

**ALASKA LEGISLATURE**

**2319**

**HOUSE and SENATE FINANCE COMMITTEE FILES, 2001 - 2002**

1	renovaticn		
2	(17) Interior/Aleutians classroom	Interior/Aleutians	240,000
3	building renovation		
4	(18) Northwest College classroom	Nome	190,000
5	building renovation		
6	(19) Kuskokwim College classroom	Bethel	180,000
7	building renovation		
8	(20) Bristol Bay Campus addition	Dillingham	704,000

9 \* Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to  
10 read:

11 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT. The  
12 amount of \$5,000,000 is appropriated from the educational and museum facility design,  
13 construction, and major maintenance fund to the Department of Community and Economic  
14 Development to be awarded as a grant under AS 37.05.315 to the Municipality of Anchorage  
15 for renovation of the Anchorage Museum of History and Art.

16 \* Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to  
17 read:

18 STATE BOND COMMITTEE. If the issuance of the bonds is ratified by a majority  
19 of the qualified voters of the state who vote on the question, the amount of \$1,005,834 or as  
20 much of that amount as is found necessary is appropriated from the proceeds of the sale of the  
21 bonds authorized by this Act to the state bond committee to carry out the provisions of this  
22 Act and to pay expenses incident to the sale and issuance of the bonds authorized by this Act.

23 \* Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to  
24 read:

25 ADVANCE PLANNING. Any amount withdrawn from the public facility planning  
26 fund (AS 35.10.135) for the purpose of advance planning for the capital improvements  
27 financed under this Act shall be reimbursed to the fund from the proceeds of the sale of bonds  
28 authorized by this Act.

29 \* Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section to  
30 read:

31 LAPSE; REDEMPTION; REIMBURSEMENT. The unexpended and unobligated

1 balances of the appropriations made in secs. 3 - 5 of this Act lapse under AS 37.25.020 and  
 2 are appropriated to the state bond committee to redeem bonds sold under this Act. The  
 3 amounts expended from the general fund to pay the principal, interest, and redemption  
 4 premium on bonds issued under this Act shall be reimbursed to the general fund from the  
 5 appropriation made under this section to the extent that the money is not needed to redeem the  
 6 bonds.

7 \* Sec. 9. The uncodified law of the State of Alaska is amended by adding a new section to  
 8 read:

9 BALLOT QUESTION. The question whether the bonds authorized by this Act are to  
 10 be issued shall be submitted to the qualified voters of the state at the next general election and  
 11 shall read substantially as follows:

12 PROPOSITION

13 State General Obligation Educational and  
 14 Museum Facility, Design, Construction,  
 15 and Major Maintenance Bonds \$201,166,746

16 Shall the State of Alaska issue its general obligation bonds in  
 17 the principal amount of not more than \$201,166,746 for the  
 18 purpose of paying for the cost of design, construction, and  
 19 major maintenance of educational and museum facilities?

20 Bonds Yes [ ]

21 Bonds No [ ]

22 \* Sec. 10. This Act takes effect immediately under AS 01.10.070(c).

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**Alaska State Legislature**  
**House Finance Committee**



State Capitol, Juneau, Alaska 99801-1182

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## HOUSE BILL 2002

# General Obligation Bonds for Education Facility Construction and Major Maintenance

Finance Committee Substitute for House Bill 2002 authorizes a vote of the people on general obligation bonds issued by the State of Alaska for the construction of educational facilities.

The proposal, totaling \$201,166,746, provides for 11 new schools, University of Alaska projects and a portion of a museum expansion in Anchorage.

The new school projects funding includes \$134,462,746 for facilities in Tuluksak, Akiak, Akiachak, Scammon Bay, Teller, Hooper Bay, Circle, and Naukati. Major renovations will be financed at Sheldon Point, White Mountain and Arctic Village..

The University of Alaska funding of \$61,704,000 includes projects on campuses in Fairbanks, Juneau, Homer, Valdez, Anchorage, Kenai, Sitka, Homer, Palmer, Kotzebue, Nome, Bethel, Dillingham, and Ketchikan.

The bond question would be on the November ballot. If approved by the voters, projects could commence early in 2003.

**HB**

**2003**

HFIN

FILE

5-18-02

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Existing debt reimbursement	56.0	58.0	58.0	56.0	58.0	53.0	46.0	46.0	45.0
Bonds already "in the hopper"									
Anchorage 77m voter approved 4/02		5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Juneau 50m voter approved 10/99		3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Fairbanks 42m - vote will be 10/02		3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
+ Bonds that might be approved before 6/30/06									
Anchorage - 100m each in 03-06			6.6	13.2	19.8	26.4	26.4	26.4	26.4
Other districts - 150m phased in 3 yrs			3.3	6.6	9.9	9.9	9.9	9.9	9.9
Total debt reimbursement	56.0	70.1	80.0	87.9	99.8	101.4	94.4	94.4	93.4
70% of urban debt for rural schools	GO bond	49.0	56.0	61.5	69.8	70.9	66.0	66.0	65.3
Approx # of projects funded in future construction		5 phased							
GO bond	GO bond	44.1	defer	4	4	8			
major maintenance	GO bond		defer	14	existing major maintenance list done				
<b>\$238 m Senate CS for GO Bonds</b>									
School construction - complete 1-8		109.0							
School construction - phase 9-13		4.9							
School major maintenance - Anchorage		12.8							
School major maintenance - rural		41.8							
University		62.0							
Museums		7.0							
<b>Total</b>		<b>237.5</b>							

FY2003 Proposed - GO Bond Grant Package for  
 School Construction and Major Maintenance Projects from FY2003 Priority Lists

*Senate CS for Bonds*

Apr 6	School District	Project Name	State Share	Aggregate Amount
<b>School Construction</b>				
1	Yupit	Tuluksak School Improvement	\$17,703,793	\$17,703,793
2	Yupit	Akiak School Improvement	\$13,228,730	\$30,932,523
3	Yupit	Akiachak School Improvement	\$19,099,094	\$50,031,617
4	Lower Yukon	Scammon Bay Replacement School	\$17,029,762	\$67,061,379
5	Bering Strait	Teller K-12 Remodel/Addition	\$9,426,570	\$76,487,949
6	Lower Yukon	Hooper Bay Addition/Renovation	\$24,423,457	\$100,911,416
7	Yukon Flats	Circle School Replacement	\$4,068,521	\$104,979,937
8	Southeast Island	Naukati School Replacement	\$4,018,031	\$108,997,968
9	Lower Yukon	Sheldon Point (Nunam Iqua) School Improvement	\$728,549	\$109,726,517
10	Bering Strait	White Mountain K-12 Remodel/Addition	\$1,138,767	\$110,865,284
11	Yukon Flats	Arctic Village Addition/Renovation	\$679,162	\$111,544,446
12	Southeast Island	Howard Valenline School Improvement	\$340,170	\$111,884,616
13	Southwest Region	New Stuyahok School Improvement	\$2,009,178	\$113,893,794
<b>Subtotal Construction</b>			<b>\$1,389,794</b>	
<b>Major Maintenance</b>				
1	Anchorage	Wendler Middle School Building Renovation Phase 2	\$12,821,521	\$12,821,521
2	Lower Yukon	Hooper Bay Structural Repairs	\$258,901	\$13,080,422
4	Chatham	Gustavus Gymnasium Renovation	\$394,065	\$13,474,487
6	Copper River	Glennallen Elementary School Upgrade	\$927,069	\$14,401,556
8	Hoonah City	Hoonah Elementary Major Maintenance	\$1,805,501	\$16,207,057
9	Yupit	Akiak Elementary School Repairs	\$3,234	\$16,210,291
10	Chatham	Angoon ADA Access Renovation	\$134,806	\$16,345,097
11	Copper River	Glennallen High School Gym Renovation	\$152,709	\$16,497,806
15	Hydaburg City	Hydaburg School Renovation	\$5,822,106	\$22,319,912
21	Galena	Galena High School Floor Renovation	\$154,841	\$22,474,753
22	Skagway City	Skagway Roof Replacement	\$177,756	\$22,652,509
23	Nenana City	Nenana Kitchen/Cafeteria Renovation	\$324,237	\$22,976,796
25	St Marys	Elicavicular Elementary Boiler Replacement	\$161,346	\$23,138,142
27	Yukon-Koyukuk	Kallag School Renovation	\$2,461,577	\$25,599,719
28	Tanana City	Tanana Major Maintenance	\$2,606,707	\$28,206,426
30	Yakutat City	Yakutat High School Gymnasium Structural Repair	\$125,801	\$28,332,227
40	Chatham	Kukwan Mechanical System Renovation	\$138,137	\$28,470,364
41	Chugach	Chenegga Bay Major Maintenance	\$10,520	\$28,480,884
42	Yukon Flats	Chalkyitsik Sewage Lagoon & Water Tank Project	\$156,249	\$28,637,133
43	Kake City	Kake Middle School Renovation	\$470,415	\$29,107,548
45	St Marys	Elicavicular Elementary Tank Farm Upgrades	\$210,035	\$29,325,583
47	Kuspuk	Kralskag George Morgan Sr. High School Sewage System Replacement	\$452,647	\$29,778,230
48	Yupit	Akiak High School Access Ramp	\$29,821	\$29,808,051

phased  
 phased  
 phased  
 phased  
 phased

**FY2003 Proposed - GO Bond Grant Package for  
School Construction and Major Maintenance Projects from FY2003 Priority Lists**

Apr 6	School District	Project Name	State Share	Aggregate Amount
55	Nenana City	Nenana Vocational Education Building Renovation	\$494,205	\$30,302,256
62	Alaska Gateway	Northway School Structural Upgrade	\$956,636	\$31,258,892
63	Alaska Gateway	Tellin Sewer Line Project	\$77,081	\$31,335,973
64	Nenana City	Nenana ADA Access	\$173,195	\$31,509,168
67	Yukon-Koyukuk	District-Wide Structural Repairs	\$474,162	\$31,983,330
70	Yukon-Koyukuk	District-Wide Fuel Tank Upgrades	\$5,066,932	\$37,050,262
73	Yakutat City	Yakutat High School Interior Renovation	\$72,258	\$37,122,520
74	Chugach	District-Wide Fuel Tank Upgrade	\$133,428	\$37,255,948
78	Chugach	Tatitlek Generator Replacement	\$154,312	\$37,410,260
80	Yukon-Koyukuk	District-Wide ADA Code Upgrades	\$981,036	\$38,391,296
84	St Marys	Elicavicular Elementary Gymnasium/Cafeteria Upgrade	\$339,567	\$38,730,863
85	Lower Kuskokwim	District-Wide Asbestos Abatement	\$5,126,507	\$43,857,370
86	Hoonah City	Hoonah Pool Upgrades	\$171,092	\$44,028,462
87	Lower Kuskokwim	Bethel Region High School Deferred Maintenance	\$10,505,286	\$54,533,748
89	Yukon Flats	Fort Yukon High School Gym Sprinklers	\$109,406	\$54,643,154
<b>Subtotal Maintenance</b>			<b>\$54,643,154</b>	
<b>Total GO Bond Grant Package</b>			<b>\$168,536,948</b>	

FY2003 Proposed - 65% Debt Reimbursement Package for  
 School Construction and Major Maintenance Projects from FY2003 Priority Lists

*Debt (from current list)*

Apr 6	School District	Project Name	Amount Requested	Aggregate Amount
<b>School Construction</b>				
14	Northwest Arctic	Ambler K-12 Replacement School	\$10,822,252	\$10,822,252
16	Northwest Arctic	Kobuk School Boiler Upgrade	\$176,418	\$10,998,670
29	Northwest Arctic	Noatak School Improvement	\$23,339,427	\$34,338,097
34	Cordova	Mount Eccles Elementary School Addition/Renovation	\$3,836,531	\$38,174,628
37	Haines	Haines Kitchen Remodel & Cafeteria Addition	\$638,503	\$38,813,131
38	Juneau City Borough	New Juneau Douglas High School Design & Construction	\$49,925,937	\$88,739,068
43	Northwest Arctic	Kotzebue School Improvement	\$28,023,902	\$116,762,970
44	Craig City	Craig Elementary School Addition	\$2,035,282	\$118,798,252
46	Kenai Peninsula	Soldotna Middle School Remodel	\$898,000	\$119,696,252
47	Petersburg City	Petersburg High School/Middle School Renovation, Kitchen & Cafeteria	\$656,237	\$120,352,489
48	Anchorage	Service High School Renewal, Phase 2A, 2B, & 3	\$44,995,000	\$165,347,489
49	Anchorage	East High School Phases 2 through 5	\$29,525,000	\$194,872,489
50	Lake & Peninsula	Port Alsworth Library Renovation/Relocation	\$363,904	\$195,236,393
53	Anchorage	Bartlett High School Phase 2 & 3	\$47,500,000	\$242,736,393
54	Anchorage	Chugiak High School Phase 4	\$9,860,000	\$252,596,393
55	Sitka City Borough	Baranof Covered Physical Education Area	\$360,664	\$252,957,057
	Mal-Su Borough	Nutrition Services Facility	\$4,000,000	\$256,957,057
<b>Subtotal Construction</b>			<b>\$256,957,057</b>	
<b>Major Maintenance</b>				
3	Sitka City Borough	Blatchley Waterline Emergency Repair	\$113,100	\$113,100
5	Ketchikan	Schoenbar Renovation	\$8,343,560	\$8,456,660
7	Petersburn City	District-Wide Major Maintenance	\$1,430,945	\$9,887,605
12	Valdez City	Hermon Hutchens Elementary School Roof Repair	\$2,154,221	\$12,041,826
13	North Slope Borough	Tikigaq School Renovation	\$5,756,401	\$17,798,227
17	Mal-Su Borough	Palmer Junior Middle School Sprinklers & Piping	\$1,199,165	\$18,997,392
18	Northwest Arctic	Shungnak K-12 Renovation	\$3,416,669	\$22,414,051
19	Haines	Haines Drainage	\$440,176	\$22,854,237
20	Cordova	Mt. Eccles Roof Replacement	\$384,917	\$23,239,154
24	Wrangell City	Wrangell District-Wide Major Maintenance	\$1,868,465	\$25,107,619
26	Anchorage	King Career Center Code Upgrade & Renovation	\$7,300,000	\$32,407,619
29	Fairbanks	District-Wide Fire Protection System Upgrades	\$1,736,173	\$34,143,792
31	Kodiak Island	Ouzinkie School Gym Renovation	\$1,015,713	\$35,159,505
33	Anchorage	Chester Valley Elementary School Renovation & Addition	\$9,650,000	\$44,809,505
34	Fairbanks	Salcha Elementary Fire Sprinkler Replacement	\$676,892	\$45,486,397
35	Mal-Su Borough	Su-Valley High School, Iditarod, Snowshoe Fire Alarms	\$466,055	\$45,952,452
36	Dillingham City	Dillingham Elementary School Weatherization	\$209,800	\$46,162,252

Updated May 16, 2002

**FY2003 Proposed - 65% Debt Reimbursement Package for  
School Construction and Major Maintenance Projects from FY2003 Priority Lists**

