast Alaska salesman for Bayside Auto Group in Seattle, a dealership that used to be a brokerage.

For instance, in smaller communities such as Angoon, a dealer can arrange with the local garage to do repairs under warranty, where a broker doesn't usually care enough to bother, he said.

"The broker is really a one-man operation who buys a car and then sells a car," Collins said. "He may or may not really care. With a dealer, somebody who has a franchise, we have to care by law."

A consumer who buys from a broker might actually be considered a second owner with some warranties, he said.

"As far as the consumer is concerned, it's very vague - some warranties are more concrete than others," Collins explained. "It depends on how the warranty is written by the manufacturer."

When a person buys one make from a broker, for instance, he or she is then considered a second owner and may not have full warranty coverage. Some warranties, though, will transfer, he said.

Regardless of where someone buys a car, if a franchised dealer carries the make, the business legally has an obligation to service the car, Carter said.

"If we had two cars in for servicing at the same time and one person bought that car here, we'd probably service that car first," said Carter, a car salesman for about 17 years. "We're under obligation to service the other also, but after we've taken

care of our customer."

Sen. Jim Duncan, D-Juneau, recently introduced a bill to the Alaska Legislature requiring dealers to be manufacturer-authorized to sell and perform warranty repairs on new cars.

According to a file note explaining the bill, SB 349, factory-authorized dealers in Alaska "typically end up holding the bag by honoring warranty agreements" for people who've bought a new car from a broker.

In addition to being beneficial to dealerships, though, the bill also aims at consumer protection - especially for safety recalls.

As a former broker, Collins said he knows brokers usually don't keep records "because they're not required to by law."

"The broker could really get the recall notice and ash can it," Collins said. He pointed out that other states, including Washington, have similar laws to the one Duncan is proposing.

The competition from brokers irritates local dealers, said Dan Hudson, salesman for Edmondson United Auto Exchange, a brokerage in Seattle that sells cars in Juneau.

"Our prices are better," Hudson said. "They (dealers) just don't like us coming up there."

It's a matter of customer convenience when considering whether or not to buy a new car locally and from an authorized dealer, Holmquist explained.

"If you've got a problem with you're new car that you bought locally, you don't have very far to go to solve it. Anyone who values their business reputation will try to keep their customers coming back," Holmquist said.

The Senate Labor and Commerce Committee already approved SB 349 this week. It will go before the Finance Committee next.

SPONSOR'S BACKGROUND MATERIAL

To: Steve Allwine
Mendenhall Auto Center

2/21/90

On about July 1, 1986 my husband (Les Caudle) & myself took ownership of our 1986 Dodge Lancer ES, which we had ordered to our specifications from Roberts & Redfield.

Upon receipt of the car we went thru all the paperwork & received our Warranty Information explaining the 5yr/50,000 mile warranty for the first retail purchaser. The person at Roberts & Redfield did give us some paperwork for additional warranty, however after reading the 5yr/50,000 we decided this was not necessary.

In June of 1989 our car had to have major work done. Since this was within the 5yr/50,000 miles of the warranty, the work was done. However when Mendenhall Auto Center submitted the bill to the Chrysler Headquarters for payment it was denied, because we were not the 1st owner as this car was a lease car.

Upon hearing this Roberts & Redfield was contacted where upon they stated they had this problem occur before and they would pay any

bills incurred because of this paperwork confusion. They stated there was some confusion with Chrysler & themselves & they were liable for the bills because of this.

For approximately 4 months Roberts & Redfield was contacted by either myself or Mendenhall Auto Center each time saying they would pay the bill but they needed more information first. Then finally making accusations to me about lying about the care of my car & why would anyone work on a car before checking the warranty. This individual Donna was extremely uncooperative & unwilling to give out any supervisors names however after quite a stressful phone call she gave out 2 names & one phone number Rick Duncan & Bill Houston. These names were given to ~~Roberts & Redfield~~ Mendenhall Auto Center.

However after this stressful incident - I decided to contact the Chrysler Care in Portland Oregon ^(Customer Relations) where I could find a phone number. I then contacted the Detroit office who took the information & contacted the Portland Oregon Office. I promptly received a call from a Mr Tom Propper Service

Manager of Customer relations in Oregon.
I told him what happened & he stated
that there was a problem with the
warranty because of who we purchased the
car from. However he did pay the bill
at Mendonhall Auto Center for the major
warranty work but he would not extend
the warranty on the car even though
he admitted there was a problem.

