

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 762

1 (1) has been discharged from military service under honorable conditions, [;
2 (2)] is eligible for a loan under AS 18.56.101, [;] and
3 [(3)] is certified by the United States Veterans' Administration as having incurred
4 a 50 percent or greater disability during military service; or

5 (2) served in the Alaska Territorial Guard, is eligible for a loan under
6 AS 18.56.101, and incurred a 50 percent or greater disability while serving in the Alaska
7 Territorial Guard.

8 * Sec. 4. AS 18.55.470 is amended to read:

9 Sec. 18.55.470. DEFINITIONS. In AS 18.55.300 - 18.55.470

10 (1) "authority" means the Alaska State Housing Authority;

11 (2) "moderate cost" means a cost determined by the authority that is below the
12 level at which private enterprise is currently building a needed volume of reasonably safe and
13 sanitary dwellings for sale in the locality involved;

14 (3) "moderate rental" means a rental rate determined by the authority that is below
15 the level at which the dwellings are currently being offered for rent by private persons in the
16 locality involved;

17 (4) [REPEALED

18 (5)] "veteran" means a person

19 (A) honorably separated from the military service of the United States who
20 has at any time resided continuously for at least a year in the state and who served in the
21 armed forces of the United States for at least 90 days or whose service was for less than
22 90 days because of injury or disability incurred in the line of duty, between

23 (i) [(A)] September 16, 1940, and July 25, 1947;

24 (ii) [(B)] June 25, 1950, and January 31, 1955; or

25 (iii) [(C)] August 4, 1964, and November 7, 1975;

26 (B) who served in the Alaska Territorial Guard for at least 90 days
27 or whose service was for less than 90 days because of injury or disability incurred
28 in the line of duty, and who has at any time resided continuously for at least a year
29 in the state;

30 (C) who is ["VETERAN" ALSO INCLUDES] the spouse or widow or
31 widower of a person described under (A) or (B) of this paragraph [VETERAN].

1 * Sec. 5. AS 18.56.101 is amended to read:

2 Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The following
3 persons are eligible veterans for the purposes of AS 18.56.098(g) and (h):

4 (1) a person who served in the armed forces of the United States for 90 days or
5 more, or whose service was for less than 90 days because of injury or disability incurred in the
6 line of duty, after April 6, 1917, whose discharge was under honorable conditions;

7 (2) the widow or widower of a member of the armed forces or an eligible veteran
8 if the member or veteran served in the armed forces for at least 90 days after April 6, 1917, and
9 the veteran's discharge was under honorable conditions;

10 (3) a person who has served for not less than five years in the Alaska Army
11 National Guard, or the Alaska Air National Guard, or a reserve unit of the United States armed
12 forces if the reserve unit required, as a minimum, one weekend each month of duty and 15
13 consecutive days of active duty training each year and

14 (A) whose discharge was under honorable conditions; or

15 (B) who is currently in an active status in the guard or a reserve unit;

16 (4) a person who has served as a commissioned officer of the Regular or Reserve
17 Corps of the Public Health Service whose discharge was under honorable conditions;

18 (5) a person who served in the Alaska Territorial Guard for 90 days or more
19 or whose service was for less than 90 days because of injury or disability incurred in the
20 line of duty;

21 (6) the widow or widower of a person who served at least 90 days in the
22 Alaska Territorial Guard.

23 * Sec. 6. AS 26.05.295(a) is amended to read:

24 (a) Each active enlisted member of the Alaska National Guard or the Alaska Naval
25 Militia who has completed the initial voluntary enlistment period of service that fulfills the
26 mandatory requirement for military service under 50 U.S.C. App. 451 - 456, 458 - 471 (Military
27 Selective Service Act of 1967) and a person who served in the Alaska Territorial Guard for
28 90 days or more or whose service was for less than 90 days because of injury or disability
29 incurred in the line of duty are [IS] eligible for educational assistance benefits in Alaska
30 educational facilities. Notwithstanding the reference to mandatory military service requirements,
31 each active enlisted female member is fully eligible for educational assistance benefits under this

1 section after completing six years of enlisted service.

2 * Sec. 7. AS 26.05.295(c) is amended to read:

3 (c) For the purposes of computing eligible benefits under this section when the eligibility
4 is based on being an active enlisted member of the Alaska National Guard or the Alaska
5 Naval Militia, each retirement point earned as a member of the Alaska National Guard or the
6 Alaska Naval Militia is equivalent to one day's active military service. Computation of credit for
7 retirement points is based on the retirement credits record in accordance with existing federal
8 National Guard and Reserve regulations.

9 * Sec. 8. AS 26.05.296(a) is amended to read:

10 (a) To the extent funds are available, the adjutant general shall authorize the payment of
11 not more than 50 percent of the cost of tuition and required fees for each active or retired
12 member of the Alaska National Guard or the Alaska Naval Militia and each person who served
13 in the Alaska Territorial Guard for 90 days or more or whose Alaska Territorial Guard
14 service was for less than 90 days because of injury or disability incurred in the line of duty,
15 if the member or person [WHO] attends an educational, vocational, or technical training school
16 in Alaska. Payments authorized under this section for active or retired members of the Alaska
17 National Guard or the Alaska Naval Militia continue so long as the active member participates
18 satisfactorily in unit training activities or a retired member is on the retired list and pursues the
19 course of study in a manner acceptable to the school. Payments authorized under this section
20 for persons who served in the Alaska Territorial Guard continue as long as the person
21 pursues the course of study in a manner acceptable to the school.

22 * Sec. 9. AS 26.10.060(b) is amended to read:

23 (b) In this section, "veteran" means a person

24 (1) subject to the Universal Military Training and Service Act; or

25 (2) who served in the Alaska Territorial Guard.

26 * Sec. 10. AS 26.10 is amended by adding a new section to read:

27 Sec. 26.10.090. DEFINITION. In this chapter, except where otherwise indicated,
28 "veteran" includes a person who served in the Alaska Territorial Guard.

29 * Sec. 11. AS 26.15.160 is amended to read:

30 Sec. 26.15.160. EXTENSION OF CHAPTER TO MEMBERS OF THE ALASKA
31 TERRITORIAL GUARD AND TO VETERANS OF KOREA AND VIET NAM. The

1 provisions of this chapter, except those provisions relating to the payment of bonuses, are
2 extended to persons who served in the Alaska Territorial Guard, who served other than
3 dishonorably on active duty between June 25, 1950, and January 31, 1955, who served other than
4 dishonorably on active duty between August 4, 1964, and November 7, 1975, and to dependents
5 of those persons, subject to the following provisions and eligibility qualifications.

6 (1) Persons are eligible

7 (A) who served in the Alaska Territorial Guard, who were discharged
8 other than dishonorably from the armed forces of the United States, or who are released
9 to a reserve component; and

10 (B) who at the time of entry into the service were bona fide residents of
11 the territory or State of Alaska and had been residents of the territory or state for not less
12 than one year before their entry into the service; and who have returned to the territory
13 or state within a reasonable length of time after the end of their service in the Alaska
14 Territorial Guard or their discharge or separation as residents with the intention of
15 remaining in the territory or state; or who, not being bona fide residents of the territory
16 before their entry into the service, have lived in the territory or state for at least five years
17 following their release from active military service; and

18 (C) who served in the armed forces of the United States for 90 days or
19 more, or whose service was for a lesser period because of injury or disability incurred in
20 line of duty, between June 25, 1950, and January 31, 1955, or who served in the armed
21 forces of the United States for 90 days or more or whose service was for a lesser period
22 because of injury or disability incurred in line of duty, between August 4, 1964, and
23 July 1, 1977, or who served in the Alaska Territorial Guard for 90 days or more or
24 whose service in the Alaska Territorial Guard was for a lesser period because of
25 injury or disability incurred in the line of duty.

26 (2) Persons are eligible who were dependent upon a member of the Alaska
27 Territorial Guard or armed forces or upon a veteran, including persons who served in the
28 Alaska Territorial Guard, eligible for the benefits of this chapter at the time of the member's
29 or veteran's death if the member or veteran was a resident of the territory for one year before
30 entry into service and died before November 5, 1975. Dependents must be unmarried and the
31 deceased veteran or member of the armed forces must have been their chief means of support

1 and they must be either a widow, widower, minor child, or a mother, father, sister, or brother
2 incapable of self-support. Dependents must be residents of the state at the time of application and
3 shall intend to remain residents in the state permanently. The rights of minor children under this
4 chapter may be exercised only if they have no surviving parent and have an appointed guardian
5 who may apply on their behalf for the benefits of this chapter for their care, support, or
6 education.

7 (3) A person who is eligible for veteran's benefits under the laws of any other
8 state or territory is not eligible for the benefits of this section unless the person has lived in the
9 state or territory for at least five years following the end of the person's service in the Alaska
10 Territorial Guard or release from active military service. A World War II veteran who
11 received a bonus under former AS 26.15.120 and former AS 26.15.150 need not repay the bonus
12 in order to qualify under the loan provisions of this section.

13 (4) For persons otherwise eligible for the benefits under this section, who did not
14 return to the state or territory within one year after the end of the persons' service in the
15 Alaska Territorial Guard or separation from the service unless prevented from doing so for
16 medical, educational, or other valid purposes approved by the Department of Commerce and
17 Economic Development within one year after the end of the persons' service in the Alaska
18 Territorial Guard or separation from the service, an additional requirement of four years'
19 residence in the state or territory before their entry into the service is imposed to entitle them to
20 the benefit provisions of this section.

21 * Sec. 12. AS 28.10.181(d) is amended to read:

22 (d) Vehicles owned by disabled veterans, including persons disabled in the line of duty
23 while serving in the Alaska Territorial Guard, and handicapped persons. A person who
24 presents to the department written proof that the person is at least 70 percent disabled or
25 medically handicapped and should be given special consideration by the public with respect to
26 the parking or standing of the person's vehicle in designated spaces, may register one passenger
27 vehicle without charge. The proof required under this subsection may consist of evidence that
28 the person receives at least 70 percent disability compensation from a government agency at the
29 time of registration or an affidavit signed by a physician licensed to practice medicine in this
30 state. Upon the request of the applicant the department shall issue a specially designed
31 registration plate that displays

1 (1) recognition of the disabled veteran if the applicant's disability originated from
2 the applicant's service with the Alaska Territorial Guard or the armed forces of the United
3 States; or

4 (2) the standard handicap symbol (the wheelchair logo).

5 * Sec. 13. AS 28.10.181(p) is amended to read:

6 (p) Vehicles owned by veterans. The department, upon receipt of written proof, shall
7 issue special registration plates for one noncommercial motor vehicle to a person who is a
8 veteran or retired veteran of the armed forces of the United States or who served in the Alaska
9 Territorial Guard. The commissioner, after consulting with the director of the division of
10 veterans affairs, shall determine the design and color of the veteran or retired veteran plates.

11 * Sec. 14. AS 29.45.030(i) is amended to read:

12 (i) In (e) - (i) of this section,

13 (1) "disabled veteran" means a disabled person

14 (A) separated from the military service of the United States under a
15 condition that is not dishonorable who is a resident of the state, whose disability was
16 incurred or aggravated in the line of duty in the military service of the United States, and
17 whose disability has been rated as 50 percent or more by the branch of service in which
18 that person served or by the Veterans' Administration; or

19 (B) who served in the Alaska Territorial Guard, who is a resident of
20 the state, whose disability was incurred or aggravated in the line of duty while
21 serving in the Alaska Territorial Guard, and whose disability has been rated as 50
22 percent or more;

23 (2) "real property" includes but is not limited to mobile homes, whether classified
24 as real or personal property for municipal tax purposes.

25 * Sec. 15. AS 29.45.050(i) is amended to read:

26 (i) A municipality may by ordinance approved by the voters exempt from taxation the
27 assessed value that exceeds \$150,000 of real property owned and occupied as a permanent place
28 of abode by a resident who is

29 (1) 65 years of age or older;

30 (2) a disabled veteran, including a person who was disabled in the line of duty
31 while serving in the Alaska Territorial Guard; or

1 (3) at least 60 years old and a widow or widower of a person who qualified for
2 an exemption under (1) or (2) of this subsection.

3 * Sec. 16. AS 38.05.067(e) is amended to read:

4 (e) In this section, "veteran" means a person with 90 days or more of active service in
5 the armed forces of the United States who has been honorably discharged or a person with 90
6 days or more of service in the Alaska Territorial Guard.