*Debt*

Apr 6	School District	Project Name	Amount Requested	Aggregate Amount
38	Craig City	Craig Elementary School Renovation	\$2,695,112	\$48,857,364
39	Sitka City Borough	Blatchley Water System Upgrades	\$361,973	\$49,219,337
44	Denali Borough	Cantwell School Sprinkler Installation & Heating System Upgrade	\$1,897,008	\$51,116,345
46	Sitka City Borough	District-Wide Lighting Retrofit	\$1,459,401	\$52,575,746
50	Kodiak Island	Old Harbor Gym Voc-Ed Renovation	\$1,565,715	\$54,141,461
51	Kenai Peninsula	Kenai Middle School Fire Alarm Upgrades	\$459,242	\$54,600,703
52	Denali Borough	Cantwell School Roof Replacement & Code Upgrade	\$525,475	\$55,126,178
53	Fairbanks	Joy Elementary Roof Repair/Replacement	\$926,969	\$56,053,147
54	Lake & Peninsula	District-Wide Roofing, Siding & Window Replacement	\$2,123,362	\$58,176,509
56	Fairbanks	District-Wide Heating & Ventilation Upgrades	\$2,562,000	\$60,738,509
57	Haines	Haines High School Exterior Major Maintenance & Repairs	\$218,644	\$60,957,153
58	Anchorage	District-Wide Roof Replacement & Repairs	\$1,860,000	\$62,817,153
60	Denali Borough	Anderson School Heating & Ventilation Upgrade	\$1,466,620	\$64,682,773
66	Northwest Arctic	Deering Improvements Phase I	\$2,001,725	\$66,684,498
68	Fairbanks	Elevator Modification & Sprinklers-Administration Center	\$256,200	\$66,940,698
69	Fairbanks	District-Wide Roofing Replacement/Major Repair	\$2,608,200	\$69,548,398
71	Fairbanks	District-Wide Traffic Safety Upgrades	\$1,576,609	\$71,125,507
72	Dillingham City	Dillingham High School Gym Roof	\$225,930	\$71,351,437
75	Craig City	Craig Middle School Renovation	\$3,156,064	\$74,507,501
76	Fairbanks	District-Wide Safety System Upgrades	\$2,017,598	\$76,525,099
79	Denali Borough	Anderson School Septic Leach-Field Replacement	\$200,523	\$76,725,622
81	Anchorage	District-Wide Mechanical Projects	\$14,500,000	\$91,225,622
82	Lake & Peninsula	District-Wide Mechanical Heating/Waste Heat Upgrade	\$1,242,869	\$92,468,491
83	Dillingham City	Dillingham High School Fire Panel Replacement	\$92,318	\$92,560,809
92	Northwest Arctic	Kivalina K-12 Improvement Project	\$858,683	\$93,419,492
93	Fairbanks	District-Wide Flooring System Replacement	\$3,080,405	\$96,499,897
94	Dillingham City	Dillingham Elementary Gym Floor	\$73,660	\$96,573,557
95	Anchorage	District-Wide Minor Building Renewal Projects	\$6,205,000	\$102,778,557
96	Fairbanks	District-Wide Communication System Upgrades	\$1,241,914	\$104,020,471
102	Aleutians East	Sand Point School Front Entrance	\$250,000	\$104,270,471
103	Fairbanks	District-Wide Lighting System Upgrade	\$1,391,040	\$105,661,511
104	Anchorage	District-Wide Traffic Safety Upgrades	\$1,125,000	\$106,786,511
107	Dillingham City	Dillingham Oil Tank Removal/Replacement	\$239,229	\$107,025,740
112	Anchorage	Birchwood and Girdwood Elementary Schools and Chugiak High School Public Water/Sewer Service	\$5,300,000	\$112,325,740
114	Anchorage	District Electrical Projects	\$1,235,000	\$113,560,740
115	Anchorage	District-Wide Hazardous Materials/ADA Code Issues	\$1,615,000	\$115,175,740
<b>Subtotal Maintenance</b>			<b>\$115,175,740</b>	
<b>Total 65% Debt Package</b>			<b>\$372,132,797</b>	

Updated May 16, 2002

FY2003 School Construction and Major Maintenance  
Proposed Future Grants Based on GO Bond and 65% Debt Package

*Future Grants (ie. rest of current list)*

Apr 6	School District	Project Name	State Share	Aggregate Amount
9	Lower Yukon	Sheldon Point (Nunam Iqua) School Improvement	\$6,556,943	\$6,556,943
10	Bering Strait	White Mountain K-12 Remodel/Addition	\$10,248,901	\$16,805,844
11	Yukon Flats	Arctic Village Addition/Renovation	\$6,112,456	\$22,918,300
12	Southeast Island	Howard Valentine School Improvement	\$3,061,533	\$25,979,833
13	Southwest Region	New Stuyahok School Improvement	\$18,082,601	\$44,062,434
15	Lower Kuskokwim	Chief Paul Memorial School Addition	\$10,999,295	\$55,061,729
16	Lower Kuskokwim	D.R. Kiunya Memorial School Addition	\$5,521,728	\$60,583,457
17	Southeast Island	Hyder New School Construction	\$3,724,181	\$64,307,638
18	Lower Kuskokwim	JoAnn A. Alexie Memorial School Addition	\$6,525,453	\$70,833,091
19	Lower Kuskokwim	Kwigillingok School Addition	\$7,270,935	\$78,104,026
20	Bering Strait	Savoonga K-12 School Remodel/Replacement	\$20,023,082	\$98,127,108
21	Kuspuk	Upper Kalskag Joseph & Olinga Gregory Elementary School Replacement	\$4,751,231	\$102,878,339
22	Lower Kuskokwim	Chaptnguak School Addition	\$8,055,430	\$110,933,769
23	Bering Strait	St. Michael School Remodel/Addition	\$16,022,118	\$126,955,887
24	Southeast Island	Hollis School Improvement	\$2,469,171	\$129,425,058
25	Lower Kuskokwim	Kwethluk School Addition	\$7,220,954	\$136,646,012
26	Copper River	Glennallen Elementary School Replacement	\$6,869,996	\$143,516,008
27	Iditarod Area	Lime Village School Addition & New Well	\$574,891	\$144,090,899
28	Lower Kuskokwim	Kuinerrarmuit Elitnaurvait Addition	\$5,487,642	\$149,578,541
30	Lower Kuskokwim	Nightmute School Addition	\$5,508,356	\$155,086,899
31	Southeast Island	Outdoor Covered Physical Education Area	\$290,747	\$155,377,646
32	Lower Yukon	Emmonak Addition/Renovation	\$12,608,496	\$167,986,142
33	Kuspuk	Crooked Creek Johnnie John Sr. School Addition	\$2,207,787	\$170,193,929
35	Yukon-Koyukuk	Minto Addition/Renovation	\$5,050,930	\$175,254,859
36	Lower Kuskokwim	Z.J. Williams Memorial School Addition	\$5,713,131	\$180,967,990
39	Yukon-Koyukuk	Nulato School Improvement	\$11,369,149	\$192,337,139
40	Southeast Island	Kasaan Building Relocation	\$72,044	\$192,409,183
41	Yukon-Koyukuk	Allakaket Renovation/Addition	\$4,310,649	\$196,719,832
42	Alaska Gateway	Northway School Kitchen Remodel	\$58,930	\$196,778,762
45	Delta/Greely	Delta Junction Schools Renovation/Addition	\$12,958,349	\$209,747,111
51	Iditarod Area	Takolna School Bathroom Installation	\$44,694	\$209,791,805
52	Lower Kuskokwim	Bethel Elementary School	\$13,732,160	\$223,523,965
56	Southeast Island	Thorne Bay House Access Ramp	\$136,264	\$223,660,229
57	Galena	Galena Outdoor Multipurpose Area	\$1,719,665	\$225,379,894
58	Iditarod Area	McGrath School Bus Storage Building	\$416,315	\$225,796,209
Subtotal Construction			\$225,796,209	

*02 phased projects built in 04*

*06*

*07*

*08*

FY2003 School Construction and Major Maintenance  
Proposed Future Grants Based on GO Bond and 65% Debt Package

*Future Grants*

Apr 6	School District	Project Name	State Share	Aggregate Amount
<b>Major Maintenance</b>				
90	Lower Kuskokwim	Kilbuck School Deferred Maintenance	\$5,073,146	\$5,073,146
91	St Marys	Andreafski High School Mechanical Upgrade	\$208,039	\$5,281,185
97	Lower Kuskokwim	Nelson Island Schools Deferred Maintenance	\$2,908,557	\$8,189,742
98	Lower Kuskokwim	Mikelnguut Eliinaurival School Deferred Maintenance	\$2,109,087	\$10,298,829
99	Iditarod Area	David Louis Memorial School Boiler Replacement & Relocation	\$174,587	\$10,473,416
100	Lower Kuskokwim	W. Miller Memorial School Deferred Maintenance	\$1,278,915	\$11,752,331
105	Lower Kuskokwim	Eek School Deferred Maintenance	\$596,355	\$12,348,686
106	Lower Kuskokwim	Rocky Mountain School Deferred Maintenance	\$491,254	\$12,839,940
108	Lower Kuskokwim	Akula School Deferred Maintenance	\$987,232	\$13,827,172
109	Lower Kuskokwim	Nuniwaarmiut School Deferred Maintenance	\$612,887	\$14,440,059
110	Lower Kuskokwim	L. Angapak Memorial School Deferred Maintenance	\$451,104	\$14,891,163
111	Lower Kuskokwim	P.T. Albert Memorial School Deferred Maintenance	\$511,330	\$15,402,493
113	Lower Kuskokwim	Qugcuun Memorial School Deferred Maintenance	\$98,015	\$15,500,508
<b>Subtotal Maintenance</b>			<b>\$15,500,508</b>	
<b>Total Future Grants</b>			<b>\$241,296,717</b>	

*all done in 06*

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: May 17, 2002

FURTHER REFERRALS:

Date of Committee Action: 5/18/02

The FINANCE Committee considered:

HB 2003

HOUSE BILL NO. 2003

MUNICIPAL BOND REIMBURSEMENT

"An Act relating to municipal bond reimbursement for school construction; and providing for an effective date."

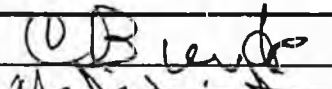


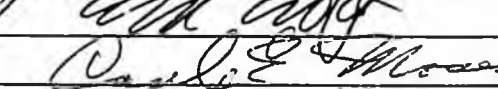
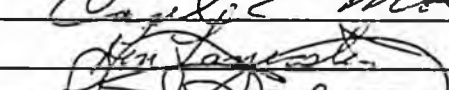
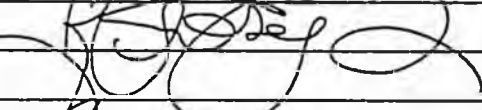
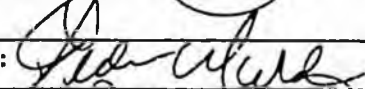
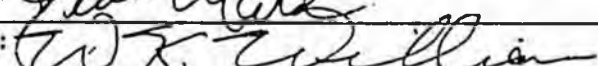
Recommends it be replaced with CS HB 2003 (FIN) [ ] Same Title [ ] New Title  
 For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR \_\_\_\_\_

- [ ] attach amendments
- [ ] add new referral to \_\_\_\_\_ Committee
- [ ] Letter of Intent \_\_\_\_\_ Committee

List of Abbrev. for Depts.:  
 ADM  
 CED  
 COR  
 CRT  
 EED  
 DEC  
 DFG  
 GOV  
 HSS  
 LAA  
 LAW  
 LWF  
 MVA  
 DNR  
 DPS  
 REV  
 DOT  
 UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
HFC/EED				✓

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Bunker	✓			
	Whitaker	✓			
	HARRIS	✓			
	MOSES			✓	✓
	Lancaster	✓			
	FOSTER	X			
Chair: 	Williams	✓			
Chair: 	Williams	✓			

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSHB 2003 (FIN)  
 (H) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Education & Early Dev.  
 Title: An Act relating to municipal bond BRU: School Debt. Reimburse.  
reimbursement for school construction Component: School Debt. Reimburse.  
 Sponsor: House Finance Committee  
 Requester: \_\_\_\_\_ Component Number: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

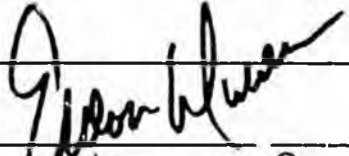
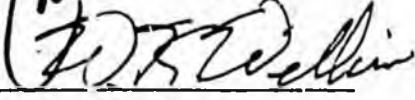
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Prepared by: Representative Eldon Mulder Phone 465-2647/465-3424  
 Co-Chair   
Representative Bill Williams Date 5/18/02  
 Co-Chair 

22-LS1810C  
Ford  
5/17/02

5/18/02 adopted

**CS FOR HOUSE BILL NO. 2003(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-SECOND LEGISLATURE - SECOND SPECIAL SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): HOUSE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to construction, rehabilitation, and improvement of schools and  
2 education-related facilities; relating to municipal bond reimbursement for school  
3 construction; and providing for an effective date."

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

5 \* **Section 1.** AS 14.11.008(a) is amended to read:

6 (a) In order to receive a grant under this chapter or an appropriation under  
7 AS 37.05.560, a district must

8 (1) be

9 (A) a rural educational attendance area;

10 (B) a municipal school district and, as of June 30 of the  
11 previous fiscal year, have a population of less than 1,000; or

12 (C) a municipal school district that operates schools on a  
13 military reservation; and

14 (2) provide a percentage share of the project cost, as determined under

1 (b) or (c) of this section. A district shall provide the required participating share  
2 within three years after the date that the appropriation bill funding the grant is passed  
3 by the legislature.

4 \* Sec. 2. AS 14.11.008(a) is repealed and reenacted to read:

5 (a) In order to receive a grant under this chapter or an appropriation under  
6 AS 37.05.560, a district must provide a percentage share of the project cost, as  
7 determined under (b) or (c) of this section. A district shall provide the required  
8 participating share within three years after the date that the appropriation bill funding  
9 the grant is passed by the legislature.

10 \* Sec. 3. AS 14.11.008 is amended by adding a new subsection to read:

11 (f) Grant funds provided to a municipal school district under (a)(1)(C) of this  
12 section may only be used for the costs of school construction or major maintenance for  
13 a school located on a military reservation.

14 \* Sec. 4. AS 14.11.011(a) is amended to read:

15 (a) A municipality that is a school district or a regional educational attendance  
16 area eligible under AS 14.11.008(a) may submit a request to the department for a  
17 grant under this chapter.

18 \* Sec. 5. AS 14.11.011(a) is repealed and reenacted to read:

19 (a) A municipality that is a school district or a regional educational attendance  
20 area may submit a request to the department for a grant under this chapter.