Becky Laudle
1008 Bonnie doon
Juneau, AK

Roberts & Redfield
1313 W. Burnside
P.O. Box 10507
Portland, OR 97210
(503) 295-5556

Date: July 1, 19 86

Received From: Rebecca Caudle \$ 10,695.00
Ten thousand six hundred ninety five and no Dollars
100
For: prmt Dodge Lancer, FS Acct No. 86-164
Amt Acct _____
Amt Paid _____
Balance _____

THANK YOU

By: Donna Rorilly
_____ Cash _____ Check wire Cashier Check



New Domestic Passenger Car
and Truck Models
Excluding New York and Fifth Avenue

WARRANTY
INFORMATION

Owner's Name Les & Becky Caudle
Street Address 1006 Bonnie Doon
City and State JUNEAU, AK Zip 99801
Vehicle Identification Number 11B3B1X618181N21301116
Salesperson WINGE-WILLIAMS, JR Dodge DIR# 42579
Code _____ State AK
City FORTY-NINE, OR Zip 97233

NOTICE TO OWNER:
This document identifies this vehicle as being entitled to warranty service when
completed by your selling dealer and must be presented if warranty service is re-
quested.



81-016-0014

BILL OF SALE

Portland, Oregon

Date 7/1/86

For and in consideration of the sum of \$ 11,630.00
to me in hand paid, the receipt of which is hereby acknow-
ledged, I do hereby bargain, sell, transfer and convey unto:

Les & Becky Caudle

1006 Bonnie Doon

Juneau, AK 99801

all my right, title and interest to and in a certain
automobile, YEAR 1986 MAKE Dodge MODEL Lancer ES
SERIAL # 1B3BX68E8GN230116 LICENSE # _____

and I do hereby covenant to and with them that I am the
sole owner of said Automobile and that same is free from
all liens, encumbrances or charges of any kind whatsoever
at this date, and there are no sums due or about to become
due against said car for work or labor done, or materials
furnished for said car, and that I will warrant and defend
same against all claims, whatsoever.

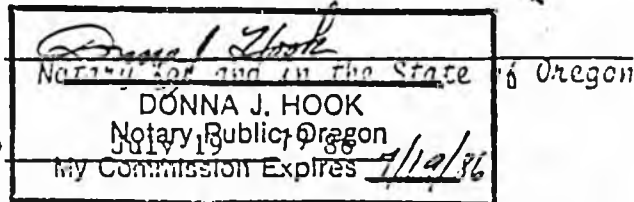
SIGNED:

Mick Peery
Roberts and Redfield

1313 W. Burnside
P.O. Box 10507
Portland, Oregon 97210

Subscribed and sworn to before me this 1 day of July
19 86

My Commission expires



DEALER DISCLAIMER FORM
FEDERAL CONSUMER PRODUCT WARRANTY ACT

Year	Make	Body Type	Model
1986	Dodge	Sedan	Lancer ES
Vehicle Identification Number			Last Plate Number
1B3BX68E8GN230116			

Any warranties on the vehicle sold hereby are those made by the manufacturer. The seller, ... ROBERTS & REDFIELD, hereby
Dealership
expressly disclaims all warranties, either express or implied, including all implied warranties of merchantability or fitness for the particular purpose, and ... ROBERTS & REDFIELD neither assumes
Dealership
nor authorizes any other person to assume for it any liability in connection with the sale of the vehicle described hereon.

Buyer's Signature: _____

Les & Becky Caudle
Les & Becky Caudle

Address: 1006 Bonnie Doon, Juneau, AK 98801

Date: _____

OADA Form 75R—4-78

(May not be reproduced without written consent of OADA Services, Inc.)

**DISCLOSURE FORM
FEDERAL ODOMETER MILEAGE STATEMENT**

Federal regulations require you to state the odometer mileage upon transfer of ownership. An inaccurate or untruthful statement may make you liable for damages to your transferee, for attorney fees, and for civil or criminal penalties, pursuant to sections 409, 412, and 413 of the Motor Vehicle Information and Cost Savings Act of 1972 (Pub. L. 92-513, as amended by Pub. L. 94-364).

I, ROBERTS & REDFIELD, state that the odometer of the
(Transferor's name - PRINT) (Seller)

vehicle described below now reads 23 miles/kilometers.

Check one box only.

- (1) I hereby certify that to the best of my knowledge the odometer reading as stated above reflects the actual mileage of the vehicle described below.
- (2) I hereby certify that to the best of my knowledge the odometer reading as stated above reflects the amount of mileage in excess of designed mechanical odometer limit of 99,999 miles/kilometers of the vehicle described below.
- (3) I hereby certify that to the best of my knowledge the odometer reading as stated above is NOT the actual mileage of the vehicle described below, and should not be relied upon.

Year	Make	Body Type	Model
1986	Dodge	Sedan	Lancer ES
Vehicle Identification Number			
1B3BX68E8GN230116			

Check one box only.