7 * Sec. 17. AS 38.05.940(b) is amended to read:

8 (b) To be eligible for a discount under this section, a veteran shall submit proof, as
9 required by regulation, that the veteran

10 (1) is 18 years of age or older on the date of sale;

11 (2) has been a state resident for a period of not less than one year immediately
12 preceding the date of sale; and

13 (3) has served

14 (A) in the Alaska Territorial Guard for at least 90 days, unless the
15 service was shortened due to a service connected disability; or

16 (B) on active duty in the U.S. Armed Forces at least 90 days, unless
17 tenure was shortened due to a service connected disability or due to receiving an early
18 separation upon return from a tour of duty overseas, [;] and

19 [(4)] has received an honorable discharge or a general discharge under honorable
20 conditions.

21 * Sec. 18. AS 39.25.159(c) is amended to read:

22 (c) In this section,

23 (1) "disabled veteran" means a veteran who is entitled to compensation under laws
24 administered by the United States Department of Veterans Affairs, [OR] a person who was
25 honorably discharged or released from active duty because of a service-connected disability, or
26 a person who was disabled in the line of duty while serving in the Alaska Territorial Guard;

27 (2) "prisoner of war" means a person who has been a prisoner of war during a
28 declared war or other conflict as determined by the Department of Defense under federal
29 regulations;

30 (3) "veteran" means a person

31 (A) with 181 days or more active service in the armed forces of the United

1 States who has been honorably discharged after having served during any period
2 (i) [(A)] between April 6, 1917, and December 1, 1919, between
3 September 16, 1940, and December 31, 1947, or between June 27, 1950, and
4 October 14, 1976; or

5 (ii) [(B)] in which the person was awarded a campaign badge,
6 expedition medal, the Purple Heart, or an award or decoration for heroism or
7 gallantry in action;

8 (B) who served 181 days or more in the Alaska Territorial Guard.

9 * Sec. 19. AS 44.35 is amended by adding a new section to read:

10 Sec. 44.35.100. DEFINITION. In this chapter, "veteran" includes a person who served
11 in the Alaska Territorial Guard.

CS for HB 271 (SA) STATEMENT

MR. CHAIRMAN AND MEMBERS OF THE HOUSE FINANCE COMMITTEE:

THANK YOU FOR SCHEDULING HB 271. THIS BILL WAS INTRODUCED BY THE HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS AFFAIRS TO GRANT STATE'S VETERAN BENEFITS TO THOSE WHO SERVED IN THE ALASKA TERRITORIAL GUARD.

THE TERRITORIAL GUARD IS THE FORERUNNER OF TODAY'S NATIONAL GUARD ALASKA SCOUTS. THE TERRITORIAL GUARD WAS ESTABLISHED IN 1942 AFTER THE ALASKA NATIONAL GUARD WAS ORDERED INTO FEDERAL SERVICE IN SEPTEMBER, 1941. GOVERNOR ERNEST GRUENING CONCERNED ABOUT THE LACK OF LOCAL DEFENSE FORCES AFTER THE NATIONAL GUARD WAS ACTIVATED, OBTAINED CONGRESSIONAL APPROVAL TO ESTABLISH THE ALASKA TERRITORIAL GUARD.

THE TERRITORIAL GUARD CONSISTED OF APPROXIMATELY 130 UNITS: 4500 ENLISTED MEN AND 280 OFFICERS. THE EASTERNMOST AND SOUTHERNMOST UNIT WAS IN METLAKATLA, THE NORTHERNMOST IN BARROW AND THE MOST WESTERN UNIT WAS AT GAMBELL ON ST. LAWRENCE ISLAND.

WITH THE CONCLUSION OF WORLD WAR II AND DEACTIVATION OF THE STATE'S NATIONAL GUARD FROM THE ACTIVE MILITARY, THE TERRITORIAL GUARD WAS DISBANDED IN 1947. SINCE THAT TIME, VETERANS OF THE TERRITORIAL GUARD HAVE NOT BEEN ELIGIBLE FOR STATE VETERANS BENEFITS. THIS SLIGHT WAS BROUGHT TO THE COMMITTEE'S ATTENTION BY JOHN GUINN OF THE BETHEL V.F.W. DURING THE COMMITTEE'S MILITARY FACILITY TOUR CONDUCTED OVER THE EASTER BREAK.

THESE RIGHTS ARE LONG OVERDUE. AT THIS TIME, WE HAVE NO IDEA HOW MANY TERRITORIAL GUARD MEMBERS ARE SURVIVING OR HOW MANY ARE IN STATE. IN 1966, THE STATE AWARDED SERVICE MEDALS TO ALL THE MEMBERS IT COULD LOCATE. APPROXIMATELY 2300 MEDALS WERE PRESENTED IN CEREMONIES HELD THROUGHOUT THE STATE. THE BENEFITS ARE DESCRIBED IN THE SECTIONAL ANALYSIS WHICH IS INCLUDED IN YOUR PACKETS, HOWEVER, THESE BENEFITS ARE NO DIFFERENT THAN THOSE RECEIVED BY CURRENT NATIONAL GUARD PERSONNEL.

Alaska State Legislature

Legislative Research Agency



P.O. Box Y
Juneau, AK 99811-3100
Phone: (907) 165-3991
Fax: (907) 183-3351

April 11, 1991

MEMORANDUM

TO: Representative Ivan M. Ivan

FROM: Dale O. Brandt *DB*
Legislative Analyst

RE: Alaska Territorial Guard
Research Request 91.238

You asked about the history of the Alaska Territorial Guard; when it was established, what it did and why it was disbanded. This subject is well chronicled in the 1969 book, *Men of the Tundra*, by "Muktuk" Marston, the nickname given to Major Marvin R. Marston by Eskimos under his command.

When Governor Gruening took office on December 5, 1939, there had never been a National Guard in Alaska. Due to increasing interest in national and territorial defense, he petitioned the War Department for authority to organize an Alaska National Guard. That came about in mid-1940 with the organization of the 1st Battalion, 297th Infantry. However, the Alaska National Guard was ordered into federal service on September 15, 1941, and sent to the lower 48 for training--three months before the bombing of Pearl Harbor.

With the integration of the Alaska National Guard into federal service, and therefore removed from the role of local defense, Governor Gruening obtained approval from the 77th Congress to establish the Alaska Territorial Guard. Under regulations prescribed by the Secretary of War, the Territorial Guard was to be organized through voluntary enlistments. Only spare arms and equipment would be made available for use. In 1942, at the request of the governor, Captain Carl Scheibner was assigned as military aide for the Ketchikan region and Major Marvin R. Marston was assigned the central and western regions.

Because of the vast unprotected western and northern Alaska coasts and Japanese activities on St. Lawrence Island in 1941, a Japanese invasion somewhere in that area was feared. In response to that threat, Major "Muktuk" Marston organized 3,000 Natives into Territorial Guard units. The population of Eskimos in Major Marston's forces outnumbered the Aleuts and Athapaskans about three to one. In a 1976 book, *The U.S. Army in Alaska*, by the 172nd Infantry Brigade, it is explained that the object was to have a homeland security force (in the absence of the Alaska National Guard) primarily to watch the long coastlines, pass warnings and assist the regular armed services in repelling enemy attacks.

Representative Ivan
April 11, 1991
Page 2

Calling on his previous arctic experience in Canada, Major Marston often travelled by dog sled from village to village to explain the threat of war to the Natives and ask for voluntary enlistment. Nearly all able-bodied men responded. Working without pay, and using spare WWI rifles and ammunition, the Natives of the Territorial Guard served throughout the war years.

Twenty years later, in 1966, the State of Alaska awarded service medals to all members of the Territorial Guard. Many members were deceased or could no longer be found, but efforts were made to present the awards to surviving family members.

In June 1942, the Japanese attacked Dutch Harbor and later captured the Aleutian outposts of Kiska and Attu. War in the Aleutians ended with the retaking of Kiska in August 1943. There were no other Japanese attacks against Alaska and there is no record of the Alaska Territorial Guard involved in enemy combat. The Japanese surrendered to the United States and its allies in August 1945.

On March 31, 1947, its wartime mission over, the Alaska Territorial Guard was disbanded by the U.S. Army, leaving Alaska without a guard unit.

In 1948, Governor Gruening asked the War Department to re-establish the Alaska National Guard. Although met with opposition from National Guard Headquarters, he insisted that the "tundra army" be included in the reorganization of guard units. In July 1949 the National Guard Bureau authorized the formation of two scout battalions in northern and western Alaska, where the Territorial Guard had served.

Many former Territorial Guardsmen became members of the newly formed Scout Battalions. Thus, the Alaska Territorial Guard was the forerunner to the "Eskimo Scout Battalions" which today consists of three battalions of Alaska National Guard units serving in the northern and western regions of Alaska.

If you have questions or need additional information, please contact this agency.



Alaska State Legislature

Please enter into the record my testimony to the (H) State Affairs
 committee name
 committee on HB 271, dated April 26, 1991.
 bill/subject

We got recruited in 1941, C1. Muktduk Marston was our recruiting officer. We joined the territorial guard and stayed in until 1947, I believe it was. We were dismissed in 1947 and a couple years later we joined the Alaska National Guard.

Signed: Nicolai F. Nicolai
 Testifier
Territorial Guard Vets.
 Representing (Optional)
Box 70, Kwethluk, AK 99621
 Address
757-6026
 Phone No.

44 · Report of the Governor of Alaska

Juneau: Patrol boats *Tuscan* and No. 6638, and the cutter *Haida*.
Sitka: Cutter *Bonham*.

Alaska National Guard

On October 25, 1939, the Governor was authorized by the Secretary of War to organize two companies of the 297th Infantry, as the nucleus of the Alaska National Guard. Prior to organization, on July 23, 1940 the authorization was increased to four rifle companies, with a battalion headquarters and headquarters detachment, and a medical department detachment.

To assist in the organization, Headquarters of the Ninth Corps Area at San Francisco assigned an instructor who reported to the Governor on July 27, 1940, and the actual work was started. On August 5, 1940, the Governor designated an Adjutant General and assigned the companies and detachments to various towns in the Territory. Company commanders and junior officers were selected; recruiting was started and carried forward rapidly.

Company B, located at Ketchikan, was inspected for Federal recognition on September 17th. Company A, the First Battalion Headquarters Detachment, and the Medical Detachment, all in Juneau, were inspected on September 21. Company D, at Anchorage, qualified October 4, and Company C, at Fairbanks, on October 10. Within 30 days clothing and equipment of the latest type was being issued to the men; the battalion is now fully equipped. The battalion expects to be called into the Federal service for active training on September 15, 1941.

Temporary armories are being used in each of the four towns. They are not in accordance with Federal requirements, being neither fire-proof nor safe against pillage. In other ways they are also far from adequate, but will have to serve the purpose until proper buildings can be erected.

Education

Alaska Historical Library and Museum

Valuable additions were made to both the library and the museum during the past year. First in importance was the purchase by the legislature of the library of the late James J. Wickersham, consisting of some 6,500 items of rare historical volumes, pamphlets and newspapers. With these additions, the Alaska Historical Library is now one of the finest sources of reference on Alaska history in existence. A photostatic copy of Russian stamps used during the occupation of Russian America was a welcome contribution.

Report of the

who spent several years traveling through the frames of yellow cedar are carved in toto. The stone implements from Mole Thlingit manufacture and of Russian origin on the mast of the old Russian ship *Neva* 1813, with a carving of the ship thereon, wreck, was presented to the museum by

University of Al

The University of Alaska, at College, offers 4-year bachelor degrees in the following: arts and letters, business administration, education, general science, home economics, metallurgical engineering, mining engineering. Five-year curricula leading to engineering degrees (C. E., E. M., Met. E., and Geol.). graduates who have satisfied the requirements for an annual commencement held on May 15th, conferred.

Preliminary curricula, not leading to degrees, are offered in nautical, agricultural, architectural, mechanical engineering, and in fisheries, for nursing. Short courses in mining and in winter, are open to all persons without requirements. Mining extension classes are conducted by traveling instructors during 1940-41 in Juneau, Ketchikan, Sitka, Kodiak, Palmar, Richardson, and Nome, affording 5 weeks of the rudiments of geology and mining to \$12 per person.

Enrollment in the various divisions of the university was as follows: College grade, 310; short courses, 637, making a grand total of 947, less 100 for registration in Agricultural Extension Institute. Fees charged college grade students \$15.50; room rent, \$10 and \$12.50 per month. Nonresident tuition, \$20 per semester. During 1940-41, 250 students were enrolled in the university as nonresidents.

Ninety students were enrolled in the civilian pilot training program which was

AGRICULTURE

AGRICULTURAL EXPERIMENT STATIONS

carried on during the past year at the Fairbanks substation included oat and pea ensilage as a source of feed; growing and storing locally produced grain and pasture; crop rotation with emphasis on seed production and the control of dairy calves on locally grown grain, fish meal, and other feeds; wintering sheep on various feeds; use of commercial potato production; canning peas; pasture improvement tests with alfalfa and studies with yellow clover at Petersburg substation, projects included work on fox, in cooperation with the Alaska Game

financed jointly by the University of Alaska and the Experiment Stations of the Department of Agriculture.