21 \* Sec. 6. AS 14.11.100(a) is amended to read:

22 (a) During each fiscal year, the state shall allocate to a municipality that is a  
23 school district the following sums:

24 (1) payments made by the municipality during the fiscal year two years  
25 earlier for the retirement of principal and interest on outstanding bonds, notes, or other  
26 indebtedness incurred before July 1, 1977, to pay costs of school construction;

27 (2) 90 percent of

28 (A) payments made by the municipality during the fiscal year  
29 two years earlier for the retirement of principal and interest on outstanding  
30 bonds, notes, or other indebtedness incurred after June 30, 1977, and before  
31 July 1, 1978, to pay costs of school construction;

1 (B) cash payments made after June 30, 1976, and before July 1,  
2 1978, by the municipality during the fiscal year two years earlier to pay costs  
3 of school construction;

4 (3) 90 percent of

5 (A) payments made by the municipality during the fiscal year  
6 two years earlier for the retirement of principal and interest on outstanding  
7 bonds, notes, or other indebtedness incurred after June 30, 1978, and before  
8 January 1, 1982, to pay costs of school construction projects approved under  
9 AS 14.07.020(a)(11);

10 (B) cash payments made after June 30, 1978, and before July 1,  
11 1982, by the municipality during the fiscal year two years earlier to pay costs  
12 of school construction projects approved under AS 14.07.020(a)(11);

13 (4) subject to (h) and (i) of this section, up to 90 percent of

14 (A) payments made by the municipality during the current  
15 fiscal year for the retirement of principal and interest on outstanding bonds,  
16 notes, or other indebtedness incurred after December 31, 1981, and authorized  
17 by the qualified voters of the municipality before July 1, 1983, to pay costs of  
18 school construction, additions to schools, and major rehabilitation projects that  
19 exceed \$25,000 and are approved under AS 14.07.020(a)(11);

20 (B) cash payments made after June 30, 1982, and before July 1,  
21 1983, by the municipality during the fiscal year two years earlier to pay costs  
22 of school construction, additions to schools, and major rehabilitation projects  
23 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

24 (C) payments made by the municipality during the current  
25 fiscal year for the retirement of principal and interest on outstanding bonds,  
26 notes, or other indebtedness to pay costs of school construction, additions to  
27 schools, and major rehabilitation projects that exceed \$25,000 and are  
28 submitted to the department for approval under AS 14.07.020(a)(11) before  
29 July 1, 1983, and approved by the qualified voters of the municipality before  
30 October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the  
31 annual growth rate of average daily membership of the municipality is more

1 than seven [7] percent but less than 12 percent, or (ii) \$20,000,000 if the  
2 annual growth rate of average daily membership of the municipality is 12  
3 percent or more; payments made by a municipality under this subparagraph on  
4 total project costs that exceed the amounts set out in (i) and (ii) of this  
5 subparagraph are subject to (5)(A) of this subsection;

6 (5) subject to (h) - (j) of this section, 80 percent of

7 (A) payments made by the municipality during the fiscal year  
8 for the retirement of principal and interest on outstanding bonds, notes, or  
9 other indebtedness authorized by the qualified voters of the municipality

10 (i) after June 30, 1983, but before March 31, 1990, to  
11 pay costs of school construction, additions to schools, and major  
12 rehabilitation projects that exceed \$25,000 and are approved under  
13 AS 14.07.020(a)(11); or

14 (ii) before July 1, 1989, and reauthorized before  
15 November 1, 1989, to pay costs of school construction, additions to  
16 schools, and major rehabilitation projects that exceed \$25,000 and are  
17 approved under AS 14.07.020(a)(11); and

18 (B) cash payments made after June 30, 1983, by the  
19 municipality during the fiscal year two years earlier to pay costs of school  
20 construction, additions to schools, and major rehabilitation projects that exceed  
21 \$25,000 and are approved by the department before July 1, 1990, under  
22 AS 14.07.020(a)(11);

23 (6) subject to (h) - (j) and (m) of this section, 70 percent of payments  
24 made by the municipality during the fiscal year for the retirement of principal and  
25 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified  
26 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay  
27 costs of school construction, additions to schools, and major rehabilitation projects  
28 that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

29 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments  
30 made by the municipality during the fiscal year for the retirement of principal and  
31 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified

1 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay  
2 costs of school construction, additions to schools, and major rehabilitation projects;

3 (8) subject to (h), (i), (i)(2) - (5) [(j)(2) - (4)], and (n) of this section  
4 and after projects funded by the bonds, notes, or other indebtedness have been  
5 approved by the commissioner, 70 percent of payments made by the municipality  
6 during the fiscal year for the retirement of principal and interest on outstanding bonds,  
7 notes, or other indebtedness authorized by the qualified voters of the municipality on  
8 or after July 1, 1995, but before July 1, 1998, to pay costs of school construction,  
9 additions to schools, and major rehabilitation projects that exceed \$200,000 and are  
10 approved under AS 14.07.020(a)(11);

11 (9) subject to (h), (i), (i)(2) - (5) [(j)], and (n) of this section and after  
12 projects funded by the bonds, notes, or other indebtedness have been approved by the  
13 commissioner, 70 percent of payments made by the municipality during the fiscal year  
14 for the retirement of principal and interest on outstanding bonds, notes, or other  
15 indebtedness authorized by the qualified voters of the municipality on or after July 1,  
16 1998, but before July 1, 2006 [2004], to pay costs of school construction, additions to  
17 schools, and major rehabilitation projects that exceed \$200,000 and are approved  
18 under AS 14.07.020(a)(11);

19 (10) subject to (h), (i), (i)(2) - (5) [(j)(2) - (4)], and (o) of this section,  
20 and after projects funded by the bonds, notes, or other indebtedness have been  
21 approved by the commissioner, 70 percent of payments made by the municipality  
22 during the fiscal year for the retirement of principal and interest on outstanding bonds,  
23 notes, or other indebtedness authorized by the qualified voters of the municipality on  
24 or after June 30, 1998, to pay costs of school construction, additions to schools, and  
25 major rehabilitation projects that exceed \$200,000, are approved under  
26 AS 14.07.020(a)(11), and are not reimbursed under (n) of this section;

27 (11) subject to (h), (i), and (i)(2) - (5) of this section, and after  
28 projects funded by the bonds, notes, or other indebtedness have been approved  
29 by the commissioner, 70 percent of payments made by a municipality during the  
30 fiscal year for the retirement of principal and interest on outstanding bonds,  
31 notes, or other indebtedness authorized by the qualified voters of the

1 municipality on or after June 30, 1999, but before July 1, 2006, to pay costs of  
2 school construction, additions to schools, and major rehabilitation projects and  
3 education related facilities that exceed \$200,000, are approved under  
4 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

5 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of  
6 payments made by a municipality during the fiscal year for the retirement of  
7 principal and interest on outstanding bonds, notes, or other indebtedness  
8 authorized by the qualified voters of the municipality on or after June 30, 1999,  
9 but before July 1, 2006, to pay costs of school construction, additions to schools,  
10 and major rehabilitation projects and education related facilities that exceed  
11 \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under  
12 (n) or (o) of this section.

13 \* Sec. 7. AS 14.11.100(j) is amended to read:

14 (j) Except as provided in (l) of this section, the state may not allocate money  
15 to a municipality for a school construction project under (a)(5), (6), (7), or (9) of this  
16 section unless the municipality complies with the requirements of (1) - (5) [(1) - (4)]  
17 of this subsection, the project is approved by the commissioner before the local vote  
18 on the bond issue for the project or for bonds authorized after March 31, 1990, but on  
19 or before April 30, 1993, the bonds are approved by the commissioner before  
20 reimbursement by the state, and the local vote occurs before July 1, 1987, or after  
21 June 30, 1988. In approving a project under this subsection, and to the extent required  
22 under (a)(8) or (10) of this section, the commissioner shall require

23 (1) the municipality to include on the ballot for the bond issue, for  
24 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated  
25 total cost of each project including estimated total interest, estimated annual operation  
26 and maintenance costs, the estimated amounts that will be paid by the state and by the  
27 municipality, and the approximate amount that would be due in annual taxes on  
28 \$100,000 in assessed value to retire the debt;

29 (2) that the bonds may not be refunded unless the annual debt service  
30 on the refunding issue is not greater than the annual debt service on the original issue;

31 (3) that the bonds must be repaid in approximately equal annual

1 principal payments or approximately equal debt service payments over a period of at  
2 least 10 years;

3 (4) the municipality to demonstrate need for the project by establishing  
4 that the school district has

5 (A) projected long-term student enrollment that indicates the  
6 district has inadequate facilities to meet present or projected enrollment;

7 (B) facilities that require repair or replacement in order to meet  
8 health and safety laws or regulations or building codes;

9 (C) demonstrated that the project will result in a reduction in  
10 annual operating costs that economically justifies the cost of the project; or

11 (D) facilities that require modification or rehabilitation for the  
12 purpose of improving the instructional program;

13 (5) evidence acceptable to the department that the district

14 (A) has a preventive maintenance plan that

15 (i) includes a computerized maintenance  
16 management program, cardex system, or other formal systematic  
17 means of tracking the timing and costs associated with planned and  
18 completed maintenance activities, including scheduled preventive  
19 maintenance;

20 (ii) addresses energy management for buildings  
21 owned or operated by the district;

22 (iii) includes a regular custodial care program for  
23 buildings owned or operated by the district;

24 (iv) includes preventive maintenance training for  
25 facility managers and maintenance employees; and

26 (v) includes renewal and replacement schedules for  
27 electrical, mechanical, structural, and other components of  
28 facilities owned or operated by the district; and

29 (B) is adequately following the preventive maintenance  
30 plan.

31 \* Sec. 8. AS 14.11.100(n) is amended to read:

1 (n) The total amount of school construction projects approved for  
2 reimbursement by the department under (a)(8) or (9) of this section

3 (1) may not exceed \$357,143,000; and

4 (2) after June 30, 1995, and until July 1, 2006 [2003], shall be  
5 allocated as follows:

6 (A) \$154,286,000 shall be allocated to projects in a  
7 municipality with a public school enrollment of 25,000 or more students in  
8 fiscal year 1998, as determined under AS 14.17.160;

9 (B) \$57,143,000 shall be allocated to projects in a municipality  
10 with a public school enrollment of at least 15,000 but less than 25,000 students  
11 in fiscal year 1998, as determined under AS 14.17.160;

12 (C) \$145,714,000 shall be allocated to projects in a  
13 municipality with a public school enrollment of less than 15,000 students in  
14 fiscal year 1998, as determined under AS 14.17.160; allocations under this  
15 subparagraph

16 (i) shall first be made to projects described under (a)(8)  
17 of this section and then made to projects described under (a)(9) of this  
18 section; and

19 (ii) may not exceed \$16,000,000 to projects in a  
20 municipality with a public school enrollment of less than 4,000  
21 students in fiscal year 1998 as determined under AS 14.17.160.

22 \* Sec. 9. AS 14.11.100(o) is amended to read:

23 (o) The total amount of school construction projects approved for  
24 reimbursement by the department under (a)(10) of this section

25 (1) may not exceed \$180,064,912; and

26 (2) after June 30, 1998, and until July 1, 2006 [2004], shall be  
27 allocated as follows:

28 (A) \$77,897,000 to projects in a municipality with a public  
29 school enrollment of 25,000 or more students in fiscal year 2000, as  
30 determined under AS 14.17.500;

31 (B) \$14,571,000 to projects in a municipality with a public

1 school enrollment of at least 15,000 but less than 25,000 students in fiscal year  
2 2000, as determined under AS 14.17.500;

3 (C) \$14,143,000 to projects in a municipality with a public  
4 school enrollment of at least 10,000 but less than 15,000 students in fiscal year  
5 2000, as determined under AS 14.17.500;

6 (D) \$7,429,000 to projects in a municipality with a public  
7 school enrollment of at least 7,500 but less than 10,000 students in fiscal year  
8 2000, as determined under AS 14.17.500;

9 (E) \$20,712,912 to projects in a municipality with a public  
10 school enrollment of at least 5,000 but less than 7,500 students in fiscal year  
11 2000, as determined under AS 14.17.500;

12 (F) \$2,660,000 to projects in a municipality with a public  
13 school enrollment of at least 2,750 but less than 3,000 students in fiscal year  
14 2000, as determined under AS 14.17.500;

15 (G) \$454,000 to projects in a municipality with a public school  
16 enrollment of at least 2,400 but less than 2,750 students in fiscal year 2000, as  
17 determined under AS 14.17.500;

18 (H) \$36,290,000 to projects in a municipality with a public  
19 school enrollment of at least 2,050 but less than 2,400 students in fiscal year  
20 2000, as determined under AS 14.17.500;

21 (I) \$329,000 to projects in a municipality with a public school  
22 enrollment of at least 1,700 but less than 1,750 students in fiscal year 2000, as  
23 determined under AS 14.17.500;

24 (J) \$286,000 to projects in a municipality with a public school  
25 enrollment of at least 650 but less than 725 students in fiscal year 2000, as  
26 determined under AS 14.17.500;

27 (K) \$519,000 to projects in a municipality with a public school  
28 enrollment of at least 500 but less than 525 students in fiscal year 2000, as  
29 determined under AS 14.17.500;

30 (L) \$2,224,000 to projects in a municipality with a public  
31 school enrollment of at least 425 but less than 482 students in fiscal year 2000,

1 as determined under AS 14.17.500;

2 (M) \$2,550,000 to projects in a municipality with a public  
3 school enrollment of at least 290 but less than 305 students in fiscal year 2000,  
4 as determined under AS 14.17.500.

5 \* Sec. 10. AS 14.11.100(k) is repealed.

6 \* Sec. 11. AS 14.11.008(f) is repealed July 1, 2006.

7 \* Sec. 12. The uncodified law of the State of Alaska is amended by adding a new section to  
8 read:

9 INTERVENING AMENDMENTS. It is the intent of the legislature that intervening  
10 amendments affected by repeal and reenactment of law in this Act are not to be carried  
11 forward once the repeal and reenactment of law in this Act takes effect.

12 \* Sec. 13. The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14 REPORT TO THE LEGISLATURE. By February 1, 2006, the Department of  
15 Education and Early Development shall provide to the governor and make available to the  
16 public and the legislature a report on the effectiveness of the school construction grant and  
17 school construction debt reimbursement program under AS 14.11.

18 \* Sec. 14. The uncodified law of the State of Alaska is amended by adding a new section to  
19 read:

20 CONTINGENT EFFECT OF CERTAIN SECTIONS. Sections 2, 5, 11, and 12 of  
21 this Act take effect only if, under sec. 15 of this Act, secs. 1, 3, and 4 of this Act take effect.

22 \* Sec. 15. Sections 1, 3, 4, 6 - 10, and 13 of this Act take effect on the date that the director  
23 of elections certifies to the revisor of statutes that a majority of the qualified voters of the state  
24 who vote on the question at the 2002 general election affirmatively voted to authorize the  
25 contracting of state debt for the purpose of financing capital improvements and major  
26 maintenance for schools in rural educational attendance areas or municipal school districts.

27 \* Sec. 16. If, under sec. 14 of this Act, secs. 2, 5, 11, and 12 of this Act take effect, they  
28 take effect July 1, 2006.

29 \* Sec. 17. Except as provided in secs. 15 and 16 of this Act, this Act takes effect  
30 immediately under AS 01.10.070(c).

REPRESENTATIVE  
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Alaska State Legislature  
House Finance Committee



State Capitol, Juneau, Alaska 99801-1182

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HB 2003 creates two municipal school bond reimbursement programs, which would allow local governments to choose between the reimbursement rates and the level of oversight by the Department of Education and then place the school bond issue before the voters.

The first of the programs is just simply a re-authorization of our old school bond debt program, where, after approval of the Department of Education, the municipality may place before the voters a bond issue for schools with the state paying 70 percent of the bonds, and the local government paying 30 percent.

The other program is similar but with only a 60 percent reimbursement rate and the local government paying 40 percent. This program allows the local governments to select their school projects without the prior approval of the Department of Education. The Department would only review the projects to assure compliance with other laws.

Both projects sunset in 2006.

This legislation also has contingent language linking this authorization for municipal school construction to the financing of capital improvements and major maintenance for school in rural educational attendance areas or municipal school districts, which will be placed on the November 2002 general election. The voters of the State of Alaska must vote in the affirmative on this bond issue, before this school debt program is authorized.