- (1) I hereby certify that the odometer of said vehicle was not altered, set back, or disconnected while in my possession, and I have no knowledge of anyone else doing so.
- (2) I hereby certify that the odometer was altered for repair or replacement purposes while in my possession, and that the mileage registered on the repaired or replacement odometer was identical to that before such service.
- (3) I hereby certify that the repaired or replacement odometer was incapable of registering the same mileage, that it was reset to zero, and that the mileage on the original odometer or the odometer before repair was _____ miles.

Transferor's Address (seller) PO Box 10507
(street) Portland, OR 97210
(city) (state) (zip code)

Transferor's Signature (seller) Mick Peery
Date of Statement 7/10/86

Transferee's Name and Address (buyer) Les & Becky Caudle
(street) 1006 Bonnie Doon
(city) Juneau, AK 99801 (state) (zip code)

Receipt of copy Acknowledged Les Caudle
(transferee's signature - buyer)

70

ENTER VIN OR CODE

1B3BX68E86N230116

1B3BX68E86N230116 2/08/90 18:11

INCOMPLETE RECALLS: REQUESTED VIN HAS NO INCOMPLETE RECALLS

WARRANTY: IN SERVICE = 7/09/86 WCC = 007

*** NOT ELIGIBLE FOR WARRANTY TRANSFER ***

SERVICE CONTRACT: NONE

ENTER VIN OR CODE

007

WCC. MODEL YRS. BASIC POWER TRAIN DED. RUST PROTECTION SERVICE CONTRACT

007 1983-1999 12/12 24/24 \$100 5/50 NO

7/100 RUST PROTECTION FOR VEHICLES IN SERVICE ON OR AFTER
1-31-87.

ENTER VIN OR CODE

END

ENTER FUNCTION

99

ACTUAL WARRANTY COVERAGE OF SUBJECT VEHICLE
AS OF 2/8/90

ZN-DLR: 72-43710 VIN: 1B3BXG0E9-G-N230116 IN-SVC-DT: 07/09/86 WCC:007
 CLAIM-NO: 01860 (WRD) 11/02/89 REF-NO: LS22118 AUTH-CD: 618654
 DT-RECYD: 06/01/89 DT-OWNER NOTFD: 06/03/89 MILEAGE: 028937
 DEALER CLAIM AMOUNT: 720.85 - LIST NO. 89-11-2

LINE	COND	FP	PART-NO	PART-NAME	QTY	TOT-PRICE
010	1		04240007	ADJUSTER	08	68.00
011	1	X	04293819	CMSHT PKG	01	110.00
012	1		04105475	SEAL	02	2.90
013	1		04318025	SEALER	01	2.30
014	1		04343903	PLUG	01	.90
015	1		04105395	SEAL	01	1.70
016	3	X	05212809	BOOT PKG	02	23.00
017	3		00000NPN		01	1.05
018	3		00000NPN		01	2.80

LINE	COND	LABOR-OP	FC	HRS	TOT-AMT	MECHANIC	QUAL-CD
030	1	09050111	37	1.7	74.80		
031	2	09250110	H5	6.7	294.80		
032	2	09250163		.2	8.80		
033	2	09650155		.2	8.80		
034	2	09300553		.3	13.20		
035	3	02140112	11	1.0	44.00		

ERROR INFORMATION
 CHRYSLER PROCESS DATE: 11/02/89
 DEDUCTIBLE AMOUNT: 100.00

PAID WITH MESSAGES
 001 34
 001 40

DEALER LABOR	444.40
DEALER PARTS	212.65
PARTS MARKUP	63.80
SUBLET	.00
CLAIM TOTAL	720.85
DEDUCTIBLE AMT	100.00
AMOUNT PAID	620.85

*Verified Payment
 to Claim # 1860*

REPAIR ORDER

17 POSITION VEHICLE IDENTIFICATION

01860 1B3B X68E BGN 2301

ADDRESS, CODE
 DENHALL AUTO CENTER
 2 OLD DAIRY ROAD
 FAU, AK 99801
 72 43710

INVOICE DATE			MILEAGE		
MO.	DAY	YR.	(EXCLUDING 10THS)		
07	09	86	28937		
MAKE & YR.		MODEL	LICENSE NO.		
D. 86		Lancer	BXF 532		
PHONE: YES <input checked="" type="checkbox"/> 5-2737		DEALER REPAIR ORDER NO.	8492		
NO <input type="checkbox"/> 6-3101					
RECEIVED	PROMISED	WRITTEN BY:			
4/21	AM PM	ET			