AGRICULTURAL EXTENSION SERVICE

closely allied with the experiment station program is under the same director. During the past year, victory gardens, and projects in nutrition, sewing, handicraft, and canning were carried on in the Tanana Valley as well as in some sections of southeastern Alaska. Boys and girls were enrolled in 4-H club work.

RURAL REHABILITATION CORPORATION

Matanuska Valley Project

Agriculture continued to expand in the valley, stimulating demand for farm products and the high prices for them. Expansion and improvement were noted especially in poultry farming, and the production of vegetables. Efforts are being made to increase production to meet war needs as farmers take advantage of the great demand, and to reduce indebtedness and build up their credit by saving themselves for whatever may come after the war.

The valley now totals approximately 6,000 acres under the administration of approximately 140 farms, of which about 4,000 acres are under cultivation.

The ARRC aids in the development of farming in the valley by maintaining reserve and emergency supplies of hay, feeds, seed, and fertilizer to meet unusual conditions, clearing additional land, making production loans to reliable farmers at a low rate of interest, maintaining farm machinery to grow reserve supplies of hay and feed on vacant tracts and to maintain wells, cooperating with the Farmers' Cooperating Association in securing the best possible marketing program and greatest returns to the farmers, advising farmers on agricultural, financial and personal problems, and in many other ways. On June 30, 92 miles of electric line were under the control of the Matanuska Electric Association, Inc., the total number of patrons being 235. During the year an increase in consumption of 27.5 per cent was noted.

ALASKA TERRITORIAL GUARD

The Alaska National Guard was federalized on September 12, 1941. With the outbreak of hostilities, the Governor sought legislative authority to organize an Alaska Territorial Guard and received it promptly through an act approved December 31, 1941 (Public No. 882, 77th Cong.). This law, drafted in conformity with the desires of the War Department, permitted through voluntary enlistments the organization of an Alaska Territorial Guard under such regulations as to discipline and training as the Secretary of War might prescribe. At that time Alaska was evidently destined to be a combat area and it was the Governor's desire that as far as possible there be no non-combatants or passive spectators among the male population; but that everybody be prepared to resist an enemy invasion, should it take place. Although the Army and Navy were building up a vast defense force, there were still tremendous stretches of coast and interior throughout Alaska without protection by the armed services. Under these circumstances, it was felt that the Alaska Territorial Guard might render a valuable service in opposing the landing of enemy commandos, scouting parties or the entrance of espionage agents or saboteurs.

So the organization of the guard proceeded rapidly to the point where over 103 units have been organized, with an actual enrolled strength of approximately 4,200 men and 275 commissioned officers. In general, enrollments were confined to males of 16 or over, although in a few cases exceptions were made. The easternmost and southernmost unit is at Metlakatla, a village inhabited solely by Tsimshian Indians. The northernmost unit is at Barrow, where the population is principally Eskimo, with some mixed blood. The westernmost unit is at Gambell on St. Lawrence Island some 40 miles from the Siberian coast, where the population is wholly Eskimo.

ms. These persons were in need of services
hospitalization. A total of \$58,814.70 was
nd.

the average monthly case count for medical
numbered 101. A total amount of \$97,450.00
period in this category. A total of \$4,684
dls during the year. The total amount of
categories of relief under this program

-The Territory has two separate and dis-
ms, the juvenile code administration and
In addition, this Division in cooperation
Children's Bureau of the Department of
d Welfare Services program designed to
ngthen services to children throughout
administration are available under title V,
ity Act. This program is under the super-
ocial Services. Staffed by qualified social
dinates child welfare services throughout
ace. It cooperates with the Alaska Native
istrict Courts, and institutions operated
pproximately \$20,000 per year is available
s under this program.

child welfare cases were open for service.
an on June 30, 1946. An average of 207
ice per month during the past fiscal year.
1 cases per month during the past fiscal year
ew cases had been referred to the agency

n.—Under an approved plan with Federal
dependent children's program is admin-
assistance for dependent children in their
nber of children receiving assistance as of
compared to 334 as of July 1, 1946. The
1 receiving aid per month during the past
rage payment per child per month being
xpended during the past year under this
Federal funds \$52,035.50, for a grand total
equate appropriations made by the terri-
e Board of Public Welfare was compelled
istance and impose a 23 percent discount on
ie 1, 1947. Due to these restrictions the
pped from \$18.53 per month to \$13.19 per

As of the end of the fiscal year, there were 35 cases totaling
to children on the waiting list.

Social Security Administration

The Social Security Administration, formerly the Social Security Board, is a division of the Federal Security Agency, administered in Alaska by a Regional Director who maintains an office in Juneau. In Alaska, the Regional Director of the Social Security Administration acts as the representative of the Bureaus of Old-Age and Survivors Insurance, Employment Security, and Public Assistance, and the Children's Bureau within the Territory, and supervises directly the operation of old-age and survivors insurance through a field office located within the Regional Office of the Social Security Administration.

During the year ending June 30, 1947, the cumulative total of Social Security account numbers issued in Alaska rose from 43,800 to 45,917. During the same period, approximately \$250,000 was paid to Alaska residents in the form of monthly benefits to wage earners and their wives, or to their surviving widows and children; and an additional amount approximating \$25,000 was paid in lump-sum benefits to the next of kin of deceased insured wage earners.

During the fiscal year 1946-47, a total of \$437,114.96 was received by the Territory for public assistance (old-age assistance, aid to dependent children and child welfare services) an increase of \$122,532.76 or 38.9 percent over the grants for the preceding fiscal year.

The Social Security Administration also grants to the Unemployment Compensation Commission such Federal funds as are approved by the Bureau of Employment Security to cover the entire cost of the administration of the Alaska Unemployment Compensation Law.

TERRITORIAL GUARD

The Alaska Territorial Guard was automatically disbanded and all units deactivated as of March 31, 1947 as the 1947 territorial legislature provided no funds for its continuation.

By order of the War Department, all guard property was turned over to the Territory for disposal. The Governor of Alaska, by authority granted him by the Board of Administration, was placed in charge of the disposal of the property. Because of the loyalty and devotion of the guard members during the war, it was considered fitting that all rifles and clothing be turned over to the men as a token of the Territory's appreciation.

TERRITORY OF ALASKA
OFFICE OF THE ADJUTANT GENERAL

31 March 1947

SPECIAL ORDER)
))
No. 223)

1. The Alaska Territorial Guard is hereby disbanded, effective above date, by reason of disbandment following the termination of hostilities in World War II.

BY ORDER OF THE GOVERNOR:

J. P. WILLIAMS
Lieut. Colonel, AEG
The Adjutant General.

Section 32. **SHORT TITLE.** This Act may be cited as the "Uniform Vital Statistics Act".

Repeals.

Section 33. **REPEAL.** Sec. 8-1-7, Secs. 40-11-1 to 40-11-12 inc., Secs. 40-11-21 to 40-11-23 inc. and Secs. 35-2-131 and 56-5-16 ACLA 1949 are hereby repealed.

Section 34. **EFFECTIVE DATE.** This Act shall take effect April 1, 1949.

Approved March 26, 1949.

CHAPTER 120

AN ACT

[Senate Judiciary Committee Substitute for H. B. 22]
Establishing the Alaska National Guard, providing for its organization and administration; making an appropriation and declaring an emergency.

Be it enacted by the Legislature of the Territory of Alaska:

Eligibility for membership.

Section 1. **GENERAL.** All able bodied male citizens of this Territory and all other able bodied males who have or shall have declared their intention to become citizens of the United States, between the ages of eighteen and forty-five years, shall be eligible to membership in the Alaska Territorial Militia, hereinafter referred to as the National Guard, which is hereby created and established for Alaska.

Section 2. NATIONAL GUARD.

(1) The National Guard shall consist of the regularly enlisted militia between the ages of eighteen and forty-

five years, organized, armed and equipped as prescribed by the laws of the United States, and the regulations and tables of organization in conformity herewith, published from time to time by the President of the United States or the Secretary of Defense.

National Guard membership.

(2) The Governor as Commander-in-Chief shall have the power to organize units in communities requesting such and specifically to provide for organization of two Scout Battalions in the western and northwestern coastal areas of Alaska and northern Arctic regions, in accordance with special authority of the Department of the Army to organize Scout Battalions. It shall be the mission of this force constantly to exercise surveillance of these areas, reporting by most rapid means any information of a military nature, to augment the activities of the various agencies of the Army engaged in development of techniques, clothing and equipment for use in mountains and winter warfare, particularly as applied to the climatic and terrain peculiarities of the Arctic and Bering Sea coastal regions of Alaska, to assist in rescue of personnel in crashed planes, both military and civilian, and also assist in other forms of rescue.

Scout Battalio

Duties.

(3) The Governor shall cause the organized militia of this Territory at all times to conform to all Federal laws and regulations of a military nature as are now or may hereafter from time to time become operative and applicable, notwithstanding any of the provisions of this Act.

Conformity to Federal law.

(4) **ALASKA NATIONAL GUARD FUND.** There is hereby created the Alaska National Guard Revolving Fund in the Territorial Treasury, hereinafter referred to as the military fund. All moneys hereinafter appropriated for the National Guard or other moneys derived from sale of surplus or damaged property under jurisdiction of said Guard or obtained by way of gift or otherwise shall be deposited in said fund for expenditure under

National Guard Fund.

OFFICE OF THE GOVERNOR

JUNEAU, ALASKA.

August 5, 1940
Date

EXECUTIVE ORDER)

NO 1)

1. Under the provisions of letter, National Guard Bureau, file NGB 325.4 Alaska-1, dated October 25, 1939, Subject: Organization of Companies A and B, 297th Infantry, and letter, National Guard Bureau, file NGB 325.4 (Inf) Alaska-1, dated July 23, 1940, Subject: Organization of the 1st Battalion, 297th Infantry (Rifle), Alaska National Guard, the formation of the Alaska National Guard is announced as follows:

TERRITORIAL STAFF

- 1 Major, The Adjutant General and United States Property and Disbursing Officer.
- 1 Captain, Medical Officer.

TROOPS

1st Battalion and Medical Department Detachment, 297th Infantry (Rifle), Alaska National Guard

Units of this battalion will be organized at stations under the Tables of Organization and at strengths as indicated after their respective designations.

<u>Unit</u>	<u>Table of Organization</u>	<u>Off.</u>	<u>W.O.</u>	<u>Enl. Men</u>	<u>Station</u>
Headquarters	7-15 NG	2			Juneau
Headquarters Detachment	7-16 NG			9	Juneau
Company "A"	7-17 NG	3		60	Juneau
Company "B"	7-17 NG	3		60	Ketchikan
Company "C"	7-17 NG	3		60	To be announced
Company "D"	7-18 NG	4		65	To be announced
Medical Department Detachment	7-14 NG	1		8	Juneau

2. The following appointment is made in the Alaska National Guard, subject to Federal Recognition:

William R. Mulvihill, to be made Major, Adjutant General's Department, to rank from August 5, 1940

Major William R. Mulvihill, Adjutant General's Department, is assigned as The Adjutant General and the United States Property and Disbursing Officer, Alaska National Guard.

Ernest Gruening
Governor of Alaska

EOB 325.4 (Inf) Alaska-5

NATIONAL GUARD BUREAU
WAR DEPARTMENT
WASHINGTON

BY AUTHORITY OF THE SECRETARY OF WAR

October 15, 1940

**Headquarters Detachment, 1st Battalion, 297th Infantry (Rifle),
Alaska National Guard,**

having conformed to the requirements prescribed by National Guard Regulations, and in accordance with the provisions of Section 60, National Defense Act, approved June 3, 1916, as amended, is extended federal recognition.

Effective: September 21, 1940

Station: JUNEAU

Letter of allotment: EOB 325.4 Alaska-1 - October 7, 1940

Copy for:

A. G. of state concerned
Comd'g. General _____ C. A.
General Accounting Office
Personnel Division, N. G. B.
Supply Division, N. G. B.

NGB Form 4.