**HB**

**2007**

HFIN

FILE



**HB**

**30001**

**(File 1)**

HFIN

FILE

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: June 24, 2002

FURTHER REFERRALS:

Date of Committee Action: 6/24/02

The FINANCE Committee considered:

HB 3001

HOUSE BILL NO. 3001

REGULATORY COM. OF ALASKA: SUNSET & MISC

"An Act setting timelines for issuance of final orders by the Regulatory Commission of Alaska, amending the authority of the commission to enter compromise settlement orders, and extending the commission's termination date to June 30, 2006; and providing for an effective date."

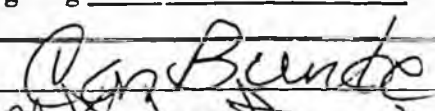
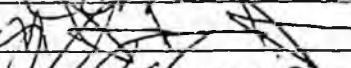
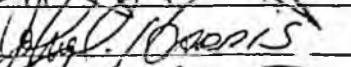
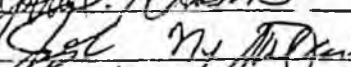
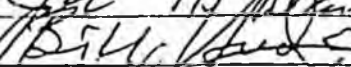


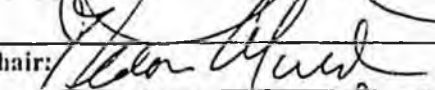
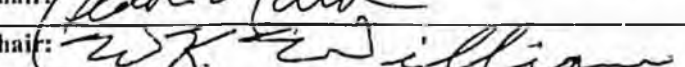
Recommends it be replaced with CS HB 3001 (FN) [ ] Same Title [ ] New Title  
 For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR \_\_\_\_\_

- [ ] attach amendments
- [ ] add new referral to \_\_\_\_\_ Committee
- [ ] Letter of Intent \_\_\_\_\_ Committee

List of Abbrev. for Depts.:  
 ADM  
 CED  
 COR  
 CRT  
 EED  
 DEC  
 DFG  
 GOV  
 HSS  
 LAA  
 LAW  
 LWF  
 MVA  
 DNR  
 DPS  
 REV  
 DOT  
 UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DCFD		✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Bunde	✓			
	Whitaker	✓			
	HARRIS	✓			
	DAVIES	✓			
	Hudson	✓			
	Lancaster	✓			
	FOSTER	X			
Chair: 	Muldu	✓			
Chair: 	Williams	✓			

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: HB 3001

Bill Version: \_\_\_\_\_

( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_

Dept. Affected: DCED

Title Regulatory Commission of Alaska:

BRU Regulatory Commission of Alaska (399)

Sunset & Miscellaneous

Component Regulatory Commission of Alaska

Sponsor Rules

Requester Governor

Component No. 2417

**Expenditures/Revenues**

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	3,951.8	3,951.8	3,951.8	3,951.8	3,951.8	
Travel	55.0	55.0	55.0	55.0	55.0	
Contractual	1,920.0	1,920.0	1,920.0	1,920.0	1,920.0	
Supplies	62.5	62.5	62.5	62.5	62.5	
Equipment	13.8	13.8	13.8	13.8	13.8	
Land & Structures		0.0	0.0	0.0	0.0	
Grants & Claims		0.0	0.0	0.0	0.0	
Miscellaneous		0.0	0.0	0.0	0.0	
<b>TOTAL OPERATING</b>	<b>6,003.1</b>	<b>6,003.1</b>	<b>6,003.1</b>	<b>6,003.1</b>	<b>6,003.1</b>	

**CAPITAL EXPENDITURES**

**CHANGE IN REVENUES ( )**

**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1141 - RCA Receipts	6,003.1	6,003.1	6,003.1	6,003.1	6,003.1	
<b>TOTAL</b>	<b>6,003.1</b>	<b>6,003.1</b>	<b>6,003.1</b>	<b>6,003.1</b>	<b>6,003.1</b>	

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:  X

**POSITIONS**

Full-time	61	61	61	61	61
Part-time					
Temporary					

**ANALYSIS:** (Attach a separate page if necessary)

The bill extends the Regulatory Commission of Alaska to June 30, 2006. In accordance with AS 08.03.020, funding is extended one year following the termination date allowing the commission to conclude its affairs. The information above identifies direct expenditure and revenue information included in the FY 2003 Operating Budget Request. The RCA's budget is funded through the Regulatory Cost Charge (RCC) mechanism and direct charge mechanisms. No general funds are allocated for support of the agency. The RCC is recalculated each year and allows the agency to recover its operating costs through an assessment on the revenues of the utilities and pipeline carriers it regulates.

Prepared by: G. Nanette Thompson, Chair

Phone (907) 263-2112

Division Regulatory Commission of Alaska

Date/Time 6/17/02 10:58 AM

Approved by: Deborah B. Sedwick, Commissioner

Date 6/17/2002

Agency Department of Community & Economic Development

22-GH2115\C.1  
Craver  
6/24/02

*H dopted*

**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVE DAVIES

TO: CSHB 3001(FIN), Draft Version "C"

- 1 Page 1, line 5:
- 2 Delete "commission chair to establish"
- 3 Insert "establishment of"
- 4
- 5 Page 4, lines 7 - 8:
- 6 Delete "chair of the Regulatory Commission of Alaska shall appoint"
- 7 Insert "president of the senate, speaker of the house of representatives, and the
- 8 governor shall jointly appoint the members of"
- 9
- 10 Page 4, line 12:
- 11 Delete "chair"
- 12 Insert "persons jointly making the appointments"

*amended*

*add "limited"*

*"Reforms"*

*pg 4 line 9*

*after  
before*

## Comments in support of reauthorization of the RCA

### Packet Contents

Date	From
6/10/2002	William M. Nugent, President/Nat. Assoc. of Reg. Commissioners
6/10/2002	David W. Wirick/National Regulatory Research Institute
6/6/2002	Jack Rhyner, CEO/TelAlaska
6/6/2002	Jim Rowe/Alaska Telephone Association
6/5/2002	Kathleen Q. Abernathy, Commissioner/FCC
5/23/2002	Kirk Duncan, Division Mgr/Waste Management of Alaska
5/17/2002	Henry P. Lang, P.E./Lang Consulting
5/17/2002	Don C. Schroer/Former APUC Chairman
5/14/2002	J. Jeffrey Mayhook, Esq.
5/10/2002	Attorneys & Consultants Who Practice Before the RCA (14)
5/10/2002	Mark Helmericks, President/Colville, Inc.
5/6/2002	Michael J. Felix, President/CEO - AT&T Alascom
5/3/2002	Anthony M. Izzo, President/ENSTAR Natural Gas
5/2/2002	Dana L. Tindall, Sr. Vice President/GCI1
5/1/2002	Jim Rowe/Alaska Telephone Association
2/27/2002	Eric Yould, Executive Director/ARECA



N A R U C  
National Association of Regulatory Utility Commissioners

June 10, 2002

Hon. Rick Halford, President  
Alaska Senate  
P.O. Box 190  
Chugiak, AK 99567  
Fax 907-694-0549

Hon. Brian Porter, President  
Alaska House of Representatives  
716 West 4<sup>th</sup> Avenue  
Anchorage, AK 99501  
Fax 907-269-0154

Dear Mr. Presidents:

We understand that you are soon to decide in special session how and to what extent public resources should be used to protect consumers' interests in utility matters. We hope you find the following comments helpful as you decide whether or not to re-authorize the Regulatory Commission of Alaska.

In states and countries around the world, vital utility services (energy, telecommunications, and—in some cases—water) are provided by a unique mix of monopoly and competitive providers.

Where the state has granted monopoly status to one or more providers, legislatures—recognizing that unchecked monopolies might overprice their services or underserve their customers—established commissions to ensure quality service at rates which are just and reasonable to shareholders and investors as well as to customers. Such rates should provide financial returns sufficient to attract needed capital and incent proper management behavior, while preventing providers from exploiting their monopoly (or dominant) positions.

While some utility services (water systems and electricity transmission and distribution systems) seem likely to continue as monopolies, new technology is making it possible for formerly monopoly activities (electricity generation and telecommunications) to be opened to competition. As these markets develop, their prices often reflect uncertainty or inappropriate manipulative behavior (e.g., Enron in the California market). Regulators, as authorized by legislatures, write market rules that help wring uncertainty from those markets, lowering prices and enabling customers to choose effectively among potentially complex alternatives. Working with the regulated utilities, many utility commissions have devised reasonable but strict service quality standards to ensure customers get what they pay for.

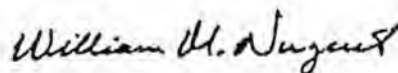
In addition, legislatures across the country and around the world are directing utility commissions to protect consumers from "slamming" (the switching of customers from one supplier to another without the customers' knowledge), "bait and switch" pricing practices, and other consumer abuses.

In a country of 280 million people it is unlikely that distant Federal agencies will provide any significant protection against unfair rates, poor utility services, or abusive treatment of individual consumers. Indeed, in moving to open the telecommunications industry to competition (the Telecommunications Act of 1996), Federal lawmakers placed many detailed, case-specific responsibilities on state regulatory authorities because Federal agencies did not have the capacity to handle the extraordinary volume of state-specific matters in accomodating expanded competitive opportunities.

For more than a century, regulatory commissions in the U.S. and in scores of countries abroad have ensured consumer access to quality utility services at fair rates. Administering laws written by legislatures, the commissions have helped create conditions in which utilities have prospered. As competition comes to the utility industry, experienced regulatory bodies are an effective tool by which lawmakers can continue to protect their constituents and their states' economics.

If we can provide you with additional information or be of any other service, please do not hesitate to contact me at 207.287.3831 or Charles Gray, NARUC's Executive Director at 202.898.2208.

Sincerely,



William M. Nugent, President  
NARUC

NARUC PRESIDENT LETTER TO ALASKA LEGISLATORS CONSIDERING WHETHER TO  
EXTEND THE CHARTER OF THE ALASKA COMMISSION EMPHASIZES IMPORTANCE OF  
STATE AGENCY OVERSIGHT

Contact: Brad Ramsay 202.898.2207 or jramsay@naruc.org

WASHINGTON, D.C. June 10, 2002 - Today, the President of the  
National Association of Regulatory Utility Commissioners, Maine  
Commissioner William M. Nugent, sent a letter to key legislators in  
Alaska describing how state utility regulators work to "ensure quality  
service at rates which are just and reasonable to shareholders and  
investors as well as to customers." The Alaskan legislature has slated  
a hearing this Wednesday on whether to re-authorize the Regulatory  
Commission of Alaska.

According to President Nugent:

"Administering laws written by legislatures, the commissions have  
helped create conditions in which utilities have prospered. As  
competition comes to the utility industry, experienced regulatory  
bodies are an effective tool by which lawmakers can continue to protect  
their constituents and their states' economies.... Working with the  
regulated utilities, many utility commissions have devised reasonable  
but strict service quality standards to ensure customers get what they  
pay for."

\*\*\*\*\*

The National Association of Regulatory Utility Commissioners is a non-  
profit organization founded in 1889. Its members include the  
governmental agencies that are engaged in the regulation of utilities  
and carriers in the fifty States, the District of Columbia, Puerto Rico  
and the Virgin Islands. NARUC's member agencies regulate  
telecommunications, energy, and water utilities. NARUC represents the  
interests of State public utility commissions before the three branches  
of the Federal government and the Independent Federal agencies.  
Additionally, NARUC files briefs and pleadings before the U.S. Supreme  
Court and other Federal courts in support of State utility commission  
interests. NARUC also provides the Executive Branch with policy  
proposals and works with the Departments on the formulation of  
regulatory policies. NARUC works closely with the Federal Energy  
Regulatory Commission, the Federal Communications Commission, and the  
Nuclear Regulatory Commission, the Securities and Exchange Commission  
and the Federal Trade Commission to ensure the State perspective is  
considered in their proceedings.

The National Association of Regulatory Utility Commissioners  
1101 Vermont Avenue NW Suite 2000  
Washington, D C. 20005

Phone: 202.898.2200  
Fax: 202.898.2213  
Webpage: [www.naruc.org](http://www.naruc.org)

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## The National Regulatory Research Institute

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1080 Carmack Road  
Columbus, Ohio 43210-1002

Phone: 614/292-9404  
FAX: 614/292-7196

June 10, 2002

Representative Brian Porter  
3430 Fordham Drive  
Anchorage, AK 99508

Dear Representative Porter:

In the summer of 1998, I was asked by the Alaska Public Utilities Commission to conduct a review of its organization and operations in advance of the upcoming sunset review of the Commission. Dr. Douglas N. Jones and Dr. Vivian Witkind Davis assisted with that review, which resulted in a report to the Commission in October 1998.

In our review, we found a Commission in substantial disarray and identified a fear that the agency could not continue to perform its functions without real reform. The backlog of cases was substantial, orders took an excessive amount of time and were judged as poorly written, and morale was poor. We suggested that improvements were most required in interpersonal relations, timeliness of Commission action, the quality and speed of orders, handling of consumer complaints, and information systems.

With our report in hand the Alaska Legislature took the extraordinary, but probably necessary, step of abolishing the Public Utilities Commission and establishing the Regulatory Commission of Alaska.

In 2000, the Chair of the RCA asked me to review the new agency, make recommendations, and determine whether or not improvements had been made. My report, which was issued in June 2000, found substantial improvement in each of the areas identified in the first report as needing attention. I found that the RCA was functioning at a very high level of energy and competence. Those interviewed for the second report, which included external stakeholders, provided nearly unanimous support for the work of and prospects for the RCA.

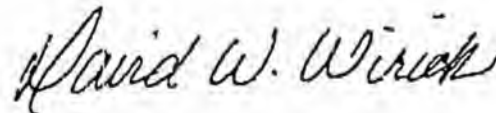
Over the past several years, I have worked onsite with more than 30 state regulatory commissions around the nation. As might be expected, they function at differing levels of effectiveness and efficiency. I regard the RCA to be one of the most professional and hard-working.

Page Two

Most of the public utility regulatory commissions around the nation have been in existence for nearly 100 years. We have learned that public utility regulation is a process, not an event. In every state, there are times when some interests are disappointed with commission action. What matters, however, is the long-term ability of the commission to create a balance among the stakeholders involved. Even those who might disagree with single commission actions are advantaged by a stable regulatory agency. I have no doubt that over the long term the citizens of Alaska will be well served by the RCA.

In the process of conducting my two examinations, I have developed great affection for the citizens, the public servants, and, of course, the natural beauty of the State of Alaska. I would be pleased to assist your decision-making process in any way that I can.

Sincerely,

A handwritten signature in cursive script that reads "David W. Wirick". The signature is written in dark ink and is positioned above the typed name.

David W. Wirick

**Subject: Reauthorization of the Regulatory Commission of Alaska (RCA)**

**Date:** Fri, 7 Jun 2002 11:38:54 -0800

**From:** e\_anderson@telalaska.com

**To:** nanette\_thompson@rca.state.ak.us

**CC:** Senator\_Robin\_Taylor@legis.state.ak.us, Senator\_Dave\_Donley@legis.state.ak.us,  
Senator\_John\_Cowdery@legis.state.ak.us, Senator\_Gene\_Therriault@legis.state.ak.us,  
Senator\_Johnny\_Ellis@legis.state.ak.us

Commissioner Thompson and Senate Judiciary Committee members:

A hard copy of the following letter will be mailed to you next week.

Sincerely,

Everette Anderson  
Administrative Office Manager  
TelAlaska

June 6, 2002

The Honorable Robin Taylor, Chair  
Senate Judiciary Committee  
Alaska State Legislature  
State Capital, MS 301  
Juneau, AK 99801-1182

Re: Reauthorization of the Regulatory Commission of Alaska (RCA).