DATE VEHICLE RECEIVED FOR REPAIR			DATE OWNER NOTIFIED OF REPAIR COMPLETION		
MO.	DAY	YR.	MO.	DAY	YR.
06	01	89	06	03	89

OWNER NAME: BECKY CAUDLE
 ADDRESS: 1008 BONNIE DOON
 CITY, STATE & ZIP: JUNEAU AK 99801

AUTHORIZATION	ZONE	DEALER CODE

QTY.	PART NUMBER	DEALER PRICE	MECH. NO.	INSTRUCTIONS TO MECHANIC	LABOR OPERATION NUMBER	F.C.	HOURS
8	4240007	68.00	01	RATTLE ON ACCELERATION. DESCRIBE CONDITION AND CAUSE	10905011137		1.7
1	4293819	110.00		Cam & Adjusters worn. Replaced.			
2	4105175	2.90					
1	4318025	2.30		Repair	20925011045		6.7
1	4343903	.90		Engine Noise in bottom end - Replaced Crank, Bearings, oil pump, all seals & gaskets	209250163		.2
1	4105395	1.70			209650155		.2
2	5212809	27.00		Broken CV - Boots bleed	209300553		-3.13
1	NPN	1.05					
1	NPN	2.80					
SUBTOTAL		212.65	Deduct 100.00		30214011211		1.0
LABOR							
PARTS							
TOTAL		212.65					

IF NOT ACCEPTED, RETURN MAT'L. TO DLR.

274.96 276.45

720.85 719.36

212.65
 274.96 276.45
 JUN 5 1989

ADJUSTED	DEALER
444.40	DEALER LABOR 74.50
276.45	DEALER PARTS 244.96
274.96	SUBLET
720.85	TOTAL 319.46

WE warrant the work performed by Chrysler Corporation's warranty and service centers. Chrysler Corporation policies and these repairs were not required due to accident, overloading, property damage or personal injuries. A copy of this W.R.O. or a similar document describing the repairs performed has been provided to the customer.

CLAIM-NO: 01889 (WRD) 11/02/89 REF-NO: LS22119 AUTH-CD: 618655

DT-RECVD: 06/07/89 DT-OWNER NOTFD: 06/07/89 MILEAGE: 029125

DEALER CLAIM AMOUNT: 424.52 - LIST NO. 89-11-2

LINE	COND	FP	PART-NO	PART-NAME	QTY	TOT-PRICE
010	2		04343407	CK/SHFT	01	220.00
011	2		04240025	BRG PKG	04	10.80
012	2		04343198	TUBE	01	5.25
013	2		04293824	BRG PKG	04	16.00
014	2	X	04397827	PUMP PKG	01	44.00
015	2		05203778	SEAL	02	2.40
016	2		05203590	SEAL	01	4.10
017	2		04105395	SEAL	04	6.80
018	2		04293830	BRG PKG	01	8.50
019	2		04318037	CLEANER	02	5.80
020	2		04105475	SEAL	02	2.90

LINE	COND	LABOR-OP	FC	HRS	TOT-AMT	MECHANIC	QUAL-CD
030	2	09250110	H5	0NC	.00		

DEALER LABOR .00
DEALER PARTS 326.55
PARTS MARKUP 97.97
SUBLET .00
CLAIM TOTAL 424.52
DEDUCTIBLE AMT .00
AMOUNT PAID 424.52

*Ver. Paid Payment
02 claim
4/1989*

WARRANTY REPAIR ORDER

VEHICLE IDENTIFICATION

01889

1B3B

X68E

8GN

23011A

NAME, ADDRESS, CODE

BRIMHALL AUTO CENTER
15 OLD DAIRY ROAD
EAU, AK 99801

72 43710

IN SERVICE DATE			MILEAGE
MO.	DAY	YR.	(EXCLUDING 10THS)
07	09	86	29125

DATE VEHICLE RECEIVED FOR REPAIR			DATE OWNED BY (DATE OF REPAIR COMPLETION)		
MO.	DAY	YR.	MO.	DAY	YR.
06	07	89	06	07	89

MAKE & YR. MODEL LICENSE NO.
 D 86 Lancer
 PHONE NO(S) DEALER REPAIR ORDER NO.
 YES NO 6-3101 8618
 RECEIVED PROMISED WRITTEN BY:
 8 AM PM D.D.