For the Chief, National Guard Bureau:

A. V. Winton,
Lt. Colonel, U. S. A.,
Assistant.

January 1, 1945

ALASKA TERRITORIAL GUARD

PLACE	COMPANY COMMANDER	STRENGTH		OFFICERS
		AUTHORIZED	ENROLLED	
Akiak	Capt. Jas. R. Hart	30	24	1
Akiakchak	Capt. Earle W. Forrest	40	37	2
Alakanuk	Capt. John Eail	20	32	2
Anchorage	Major Walter Mickens	240	174	6
Barrow	Capt. Fred O. Klerekoper	120	100	6
Belkofski	Capt. Dimitri Hotavitsky	30	30	3
Bethel, Alaska	Capt. Harry Edwards	90	94	6
Bluff	Lt. Charles W. Olson	10	2	1
Candle	Capt. Jens H. Forshaug	30	38	3
Chanaliak	Capt. LaVerne Kopp	50	53	3
Cordova	Capt. C. C. Carlson	60	59	4
Deering	Capt. Everitt M. Calhoun	30	33	4
Diomedes	Capt. Tom Cunningham	25	23	4
Dillingham	Capt. C. M. Carson	90	66	6
Douglas	Capt. Wendell E. Cahill	40	18	3
Eek	Capt. Carl E. Bachelier	25	30	2
Egegik	Lt. Sergie I. Repin	20	28	1
Elin	Capt. David Jacobsen	20	16	3
Fairbanks	Capt. Forbes L. Baker	120	78	5
Galea	Capt. Stanley Nichols	20	10	3
Gambell	Major Frank Daugherty		84	5
Glacier Highway	Lt. Wm. Norton	40	29	2
Golovin	Capt. Paul Ivanoff	25	27	3
Goodnews Bay	Capt. Edward Olson	60	37	2
Old Hamilton	Capt. Geo. T. Butler	20	19	3
Haycock	Capt. Carl Rylander	20	5	3
Homer	Capt. Guy Waddell	50	54	3
Hoonah	Capt. Matthew Lawrence	40	48	3
Hooper Bay	Capt. J. P. Fox, S.J.	120	125	1
Ikatan-False Pass	Capt. Henry Wm. Peterson	30	22	3
Igloo	Capt. Dick Rugsruk	50	50	1
Junesau	Capt. Henry A. Harmon	60	43	6
Ketchikan	Capt. Richard W. Hogben	120	72	2
Kiana	Capt.	40	35	3
King Cove	Capt. Kenneth S. Cohen	30	24	3
King Island	Capt. John Aloranna	45	45	1
Kipniak	Lt. Max Lieb	25	10	1
Kivalina	Lt. Jack O. Jones	40	35	2
Klawock	Capt. Frank Peratrovich	30	34	1
Kodiak	Capt. Forrest G. Myers	60	21	2
Kotzebue	Capt. Herbert C. McClellan	60	98	5
Koyuk	Capt. Paul Nagaruk	25	24	4
Kwethluk	Capt. Ernest O. Robinette	50	23	1
Kwigillingok	Capt. Roy L. Jameson	35	43	1
Kwiguk	Capt. Axel Johnson	25	43	3
Marshall	Capt. Albert Bahls	20	13	1
McGrath	Lt. Kenneth C. Coppess	30	15	2
Metlakatla	Capt. Chas. R. Buchert	60	41	3
Mountain Village	Capt. Henry C. Kyllingstad	40	41	4
Naknek	Capt. Albert R. Davey	60	58	3
Napakiaak	Capt. Arthur Nagosruk	25	16	2

Napaskiak	Capt. Matthew Bareskin	30		1
Noatak	Capt. Charlie Bailey	60	45	2
Nome	Capt. Lester D. Bronson	250	137	11
Noorvik	Capt. Ralph H. Weeks	40	43	3
Nulato	Capt. Jason A. Gray	30	51	2
Nunapitchuk	Lt. Samuel Anaruk	120	57	5
Nunivak Island	Capt.	40	55	1
Ohogamute	Lt. Pete T. Oleaskak	15	21	1
Painiut	Capt. Victor E. Hill	25	22	2
Palmer	Capt. Seth B. Cook	60	49	3
Petersburg	Capt. Claire A. Wilder	60	60	3
Pilot Station	Capt. Frank Tallor	60	39	2
Pitkas Point	Capt. Pete J. Palsson	25	32	3
Point Hope	Capt. Leo F. Sans	50	58	3
Point Lay	Capt. Tom Anayak	15	17	1
Quinhagak	Capt. Henry Roberts	60	58	4
Ruby	Lt. Geo. Burmaster, Acting	60	29	4
Russian Mission	Capt. Chris Retsch	25	19	3
Sanak Island	Capt. John A. Olsen	30	24	3
Selawik	Capt. Jon A. Knox	50	85	4
Seldovia	Capt. Richard C. Morris	50	24	3
Sevoonga	Capt. James Tooli		51	4
Seward	Capt. Clarence P. Keating Jr.	60	68	2
Shaktolik	Capt. Herman L. Larsen	20	27	2
Shishmaref	Capt. Geo. Goshaw	30	40	3
Shungnak	Lt. Harry O. Brown, Act.	30	27	1
Sitka	Capt. Chas. Whittenore	200	102	5
Skagway	Capt. Clayton Palley	40	21	3
Solomon	Capt. Tony Jouis	30	23	3
Stebbins	Capt. John M. Aluska	30	25	2
S. George Island	Capt. Carl M. Hoverson	60	41	2
St. Michael	Capt. Robert Williams	30	34	3
St. Paul	Capt. Daniel C. R. Benson	60	74	2
Tununak	Capt. Charles Ordinn	100	22	3
Teller	Capt. Edgar Tweet	20	24	4
Teller Mission	Capt. John W. Fultz	20	24	3
Tuckobuck	Lieut. Tom Akalak	20	41	1
Unalakleet	Capt. Henry Washalock	60	83	4
Unga	Capt. Allen L. Petersen	30	36	3
Wainwright	Capt.		60	4
Wales	Capt. Sterling G. Croall	60	21	4
White Mountain	Capt. Jack J. Titus	50	74	3
Wrangell	Capt. James Lovett	60	60	2
Yakutat	Capt. Ray N. McFarland	30	48	4
95-Active companies			<u>1130</u>	<u>279</u>

NOTE: Flat - Hydaburg - Pelican City and Hope - equipment turned in and companies to be disbanded.

**FIELD OFFICERS
and
TERRITORIAL STAFF OFFICERS
of the
ALASKA TERRITORIAL GUARD
1942 - 1947**

Juneau	Governor Ernest Gruening	Commander-in-Chief
	Lt. Col. J. P. Williams, ANG	Adjutant General & Property Officer
	Major Carl F. Scheiner, USA	Organiser & Instructor S.E. & S.W. Alaska & Aleutian Islands
	Major Geoffrey H. Goss, USA	Instructor
Nome	Lt. Col. Marvin R. Marston, USA	Organiser & Instructor Seward Peninsula, Arctic & Kuskokwim areas
	Major Otto Wm. Geist	Quartermaster
	Lt. John B. Neal, USA	Instructor
	Lt. Wilfred Amede Beucher	Public Relations Officer for Bering & Arctic areas
	Lt. Edmund A. Anable	Chaplains
	Lt. Bert J. Bingle	
	Lt. Paul B. F. Carlson	
Anchorage	Lt. Colcord Heurlin	Artist
Glacier Highway	Capt. John Osborn	Range & Ordnance Officer
Douglas	Capt. Walter H. Andrews	Plans & Training Officer
Koyuk	Lt. Howard G. Dodge	Ass't Plans & Training Officer
Nelawik	Lt. Ernest W. Berry	Ass't Plans & Training Officer
Ketchikan	Capt. Chester Raymond Snow	Engineering Officer
Palmer (Co.) (Residence Juneau)	Capt. Harry Branson DeLand	Personnel Officer
Gambell	Major Frank Daugherty	
Keonah	Major Emil B. Fisher	
Sitka	Major E. M. Goddard	

ALASKA TERRITORIAL GUARD OFFICERS

NAME	GRADE	SERVICE NUMBER	PERIOD OF SERVICE FROM - TO
ADLER, DON MAURICE	CPT	0-419-608	9 Sep 40 - 4 Jun 52
AYLWORTH, CHARLES FRANKLIN	CPT	0-349-625	25 Aug 40 - 11 Feb 45
BLANTON, HAROLD EVERETT	1LT	0-410-496	1 Sep 40 - 13 Sep 41
BURDICK, CHARLES GILBERT	MAJ	0-414-477	26 Nov 40 - 17 Jun 41
VOLLERT, EDWARD FRANCIS	LTC	0-326-479	20 Aug 40 - Unknown

HB 271

SENATE FINANCE COMMITTEE REPORT

DATE: 5/19/91

FURTHER:

DATE TURNED INTO OFFICE: 5/21/91

The Finance Committee considered CS FOR HOUSE BILL NO. 271 (STATE AFFAIRS)
"An Act relating to persons who served in the Alaska Territorial Guard."

and recommended:

- | | |
|---|---|
| <input type="checkbox"/> replace with _____ CS _____ | <input type="checkbox"/> same title |
| <input type="checkbox"/> or adopt _____ CS _____ | <input type="checkbox"/> new title |
| <input type="checkbox"/> attached amendment(s) | <input type="checkbox"/> technical title change (HB only) |
| <input type="checkbox"/> _____ letter of intent adopted | |

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____
SFC/DORA 5/21/91

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

1. [Signature]
Co-Chairs: Signatures

2. [Signature] Do pass
and Recommendations

FISCAL NOTE

REQUEST:
Revision Date: _____ Affected Agency: Community & Regional Affairs
Title: Persons who served in the Alaska Territorial Guard BRU: Local Govt Assistance
Sponsor: House Special Committee M&VA Components: State Assessor
Requestor: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (THOUSANDS OF DOLLARS)


General Fund						
Federal Fund						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared By:


Senator Pat Pourchot, Co-chairman
Senate Finance Committee

Date: 465-3712
Phone: 5/21/91

DISTRIBUTION (BY PREPARER)
LEGISLATIVE FINANCE
LEGISLATIVE SPONSOR

REQUESTOR
OFFICE OF MANAGEMENT AND BUDGET
AGENCY(IES)

CS FOR HOUSE BILL NO. 271 (STATE AFFAIRS)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 5/2/91

Referred: Resources, Finance

Sponsor(s): HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to persons who served in the Alaska Territorial Guard."

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

3 * Section 1. LEGISLATIVE PURPOSE. The purpose of this bill is to recognize the dedication and
4 hardships endured by the members of the Alaska Territorial Guard during their service to their state and
5 their country during World War II and to accord them the same status as other veterans in the state.

6 * Sec. 2. AS 05.15.210 (34) is amended to read:

7 (34) "veterans organization" means a civic, service, or charitable organization in
8 the state, or a branch or lodge or chapter of a national or state organization in the state,
9 not for pecuniary profit, the membership of which consists of individuals who were
10 members of the armed services or forces of the United States or persons who served in
11 the Alaska Territorial Guard.

12 * Sec. 3. AS 16.05.341 is amended to read:

13 Sec. 16.05.341. FREE LICENSE FOR DISABLED VETERANS. A person may receive
14 a resident hunting and sport fishing license (AS 16.05.340(a)(5)) without charge if the person

1 (1) has been discharged from military service under honorable conditions, [;
2 (2)] is eligible for a loan under AS 18.56.101, [;] and
3 [(3)] is certified by the United States Veterans' Administration as having incurred
4 a 50 percent or greater disability during military service; or

5 (2) served in the Alaska Territorial Guard, is eligible for a loan under
6 AS 18.56.101, and incurred a 50 percent or greater disability while serving in the Alaska
7 Territorial Guard.

8 * Sec. 4. AS 18.55.470 is amended to read:

9 Sec. 18.55.470. DEFINITIONS. In AS 18.55.300 - 18.55.470

10 (1) "authority" means the Alaska State Housing Authority;

11 (2) "moderate cost" means a cost determined by the authority that is below the
12 level at which private enterprise is currently building a needed volume of reasonably safe and
13 sanitary dwellings for sale in the locality involved;

14 (3) "moderate rental" means a rental rate determined by the authority that is below
15 the level at which the dwellings are currently being offered for rent by private persons in the
16 locality involved;

17 (4) [REPEALED

18 (5)] "veteran" means a person

19 (A) honorably separated from the military service of the United States who
20 has at any time resided continuously for at least a year in the state and who served in the
21 armed forces of the United States for at least 90 days or whose service was for less than
22 90 days because of injury or disability incurred in the line of duty, between

23 (i) [(A)] September 16, 1940, and July 25, 1947;

24 (ii) [(B)] June 25, 1950, and January 31, 1955; or

25 (iii) [(C)] August 4, 1964, and November 7, 1975;

26 (B) who served in the Alaska Territorial Guard for at least 90 days
27 or whose service was for less than 90 days because of injury or disability incurred
28 in the line of duty, and who has at any time resided continuously for at least a year
29 in the state;

30 (C) who is ["VETERAN" ALSO INCLUDES] the spouse or widow or
31 widower of a person described under (A) or (B) of this paragraph [VETERAN].