Dear Senator Taylor:

When we met in March, I expressed my concerns and my unequivocal support for the reauthorization of the Regulatory Commission of Alaska (RCA) for two major reasons: the loss of full and timely receipt of Universal Service Fund support for affordable telephone service and the possible derailment of an effort to address staff issues that have inhibited the performance of the RCA and its predecessor, the Alaska Public Utilities Commission (APUC). For the telephone industry, a primary concern is certification to receive Universal Service Support (USF). The state regulatory body must certify each local telephone company as an eligible telecommunications carrier annually to receive USF. This year, for Alaska, USF was nearly \$75 million. These funds are applied directly to the cost of providing local service and are the only reason local rates remain affordable in high cost areas. With the exception of Anchorage, every other community in the State of Alaska benefits from these funds. Without these funds, it is quite likely that there would be no affordable phone service outside Anchorage, Fairbanks and Juneau. Without a state regulatory body to certify the local telephone companies, we would have to individually apply to the FCC for certification. This process could well jeopardize part or all of this funding.

Additionally, there are two organizations, the Alaska Exchange Carriers Association (AECA) and the Alaska Universal Service Administrative Company (AUSAC), whose continued operation and administration may be called into question if the state regulatory body goes into wind-down. While these organizations are private nonprofit corporations, the courts have nevertheless ruled that they are extensions of the state regulatory body. AECA administers the collection and distribution of \$30 million per year in access charges, again for the small telephone companies outside of Anchorage, Fairbanks and Juneau. AUSAC administers the collection and distribution of \$1.9 million in state universal service funding (AUSF) which pays for "life line and link up" programs for low income households

throughout the state. It is not clear how these organizations would function without a state regulatory body or what their legal obligations are within the frame work of a wind-down year. The uncertainty and possible legal entanglement again places a sizable portion of the small telephone companies' revenues and continued service to low income households at risk.

In RCA Chair Thompson's May 20th letter to you she provided a laundry list of her legal obligations once the agency enters a wind-down year. There are two items which are especially disturbing. Chair Thompson, at the very least, places in question whether or not the RCA will have the resources available to conduct the USF certification in 2002. Timing is critical, there are no second chances if we must apply directly to the FCC. We must have as much lead time as possible with the as yet unknown FCC processes.

The other issue that concerns me as a rural provider is the cessation of work on regulation dockets. In my opinion, an extensive part of the problem with the APUC and now the RCA, is with the "staff" and how it functions. During the Second Session of the Twenty-Second Legislature, Chair Thompson testified before several Committees that she would deal with this problem through regulation for the Public Advocacy Section of the Commission. True to her word, the RCA opened Docket R-02-2 by the end of May. While it is never certain that any agency will truly reform itself from within, the opening of this docket at least provides for that opportunity in this case. If the RCA is not reauthorized and goes into a wind-down year, all work on this docket will cease; thus, delaying the resolution of what truly has been the fundamental underlying problem of the state regulatory body for 20 years or more. The creation of a new commission by the next Governor and Legislature, presuming a new slate of commissioners, could delay resolution of this problem for several more years.

This letter is intended to restate my strong support for reauthorization of the RCA because of the risk its disruption carries for rural Alaskans and the companies that serve their communications needs. Dissolution and the interim wind-down of the agency threatens Universal Service Support. Without that support it is quite likely that there will be no affordable phone service available outside of Anchorage, Juneau and Fairbanks. Certification of companies to receive USF support will transfer to the FCC through lengthy and obscure procedures that will certainly stall and probably reduce available funds. An additional concern is derailing the RCA Chair's effort to address the underlying staff problem through an existing docket. This issue is long overdue for attention and I fear that it will languish during the wind-down.

I understand that an old Attorney General's opinion was floated during the legislative session, that the regulatory body could conduct business as usual in a wind-down year, on the premise that we have been through all of this before and it is not a major concern. Let me point out that it is obvious Chair Thompson does not subscribe to that opinion. When the APUC went through wind-down, state commissions had not been given the responsibility to certify eligibility to receive USF support. For reasons that I am unaware of, at that time no one had considered the question of AECA and AUSAC continued operation.

My concern is that in order to make whatever gains you intend, harm will result in fundamental areas that affect communications services in rural Alaska and the companies providing those services. I urge you to reconsider your position and support efforts to reauthorize the RCA.

Sincerely,

Jack Rhyner, CEO  
TelAlaska

**Alaska Telephone Association**

Steve Hamlen  
President

201 E. 56th, Suite 114  
Anchorage, AK 99518  
(907) 563-4000  
FAX (907) 562-3776  
www.alaskatel.org

James Rowe  
Executive Director  
jrowe@alaskatel.org

June 6, 2002

Senator Robin Taylor  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801

RE: Judiciary Committee Hearing

Dear Senator Taylor:

Thank you for scheduling Senate Judiciary Committee hearings to consider reauthorization of the Regulatory Commission of Alaska. We concur with remarks attributed to you in the Anchorage Daily News on May 10, that this discussion should take place in a public forum. We look forward to participating in this process next week. A number of representatives of member companies have indicated interest in sharing their thoughts with the committee and, hopefully, addressing some of their concerns that have delayed reauthorization.

As I mentioned in a previous letter to you, funding for rural telecommunications is very dependent upon universal service fund support which permits companies to offer local service at affordable rates. Dependent upon annual certification from the state commission to the FCC, Alaska residents received the benefit of nearly \$75 million in high cost support this year.

While appreciating the legislative oversight of state agencies through the sunset review process, we also recognize that even this safeguard does not come without a dollar cost to the state and industry and that cost is, at last, borne by the customer. A public utility commission is absolutely necessary for Alaska and a "wind down" year preceding the empaneling of a new commission is even more burdensome.

Moreover, the learning curve for new utility commission members is steep. When the current commissioners were confirmed three years ago, they faced a daunting educational challenge of coming up to speed on issues of telecommunications, power, pipeline, refuse, and water and sewer. After a year and a half or two years, we began to see significant improvement in their understanding of the complexity of the telecommunications issues. Our customers paid for much of that education and citizens of Alaska paid for all of it. We do not want to waste that investment by underestimating the value of experience.

Before closing, I'd like to mention a final attribute that is rarely present in any state commission. RCA Chair Nan Thompson is the State Chair of the Federal-State Joint Board on Universal Service. That is the most influential non-federal position on national telecommunications

policy matters for rural Alaskans. We will not have access to the State Chair when that person is from Florida or Illinois or Missouri, but we have it now.

Thank you for permitting me to share some of these thoughts with you. I look forward to seeing you next week.

Best Regards,

A handwritten signature in cursive script that reads "Jim Rowe". The signature is written in black ink and extends to the right with a long horizontal stroke.

Jim Rowe

cc: Members Alaska State Senate



OFFICE OF  
THE COMMISSIONER

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 5, 2002

Representative Scott Ogan  
State Capitol, Room 3  
Juneau, Alaska 99801-1182

Dear Representative Ogan:

I understand that the Alaska Legislature is conducting proceedings concerning the reauthorization of the Regulatory Commission of Alaska. I have been asked to share my perspective as a Commissioner of the Federal Communications Commission and as Chair of the Federal-State Joint Board on Universal Service on my experiences working with Chairman Nan Thompson. Without commenting on how the legislature ultimately should structure the state regulatory commission, I am pleased to comment on Chairman Thompson's contributions to federal-state processes. In short, having worked closely with Chairman Thompson over the past year, I have observed first-hand her commitment to the people of Alaska, and to Americans generally. She ably represents their interests on critical matters relating to universal service and the deployment of advanced telecommunications and information services.

The Federal-State Joint Board on Universal Service (Joint Board), which was established pursuant to section 254(a) of the Communications Act of 1934, as amended, advises the FCC in most universal service proceedings that affect state interests. The FCC often formally refers a matter to the Joint Board for its recommendation, and in other cases the state members of the Joint Board file comments or informally advise the FCC. The National Association of Regulatory Utility Commissioners (NARUC) appointed Chairman Thompson to the Joint Board, and the state members of the Joint Board elected her State Chair.

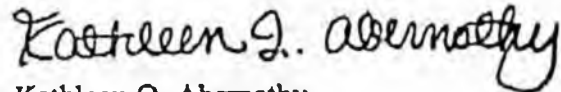
Chairman Thompson has proven an extremely effective leader and valuable colleague. Largely as a result of her organizational skills and hard work, the Joint Board is operating more efficiently than ever before. Even more importantly, from a substantive standpoint, Chairman Thompson has been a leading voice in debates over the administration of the federal universal service support mechanisms. For example, the Joint Board is presently considering whether to modify the list of services supported by the federal mechanisms, how to improve the administration of the federal low-income assistance programs (Lifeline and LinkUp), and how to distribute high-cost support to

non-rural carriers. In each of these proceedings, Chairman Thompson has effectively articulated the interests of Alaska consumers.

In addition to her work on the Joint Board, Chairman Thompson has been active in collaborative federal-state efforts to promote the deployment of broadband services. Former FCC Chairman William Kennard, in conjunction with NARUC, appointed her as Chair of the Joint Conference on Advanced Services, which provides a forum for federal and state commissioners to consider a wide range of crucial policy issues. Congress directed the FCC to take steps to encourage the deployment of advanced services, and we cannot accomplish that pivotal task without working closely with our state colleagues — particularly leaders like Chairman Thompson.

In sum, Chairman Thompson is a dedicated public servant and has been a highly effective partner in federal-state policymaking efforts. I hope to have the opportunity to continue working with her in the telecommunications arena.

Sincerely,



Kathleen Q. Abernathy  
Commissioner, FCC

**Subject:** [Fwd: RCA Sunset]  
**Date:** Thu, 23 May 2002 15:04:30 -0800  
**From:** Wendy Arnett <wendy\_arnett@rca.state.ak.us>  
**Organization:** RCA  
**To:** Nan Thompson <nan\_thompson@rca.state.ak.us>

Bob called to say he was copying us on this email- I couldn't tell from the addresses how many people were copied. So here it is and ignore my odd voicemail.

----- Original Message -----  
Subject: RCA Sunset  
Date: Thu, 23 May 2002 17:46:11 -0500  
From: "Lindquist, Robert" <Rlindquist@wm.com>  
To:

"Senator\_Alan\_Austerman@legis.state.ak.us"<Senator\_Alan\_Austerman@legis.state.ak.us>  
"Senator\_Ben\_Stevens@legis.state.ak.us"<Senator\_Ben\_Stevens@legis.state.ak.us>,  
"Senator\_Bettye\_Davis@legis.state.ak.us"<Senator\_Bettye\_Davis@legis.state.ak.us>,  
"Senator\_Dave\_Donley@legis.state.ak.us"<Senator\_Dave\_Donley@legis.state.ak.us>,  
"Senator\_Donny\_Olson@legis.state.ak.us"<Senator\_Donny\_Olson@legis.state.ak.us>,  
"Senator\_Gary\_Wilken@legis.state.ak.us"<Senator\_Gary\_Wilken@legis.state.ak.us>,  
  
"Senator\_Gene\_Therriault@legis.state.ak.us"<Senator\_Gene\_Therriault@legis.state.ak.us>  
  
"Senator\_Georgianna\_Lincoln@legis.state.ak.us"<Senator\_Georgianna\_Lincoln@legis.state.ak.us>,  
"Senator\_Jerry\_Ward@legis.state.ak.us"<Senator\_Jerry\_Ward@legis.state.ak.us>,  
"Senator\_John\_Cowdery@legis.state.ak.us"<Senator\_John\_Cowdery@legis.state.ak.us>,  
  
"Senator\_John\_Torgerson@legis.state.ak.us"<Senator\_John\_Torgerson@legis.state.ak.us>,  
"Senator\_Johnny\_Ellis@legis.state.ak.us"<Senator\_Johnny\_Ellis@legis.state.ak.us>,  
"Senator\_Kim\_Elton@legis.state.ak.us"<Senator\_Kim\_Elton@legis.state.ak.us>,  
"Senator\_Loren\_Leman@legis.state.ak.us"<Senator\_Loren\_Leman@legis.state.ak.us>,  
"Senator\_Lyda\_Green@legis.state.ak.us"<Senator\_Lyda\_Green@legis.state.ak.us>,  
  
"Senator\_Lyman\_Hoffman@legis.state.ak.us"<Senator\_Lyman\_Hoffman@legis.state.ak.us>,  
"Senator\_Pete\_Kelly@legis.state.ak.us"<Senator\_Pete\_Kelly@legis.state.ak.us>,  
  
"Senator\_Randy\_Phillips@legis.state.ak.us"<Senator\_Randy\_Phillips@legis.state.ak.us>,  
"Senator\_Rick\_Halford@legis.state.ak.us"<Senator\_Rick\_Halford@legis.state.ak.us>,  
"Senator\_Robin\_Taylor@legis.state.ak.us"<Senator\_Robin\_Taylor@legis.state.ak.us>

Dear Senators

I serve as Director of Regulatory Affairs for Waste Management of Alaska, a refuse company serving over 59,000 businesses and households throughout the state. Kirk Duncan, general manager of Waste Management's Alaska Division, requested that I forward to each of you an e-mail sent to Senator Halford on Monday afternoon. This e-mail expressly sets out Waste Management's sentiments regarding re-authorization of the RCA.

I look forward to hearing from any senate member to discuss further Waste Management's position on this issue.

Robert M. Lindquist  
Waste Management of Alaska  
6301 Rosewood Street  
Anchorage, AK 99518

{Fwd: RCA Sunset}

Tel? (907) 273-2754  
Fax (866) 723-7336  
Cell (907) 230-6466  
\*<mailto:rlindquist@wm.com>>

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sender at [rlindquist@wm.com](mailto:rlindquist@wm.com)

<<Robert.Lindquist.vcf>>

-----Original Message-----

From: Duncan, Kirk-Alaska  
Sent: Monday, May 20, 2002 4:24 PM  
To: 'Senator Rick Halford@legis.state.ak.us'  
Subject: RCA Sunset Review

Dear Senator,

Waste Management is a regulated refuse utility with district offices  
throughout the state. We serve 59,000 residential and commercial  
customers  
from Nome to Ketchikan and from Fairbanks to Dutch Harbor, including  
Anchorage, Mat-Su Borough, Kenai Peninsula Borough, Kodiak Island  
Borough  
and the City and Borough of Juneau. We advocate the re-authorization of  
the  
RCA. To do otherwise will severely hamper our ability to facilitate  
tariff  
revisions that are necessary to meet the changing demands of our 59,000  
customers. Accordingly, in the strongest terms, Waste Management of  
Alaska, Inc. is asking you and the Senate to work towards authorizing  
the  
RCA for another term.

Please feel free to distribute this email to other members of the Senate  
or  
your caucus. I look forward to hearing from you or other Senate members  
should you have questions regarding our position.

Thanks,

Kirk Duncan  
Division Manager  
Waste Management of Alaska, Inc.  
6301 Rosewood Street  
Anchorage, Alaska 99518  
tel: (507) 273-2727  
[kduncan@wm.com](mailto:kduncan@wm.com)

Robert Lindquist <[Rlindquist@wm.com](mailto:Rlindquist@wm.com)>  
Director of Regulatory Compliance  
Waste Management of Alaska

LANG CONSULTING  
 Henry P. Lang, P.E.  
 2117 Delta Drive  
 Anchorage, Alaska 99517  
 Telephone (907) 574-7448  
 Fax (907) 574-7448

Project File No.	7671	File #	5/17/02
To:	Ann	From:	Henry P. Lang
CC:	Georgios, C. P. C.		
File #	236 6222		
File #	EN 0160		

Dear Mayor George Wuerch,

Nov. 23, 01

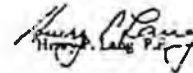
It was a pleasure to have met you today while shopping. Your remark that an outside organization was interested in buying M&P was of interest. I expressed my concern about such a buy-out as not in the best interest for the Utilities in the rail bed area. As a M&P consumer, I have a copy of the Customer Newsletter, Jan/Feb. 2001 wherein Mr. Michael Scott, General Manager, gave some remarks on this subject.