OWNER NAME
 Becky Caudle (Les)
 ADDRESS
 1008 Bonnie Dean
 CITY, STATE & ZIP
 JUNEAU, AK 99801

AUTHORIZATION	ZONE	DEALER CODE

NAME	1/2 1/3	FAILED PART	PART NUMBER	QTY.	DEALER PRICE	MECH. NO.	INSTRUCTIONS TO MECHANIC	1/2 1/3	LABOR OPERATION NUMBER	F.C.	HOURS
W/K	2		4343407	1	220.00		Repair noise in engine -	2	09250110	H5	N/C
W/G	2		4240025	4	10.80		Replaced crank + bearings - spun				
W/E	2		4343198	1	5.25		rod bearing - Replaced				
W/G	2		4293824	4	16.00		pick up strainer & oil				
W/D	2 X		4397827	1	44.00		of pump - Piston rings were on 3 pistons in a line (not staggered)				
W/L	2		5203778	2	2.40						
W/L	2		5203590	1	4.10						
W/L	2		4105395	4	6.80						
W/L	2		4293830	1	8.50		Repair CV Boots (See WRD #1860)				
W/E	2		4318037	2	5.80						
W/L	2		4105475	2	2.90		Repair D/c-out (See WRD #2033)				

UNPAID COST OF PARTS	LABOR	SUBTOTAL PARTS DEALER NET	326.55
TOTAL	TOTAL	TOTAL PARTS (INCL. ALLOWANCE)	424.52

JUL 7 1989

IF NOT ACCEPTED, RETURN MAT'L TO DLR.

NAME: Becky Caudle

ADDRESS: _____

CITY, STATE & ZIP: _____

1 Needs CV Boots
 2 Equipton switch adjust

ADJUSTED	DEALER
DEALER LABOR	0
DEALER PARTS	424.52
SUBLET	
TOTAL	424.52

DATE: FEBRUARY 22, 1990

TO
MEMBERS OF THE SENATE FINANCE COMMITTEE
ALASKA STATE SENATE

DEAR SENATORS:

THIS IS TO REGISTER MY STRONG OPPOSITION TO SB 349. AS A PRIVATE CITIZEN AND CONSUMER. I FEEL STRONGLY THAT THE PASSAGE OF SB 349 WILL SEVERELY RESTRICT OPTIONS, CHOICES AND ALTERNATIVES TO PURCHASING AVAILABLE TO THE ALASKAN CONSUMER. IN THE GUISE OF CONSUMER PROTECTION THE BILL IS ESSENTIALLY A "PROTECTIONIST" MEASURE FOR FRANCHISED DEALERSHIPS INTENT ON CURTAILING AND ELIMINATING ALL COMPETITION. CONSUMER PROTECTION, IN MY HUMBLE OPINION, IS ALWAYS BEST ASSURED BY KEEPING THE MARKET PLACE FREE AND ENSURING THE CONSUMER HAS MORE THAN ONE PLACE TO SHOP.

THERE SEEMS TO BE LITTLE OR NO EVIDENCE TO WARRANT CONSIDERATION OF THIS MEASURE IN THE PUBLIC INTEREST. THE ONLY INTEREST IT SERVES, AT BEST, IS THE VERY MONOPOLISTIC RETAIL DEALERSHIPS INTENT ON STAKING OUT AN EXCLUSIVE TERRITORY ULTIMATELY TO THE DETRIMENT OF THE ALASKAN CONSUMER.

I APPRECIATE YOUR KIND CONSIDERATION IN THIS MATTER. THANK YOU.

SINCERELY,

J. Yelleetty

JAG YELLESETTY
PO BOX 02-1284
JUNEAU, AK 99802-1284

S

B

B

B

B

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Insurer investments in
development banks
Sponsor: Kelly
Requestor: Senate Labor & Commerce

Agency Affected: Commerce & Economic Dev.
BRU: Insurance
Components: Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

This legislation would have no fiscal impact on the department in FY 90.

Prepared by: James J. Jordan, Acting Director Phone: 465-2515
Division: Insurance Date: 1/18/90
Approved by Commissioner: Larry Mercutier Date: 19/1/90
Agency: Department of Commerce & Economic Development

Distribution (by preparer):

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

BY SEN. KELLY

1 IN THE SENATE

2

SENATE BILL NO. 353

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to insurer investments in develop-
7 ment banks."

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

9 * Section 1. AS 21.21.130 is amended to read:

10 Sec. 21.21.130. [INTER-AMERICAN] DEVELOPMENT BANKS [BANK]. An
11 insurer may invest in obligations issued, assumed, or guaranteed by
12 the Inter-American Development Bank, the African Development Bank, or
13 the Asian Development Bank, if the bank is solvent and not in default
14 in the payment of principal or interest on any of its direct general
15 obligations on the date of the investment.