1 * Sec. 5. AS 18.56.101 is amended to read:

2 Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The following
3 persons are eligible veterans for the purposes of AS 18.56.098(g) and (h):

4 (1) a person who served in the armed forces of the United States for 90 days or
5 more, or whose service was for less than 90 days because of injury or disability incurred in the
6 line of duty, after April 6, 1917, whose discharge was under honorable conditions;

7 (2) the widow or widower of a member of the armed forces or an eligible veteran
8 if the member or veteran served in the armed forces for at least 90 days after April 6, 1917, and
9 the veteran's discharge was under honorable conditions;

10 (3) a person who has served for not less than five years in the Alaska Army
11 National Guard, or the Alaska Air National Guard, or a reserve unit of the United States armed
12 forces if the reserve unit required, as a minimum, one weekend each month of duty and 15
13 consecutive days of active duty training each year and

14 (A) whose discharge was under honorable conditions; or

15 (B) who is currently in an active status in the guard or a reserve unit;

16 (4) a person who has served as a commissioned officer of the Regular or Reserve
17 Corps of the Public Health Service whose discharge was under honorable conditions;

18 (5) a person who served in the Alaska Territorial Guard for 90 days or more
19 or whose service was for less than 90 days because of injury or disability incurred in the
20 line of duty;

21 (6) the widow or widower of a person who served at least 90 days in the
22 Alaska Territorial Guard.

23 * Sec. 6. AS 26.05.295(a) is amended to read:

24 (a) Each active enlisted member of the Alaska National Guard or the Alaska Naval
25 Militia who has completed the initial voluntary enlistment period of service that fulfills the
26 mandatory requirement for military service under 50 U.S.C. App. 451 - 456, 458 - 471 (Military
27 Selective Service Act of 1967) and a person who served in the Alaska Territorial Guard for
28 90 days or more or whose service was for less than 90 days because of injury or disability
29 incurred in the line of duty are [IS] eligible for educational assistance benefits in Alaska
30 educational facilities. Notwithstanding the reference to mandatory military service requirements,
31 each active enlisted female member is fully eligible for educational assistance benefits under this

1 section after completing six years of enlisted service.

2 * Sec. 7. AS 26.05.295(c) is amended to read:

3 (c) For the purposes of computing eligible benefits under this section when the eligibility
4 is based on being an active enlisted member of the Alaska National Guard or the Alaska
5 Naval Militia, each retirement point earned as a member of the Alaska National Guard or the
6 Alaska Naval Militia is equivalent to one day's active military service. Computation of credit for
7 retirement points is based on the retirement credits record in accordance with existing federal
8 National Guard and Reserve regulations.

9 * Sec. 8. AS 26.05.296(a) is amended to read:

10 (a) To the extent funds are available, the adjutant general shall authorize the payment of
11 not more than 50 percent of the cost of tuition and required fees for each active or retired
12 member of the Alaska National Guard or the Alaska Naval Militia and each person who served
13 in the Alaska Territorial Guard for 90 days or more or whose Alaska Territorial Guard
14 service was for less than 90 days because of injury or disability incurred in the line of duty,
15 if the member or person [WHO] attends an educational, vocational, or technical training school
16 in Alaska. Payments authorized under this section for active or retired members of the Alaska
17 National Guard or the Alaska Naval Militia continue so long as the active member participates
18 satisfactorily in unit training activities or a retired member is on the retired list and pursues the
19 course of study in a manner acceptable to the school. Payments authorized under this section
20 for persons who served in the Alaska Territorial Guard continue as long as the person
21 pursues the course of study in a manner acceptable to the school.

22 * Sec. 9. AS 26.10.060(b) is amended to read:

23 (b) In this section, "veteran" means a person

24 (1) subject to the Universal Military Training and Service Act; or

25 (2) who served in the Alaska Territorial Guard.

26 * Sec. 10. AS 26.10 is amended by adding a new section to read:

27 Sec. 26.10.090. DEFINITION. In this chapter, except where otherwise indicated,

28 "veteran" includes a person who served in the Alaska Territorial Guard.

29 * Sec. 11. AS 26.15.160 is amended to read:

30 Sec. 26.15.160. EXTENSION OF CHAPTER TO MEMBERS OF THE ALASKA
31 TERRITORIAL GUARD AND TO VETERANS OF KOREA AND VIET NAM. The

1 provisions of this chapter, except those provisions relating to the payment of bonuses, are
2 extended to persons who served in the Alaska Territorial Guard, who served other than
3 dishonorably on active duty between June 25, 1950, and January 31, 1955, who served other than
4 dishonorably on active duty between August 4, 1964, and November 7, 1975, and to dependents
5 of those persons, subject to the following provisions and eligibility qualifications.

6 (1) Persons are eligible

7 (A) who served in the Alaska Territorial Guard, who were discharged
8 other than dishonorably from the armed forces of the United States, or who are released
9 to a reserve component; and

10 (B) who at the time of entry into the service were bona fide residents of
11 the territory or State of Alaska and had been residents of the territory or state for not less
12 than one year before their entry into the service; and who have returned to the territory
13 or state within a reasonable length of time after the end of their service in the Alaska
14 Territorial Guard or their discharge or separation as residents with the intention of
15 remaining in the territory or state; or who, not being bona fide residents of the territory
16 before their entry into the service, have lived in the territory or state for at least five years
17 following their release from active military service; and

18 (C) who served in the armed forces of the United States for 90 days or
19 more, or whose service was for a lesser period because of injury or disability incurred in
20 line of duty, between June 25, 1950, and January 31, 1955, or who served in the armed
21 forces of the United States for 90 days or more or whose service was for a lesser period
22 because of injury or disability incurred in line of duty, between August 4, 1964, and
23 July 1, 1977, or who served in the Alaska Territorial Guard for 90 days or more or
24 whose service in the Alaska Territorial Guard was for a lesser period because of
25 injury or disability incurred in the line of duty.

26 (2) Persons are eligible who were dependent upon a member of the Alaska
27 Territorial Guard or armed forces or upon a veteran, including persons who served in the
28 Alaska Territorial Guard, eligible for the benefits of this chapter at the time of the member's
29 or veteran's death if the member or veteran was a resident of the territory for one year before
30 entry into service and died before November 5, 1975. Dependents must be unmarried and the
31 deceased veteran or member of the armed forces must have been their chief means of support

1 and they must be either a widow, widower, minor child, or a mother, father, sister, or brother
2 incapable of self-support. Dependents must be residents of the state at the time of application and
3 shall intend to remain residents in the state permanently. The rights of minor children under this
4 chapter may be exercised only if they have no surviving parent and have an appointed guardian
5 who may apply on their behalf for the benefits of this chapter for their care, support, or
6 education.

7 (3) A person who is eligible for veteran's benefits under the laws of any other
8 state or territory is not eligible for the benefits of this section unless the person has lived in the
9 state or territory for at least five years following the end of the person's service in the Alaska
10 Territorial Guard or release from active military service. A World War II veteran who
11 received a bonus under former AS 26.15.120 and former AS 26.15.150 need not repay the bonus
12 in order to qualify under the loan provisions of this section.

13 (4) For persons otherwise eligible for the benefits under this section, who did not
14 return to the state or territory within one year after the end of the persons' service in the
15 Alaska Territorial Guard or separation from the service unless prevented from doing so for
16 medical, educational, or other valid purposes approved by the Department of Commerce and
17 Economic Development within one year after the end of the persons' service in the Alaska
18 Territorial Guard or separation from the service, an additional requirement of four years'
19 residence in the state or territory before their entry into the service is imposed to entitle them to
20 the benefit provisions of this section.

21 * Sec. 12. AS 28.10.181(d) is amended to read:

22 (d) Vehicles owned by disabled veterans, including persons disabled in the line of duty
23 while serving in the Alaska Territorial Guard, and handicapped persons. A person who
24 presents to the department written proof that the person is at least 70 percent disabled or
25 medically handicapped and should be given special consideration by the public with respect to
26 the parking or standing of the person's vehicle in designated spaces, may register one passenger
27 vehicle without charge. The proof required under this subsection may consist of evidence that
28 the person receives at least 70 percent disability compensation from a government agency at the
29 time of registration or an affidavit signed by a physician licensed to practice medicine in this
30 state. Upon the request of the applicant the department shall issue a specially designed
31 registration plate that displays

1 (1) recognition of the disabled veteran if the applicant's disability originated from
2 the applicant's service with the Alaska Territorial Guard or the armed forces of the United
3 States; or

4 (2) the standard handicap symbol (the wheelchair logo).

5 * Sec. 13. AS 28.10.181(p) is amended to read:

6 (p) Vehicles owned by veterans. The department, upon receipt of written proof, shall
7 issue special registration plates for one noncommercial motor vehicle to a person who is a
8 veteran or retired veteran of the armed forces of the United States or who served in the Alaska
9 Territorial Guard. The commissioner, after consulting with the director of the division of
10 veterans affairs, shall determine the design and color of the veteran or retired veteran plates.

11 * Sec. 14. AS 29.45.030(i) is amended to read:

12 (i) In (e) - (i) of this section,

13 (1) "disabled veteran" means a disabled person

14 (A) separated from the military service of the United States under a
15 condition that is not dishonorable who is a resident of the state, whose disability was
16 incurred or aggravated in the line of duty in the military service of the United States, and
17 whose disability has been rated as 50 percent or more by the branch of service in which
18 that person served or by the Veterans' Administration; or

19 (B) who served in the Alaska Territorial Guard, who is a resident of
20 the state, whose disability was incurred or aggravated in the line of duty while
21 serving in the Alaska Territorial Guard, and whose disability has been rated as 50
22 percent or more;

23 (2) "real property" includes but is not limited to mobile homes, whether classified
24 as real or personal property for municipal tax purposes.

25 * Sec. 15. AS 29.45.050(i) is amended to read:

26 (i) A municipality may by ordinance approved by the voters exempt from taxation the
27 assessed value that exceeds \$150,000 of real property owned and occupied as a permanent place
28 of abode by a resident who is

29 (1) 65 years of age or older;

30 (2) a disabled veteran, including a person who was disabled in the line of duty
31 while serving in the Alaska Territorial Guard; or

1 (3) at least 60 years old and a widow or widower of a person who qualified for
2 an exemption under (1) or (2) of this subsection.

3 * Sec. 16. AS 38.05.067(e) is amended to read:

4 (c) In this section, "veteran" means a person with 90 days or more of active service in
5 the armed forces of the United States who has been honorably discharged or a person with 90
6 days or more of service in the Alaska Territorial Guard.

7 * Sec. 17. AS 38.05.940(b) is amended to read:

8 (b) To be eligible for a discount under this section, a veteran shall submit proof, as
9 required by regulation, that the veteran

10 (1) is 18 years of age or older on the date of sale;

11 (2) has been a state resident for a period of not less than one year immediately
12 preceding the date of sale; and

13 (3) has served

14 (A) in the Alaska Territorial Guard for at least 90 days, unless the
15 service was shortened due to a service connected disability; or

16 (B) on active duty in the U.S. Armed Forces at least 90 days, unless
17 tenure was shortened due to a service connected disability or due to receiving an early
18 separation upon return from a tour of duty overseas, [;] and

19 [(4)] has received an honorable discharge or a general discharge under honorable
20 conditions.

21 * Sec. 18. AS 39.25.159(c) is amended to read:

22 (c) In this section,

23 (1) "disabled veteran" means a veteran who is entitled to compensation under laws
24 administered by the United States Department of Veterans Affairs, [OR] a person who was
25 honorably discharged or released from active duty because of a service connected disability, or
26 a person who was disabled in the line of duty while serving in the Alaska Territorial Guard;

27 (2) "prisoner of war" means a person who has been a prisoner of war during a
28 declared war or other conflict as determined by the Department of Defense under federal
29 regulations;

30 (3) "veteran" means a person

31 (A) with 181 days or more active service in the armed forces of the United

1 States who has been honorably discharged after having served during any period

2 (i) [(A)] between April 6, 1917, and December 1, 1919, between
3 September 16, 1940, and December 31, 1947, or between June 27, 1950, and
4 October 14, 1976; or

5 (ii) [(B)] in which the person was awarded a campaign badge,
6 expedition medal, the Purple Heart, or an award or decoration for heroism or
7 gallantry in action;

8 (B) who served 181 days or more in the Alaska Territorial Guard.

9 * Sec. 19. AS 44.35 is amended by adding a new section to read:

10 Sec. 44.35.100. DEFINITION. In this chapter, "veteran" includes a person who served
11 in the Alaska Territorial Guard.

FISCAL NOTE

No. 1
 Bill Version: CSHB 271(STA)
 (H) Publish Date: 5/2/91

STATE OF ALASKA
 1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Community & Regional Affairs
 Title: "An Act..persons..served in the Alaska Territorial Guard." BRU: Local Government Assistance
 Component: State Assessor

Sponsor: Use Spec Comm Mil & Vets Affairs
 Requestor: House State Affairs

COMPONENT SERIAL NO.