As a Professional Engineer, I have an ongoing interest in this subject. I have already given my deposition to Rep. Norman Rubenowitz's joint commission in conference in Anchorage, Aug. 6, 1998. And to your Department of Community Planning & Development, April 4, 2000. (see incl.)

As of this date, I have not heard any more from my contacts in Juneau: Rep. Edwin DeKuwitz and Sen. Norman Lehman. I would appreciate being kept informed on this subject.

Sincerely,

Incl.



memo 5/17/02

called Rep. Stan Denikowitz & Sen Loren Leman today - in special session to continue support of RFA funding.

The Times Magazine, May 20, article "California Scheming" highlights the need for "regulation". Nations Energy of Chicago is proposing to build a P.P. in the old Ship Creek plant - to sell power to Ft. Rich. (see my memo to Sakata Feb 2, 02).

We need to keep the RFA viable to prevent outside interests encroaching in this area. Combined utilities: LEA, M&P & MEA would provide economy of scale etc.

PROJECT: KAPP TO EAFB - LOAD FLOW STUDY

Job # \_\_\_\_\_

INTENT: GENERAL COMMUNICATION

Telephone  Conference  Memo  Other \_\_\_\_\_

FROM: Person Henry Lang Firm \_\_\_\_\_

TO: Person Albert Sakata Firm Sakata Engr. Serv.

SUBJECT: Review of Project dated 11/29/00 - Sakata Engr. Service.

Background: ADN Jan 14, 02 Restoring the flow  
 The Ukiah Arm. P.P. was built by CEA in 1952. Randy Hobbs, one of the current owners of the plant, said his company is working with Nations Energy of Chicago to again produce power at the plant.

We discussed my review comments regarding questions that may be asked by officers in his presentation. In general, the report reads well. It will have reference of "short circuit" on page 6.

With RFA out to M&P & CEA to provide a SS at the Ft. Rich. P.P. & power - what will be the impact on KAPP proposal to provide power and at what energy cost/kWh.

Who will dispatch power in emergency or planned outages?

How will Ft. Rich. & EAFB handle catastrophe power outages like DORISUN, earth quake etc? Will KAPP have a contingency plan?

I gave Albert copy of ADN Jan 19, 2002 article on "Restoring the Flow" - listing Nations Energy; Randy Hobbs etc.

Copy To: This was a probation review - a very professional courtesy. Bob Wuerch King

Don C. Schroer

May 17, 2002

Members of the Alaska State Senate  
Members of the House of Representatives  
Juneau, Alaska

Dear Senators and Representatives:

I was the Chairman of the Alaska Public Utilities Commission for six years, from 1991 to 1997. From that experience I am very familiar with the nature of the agency (and its successor, the Regulatory Commission of Alaska), its workload, and its relationship with utilities. I also continue to be in contact with the current Chair, Nan Thompson, and with members of the regulated industry.

The RCA has an enormous workload and due process requirements are time-consuming. Furthermore, if it is doing its job correctly the RCA is destined to issue decisions that do not satisfy some of the major utilities in the state. After all, the consumer interest must be considered and the Commission cannot always rule in favor of utilities. Some cases involve one utility against another. Thus, opposition to the RCA from some utilities is inevitable.

From my observations, the current RCA is doing its job as efficiently and effectively as reasonably possible. While there is always room for improvement, I cannot imagine how the situation could be improved by failing to extend the Commission's life for 4 more years. Confusion and uncertainty would result and no doubt it would add costs to the consumers. For these reasons, I urge you to pass legislation re-authorizing the Commission.

Sincerely,



Don C. Schroer

**MAYHOOK LAW, PLLC**  
508 NW 189<sup>th</sup> Street  
Ridgefield, Washington 98642

**J. Jeffrey Mayhook**  
*Admitted in WA and AK only*

**Laura A. Mayhook**  
*Admitted in OR, HI and IL only*

May 14, 2002

VIA FAX and EMAIL

Senator Robin Taylor  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801

Re: CSHB333 – RCA Sunset Bill

Dear Senator Taylor:

As a 20-year member of the Alaska Bar with regulatory experience extending throughout the western United States, including Alaska, Washington, Oregon, California, Arizona, New Mexico, Texas, Idaho, Utah, Hawaii, Guam, and the Marianas Islands, I urge you to forego sunseting the Regulatory Commission of Alaska (RCA).

While I may not have always agreed with the RCA's past decisions, I have always trusted the integrity of its process, and, where appropriate, resorted to the court system to appeal any adverse decisions based on the merits of the issues. That's the way it's supposed to work.

More importantly, since the enactment of the Telecommunications Act of 1996, I have come to respect and appreciate the many challenges state regulatory bodies face in contending with the sea-change in national telecom policy and entrenched special interests. I have been particularly impressed with the RCA's moderate, careful approach to contending with these powerful forces, and the result, to be sure, is reflected in the fact that Alaska remains unscathed by the telecom melt-down that has occurred in the Lower 48.

Finally, I have nothing but the highest regard for the RCA's current chair, Nanette Thompson, who brings a refreshing degree of intelligence and level-headedness to an area of the law noteworthy for both its complexity and contentiousness. As the RCA exhibits the same competence and good attitude, I can fathom no reasonable reason for undoing the RCA's good work and winding down this essential agency. Thus, as a matter of due process and sound public policy, I urge you to place CSHB333 before the Judiciary Committee, so it can at least deliberate over whether to reauthorize the RCA.

Sen. Robin Taylor  
May 14, 2002  
Page 2 of 2

Very truly yours,

J. Jeffrey Mayhook

c.c.: Gov. Tony Knowles  
Sen. Dave Donley  
Sen. John Cowdery  
Sen. Gene Therriault  
Sen. Johnny Ellis

May 10, 2002

The Honorable Robin Taylor  
Alaska State Senate  
State Capitol, Room 30  
Juneau, Alaska 99801-1182

Re: *Reauthorization of the Regulatory Commission of Alaska*

Dear Senator Taylor:

As attorneys and consultants who regularly practice before the Regulatory Commission of Alaska ("RCA"), we urge you to hold hearings and vote before the end of this year's legislative session on legislation passed by the House that would reauthorize and improve the Commission. We are concerned by recent press reports that the reauthorization bill may not be acted on this year. Based on our many years of collective experience, ~~we believe that the wind down process would be costly and inefficient, and should be avoided. It would create uncertainties for the utilities we represent, expensive delays, and potential disadvantages for Alaskan consumers.~~

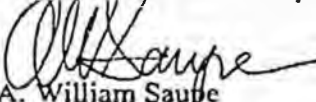
The termination of the Alaska Public Utilities Commission and its replacement just three years ago by the RCA was disruptive, but appropriate under the circumstances. The situation today is very different. ~~While, by no means perfect, the RCA has worked hard to clear up the backlog it inherited and to move forward with new matters. The new commissioners are dedicated, hardworking, and nonpartisan. They deserve a chance to continue with their work.~~

If passed by the Senate, the bill already passed by the House, CSHB 333 (FIN), would not only extend the RCA, but it would also amend the Commission's authorizing statute, AS 42.05, by setting statutory deadlines for RCA decisions. Thus, CSHB 333 (FIN) would extend and improve an agency whose work is critical to Alaska's economic well-being.

Please allow the reauthorization legislation to be considered and voted on before the session ends. Thank you for considering our views.

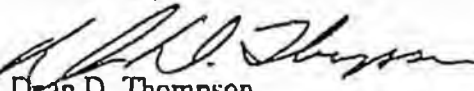
Very truly yours,

ASHBURN & MASON, PC



A. William Saupé

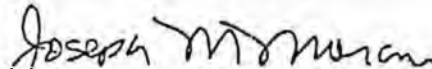
KEMPEL, HUFFMAN AND ELLIS, PC




Dean D. Thompson

The Honorable Robin Taylor  
May 10, 2002  
Page 3

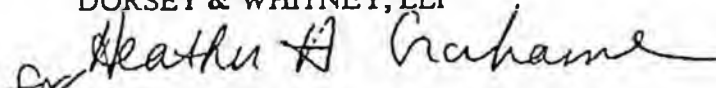
DeLISIO MORAN GERAGHTY & ZOBEL, PC

  
Joseph M. Moran

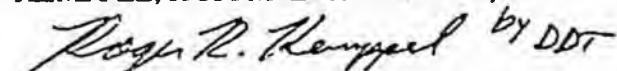
ASHBURN & MASON

  
William S. Cummings

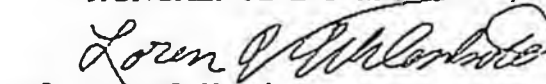
DORSEY & WHITNEY, LLP

  
for Steven E. Mulder

KEMPPPEL, HUFFMAN AND ELLIS, PC

  
Roger R. Kemppe by DDT

HONCHEN AND UHLENKOTT, INC.

  
for Larry G. Honchen

cc: All Members of the Alaska State Senate  
The Honorable Brian Porter, Speaker of the House  
The Honorable Eldon Mulder

N:\SJ\WVA\WSITaylor2

The Honorable Robin Taylor  
May 10, 2002  
Page 2

BRENA, BELL & CLARKSON, PC

*Robin O. Brena*  
Robin O. Brena

GENERAL COMMUNICATION, INC.

*James Jackson by mmh*  
James R. Jackson, Jr.

DORSEY & WHITNEY, LLP

*Heather H. Grahame*  
Heather H. Grahame

HONCHEN AND UHLENKOTT, INC.

*Loren V. Uhlenkott*  
Loren V. Uhlenkott

GENERAL COMMUNICATION, INC.

*Martin M. Weinstein*  
Martin M. Weinstein

ASHBURN & MASON

*for Julian L. Mason*  
Julian L. Mason

LAW OFFICE OF ROBERT E. STOLLER

*Robert E. Stoller*  
Robert E. Stoller *by RKS*



## Colville Incorporated

Pouch 340012  
Prudhoe Bay, Alaska 99734  
(907) 659-3198  
FAX (907) 659-3190

May 10, 2002

Senator Robin Taylor, Chairman, and Members of the Senate Judiciary Committee  
Alaska State Senate  
State Capitol, Room 30  
Juneau, AK 99801-1182

Dear Senator Taylor and Members of the Judiciary Committee,

I manage Colville, Inc., a small solid waste company started by my family over 20 years ago. Colville is a ratepayer to a large municipal utility run by the North Slope Borough.

During the past three years, since the Regulatory Commission of Alaska (RCA) took over regulation of utilities, Colville has had one case decided by the RCA, and we currently have another case pending. I have found the RCA to be competent and responsible in fulfilling their statutory mandate to regulate the providers of utility services and to protect the interests of the ratepaying public.

As you probably know, the RCA is self-funded by user charges and does not impose a burden on the general funds of the State of Alaska.

I understand that the legislation to continue the operation of the RCA is pending in your committee. I ask that you give the legislation favorable consideration. The Commissioners are doing a good job in an area that is critical for the protection of the public interest for all Alaskans.

Best wishes,  
Colville, Inc.

A handwritten signature in black ink that reads "Mark Helmericks".

Mark Helmericks,  
President

(907) 659-3198 Office  
(907) 529-5775 Cell / Voice Mail

cc: Members of the Alaska State Senate  
Regulatory Commission of Alaska



Michael T. Felix  
President/CIO

2101 Huff Drive  
Anchorage, AK 99501-1106

May 6, 2002

The Honorable Senator Robin Taylor  
State Senate  
Alaska State Capitol  
Juneau, Alaska 99801-1182

SUBJECT: HB 333 - REGULATORY COMMISSION OF ALASKA SUNSET BILL

Dear Senator Taylor:

AT&T Alascom supports continuation of the RCA and urges you to pass HB 333 out of the Senate Judiciary Committee. Allowing the RCA to go into the sunset "wind-down" would seriously hamper its regulatory activities. While we do not always agree with the RCA rulings, the agency serves an important function.

In view of the economic winds of change blowing through the telecommunications industry both nationally and in Alaska, we will need to work with the Commission through the regulatory process to resolve the problem of unequal regulation of interexchange carriers in this highly competitive market.

Thank you for your assistance and support.

Sincerely,

A handwritten signature in cursive script that reads "Michael T. Felix".

Michael T. Felix  
President/CIO



ENSTAR Natural Gas Company  
A Division of SEMCO ENERGY, Inc.  
3000 Spenser Road  
P.O. Box 190288  
Anchorage, Alaska 99519-0288  
(907) 277-5551

May 3, 2002

Senator Robin Taylor  
Alaska State Legislature  
State Capital (MS 3100)  
Juneau, Alaska 99801-1182

Dear Senator Taylor:

ENSTAR Natural Gas Company strongly supports the reauthorization of the Regulatory Commission of Alaska. The regulatory oversight of Alaska's utilities and pipelines is an essential governmental function for both the consumers and the regulated entities.

ENSTAR has reviewed the reauthorization bill that passed the House, HB 333, and is now before the Senate Judiciary Committee. We believe that new timelines for issuance of final orders and the new settlement language incorporated in HB 333 have merit and we enthusiastically support them. We also think that the new termination date for the RCA should be no earlier than the date specified in HB 333, June 30, 2006, and, in fact, would support even a longer period.

While ENSTAR may not always agree with the decisions of the RCA, we consider it extremely important to Alaskans that the RCA continues the job it has started.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Izzo".

Anthony M. Izzo  
President

CC: Senate Judiciary Committee members  
Senate Finance Committee members  
Regulatory Commission of Alaska

May 2, 2002



Senator Robin Taylor  
State Capitol, Room 30  
Juneau, AK 99801-1182

Re: Reauthorization of the Regulatory Commission of Alaska - HB 333 (Fin)

Dear Senator Taylor:

GCI, along with all other utilities that have testified at legislative hearings this session on the reauthorization of the Regulatory Commission of Alaska, supports HB 333 (Finance).

A legislative audit, conducted during the interim, concluded that the RCA "operates in a reasonably effective and efficient manner and should continue to regulate public utilities and pipelines. We believe that the public interest is being served by requiring public utilities and pipelines to be certificated and economically regulated by the commission. The regulatory process stabilizes the availability of utility services. Economic regulation by the commission ensures that, despite the absence of competition, utilities provide service at reasonable rates. We recommend that AK 44.66.010 (a) (4) be amended to extend the termination date of the RCA to June 30, 2006".

If HB 333 does not pass this session, the RCA begins the "sunset" process. During the wind down year, the RCA cannot take up new dockets and will be quite limited in the issues it will take up. Enforcement of commission orders will suffer. It will be more difficult to retain staff who may assume that the RCA will be completely out of business on July 1, 2003.

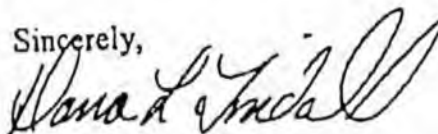
Since no utility is on the public record in support of "sunsetting" the RCA, we do not understand the justification for failing to even schedule HB 333 (Finance) or its Senate counterpart (SB 253) for a public hearing. In our view, many utilities and consumers will be adversely impacted if no action is taken this session. Among other things, local telephone competition, which has brought lower rates to consumers in Anchorage, Fairbanks and Juneau will become much more difficult to implement.