16

OFFICE OF THE PRESIDENT

MEMBER

TENTH ALASKA LEGISLATURE
ELEVENTH ALASKA LEGISLATURE
TWELFTH ALASKA LEGISLATURE
THIRTEENTH ALASKA LEGISLATURE
FOURTEENTH ALASKA LEGISLATURE
FIFTEENTH ALASKA LEGISLATURE
SIXTEENTH ALASKA LEGISLATURE



SENATOR TIM KELLY

PO. BOX V
JUNEAU, ALASKA 99811
(907) 465-3822

PO. BOX 210001
ANCHORAGE, ALASKA 99521
(907) 561-7812

January 31, 1990

MEMORANDUM

To: Senator Rick Uehling, Co-chair
Senate Finance Committee

From: Senator Tim Kelly

TDK

Re: Scheduling SB 353, relating to investments in development banks.

Rick, I would appreciate a hearing on SB 353 at your earliest convenience. I introduced the bill in response to interest expressed in the Anchorage community. As you can read from the attached support information, it appears to have not only a laudible purpose but provides a valuable investment opportunity to Alaskan institutions.

Current law restricts insurers to only those investment opportunities of the Inter-American Development Bank. This bill would expand the the authorization to invest in obligations of the African Development Bank and the Asian Development Bank.

Henry Lancaster is a good resource person to contact for more information on the merits of SB 353. He can be reached at 278-4729.

MEMORANDUM

AFRICAN DEVELOPMENT BANK STATE
LEGISLATIVE PROGRAM - ALASKA

I. Background

The African Development Bank ("the Bank") is currently seeking the enactment of legislation, where necessary, which would permit state-regulated banks, insurance companies, fiduciaries and public employee retirement systems to invest in Bank obligations if they choose to do so. Several years ago, largely through the joint efforts of the Congressional Black Caucus and the Reagan Administration, Congress enacted Title XIII of P.L. 97-35 authorizing United States membership and financial participation in the Bank, which was initially created in 1964 and until 1982 limited its membership to African countries. Today, the Bank's membership includes all African nations except for South Africa, plus the Governments of the United States, Canada, Japan and Western Europe.

The Bank, a principal source of financing for economic development projects on the African continent, funds these projects through the sale of its obligations in the world's capital markets. As with the International Bank for Reconstruction and Development (World Bank), the Inter-American Development Bank and the Asian Development Bank, investments in African Development Bank securities by the state-regulated institutions described above generally require either state legislation or administrative agency rulings prior to the time such securities can be marketed in a particular state. P.L. 97-35 referred to above authorized federally regulated financial institutions to invest in such securities.

Since initiating state legislation activities several years ago, the Bank has obtained passage of legislation, or secured comparable administrative agency public rules to qualify its securities for investment in forty-two states.^{1/}

^{1/} These include Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, Washington, West Virginia and Wisconsin. In addition, Alaska state-chartered banks obtained such investment authorization through legislation enacted in the 1988 session.

Background

Bills are also pending in several additional states, while others have either issued private administrative rulings or have laws which already permit such investments under a "prudent investor" standard. It should be noted that each state has its own particular laws applicable to state-regulated institutional investors and no two states are alike in this regard.

The Bank entered the United States capital market for the first time in the Fall of 1985 and most recently in early November 1987 with highly successful bond issues. The three principal American bond rating services have given its bonds AAA, AAA and AA ratings, which makes this type of investment quite attractive once a regulated investor receives appropriate legal authorization. In order to assure a successful United States market presence, the Bank is seeking enactment of legislation in a number of additional states, including Alaska, to obtain this authorization.

II. Specific Legislation Needs in Alaska

A review of the applicable Alaska laws indicates a need for amending only one section of the Alaska Statutes to gain investment authorization for state-regulated insurance companies. This involves merely adding the name of the African Development Bank to those of the World and already eligible for such investments. Alaska state banks recently gained this investment authorization in similar legislation, while other regulated investors apparently already have the necessary authority without the need for statutory change.

Based upon experience to date in other states, this legislation should be completely noncontroversial. President Reagan and the U.S. Treasury Department have actively supported efforts to get this legislation enacted, as have many Black political leaders around the country. Because of the high Bank securities ratings, prospective investors also support it since this increases their high-yield, low-risk portfolio options and provides them an opportunity to make both profitable and socially worthwhile investments. Finally, since the Bank is the major source of foreign exchange financing for transactions in or with Africa, American exporters and technical assistance providers to that continent have ample incentive to support the Bank's financial success.

Prepared November 1988 by:

David Aronofsky, Esq.
U.S. Legal Counsel, African Development Bank
Arent, Fox, Kintner, Plotkin & Kahn
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5339
202-857-6054

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Prepared November 1988 by:

David Aronofsky, Esq.
U.S. Legal Counsel, African Development Bank
Arent, Fox, Kintner, Plotkin & Kahn
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5339
202-857-6054



THE SECRETARY OF THE TREASURY
WASHINGTON

FEB 12 1988

Dear Governor Cowper:

I am writing in support of the African Development Bank's efforts to obtain the qualification of its obligations in the State of Alaska for investment by certain state-regulated institutions.