	6	7	3
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT			<i>by STC note</i>			
LAND & STRUCTURES						
GRANTS, CLAIMS	13.0	14.3	-0-	-0-	-0-	-0-
MISCELLANEOUS						
TOTAL OPERATING	13.0	14.3	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	13.0	14.3	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	13.0	14.3	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Mike Worley

Prepared By: Mike Worley, State Assessor Phone: 465-4750

Division: Municipal & Regional Assistance Date: 4/26/91

Approved by Commissioner: Edgar Blatchford *Ed. Blatchford*

Agency: Department of Community & Regional Affairs Date: 4/26/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

The Territorial Guard consisted of approximately 4,500 members when it was dissolved in 1947.

In 1992, those people would range in age from 63 to 79 years of age. Using a straight line calculation, approximately 87.5 percent of the former members would be 65 years of age or older today. For that reason, the question of disability does not arise in that group, since they already qualify for the exemption program because of their age.

Of the remaining 12.5 percent (563) who could range in age from 63 to 64, we have made the following assumptions:

- (a) 60 percent own their own homes;
- (b) 20 percent reside in property-taxing jurisdictions;
- (c) 95 percent of the properties are taxable under federal law;

approximately 10 percent have a disability rating of 50 percent or more; and approximately 10 percent are widows between the ages of 60 and 65 (the factor of 20 percent results in 13 participants as noted below).

Each of the exemptions would equate to a property tax value of about \$1,000. The resulting computation would be 13 participants at \$1,000 for each exemption, or \$13,000.

This fiscal note assumes the Legislature would provide \$13,000 in additional funding for the program for fiscal years 1992 and 1993 (with the 10 percent inflation added for 1993). After that two year period, these remaining veterans will qualify as a result of their age, so no additional impact to the program is shown from that point on.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 2
Bill Version: CSHB 271 (STA)
(H) Publish Date: 5/2/91

Revision Date: _____ Department Affected: Natural Resources
Title: Alaska Territorial Guard BRU: Land & Water Management
Components: Land & Water Management
Sponsor: H. Veteran's & Military Affairs
Requestor: H. State Affairs Committee COMPONENT SERIAL NO. 431

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact: None

ANALYSIS: (Attach a separate page if necessary)

This bill increases the number of veterans eligible for state land discounts and reduces the revenue received for state lands. We have been unable to determine how many people would qualify.

Prepared by: Janet Burleson Phone: 465-3400
Division: Land & Water Management Date: 24-Apr-91
Approved by Commissioner: Harold Heinze Date: 24-Apr-91
Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____
Title: "An Act relating to persons who served in the Alaska Territorial Guard"
Sponsor: H. Spcl. Cmte Military & Vets
Requestor: H. SA

Department Affected: Public Safety
BRU: Motor Vehicles
Component: Vehicle Services

COMPONENT SERIAL NO.

	5	0	1
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EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not Included)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER/PROG RCPT						
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

Estimate of current year impact None

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: Juanita Hensley

Phone: 465-4335

Division: Motor Vehicles

Date: 4/23/91

Approved by Commissioner: _____

Richard L. Burton

Agency: Department of Public Safety

Date: 4/23/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Sections 8 and 9 of HB 271 deal with special vehicle registration plates for veterans, including members of the Alaska Territorial Guard. The Department of Public Safety has been informed that the only individuals who served in the Alaska Territorial Guard were Eskimo Scout Battalions, located in extremely rural areas that are not subject to vehicle registration. No fiscal impact upon the Division of Motor Vehicles is anticipated.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 4
Bill Version: CSHB 271(STA)
(H) Publish Date: 5/2/91

Revision Date: 4/16/91 Department Affected: Fish and Game

Title: Vet status of AK territorial guard vets BRU: Administration/Licensing

Sponsor: Spec. Comm. Military & Component: Administration/Licensing

Requestor: Veterans Affairs COMPONENT SERIAL NO.

4	7	9
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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
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REVENUE	0	0	0	0	0	0
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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	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: No impact on current fiscal year

ANALYSIS: (Attach a separate page if necessary.) It is unknown how many former Territorial Guard members who are more than 50 percent disabled from their service are still alive and less than 60 years old, but is anticipated that the numbers are very small. While this bill may have some negative fiscal effect on ADF&G, it would be minimal.

Prepared By: McKie Campbell Phone: 465-4100

Division: Commissioner's Office Date: 4/16/91

Approved by Commissioner: Row Somerville *[Signature]*

Agency: Fish and Game Date: 4/17/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

No. 5

Bill Version: CSHB 271(STA)

(H) Publish Date: 5/2/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____
Title: Relating to persons who served in Alaska Territorial Guard

Department Affected: Military & Veterans Affairs
BRU: Veterans Affairs

Component: Veterans Services

Sponsor: House DMVA

Requestor: House DMVA

COMPONENT SERIAL NO.

	4	2	1
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Zero fiscal impact

Prepared By: Jeff Morrison Director

Phone: 465-4600

Division: Administrative & Support Services

Date: 16 April 91

Approved by Commissioner: _____

Agency: Military & Veterans Affairs

Hugh L. Cox III, Commissioner

Date: 16 April 91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

COMMITTEE COPY

HB 273

HOUSE BILL NO. 273

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE GRUENBERG

Introduced: 4/12/91

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to reimbursement for certain Medicare premium charges for persons
2 receiving benefits from the teachers' retirement system, the judicial retirement system, the
3 elected public officers retirement system, and the public employees' retirement system."

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

5 * Section 1. AS 14.25.168(b) is amended to read:

6 (b) After an election of coverage under this section, major medical insurance coverage
7 takes effect on the same date as retirement benefits begin and stops when the member or
8 survivor is no longer eligible to receive a monthly benefit. The coverage for persons age 65 or
9 older is the same as that available for persons under age 65. The benefits payable to those
10 persons age 65 or older supplement any benefits provided under the federal old age, survivors
11 and disability insurance program. A person who is at least 65 years old and who is receiving
12 a monthly benefit under the system shall be reimbursed annually for the premium charges
13 the person has paid for Part B of the federal Medicare program covering the person.

14 * Sec. 2. AS 22.25.090(b) is amended to read:

1 (b) Except as provided in (d) of this section, major medical insurance coverage takes
2 effect on the same date as retirement benefits begin, and stops when the retired person or
3 survivor is no longer eligible to receive a monthly benefit. The coverage for persons age 65 or
4 older is the same as that available for persons under 65. The benefits payable to those persons
5 age 65 or older supplement any benefits provided under the federal old age, survivors, and
6 disability insurance program. A person who is at least 65 years old and who is receiving a
7 monthly benefit under the system shall be reimbursed annually for the premium charges
8 the person has paid for Part B of the federal Medicare program covering the person.

9 * Sec. 3. AS 39.35.535(b) is amended to read:

10 (b) Except as provided in (d) of this section, after an election of coverage under this
11 section, major medical insurance coverage takes effect on the same date that benefits begin, and
12 stops when the member or survivor is no longer eligible to receive a monthly benefit. The
13 coverage for persons age 65 or older is the same coverage available for a person under 65. The
14 benefits payable to persons age 65 or older supplement any benefits provided under the federal
15 old age, survivors and disability insurance program. A person who is at least 65 years old and
16 who has elected to receive major medical coverage under this section shall be reimbursed
17 annually for the premium charges the person has paid for Part B of the federal Medicare
18 program covering the person.

19 * Sec. 4. Notwithstanding former AS 39.37.145, a person who is at least 65 years old and who is
20 receiving a monthly benefit under the elected public officers retirement system shall be reimbursed
21 annually for the premium charges the person has paid for Part B of the federal Medicare program
22 covering the person.

FISCAL NOTE

1

Bill Version: HB 273

(H) Publish Date: 5/16/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____
Title: An Act relating to reimbursement of certain medicare premiums.

Department Affected: Administration
BRU: Retirement and Benefits

Sponsor: Gruenberg
Requestor: _____

Component: Retirement and Benefits

COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	21.7	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	72	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	28.9	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	72	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OIIIR	21.7	0	0	0	0	0
TOTAL	28.9	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

Estimate of current year impact: _____

ANALYSIS: (attach a separate page if necessary.) This analysis is written with the assumption that the bill would not become effective until FY 92.
THE BILL IS ESTIMATED TO COST ALL STATE AGENCIES \$9491.7 IN INCREASED PERSONAL SERVICES COSTS.
THE BILL IS ESTIMATED TO COST POLITICAL SUBDIVISIONS AND SCHOOL DISTRICTS \$9,394.0 IN FY 92.
See pages 2-4 for a detailed analysis.

Prepared By: Gary Bader
Division: Retirement and Benefits

Phone: 465-4461
Date: 4/29/91

Approved by Commissioner: Millet Keller
Agency: Department of Administration

Date: 4/30/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB & Impacted Agency(ies).

House Bill 273
Analysis of Financial Impact
Prepared by the Division of Retirement and Benefits
Department of Administration
April 26, 1991
Page 2 of 4

This analysis is written with the assumption that Part B premium reimbursement could be made on a monthly basis rather than annually and that all PERS, TRS, JRS, and EPORS retirees over the age of 65 would receive reimbursement. Passage of this bill will require a number of changes in the data processing system to automate the reimbursement requirements for eligible retirees. These changes would be accomplished with an existing analyst/programmer IV for an estimated three months. The estimated total cost for the additional personal services is \$21,741.15, including benefits.

There will be an impact to the State for employer contributions and direct benefit payments to the Elected Public Officers Retirement System (EPORS) retirees. The number of EPORS retirees is assumed to remain level with a 10 percent annual increase to the Medicare Part B premiums.

The bill is estimated to increase the State's contributions by 1.43% of the Public Employees' Retirement System (PERS) payroll, 1.21% of the Teachers' Retirement System (TRS) payroll and 0.66% of the Judicial Retirement System (JRS) payroll. The FY 92 State PERS payroll, including the University of Alaska, is estimated to be \$607,917,241 (State \$545,579,183, and University of Alaska \$62,338,058). It is assumed payroll to remain level each year thereafter.

The FY 92 State TRS payroll, including the University of Alaska, is estimated to be \$63,906,434 (Department of Education/Legislature \$6,537,114, and the University of Alaska \$57,369,320). TRS salaries are also assumed to remain level each year thereafter.

The FY 92 State JRS payroll is estimated to be \$2,727,216. JRS salaries are assumed to remain level thereafter.

The total estimated FY 92 cost to the State of \$9,491.7 is calculated as follows:

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Estimated State PERS FY 92 payroll	\$545,579,183	
PERS contribution rate increase	x <u>1.43%</u>	
State total PERS cost		\$7,801.8

Estimated University of Alaska PERS FY 92 payroll	\$62,338,058	
PERS contribution rate increase	x <u>1.43%</u>	
U of A total PERS cost		\$891.4

Estimated Department of Education/ Legislature TRS FY 92 payroll	\$6,537,114	
TRS contribution rate increase	x <u>1.21%</u>	
DOE/Leg total TRS cost.....		\$79.1

Estimated U of A TRS FY 92 payroll	\$57,369,320	
TRS contribution rate increase	x <u>1.21%</u>	
U of A total TRS cost		\$694.2

Estimated State JRS total FY 92 payroll	\$2,727,216	
JRS contribution rate increase	x <u>0.66%</u>	
State total JRS cost		\$18.0

Payments for Medicare Part B premiums to eligible EPORS members would come directly from general funds since the EPORS is not actuarially funded.

The total estimated FY 92 EPORS cost of \$7.2 is calculated by multiplying the estimated number of eligible EPORS members (20) times the Medicare Part B premium (\$29.90) times 12 months:

State total EPORS cost	\$7.2
------------------------------	-------

In addition to the State cost there would also be an increase in the political subdivisions' contribution rate to the PERS by 1.43% of PERS payroll and school districts' contribution rate to the TRS by 1.21% of TRS payroll. The FY 92 PERS payroll for political subdivisions is estimated to be \$409,599,379. The FY 92 TRS payroll for school districts is estimated to be \$384,476,586. Salaries for both systems are assumed to remain level each year thereafter.

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The total estimated FY92 cost to these entities of \$10,509.5 is calculated as follows:

Estimated political subdivision
 FY 92 payroll \$409,599,379
 PERS contribution rate increase x 1.43%
 Political subdivision total PERS cost \$5,857.3

Estimated school district
 FY 92 payroll \$384,476,586
 TRS contribution rate increase x 1.21%
 School district total TRS cost \$4,652.2

INCREASE IN FY 92 COSTS DUE TO
 REIMBURSEMENT OF MEDICARE PART B PREMIUMS

Employer	System				TOTAL
	PERS	TRS	JRS	EPORS	
State	\$8693.2	\$773.3	\$18.0	\$7.2	\$9491.7
Political Subdivisions and School Districts	\$5857.3	\$4652.2	N/A	N/A	\$10509.5

COMMITTEE COPY

MEMORANDUM

TO: Max Gruenberg
FROM: Mark Handley
DATE: April 19, 1991
RE: Sectional Analysis of HB 273, Medicare
reimbursements

Section 1

AS 14.25.18(b) amends the statute that grants major medical insurance coverage to persons who are at least 65 years old and who are receiving monthly benefits from the teachers' retirement system. The new language provides that those individuals who have made mandatory payments of premiums or supplemental premiums for Part B of the federal Medicare coverage be reimbursed annually for those expenses.