Senator Robin Taylor  
May 2, 2002  
Page 2 of 2

As the Legislature is now in the last two weeks of the session and the bill has one more committee of referral, we would greatly appreciate an opportunity to participate in a public hearing on HB 333 before it is too late for a bill to pass this session.

If you do not plan on hearing and moving some version of HB 333, we would appreciate your views as to why the RCA should go into "sunset".

Sincerely,

A handwritten signature in cursive script, appearing to read "Dana L. Tindall".

Dana L. Tindall  
Sr. Vice President  
General Communication, Inc.

**Alaska Telephone Association**

Steve Hamlen  
President

201 E. 56th, Suite 114  
Anchorage, AK 99516  
(907) 563-4000  
FAX (907) 562-3776  
www.alaskatel.org

James Rowe  
Executive Director  
jrowe@alaskatel.org

May 1, 2002

Senator Robin Taylor  
Alaska State Legislature  
State Capital  
Juneau, Alaska 99801

RE: CSHB333 – RCA Sunset Bill

Dear Senator Taylor:

As proposed legislation extending the sunset date and setting timelines for the Regulatory Commission of Alaska is before the Senate Judiciary Committee, I thought you would be interested to know why the Alaska Telephone Association has offered testimony before House committees in support of HB333.

Funding for rural telecommunications is very dependent upon universal service support which permits companies to offer local service at affordable rates. The fourteen members of the Association all serve rural communities and share in the nearly \$75 million in high cost support earmarked for Alaska this year. Anchorage customers receive no support from the fund. The \$75 million estimate is based on projections filed with the Federal Communications Commission by the Universal Service Administrative Company (See attached).

For a rural telephone company to receive support from the universal service fund, the state regulatory body must annually affirm to the FCC that the company is an Eligible Telecommunications Carrier and that it is using universal service fund support for the intended purposes. If the necessary documentation is not filed with the FCC on a timely basis, rural Alaskans will be denied the benefit of universal service support; affordable local telephone service. Your constituents – voters from Wrangell – will be among those impacted.

Additionally, all regulated utilities (electric, telephone, and water and sewer) will be subject to antitrust lawsuits each time they make a tariff change. Certainly local and long distance telephone utilities will be in court fighting over amended access charge tariffs. You can see why we need a regulatory body and why we don't want the commission to go into a "wind down" year.

Thank you for your attention. If you have questions about this, I'd be happy to speak with you or meet with you in Juneau.

Sincerely,



Jim Rowe

Attachment: FCC Estimate USF by State (12/18/01)



# PUBLIC NOTICE

Federal Communications Commission  
445 12<sup>th</sup> St., S.W.  
Washington, D.C. 20554

News Media Information 202 / 418-0500  
Fax-On-Demand 202 / 418-2830  
TTY 202 / 418-2555  
Internet: <http://www.fcc.gov>  
[fcp.fcc.gov](http://fcp.fcc.gov)

DA 01-2927  
December 18, 2001

## COMMON CARRIER BUREAU RELEASES ESTIMATED STATE-BY-STATE HIGH-COST UNIVERSAL SERVICE SUPPORT AMOUNTS FOR NON-RURAL CARRIERS FOR 2002

CC Docket No. 96-45

Today the Bureau released an order adopting updated line count input values for the new high-cost universal service support mechanism for non-rural carriers for purposes of calculating and targeting support amounts for the year 2002.<sup>1</sup> Specifically, the Bureau adopted updated line count data for use in the universal service cost model to estimate non-rural carriers' forward-looking economic costs of providing the services supported by the federal high-cost mechanism, consistent with the framework established in the *Twentieth Reconsideration Order* and the *2001 Line Counts Update Order*.<sup>2</sup> Support amounts will continue to be adjusted each quarter to account for line growth based on the wire center line count data reported quarterly by non-rural carriers.<sup>3</sup> In addition, we update the company-specific data used in the model to calculate investment in general support facilities and switching costs.

The spreadsheet attached to this Public Notice shows estimated state-by-state support amounts based on the revised cost estimates generated by the model using as input values year-end 2000 line count data filed by non-rural carriers on July 31, 2001. The Turbo-Pascal version of the cost model used to generate these estimates is posted on the Commission's web site at ([www.fcc.gov/gov/ccb/apd/hcpm](http://www.fcc.gov/gov/ccb/apd/hcpm)). The non-rural support estimates were adjusted to reflect the quarterly line counts filed by non-rural carriers on September 30, 2001. The attached spreadsheet also shows annualized interim hold-harmless, long term support, and interstate access support for non-rural carriers, as well as support amounts for rural carriers, based on projections for the first quarter of the year 2002 filed by the Universal Service Administrative Company (USAC) on November 2, 2001.<sup>4</sup> For further information regarding this Public Notice, please contact Katie King or Tom Buckley at (202) 418-7400.

<sup>1</sup> *Federal-State Joint Board on Universal Service*, Order, CC Docket No. 96-45, DA 01-2928 (Com. Car. Bur. rel. December 18, 2001) (*2002 Line Counts Update Order*).

<sup>2</sup> See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Twentieth Order on Reconsideration, FCC 00-126 (rel. April 7, 2000) (*Twentieth Reconsideration Order*); *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Order, 15 FCC Rcd 23960 (Com. Car. Bur. 2000) (*2001 Line Counts Update Order*).

<sup>3</sup> *2001 Line Counts Update Order*, 15 FCC Rcd at 23964, para. 10.

<sup>4</sup> USAC files quarterly projections with the Commission for the high-cost and other universal service programs, which the Bureau then makes available on the Commission's Web site at [http://www.fcc.gov/ccb/universal\\_service/quarter.html](http://www.fcc.gov/ccb/universal_service/quarter.html). The interim hold-harmless amounts on the attached spreadsheet have been adjusted to reflect the phase-down adopted by the Commission. See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Thirteenth Report and Order and Further Notice of Proposed Rulemaking, FCC 00-428 (rel. December 8, 2000).

Universal Service Fund  
Estimated Annual Support Amounts Based on Projections for 1st Quarter, 2002 (all numbers in \$)

State	Non-rural Companies		Rural Companies		Interstate		Intrastate		Total High Cost	
	High Cost Model Support	Hobby-Harmless Support	HCL LSS, and LTS Support	Access Support	HCL LSS, and LTS Support	Access Support	Access Support	Access Support	Annualized Projected Support	Annualized Projected Support
AK	0	0	0	0	0	0	0	0	0	0
AL	45,124,510	0	16,531,404	0	74,863,243	0	793,176	0	74,863,243	74,863,243
AR	0	0	6,439,884	0	71,210,316	0	0	0	71,210,316	71,210,316
AS	0	0	0	0	212,412	0	0	0	212,412	212,412
AZ	0	0	15,761,412	0	36,105,564	0	5,734,604	0	41,831,580	41,831,580
CA	0	0	26,845,546	0	45,516,000	0	5,418,108	0	77,679,654	77,679,654
CO	0	0	15,942,886	0	46,472,616	0	0	0	62,415,502	62,415,502
CT	0	0	682,056	0	648,036	0	0	0	1,330,092	1,330,092
DC	0	0	0	0	0	0	0	0	0	0
DE	0	0	379,020	0	0	0	0	0	379,020	379,020
FL	0	0	12,401,768	0	21,418,128	0	18,697,182	0	44,118,910	44,118,910
GA	0	0	11,637,240	0	85,177,236	0	245,016	0	97,059,492	97,059,492
GU	0	0	0	0	2,020,320	0	0	0	2,020,320	2,020,320
HI	0	0	2,341,226	0	3,189,736	0	0	0	5,530,962	5,530,962
IA	0	0	31,277,544	0	745,682	0	6,517,184	0	37,738,410	37,738,410
ID	0	0	50,052,404	0	14,806,740	0	0	0	64,859,144	64,859,144
IL	0	0	11,057,892	0	25,622,000	0	1,680,336	0	38,360,228	38,360,228
IN	0	0	21,066,408	0	19,618,520	0	2,617,704	0	43,302,632	43,302,632
KS	0	0	3,253,448	0	75,574,812	0	5,893,020	0	84,721,280	84,721,280
KY	2,580,226	0	13,118,218	0	29,565,906	0	534,528	0	45,398,978	45,398,978
LA	0	0	10,364,278	0	70,437,884	0	0	0	80,802,162	80,802,162
MA	0	0	153,452	0	644,348	0	0	0	1,077,800	1,077,800
MD	0	0	3,620,592	0	745,682	0	0	0	4,366,274	4,366,274
ME	5,420,842	0	672,048	0	21,370,464	0	0	0	27,463,354	27,463,354
MI	0	0	140,604	0	11,034,228	0	0	0	11,174,832	11,174,832
MN	0	0	0	0	52,887,040	0	3,133,396	0	56,020,436	56,020,436
MO	0	0	2,334,146	0	9,222,298	0	61,428	0	11,557,872	11,557,872
MP	0	0	0	0	3,298,476	0	248,376	0	3,546,852	3,546,852
MS	101,362,926	0	11,300,616	0	26,784,656	0	0	0	139,448,198	139,448,198
MT	10,587,567	0	251,160	0	47,810,376	0	376,216	0	59,025,319	59,025,319
NC	0	0	5,594,389	0	12,357,360	0	25,724,264	0	43,676,013	43,676,013
ND	0	0	684,266	0	26,826,368	0	0	0	27,510,634	27,510,634
NE	0	0	0	0	24,914,364	0	1,527,252	0	26,441,616	26,441,616
NH	0	0	1,878,764	0	7,504,860	0	0	0	9,383,624	9,383,624
NJ	0	0	4,272,688	0	1,217,736	0	338,112	0	5,828,536	5,828,536
NM	0	0	2,929,976	0	35,232,482	0	4,659,604	0	42,821,062	42,821,062
NV	0	0	4,131,306	0	14,471,676	0	3,768,798	0	22,371,780	22,371,780
NY	0	0	15,826,700	0	36,900,272	0	7,087,136	0	59,814,108	59,814,108
OH	0	0	100,252	0	17,455,932	0	7,684,688	0	18,641,872	18,641,872
OK	0	0	4,812,132	0	71,256,648	0	0	0	76,068,780	76,068,780
OR	0	0	20,986,572	0	41,789,860	0	2,445,012	0	65,221,444	65,221,444
PA	0	0	3,022,980	0	27,737,611	0	10,223,320	0	41,083,911	41,083,911
PR	0	0	2,679,491	0	101,197,456	0	0	0	103,876,947	103,876,947
RI	0	0	91,824	0	0	0	0	0	91,824	91,824
SC	0	0	15,034,624	0	41,657,112	0	1,513,812	0	58,205,548	58,205,548
SD	0	0	73,752	0	27,945,856	0	0	0	28,019,608	28,019,608
TN	0	0	4,568,504	0	34,359,780	0	2,902,696	0	41,831,980	41,831,980
TX	0	0	24,481,644	0	132,368,832	0	13,526,888	0	170,377,364	170,377,364
UT	0	0	1,425,468	0	12,518,384	0	972,186	0	14,916,038	14,916,038
VA	0	0	47,152,176	0	11,972,520	0	5,840,524	0	64,965,220	64,965,220
VT	0	0	0	0	25,677,802	0	0	0	25,677,802	25,677,802
WA	9,162,260	0	2,023,776	0	12,655,224	0	0	0	24,841,260	24,841,260
WI	0	0	21,443,904	0	48,894,996	0	1,797,852	0	72,136,752	72,136,752
WV	25,606,977	0	2,342,844	0	53,301,964	0	234,236	0	81,285,981	81,285,981
WY	8,878,061	0	11,425,116	0	20,862,520	0	5,721,840	0	46,867,537	46,867,537
Total	207,000,513	25,253,980	108,674,215	448,053,732	1,736,420,028	144,116,400	0	0	2,674,206,668	2,674,206,668

\* Estimates based on revised cost estimates generated by the model using year-end 2000 low count data and adjusted to reflect the quarterly line counts filed by non-rural carriers on 8/30/01.  
 \*\* Estimates based on USA's proposals for the first quarter of 2002, filed on 11/20/01.



# ARECA

Alaska's Electric Association

*"Electric Service for 556,000 Alaskans"*

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February 27, 2002

Honorable Eldon Mulder  
Cochairman, House Finance Committee  
Alaska State Legislature  
Juneau, Alaska

Subject: RCA Sunset Review, HB 333

Dear Representative Mulder

As you know, ARECA and its electric utilities throughout Alaska do not agree that the RCA Sunset should be extended through June 2006 as would happen under HB 333. Our position has been carefully considered. ARECA supported the reconstitution of the old APUC into the present RCA. We participated in that process of change even in the face of those that cautioned against such change. We were even consulted on the composition of the new Commissioners and are largely supportive of the professional attitude that they have brought to the agency.

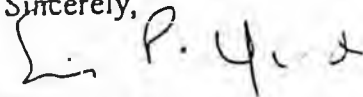
Despite these positive changes, we still have serious problems with the pace with which the regulatory process creeps forward. The transformation from the APUC to the RCA came with the legislature authorizing nine new positions with which to speed up the regulatory process. The RCA inherited a 700 case backlog from the old commission and these new positions appeared warranted. We were heartened to see that the new RCA was making a concerted effort to reduce that backlog in the face of new cases being introduced. But their effort has lagged and the time required to get important cases through the process continues to be slow and cumbersome. Last year the legislature authorized five additional new positions for the RCA to speed up the process. Nevertheless, according to correspondence to me from Commissioner Thompson on January 9, 2002, the RCA has closed 556 cases since the inception of the RCA but opened 464 new cases, presumably resulting in a present case backlog of 608 cases. Fourteen new positions have resulted in a 13 percent caseload reduction. What this really means is that the regulatory process is still broken and must be fixed. The present process costs the electric utility industry much time and much money to run the regulatory gauntlet.

We would very much like to see a meaningful immediate effort to identify changes that can be made to the regulatory process. In our opinion, this will not take place if we allow a four-

year sunset review. We also understand, however, that the one-year sunset originally supported by the electric utility industry may not be sufficient to allow comprehensive assessment of the situation. Commissioner Thompson has committed to an annual review before the legislature and has further committed to an informal "bench and bar" session to be conducted every other month with the regulated industry. We feel that both of these efforts will help identify ways to streamline the process, but believe that this will be further facilitated by a legislative oversight that would extend the RCA sunset through June 2004 rather than the four years called for in HB 333. We strongly believe that the process must be streamlined and hope that you will support a two-year conditional extension as called for in the amended ARECA Resolution 2-19 (Attached).

We would like to have a good regulatory process and feel that this can be accomplished if the industry, legislature, and the RCA will work toward that end.

Sincerely,



Eric P. Yould  
Executive Director

CC: ARECA Managers and Board of Directors  
Commissioner Thompson, RCA



# ARECA

Alaska's Electric Association

*"Electric Service for 550,000 Alaskans"*

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## ARECA Resolution 02-19

### A Resolution Supporting Legislation to Conditionally Extend the Life of the Regulatory Commission of Alaska for Two Years

Regulated utilities depend on the RCA for prompt and fair regulatory decisions. Since its establishment, the RCA continues to struggle with its workload. The RCA has created an additional load of work for itself by initiating dockets and inquiries without having first cleared the backlog of old matters. The RCA must work to resolve cases decisively and finally.