The African Development Bank was established as a multilateral development bank in 1963 to foster economic and social development of its African members individually and through regional cooperation. In addition to all independent African countries except for South Africa, the Bank's membership now includes the United States, as well as the countries of Western Europe, Japan and other developed nations. The African Development Bank is patterned after the International Bank for Reconstruction and Development (World Bank), the Inter-American Development Bank and the Asian Development Bank, in that they all make extensive use of the world's capital markets through the sale of their highly rated bonds and other obligations to obtain funds for development lending activities. A substantial percentage of such funds finances the purchase of American goods and services used in critical development projects. This in turn enables American businesses and academic institutions to participate directly in these activities, to the benefit of all concerned.

I would appreciate your State taking the necessary steps to have the African Development Bank receive at least as favorable treatment under the laws of Alaska as is currently accorded to one or more of the other multilateral development banks with respect to the qualification of the Bank's securities for purchase by state chartered banks, savings and loan associations, insurance companies, public employee retirement systems and any special statutory or constitutional funds. At least 34 states have already wholly or partially accorded such treatment to the African Development Bank through enactment of legislation or, where appropriate, administrative agency rulings. I anticipate that the Bank will be in touch with you through its American legal counsel to present detailed legislative proposals.

Sincerely,

James A. Baker, III

The Honorable Steve Cowper
Governor, State of Alaska
Juneau, AK 99811-0101

cc: The Honorable Jan Faiks
The Honorable Ben Grussendorf

Letters of Support

Third World Projects Create a New Market

By CLYDE H. FARNSWORTH

Special to The New York Times

WASHINGTON, Oct. 9 — Although the market for exports to cash-strapped developing countries has fallen strikingly in the past decade, third-world projects financed by the international development banks have created a booming market for an array of products.

Under their crushing debt burden, developing countries, which normally buy about a third of all American exports, cut purchases from the United States by 13 percent since 1981, to \$82.7 billion in 1987.

But in the same period, American companies doubled, to \$2.1 billion a year, their sales of items needed for projects financed by the four leading development banks — the World Bank, the Inter-American Development Bank, the African Development Bank and the Asian Development Bank.

The market created by the development banks includes power generators, water pumps, trucks, tractors, drilling rigs, irrigation equipment, farm implements, telecommunications equipment, pesticides, seeds and schoolbooks.

In the past five years, the World Bank and the three regional institutions have disbursed \$76 billion to business contractors, chiefly in the industrial countries, to support projects in more than 100 developing countries, according to a recent report by Development Bank Associates Inc., a research group based in Washington.

Chances are that future disbursements will be even greater, following recent Congressional action authorizing American participation in a \$75 billion increase in the resources of the World Bank, nearly doubling its capital. A large increase in funds for the Inter-American Development Bank is likely to be approved in the next few months as well.

"The development banks have created an enormous market," said David A. Raymond, director of international programs for the Enserch Corporation of Dallas, a diversified energy operator which aggressively pursues World Bank contracts. "It isn't an easy business and there's more competition than ever. But it pays hard currency on projects throughout the world."

Despite the numbers, analysts here note that American bidders like Enserch are still relatively few.

"Many business executives do not

The development banks are bringing about a boom for many products.

know about the bidding process," the United States Chamber of Commerce said in a special study of the market published two years ago. "Others fear red tape."

Development Bank Associates said in a recent report, "A Practical Guide to the Development Bank Business," that less than 3 percent of United States exporters are actively engaged in marketing products for such projects.

The lack of interest has hit the pocketbook. Even as the United States has strikingly increased exports to the development-bank market, it has been losing market share to its principal commercial rivals — West Germany and Japan.

By far the biggest of the development institutions, the World Bank committed \$17.7 in 1987 to expand power distribution in Argentina, build irrigation works in Belize, expand technical education in Brazil and to aid scores of other programs. Commitments by the three regional institutions totaled \$7 billion, bringing the total for the four to \$24.7 billion.

The commitments become actual disbursements as the multiyear projects reach varying stages of completion needing additional equipment and supplies.

Most of the contracts are relatively small — in the range of \$10,000 to \$50,000. In a recent year, 65 percent of all equipment contracts and 55 percent of all consultancy contracts on World Bank projects were for less than \$50,000, according to the Development Bank Associates study.

Over the same period there were 2,000 payments by the World Bank of more than \$1 million.

The development-bank business is confined to developing countries, which includes nearly all countries with per-capita yearly income of less than \$3,000. These include such giants as China and India and such tiny island states as Kiribati and Vanuatu. The market also includes some East bloc countries like Hungary and Poland.

low rates. Others disagree.