Section 2

AS 22.25.090(b) amends the statute that grants major medical insurance coverage to persons who are at least 65 years old and who are receiving monthly benefits from the judicial retirement system. The new language provides that those individuals who have made mandatory payments of premiums or supplemental premiums for Part B of the federal Medicare coverage be reimbursed annually for those expenses.

Section 3

AS 39.35.535(b) amends the statute that grants major medical insurance coverage to persons who are at least 65 years old and who are receiving monthly benefits from the public employees' retirement system. The new language provides that those individuals who have elected to receive major medical coverage, and have made mandatory payments of premiums or supplemental premiums for Part B of the federal Medicare coverage be reimbursed annually for those expenses.

Section 4

Adds temporary law that provides persons who are at least 65 years old and who are receiving monthly benefits from the old elected public officers' retirement system, under former AS 39.37.145, and have made mandatory payments of premiums or supplemental premiums for Part B of the federal Medicare coverage be reimbursed annually for those expenses.

MEDICARE EXPLANATION

Medicare is a federal health insurance program for people age 65 or older, people of any age with permanent kidney failure, and certain disabled people under 65. Medicare has two parts: hospital insurance (Part A) and medical insurance (Part B).

Medicare Hospital Insurance Benefits (Part A): When all program requirements are met, Medicare Part A will help pay for medically necessary inpatient care in a hospital, for medically necessary inpatient care in a skilled nursing facility, and for hospice care. In addition, Part A pays the full cost of medically necessary home health care and 80 percent of the *approved* cost for durable medical equipment supplied under the home health benefit. An individual who is entitled to benefits under the Social Security system is entitled to enroll in Part A.

Medicare Medical Insurance Benefits (Part B): Part B helps pay for physician services, outpatient hospital services, and many other related medical services and supplies not covered by Part A. Part B is optional and is offered to all individuals when they enroll in Part A. It also may be purchased by individuals who do not qualify for Part A coverage.

Health care coverage under the PERS and TRS medical plan is supplemental to Medicare. The PERS and TRS plan will pay only that portion of covered expenses which is not covered by Medicare. Therefore, in order for medical services to be paid at the maximum level, an individual must be enrolled in Part B.

OPINION

Medicare act Catastrophe?

Upon enactment of the Catastrophic Health Coverage Act, the higher income tax mechanism, the higher income tax to pay for the new law will affect older Alaskans in the higher income brackets. They will have to pay a flat monthly premium of \$10.20 in 1993 — plus a 28 percent surtax on income. For Medicare beneficiaries with annual incomes of just over \$800, such as \$800 per individual or \$1,600 for couples with about \$3,200, the surtax could top out at a 28 percent surtax on the highest incomes (10 percent

on the other side). These surcharges are onerous and regressive. There are many useful Medicare coverage alternatives. These benefits are illusory at best.

The act touts the expansion of Medicare from 60 days to 365 days. The government's own statistics show that a 65-year-old is likely to stay in a hospital for 60 days.

What stays is the Prospective Payment System related groupings, which will result in a reduced fee for a specific diagnosis. If a patient has an appendectomy, the 90 days of coverage and Medicare coverage refers to "condition required more than 90 days of coverage and Medicare coverage refers to condition required more than 90 days of coverage," for extra coverage. Hospitals try to move seniors to long-term care facilities as quickly as possible.

Medicare's coverage of skilled nursing care has increased from 100 days to 100 days. It is inadequate and it does not cover the high costs of long-term care.

LETTERS

Catastrophic care: Serious burden

The national Catastrophic Health Care Act was passed (and signed by President Reagan) last year with the active support of our congressman and senators. The additional premium is a nominal \$4 a month if you don't pay any income tax, but taxpayers will also pay \$22.50 per \$150 of tax initially, rising to \$42 per \$150 by 1993 subject to further upward adjustments thereafter. There is a cap of \$800 per taxpayer but this too adjusts upward. In reality, the sky's the limit. This will be a very serious burden on all older taxpayers living on fixed (and shrinking) incomes.

We objected to this bill to Senator Murkowski before it was passed and got a noncommittal reply, the basic message of which was that this new benefit was going to be just great for everyone, and anyone who didn't understand this was just confused. To be charitable, I don't think Congress realized the full impact of what it was doing. Now that it's done, I think they should take another look at it and repeal it, if it can't be fixed any other way. (A recent news-

The basic message was that this new benefit was going to be just great for everyone . . .

paper column by Joan Beck spelled out how we've been hoodwinked.

What is the position of OPAG on this subject? Is OPAG in a position of influence at the national level? Can it — will it — use its influence to try and get this terrible piece of legislation changed or repealed?

Thank you for your consideration.

Kenneth L. Crewdson
Anchorage

OPAG board member Jorge Hix wrote this reply:

We are concerned with some provisions of the Catastrophic Health Care Act. We think the following items should be addressed or better explained to us, now that the act is implemented.

The strange tax increase on the elderly — (1) The additional progressive charges to Medicare part B that will eat up the cost of living increases on our Social Security payments; and (2) the senior progressive income tax addition, that is not an "income" tax because it applies strictly to a select group. A person paying \$5,333 will pay an additional \$800 in 1989. A person paying \$50,000 will also pay an additional \$800. What kind of an income tax is this?

The AIDS fund on Medicare — This act will benefit a very small proportion of the senior because it does not include nursing homes and in general applies only to intensive care AIDS patients will become eligible for Medicare after being unable to work for two years and their tremendous medical costs will come from the fund.

For the first time a single group of taxpayers is being singled out for taxation.

If we are going this route, let the parents of school-age children be taxed to pay for the school system and leave us out of it.

Shearson Lehman calls appreciated

I certainly want to thank Senior Voice for calling to my attention the opportunity Senior Citizens in Southcentral Alaska had on 17 December 1988. I felt fortunate to be able to respond to the kind invitation of Shearson

I saw the announcement in Senior Voice in plenty of time to make my reservation and write my family to ask them to be at home at a specific time.

The advance announcement also gave me the opportunity to arrange my timetable for

The chance to make this particular long distance call was certainly the highlight of my day, as I was able to talk to my two grandchildren, one of whom I have not seen yet, for more than just a few minutes.

Sincere!



NEA-ALASKA

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May 6, 1991

**To: Representative Kubina, Chair
Members, House State Affairs Committee**

Re:

HB 273; "An Act relating to reimbursement for certain Medicare premium charges for persons receiving benefits from the teachers' retirement system, the judicial retirement system, the elected public officers retirement system, and the public employees' retirement system."

NEA-Alaska supports and strongly encourages your favorable consideration of HB 273.

Currently, at age 65, retirees are required to pay the premium costs for Medicare B for physicians services as a supplement to the health insurance coverages provided under the retirement systems. This represents a substantial decrease in premium costs to the systems while placing an added financial burden on retirees.

Because of fixed incomes and the erosion of inflation this additional financial burden for retirees comes at a time when they can least afford it.

Retirees should have continued access to full health care coverage without having to assume additional financial burdens for basic coverage and health care services.

We need your support for HB 273. Thank you for your consideration of our recommendation.

Respectfully submitted,

Bob Manners
Executive Director

Don Oberg
President

cc: Representative Gruenberg



NEA-ALASKA

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March, 1991

MEDICARE, PART B

When benefit recipients under Alaska public employee retirement systems reach age 65, in order to continue critical health care benefits, specifically physician care services, they must pay the premium costs for this coverage under Medicare, Part B.

The current monthly premium costs for this coverage to individuals is \$30+ per month. For many of these people this additional financial burden puts a severe strain on their already fixed and limited incomes.

During the 1989 fiscal year, the Teachers' Retirement System paid a monthly health insurance premium of \$267.43 for retirees under the age of 65 and \$76.37 for those 65 and older. Therefore, health insurance costs to retirees 65 and older was just 29% of the costs for those under age 65. Even if TRS had been paying for the full Medicare Part B premium the cost to the TRS would have been approximately only 40% of the health insurance costs for retirees under age 65.

It is time to rectify this inequity and possible discriminatory practice. Those who retire from the Alaska public employment retirement systems cannot afford an additional financial burden when their fixed incomes are least able to handle it and when the probability of their need for critical health care services has increased significantly.

NEA-ALASKA RETIRED



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REIMBURSEMENT FOR MEDICARE PART B PREMIUM FOR RETIRED TEACHERS AND RETIRED STATE EMPLOYEES

Under current statutes, teachers and public employees retiring as of July 1990 have premium-free basic health insurance until age 65. At the age of 65 retirees must enroll in the Medicare Part B program for physician care benefits and pay the monthly premium for coverage. The state health insurance becomes secondary coverage only.

For fiscal year 1989 the Teachers' Retirement System (TRS) paid a monthly premium of \$267.43 for retirees under age 65 and \$76.37 for those 65 and older. The insurance cost to the state (TRS) for 65-year-old retirees was just 29 percent of the premium cost for retirees under age 65.

Had the TRS reimbursed for the Medicare Part B premium in fiscal year 1989, the total cost for retirees 65 and older would have been well under one-half the cost for those retirees under age 65.

Retirees in Alaska have been aware of this inequity for many years. But it is only very recently that the federal government has addressed such inequities as a national problem.

The result was the passage by Congress of the OLDER WORKERS BENEFIT PROTECTION ACT, which was signed by President Bush this past year. The measure prohibits employers from providing health and retirement benefits that discriminate by age. The requirement is that the employer incur the same cost in purchasing benefits for all workers, regardless of age.

A legislative bill that incorporates the ideas expressed in Senator Duncan's SB 13, introduced in the 16th Legislature, would not equalize the costs for the employer (the state), but it would provide equity in costs to retirees. While not meeting the full intent of the federal legislation, a resurrected SB 13 would tend to alleviate the discrimination on the basis of age.

HB 286

HOUSE COMMITTEE REPORT

(11)

Date Referred: May 13, 1991

FURTHER REFERRALS:

Date of Committee Action: 5-15-91

The FINANCE Committee considered:

HB 286

HOUSE BILL NO. 286

LOCAL EXCHANGE TELEPHONE CO. REGULATION

"An Act relating to regulation of local exchange telephone utilities; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 286 (fin) the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) OLEO 5-15-91

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Bob Sharp</i>	✓	<i>Eileen P. Mahan</i>		✓	
<i>Donald J. ...</i>	x	<i>Mike Savane</i>			
<i>Tamara Barnes</i>	x	<i>Mark ...</i>		x	
<i>George ...</i>	x	<i>Kay ...</i>		✓	
		<i>...</i>		✓	
		<i>REC. E. REC. ...</i>		✓	
		<i>...</i>		x	

Mike Savane E.P. Mahan
 CHAIRMAN'S SIGNATURE

CS FOR HOUSE BILL NO. 286 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES IVAN, Jacko, Zawacki

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring the Alaska Public Utilities Commission to adopt regulations concerning
2 the adjustment of rates by local exchange telephone utilities; permitting the adjustment of
3 rates of local exchange telephone utilities in conformance with changes in jurisdictional cost
4 allocation factors; and providing for an effective date."

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

6 * Section 1. AS 42.05.381(e) is amended to read:

7 (e) The commission shall adopt regulations for electric cooperatives and for local
8 exchange telephone utilities setting a range for adjustment of rates by a simplified rate filing
9 procedure. A cooperative or telephone utility may apply for permission to adjust its rates over
10 a period of time under the simplified rate filing procedure regulations. The commission shall
11 grant the application if the cooperative or telephone utility satisfies the requirements of the
12 regulations. The commission may review implementation of the simplified rate filing procedure
13 at reasonable intervals and may revoke permission to use the procedure or require modification
14 of the rates to correct an error. The commission shall adopt the regulations concerning

1 adjustment of rates by local exchange telephone utilities on or before October 1, 1991.

2 * Sec. 2. AS 42.05.381 is amended by adding a new subsection to read:

3 (f) A local exchange telephone utility may adjust its rates in conformance with changes
4 in jurisdictional cost allocation factors required by either the Federal Communications
5 Commission or the Alaska Public Utilities Commission upon a showing to the Alaska Public
6 Utilities Commission of

7 (1) the order requiring the change in allocation factors;

8 (2) the aggregate shift in revenue requirement, segregated by service classes or
9 categories, caused by the change in allocation factors; and

10 (3) the rate adjustment required to conform to the required shift in local revenue
11 requirement.