ARECA supports the extension of the life of the RCA for only two additional years contingent on an explicit legislative requirement that the RCA complete the activities described below:

- Establish a dialogue with regulated utilities to discuss reform of the regulatory process.
- Prepare an annual report to the legislature addressing the following
  1. How the RCA will reduce the backlog of cases and other matters pending before it
  2. How the RCA can revise its processes to assure that fewer issues must be tried in trial-type proceedings
  3. How deadlines for adjudication and other approval processes can be incorporated in RCA procedures to produce better and timelier decisions
  4. Identify areas for which the RCA is currently responsible for regulation that provide the highest public benefit and areas in which regulation produces lower public value
  5. Recommend areas of regulatory oversight that may be eliminated

Adopted February 22, 2002




SAMPLE BEING  
SENT BY E-MAIL  
AND US MAIL TO  
AARP ACTIVISTS

TO: AARP Alaska Members and Friends  
FROM: Marguerite Stetson  
AARP Alaska Executive Council Member for Advocacy  
DATE: June 17, 2002

.....

## WE NEED YOUR HELP!

As you know from the media, Governor Knowles has asked the Legislature to come into special session to deal with the reauthorization of the Regulatory Commission of Alaska (RCA).



**AARP supports the reauthorization of the Regulatory Commission of Alaska and requests that you contact your Senator and Representative and ask them to vote "AYE" for RCA reauthorization.**

### BACKGROUND:


AARP is a consumer organization. Half of our members are over age 65 and half are younger. Most of our members are heads of their households. Our members use a variety of utilities: gas, electric, telephones and the internet. When utilities want to change their services, they must submit a proposed change to the Regulatory Commission of Alaska. It is the responsibility of the RCA to be a consumer "watchdog" and, under the rules and guidelines provided by the Legislature, to assure that our utility companies and telephone companies "do the right thing" and provide us needed services at reasonable rates. Consumer organizations like AARP rely on the RCA because it is the only organization that exercises some oversight and control over utilities.

The RCA is the only organization our members can turn to if they have a consumer complaint about their utility or telephone company.

The reauthorization of the RCA has become embroiled in partisan politics and telephone company squabbles. AARP has no interest in the politics of this debate nor do we care to participate in inter-company name-calling.

We are, however, very interested in the continuing existence of the Regulatory Commission of Alaska. As consumers, we need the RCA's oversight authority. After


watching the last session of the Legislature when virtually no important problems were resolved, we do not have confidence that the reauthorization of the RCA should wait for the next session in January, 2003. We believe the RCA should be reauthorized and it should be done now, when the special session convenes on June 24.



Please contact your Senator and Representative and ask them to vote "AYE" and reauthorize the Regulatory Commission of Alaska.

Thank you for your consideration.

Sincerely,



Marguerite Stetson  
AARP Alaska  
Executive Council Member for Advocacy  
3009 Northwood Street  
Anchorage, AK 99517-1871  
907.245.5259 voice  
907.245.5279 fax  
[ffinas@aurora.uaf.edu](mailto:ffinas@aurora.uaf.edu)

\* If you have an email address please send that address with your full name to:  
[ak@aarp.org](mailto:ak@aarp.org)

*"This Alert is being sent by AARP Alaska State Office, 3601 "C" Street, Suite 1420, Anchorage, AK 99503, 907.341.2277, [ak@aarp.org](mailto:ak@aarp.org). Please visit [www.aarp.org](http://www.aarp.org) for more information about AARP generally, and [www.aarp.org/privacy.html](http://www.aarp.org/privacy.html) to read AARP's privacy policy. Copyright 2002, AARP. All rights reserved."*

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*AARP educates on the peace-of-mind issues of most concerns to voters age 50+.*

**EVALUATION OF THE REGULATORY COMMISSION OF ALASKA:  
A FOLLOW-UP REPORT**

by

David W. Wirick

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Columbus, Ohio 43210-1002  
Phone: 614/292/9404  
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Website: [www.nrri.ohio-state.edu](http://www.nrri.ohio-state.edu)

June 13, 2000

This report was prepared with funding provided by the Regulatory Commission of Alaska. The views and opinions expressed herein do not necessarily state or reflect the views, opinions, or policies of the National Regulatory Research Institute (NRRI), the National Association of Regulatory Utility Commissioners (NARUC) with which the NRRI is affiliated, or NARUC member commissions.

## EXECUTIVE SUMMARY

In 1998, the National Regulatory Research Institute (NRRRI), under contract, prepared a review of the Alaska Public Utilities Commission (APUC). That report identified a number of areas in need of attention. They included Commissioner-staff and Commissioner-to-Commissioner relations, timeliness, the quality and speed of Commission orders, and management information systems.

In April of 2000, the NRRRI began under contract a similar review of the Regulatory Commission of Alaska (RCA), the successor agency to the APUC. Eighteen RCA stakeholders (Commissioners, staff, and external stakeholders) were interviewed. Their names are listed in Appendix 1; their comments are included in Appendix 2.

Overall, it appears that each of the areas identified in the first review as being in need of attention has experienced substantial improvement. Of particular note are the perceptions of Commissioner competence and hard work, the high regard for the Chair, improved morale, the reduction of the backlog in cases, improved information flows, the potential for the newly established Public Advocacy Section to provide effective advocacy and clarify staff roles, the additional authority of the Chair, the potential for the new management information system to even further improve communications, the establishment of an MIS unit, a better balance between due-process concerns and Commission effectiveness, and better external relations.

Given the success so far of the RCA, areas for concern are limited. They include the potential for the high workloads to undermine morale over time, the continued evolution of the PAS and the role of advisory staff, the staffing and role of the Consumer Affairs Section, staff training, the current heavy reliance on the Chairman, and the overall pace of change at the RCA.

## INTRODUCTION<sup>1</sup>

In an era of rapid change for the regulation of the nation's public utilities, the State of Alaska in 1999 elected to hasten that change process by abolishing the former Alaska Public Utilities Commission (APUC) and establishing the new Regulatory Commission of Alaska (RCA) in Senate Bill 133. Though that new regulatory commission might still be regarded in being in its formative stages, the members (Commissioners) of the RCA and its Chair determined that an early assessment of the Commission was warranted in order to identify early problems and assess the extent of the new Commission's success. Such a self-assessment also presents an opportunity for commission staff and stakeholders to provide input into the direction of commission change. In February 2000, Chairman G. Nanette Thompson contacted the National Regulatory Research Institute (NRRI) to inquire as to the feasibility of a contract with the NRRI to review the operations of the RCA. A contract was finalized in May, though interviews with key stakeholders began in April.

The NRRI has some familiarity with regulatory operations in Alaska. In 1998, the NRRI conducted a similar review of the APUC. That review was presented to the Public Utilities Commission in a report entitled *Report on the Alaska Public Utilities Commission* dated October 1998.<sup>2</sup> That report identified a number of significant challenges facing the Public Utilities Commission.

To accomplish this current assessment, the author interviewed nine RCA staff, the five Commissioners, and four external stakeholders. The persons interviewed are identified in Appendix 1. Their aggregated comments are included in Appendix 2. Commitments were made to those interviewed to keep input confidential (i.e., not to link names to comments). The results of the NRRI inquiry are contained in this report, grouped generally by the major components used in the first NRRI report. A brief

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<sup>1</sup> Special thanks is given to Dr. Vivian Witkind Davis, a co-author of the NRRI report on the APUC, for her review of this report.

<sup>2</sup> David W. Wirick, Vivian Witkind Davis, and Douglas N. Jones, *Report on the Alaska Public Utilities Commission* (Columbus, Ohio: National Regulatory Research Institute, 1998).  
NRRI

summary of the findings of the first report are included for each component so that comparisons can be drawn. Those findings of the NRRI report on the APUC are printed in *italics* to distinguish them from the findings of this current report.

Reports of this type are necessarily somewhat subjective. In that sense they are always limited and imperfect. The task, of course, is to attempt to be fair and accurate, and the author has tried to be both in his assessment. His comments are informed by his extensive exposure to state public utility commissions throughout the country. Though the circumstances that surround the RCA are unique, as are the circumstances of each state public utility commission, some comparisons can be drawn and judgements made. The report avoids references to the behavior of specific individuals, unless the performance of the individual presents a challenge for the organization as a whole. Fortunately, in the case of the RCA it was only exemplary behavior of key persons (and the potential difficulty of replacing them if they were to leave) that was most commonly cited.

As will be seen, this report is largely and, perhaps uncommonly, positive in its assessment and tone. That tone should not be regarded as arising from an unwillingness to be critical of regulatory commission operations if a critical response is warranted. Nor has the report glossed over necessary areas for improvement with indirect writing. In fact, this report does point out a number of areas that may cause problems at some later point. But, overall, those interviewed for this report provided nearly unanimous, though occasionally guarded, support for the work of and prospects for the RCA. The tone of the report is necessarily reflective, therefore, of the tone of stakeholders.

## ANALYSIS OF ORGANIZATIONAL COMPONENTS

The components examined and explained in this report are:

- General Factors
- Communications

- Morale
- Commission Structure, including discussion and analysis of the changes in structure caused by the legislation that established the RCA.
- Staffing
- Management Information Systems
- Process
- External Relations
- Consumer Protection
- General Comments

Each component is discussed in turn.

### General Factors

*In the first report, a considerable range and depth of problems was cited by those interviewed. Problems included leadership, though interestingly, the word "leadership" was not actually spoken by any of the interviewees at that time. But a number of the perceived difficulties emphasized by them harken back to the leadership of the APUC. In the course of sustained discussions with those interviewed, several opportunities for collective leadership by the Commissioners (mostly of the "lead-by-example" variety) were identified. It is, of course, true that staff do not always know or appreciate what exactly constitutes a Commissioner's workday. However, perceptions that Commissioners did not "pull their weight" were voiced several times in interviews.*

*To be fair, several of those interviewed cited the fact that APUC decisions were rarely overturned in court, and most cited the competence of the staff and its ability to focus on the real task of the APUC despite constant emergencies and a very heavy workload. Some were concerned that the then current difficulties might eventually limit the ability of the APUC to do its job.*

For this review (of the RCA), those interviewed were first asked if the Commission is accomplishing its mission. Responses were positive but sometimes cautious. Representative comments were:

- There is a more cooperative effort among Commissioners, which is apparent to staff.
- The Commission is doing its job but it has taken work and is very challenging.
- The boat is turning but won't turn overnight.
- This Commission is making a difference.
- It may be too soon to know about substance.
- There is a lot of stress on staff and no extra help. Productivity is up.
- The Commission is on a learning curve. In the long-run, it is likely to be positive.

Those interviewed were then asked if things were better now than before the abolishment of the APUC. They all suggested that things are, in fact, much better than before. Representative comments include:

- Things are going really well.
- A better structure is in place now.
- The RCA is functioning as a Commission.
- There is a conscious effort to get things done.
- I have the utmost respect for Nan (i.e., Chairman Nan Thompson).
- It is much better than before and as good a commission as Alaska has ever had.

Overall, comments regarding the ability of the RCA to accomplish its mission were positive as were the assessments that the RCA is doing better than its predecessor. Cautions were expressed about the learning yet to be done, the extreme work load (in part occasioned by the backlog that will be discussed later), and the RCA's reliance on the current Chairman, about which more will be said later in this report. *Concerns that Commissioners were not "pulling their weight"* seemed to be

dramatically changed with the arrival of the five new Commissioners, whose work ethic is highly regarded. More about that is said later in this report.

## Communications

*In the first report, those interviewed identified a number of communications problems. One of these was improving vertical communication throughout the agency. (Reportedly, horizontal communication was adequate.) Another opportunity cited was to introduce and conduct a systematic training and orientation program for new personnel at all levels. A third, and perhaps most important, problem identified was the impact of the docket backlog including tariff filings and devising procedures and practices that lead to prompt resolution of cases. Those interviewed were critical of unnecessary delays in case processing, of too frequent use of suspensions and extensions, and of applications taking effect by default.*

Perceptions are that vertical communications are much better now. Commissioners are cited as being approachable, and section heads are meeting with their staffs regularly following their meetings with the Chair. Communications can always bear improvement, and they continue to be worked on at the RCA.

Given the amount of turnover and new hires, the orientation and training of new staff is key. Fortunately, some of those new staff came to the RCA with knowledge of the industry. On-the-job training appears to be the norm, though some training is provided at external training opportunities (such as "Camp NARUC"), and existing staff are cited as being helpful.

The docket backlog is a clear problem, but one that is being worked on. Some cite the backlog as being 500 cases in the system plus another 250 that had not been assigned when the RCA was created. It is also cited as being a frustration. The orders that are being issued for those backlogged cases are, according to at least one of the persons interviewed, of little value because of their age. Commission efforts to clear the backlog are being applauded.

As to whether the interaction between Commissioners and staff is productive,

comments were generally positive. Staff cite the approachability of Commissioners; Commissioners, in turn, describe staff as cooperative. A feeling of mutual respect appears to exist. There is some sentiment, however, that some staff may not be fully committed to the changes being made.

Commissioners are cited as working well together, which had reportedly been a problem for the APUC. Again, an attitude of mutual respect seems to prevail. In addition, staff and stakeholders are impressed with the work ethic of the Commissioners. They are putting in long hours and have, in the words of one person interviewed, "a sense of the public interest."

There seems to be a concerted effort to ensure more effective information flows at the RCA. The Chairman, one person noted, will intervene when necessary. Though from many perspectives, information flow is adequate, some cite problems. One person suggested that there is still a bit of the "I know something you don't know" mentality, and that mail sits when someone is out. (Using the courier for mail has helped.) Staff are cited as providing necessary information to Commissioners, though the workload and backlog have gotten in the way.

Overall, it appears that communications within the RCA are good. That they are regarded so highly given the rapid pace at which the Commission is moving, the high work volume, and the extent of the changes being made is remarkable.

Commissioners, staff, and stakeholders appear to have high expectations for performance of the RCA; caution might be warranted to ensure that unrealistically high expectations are not created and that the pace of work, though necessary in the short term, does not serve to create staff and commissioner burn-out if continued for the long term.

## Morale

In this era of rapid change for regulatory commissions, it is not uncommon to discover fairly low morale, particularly among staff for whom employment might be more uncertain than in the past, for whom the job requirements and skills necessary are changing, and toward whom substantial stakeholder dissatisfaction with the regulatory process is being directed. *In the NRRI review of the APUC, comments from quite a few, though not all, interviewees indicated that a morale problem existed at the APUC that might exceed national norms.*

It is apparent that morale at the RCA is much improved. Better communications, the perceived better treatment of staff by Commissioners, and staff confidence that things are changing were cited as reasons. Impediments to higher levels of morale are the workload and the turnover particularly among clerical staff. Two of the people interviewed expressed concern that morale might be lower among the staff most closely affiliated with the Commissioners because of the extent of the changes there. The Commissioners have sponsored and organized staff events, which seem to have been well-received, and a new evaluation form has been created to provide staff feedback on their performance. One cited deficiency was the lack of an RCA mission statement. As the regulatory environment changes, an evolving mission statement might help staff clarify its role.

### Commission Structure

Structure refers to an organization's relatively stable activities over a period of time, often reified as an organization chart. In this report, it also refers to the new tools and processes adopted by the RCA or mandated by its defining legislation. *It was reported in NRRI's interviews for the first report that some APUC Commissioners were perceived as being too involved with administration and that this involvement might inhibit their consideration of the important issues facing the commission. Some concern was expressed that the assignment of management information systems (MIS) responsibilities to the Engineering Section had the potential to overwhelm that section and to get in the way of other engineering functions.*