"I think tax policy in 1989 is going to be a backburner issue," said Donald H. Straszheim, chief economist for Merrill Lynch & Company, even though "the budget and trade deficits are troubling to economists."

"We're likely to end up with higher taxes down the road, but not immediately," he said. Some form of energy tax is likely, he suggests, and eventually a value-added tax could be imposed. If income tax rates are raised, then preferential treatment for capital gains is "not unreasonable," he said. But with a new Administration and a new Congress due to take office, he does not expect the tax rates to be changed in 1989.

Mr. Straszheim sees a modest recession and lower interest rates for the second half of 1989. If that forecast is accurate, it would argue against making tax-driven sales of bonds now, because bond prices would rise if rates fell. One strategy, though, would be to sell bonds on which one has a loss and replace them with similar securities.

Vern Martens, vice president of Merrill Lynch Tax Advisory, noted that if there is no change in tax rates next year, "taxpayers will pay lower taxes because of indexing for inflation." Nevertheless, he said, "people are still looking for something that will provide a tax break."

The most popular tax-exempt investments are municipal bonds, although certain municipal bonds are subject to the alternative minimum tax. These latter bonds pay slightly higher rates and thus are attractive to investors who are not liable for the alternative minimum tax.

Mr. Martens offered these additional possibilities for reducing taxes:

¶ Rehabilitation credits for low-income housing can cut taxes by up to \$7,000.

¶ Tax-deferred annuities can be attractive for retirement plans.

¶ By switching from money market funds to certificates of deposit or Treasury bills or notes, investors can defer income into future years. A switch in October, however, will only reduce 1988 interest income by 25 percent.



Illustration by Warren Goldenberg

is a current investment cars, but the it by 1991. mum tax — ductions or o do well by e accelerat- T said. That . If they are inimum, tax mal rate of

of these in- should do so 1 to lock in might con- against the at one also ions against

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Oil Producers' Challenge to OPEC

From First Business Page

As a day, from around 4.3 barrels a day a month ago. Officials said their current was to keep their production protect their share of the market against other pro- at are discounting their oil asing production to secure les.

Industry officials said that would substantially overall OPEC ceiling, bring- ser to 19 million barrels a 4 million barrels above the quota. The higher ceiling

manently lower oil prices.

One industry expert said the tentative proposal depended upon a compromise between Iraq and Iran under which the countries would agree to equal production shares of 2.5 million barrels a day each. Iraq is now producing about 2.7 million barrels a day, while Iran's output is just below 3 million barrels a day.

Under the new proposal, OPEC would also agree to lower the official price it has used as a yardstick, to closer to \$15 a barrel, from \$18.

But OPEC officials and oil analysts fear that until an agreement is reached, a further steep drop in oil prices is a real possibility, bringing

Pillsbury Sued Over Offer

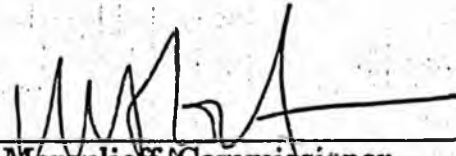
... to protect the interests of the

SB 353: "An Act relating to insurer investments in development banks."

SB 353 adds the African and Asian Development Banks to the eligible list of development banks into which investments can be placed. Provisions regarding solvency and nondefault status are also added.

The provisions in this bill are identical to the language contained on page 30, Section 30 of SB 212, an Act relating to insurer solvency, introduced last session by the Governor. SB 212 is in the Senate Labor and Commerce Committee.

The department supports this legislation. The additional provisions regarding solvency and nondefault status give the department the opportunity to make sure these banks are good investments before they are used by insurers.



Larry Mercurieff, Commissioner

Date: 9/1/90

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HENRY LANCASTER, INC.

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January 29, 1990

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JAN 30 1990

Senator Dick Eliason, Chair
Labor & Commerce Committee
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

Dear Senator Eliason:

I am writing to thank you for allowing me to testify via teleconference in the January 24, 1990 Senate Labor & Commerce Committee meeting.

Senator Faiks raised a question during the meeting that deserves further clarification. She asked whether the World Bank should be included in SB 353. My review of the Alaska Statutes has revealed that AS 21.21.120 already allows an insurer to invest in the obligations of International Bank for Reconstruction and Development (IBRD). The IBRD is more commonly known as the "World Bank." Thus the concern for inclusion that Senator Faiks expressed is already addressed in Alaska law.

Please do not hesitate to contact me if you have any other questions or concerns.

Sincerely,



Henry M. Lancaster II
President

HML:bgm

cc: Sen. Tim Kelly
Sen. Jan Faiks
Sen. Pat Rodey
Sen. Jalmar Kertula
Sen. Jack Coghill