12 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

No. 1
 Bill Version: CSHB 286 (CRA)
 (H) Publish Date: 5/1/91

STATE OF ALASKA
 1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: DCED
 Title: Regulation of Local Exchange telephone utilities ARU: APUC
 Component: _____
 Sponsor: Rep. Ivan, Jacko
 Requestor: Rep. Ivan, Jacko COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact for FY91

Prepared By: Ray Wibelmann Acting Exec. Director Phone: 276-6222
 Division: Alaska Public Utilities Commission Date: 5/26/91
 Approved by Commissioner: Heim A. Miles Com.
 Agency: Department of Commerce & Economic Development Date: 4-25-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CS FOR HOUSE BILL NO. 286 ()
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES IVAN, Jacko, Zawacki

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to regulation of rate changes of local exchange telephone utilities; and
2 providing for an effective date."

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

4 * Section 1. AS 42.05.381(e) is amended to read:

5 (e) The commission shall adopt regulations for electric cooperatives and for local
6 exchange telephone utilities setting a range for adjustment of rates by a simplified rate filing
7 procedure. A cooperative or telephone utility may apply for permission to adjust its rates over
8 a period of time under the simplified rate filing procedure regulations. The commission shall
9 grant the application if the cooperative or telephone utility satisfies the requirements of the
10 regulations. The commission may review implementation of the simplified rate filing procedure
11 at reasonable intervals and may revoke permission to use the procedure or require modification
12 of the rates to correct an error. The commission shall adopt the regulations concerning
13 adjustment of rates by local exchange telephone utilities on or before October 1, 1991.

14 * Sec. 2. AS 42.05.381 is amended by adding a new subsection to read:

- 1 (f) A local exchange telephone utility may adjust its rates in conformance with changes
2 in jurisdictional cost allocation factors required by either the Federal Communications
3 Commission or the Alaska Public Utilities Commission upon a showing [of] to the ^{Alaska} ~~Commission~~
4 (1) the order requiring the change in allocation factors;
5 (2) the aggregate shift in revenue requirement, segregated by service classes or
6 categories, caused by the change in allocation factors; and
7 (3) the rate adjustment required to conform to the required shift in local revenue
8 requirement.
9 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

Alaska State Legislature

House of Representatives

COMMITTEES
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SPECIAL COMMITTEE ON
MILITARY & VETERANS AFFAIRS
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LABOR & COMMERCE
RESOURCES
FINANCE SUBCOMMITTEES
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PUBLIC SAFETY



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DURING SESSION
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Representative Juan M. Juan

SECTIONAL ANALYSIS FOR CSHB 286 DRAFT (7-LS1207/V)

SECTION 1: Requires the Alaska Public Utilities Commission to adopt regulations concerning adjustment of rates by local telephone utilities on or before October 1, 1991.

SECTION 2: This section allows telephone utilities to adjust rates in compliance with regulatory orders issued by the Federal Communications Commission or the APUC. Under current procedures, whenever a shift in cost allocation among the interstate toll, intrastate toll and local jurisdictions, companies must go through rate case procedures just to comply with required adjustments. The provision in section one allows the shifts to take place without the expense or burden of a rate case procedure.

SECTION 3: Immediate effective date.

DISTRICT 25

AKIACHAK, AKIAK, ATMAUTLUAK, BETHEL, CHEFORNAK, EEK, GOODNEWS BAY, KASIGLUK, KIPNUK, KONGIGANAK, KWETHLUK, KWILLINGOK, MEKOYAK, NAPAIAK, NAPASKIAK, NEWTOK, NIGHTMUTE, NUNAPITCHUK, OSCARVILLE, PLATINUM, QUINHAGAK, TOOKSOOK BAY, TUNTUTULIAK, TUNUNAK

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

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ALASKA PUBLIC UTILITIES COMMISSION

COMMENTS ON CSHB 286

MAY 7, 1991

The Commission unequivocally supports simplified rate making that will reduce rate case costs while still protecting consumers.

The Commission opposes CSHB 286 because it does not meet these objectives, and it is premature.

-CSHB 286 lets all telephone companies in the state, even the largest monopolies, raise rates by up to 8 percent or more a year.¹ These increases are allowed whether needed or not and even if the company is already overearning.

-The Commission would have no direct control over these increases. This deprives consumers of vital protection now provided by Commission review of rate increases. And it puts the burden on the consumers to control the increases. No other regulated utilities in the state can raise the rates to their consumers without regulatory review.

-Rate filings for local telephone companies will be simplified and rate case costs will be reduced under legislation passed last session (HB 168) without compromising consumer protection. Until these regulations are in place and tested, it is premature and confusing to require a further level of simplified ratemaking.

-RECOMMENDATION: Allow the Commission to complete the work already underway to implement HB 168. If the legislature wants to impose a time certain or other conditions on the HB 168 process, it can do so. (See proposed legislation in this packet.)

Other States have required simplified procedures for local telephone companies, but they have left the details to their public utility commissions. This allows for all sides to be heard, including both industry AND consumers, and for the full range of alternatives to be considered in an open forum.

¹Combining Section 1 and Section 2 increases could result in annual rate increases much higher than 8 percent a year.

CS for CSHB 286 (L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE-FIRST SESSION

A BILL
FOR AN ACT ENTITLED

"An Act relating to regulation of local exchange telephone utilities; and providing for an effective date."

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

* Section 1. AS 42.05.381(e) is amended to read:

(e) The commission shall adopt regulations for electric cooperatives and for local exchange telephone utilities setting a range for adjustment of rates by a simplified rate filing procedure. In developing the simplified rate filing procedure for local exchange telephone utilities the commission shall consider the size of the utility and the impact of rate case expenses on rates. A cooperative or telephone utility may apply for permission to adjust its rates over a period of time under the simplified rate filing procedure regulations. The commission shall grant the application if the cooperative or telephone utility satisfies the requirements of the regulations. The commission may review implementation of the simplified rate filing procedure at reasonable intervals and may revoke permission to use the procedure or require modification of the rates to correct an error.

* Sec. 2. AS 42.05.381 is amended by adding a new subsection to read:

(f) By January 1, 1992, the commission shall adopt regulations to establish simplified rate filing procedures for local exchange telephone companies as required by AS 41.05.381(e).

* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA

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ALASKA PUBLIC UTILITIES COMMISSION

COMMENTS ON HB 286

April 29, 1991

The Commission recognizes the benefits of simplified ratemaking but opposes HB 286 because it fails to adequately protect the consumers of local telephone companies and because it is premature.

Local telephone companies are part of a statewide telephone network that provides both local and long distance service. Local telephone companies are more complex than other utilities because they have costs and revenues which must be separated into three categories: local, intrastate toll, and interstate toll. With the introduction of intrastate long distance competition, the local telephone companies are making annual filings to the Commission which include this cost and revenue data. These filings are currently used for determining what charges intrastate long distance companies will pay to access customers through the local telephone companies. However, they also include information which will allow the ratemaking process for local services to be simplified and expedited without compromising protection of the consuming public. This is the Commission's current mandate under legislation passed last year (HB 168). Therefore, it would be premature to consider deregulation of local telephone utilities before taking the intermediate step of stream-

lining regulation. To do so would be to put the public at risk without demonstrable benefits which can otherwise be achieved under simplified ratemaking procedures.

In particular, the Commission finds Section 3 of the bill to be contrary to the public interest. Under this section, local telephone utilities would be entitled to rate increases of 8% per year regardless of what rate of return they are earning or whether costs are increasing. This proposal is radically different in scope and structure from the current rules governing simplified ratemaking for electric cooperatives. The proposal in Section 3 essentially is devoid of the public protection checks which balance the quasi-automatic rate adjustments allowed for electric cooperatives, including limits on increases based on allowed earnings, votes by their elected boards prior to requesting rate adjustments, quarterly or semi-annual filings, required rate decreases, etc. In addition, by any standard, this section is exceedingly liberal (with ratepayer money) relative to the approaches which have been adopted in other jurisdictions for allowing rate flexibility for telephone utilities.

Section 2 of the bill appears to be an automatic adjustment clause for changes in the rules governing separation of costs between the local, intrastate toll, and interstate toll jurisdictions. Unlike fuel costs, these changes do not occur overnight or without warning; rather, they are considered in lengthy federal or state proceedings with the resultant changes

occurring at some future time or in phases. With the annual access charge filings required by intrastate long distance competition, there is no need for an automatic adjustment provision. These cost changes can readily be included in rates each year through existing procedures.

Section 5 of the bill would economically deregulate 9 of the 18 local telephone companies fully regulated by the Commission based on the number of access lines they serve. The local telephone companies deregulated by this section are monopolies. Without regulation, there is no protection in place for consumers against the monopoly provision of essential communications service. This is particularly critical in the areas served by the small utilities deregulated by this bill. If the cost of regulation is too high, then the answer is to simplify regulatory procedures, not to fully deregulate the utilities. In addition, there are already provisions in the statute allowing the consumers of many of these utilities to vote to be deregulated if they believe it is desirable to do so.

In conclusion, the Commission finds that HB 286 poses risks to the public interest. In addition, the Commission believes that its existing legislative mandate and recent developments in related telecommunications matters, notably intrastate long distance competition, have set the stage for simplification of local telephone company ratemaking. This course should be maintained and completed before further deregulation is considered.

ALASKA TELEPHONE ASSOCIATION

POSITION PAPER ON HB 286

"An Act Relating To Regulation Of Local Exchange Telephone Utilities"

Since the late 1970s, policymakers throughout the nation have been moving toward streamlined regulation and deregulation of local exchange telephone utilities. Varied versions of simplified ratemaking and deregulation have been implemented in different jurisdictions. In all cases, however, two commonalities exist: motivation and results.

A prime motivating factor in this trend has been cost. The cost of regulation has risen to the point which makes it a significant contributor to rate levels. States have found that establishing a simplified procedure and deregulating certain classes of companies reduces the cost of service, thereby reducing pressure on the pocketbooks of customers.

These states have also found that simplified ratemaking and deregulation omits the necessity of committing regulatory resources to the minor cases, freeing them to concentrate on the more complex procedures and policy issues before them.

Timeliness is another factor leading more and more states to restructure their regulatory procedures. The current system of regulation in Alaska, for instance, is modeled on that created by the federal government in 1934. It is a cumbersome, time-consuming process which ill fits an industry attempting to combine customer needs with the technology of the 1990s.

The most significant result is the level of customer satisfaction. Simply put, the experience has been that customers are comfortable with simplified ratemaking and deregulation.

Attached is a copy of the latest study of state action on simplified ratemaking and deregulation. The study was compiled by the National Regulatory Research Institute, the research arm of the National Association of Regulatory Utility Commisisoners.

The Alaska Telephone Association (ATA), a trade association representing the 22 local exchange telephone utilities authorized to provide service within the State of Alaska, has been concerned about the cost and timeliness of regulation for

many years. Our first discussion with Alaska Public Utilities Commission regarding methods of reducing the cost and increasing the efficiency of regulation occurred in 1984.

In 1990, at ATA's urging, the legislature passed overwhelmingly HB 168, calling on the APUC to implement a simplified rate filing procedure for local exchange telephone utilities. ATA had originally proposed language which described such a procedure in detail. However, at the request of the APUC, we agreed to a more general bill which left the details up to the APUC.

Almost a year later, HB 168 has not been implemented. No docket has been opened by the APUC. The only action taken thus far by the APUC was the summary rejection of proposed regulations filed by ATA in an effort to initiate the implementation of the legislation. Consequently, the legislature has before it HB 286.

SECTIONAL ANALYSIS OF HB 286

Section 1: This section allows the automatic applications of shifts in jurisdictional allocations resulting from regulatory decisions. Under current practice, if either the Federal Communications Commission or the APUC issues a decision requiring that costs previously allocated to either the interstate toll, intrastate toll or local jurisdictions be allocated to another jurisdiction, the company is required to file for subsequent commission approval to carry out the order.

This language would simply allow the company to accomplish the required shift without submitting to an additional complicated regulatory procedure.

Section 2: This language implements HB 168, passed by the legislature in 1990. It allows a local exchange telephone utility to adjust rates, up or down, by a maximum of eight per cent by notifying affected customers and the commission. The commission may investigate the adjustment upon receipt of requests by five per cent of the utility's customers. This concept is similar to that already in place for the electric industry.

As with any industry, costs of doing business for local exchange telephone utilities go up. This procedure will allow the utilities to accomplish modest adjustments and avoid the shock of large increases.

Section 3: The effective date of the legislation is immediate.

HB287