

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2939

1 (d) A court revoking a driver's license, privilege to drive, or privilege to obtain
2 a license under AS 28.15.181(c), or the department when revoking a driver's license,
3 privilege to drive, or privilege to obtain a license under AS 28.15.165(c), may grant
4 limited license privileges if

5 (1) the revocation was for a misdemeanor conviction under
6 AS 28.35.030(a) and not for a violation of AS 28.35.032;

7 (2) the person has

8 (A) not been previously convicted and the limited license is not
9 granted during the first 30 days of the period of revocation;

10 (B) been previously convicted, the limited license is not
11 granted during the first 90 days of the period of revocation, and

12 (i) the person has successfully completed a court-
13 ordered treatment program under AS 28.35.028 or former
14 AS 28.35.030(p); or

15 (ii) the court or department requires the person to use an
16 ignition interlock device during the period of the limited license;

17 (3) the court or the department determines that

18 (A) the person's ability to earn a livelihood would be severely
19 impaired without a limited license; or

20 (B) the person has successfully completed a court-ordered
21 treatment program described under AS 28.35.028 or former AS 28.35.030(p)
22 and the person's ability to earn a livelihood, attend school, or provide for
23 family health would be severely impaired without a limited license;

24 (4) the court or the department determines that a limitation under (a) of
25 this section can be placed on the license that will enable the person to earn a livelihood
26 without excessive danger to the public;

27 (5) the court or the department determines that the person is enrolled in
28 and is in compliance with or has successfully completed the alcoholism screening,
29 evaluation, referral, and program requirements of the Department of Health and Social
30 Services under AS 28.35.030(h); and

31 (6) the person has not been previously convicted under

1 AS 28.15.291(a)(2), AS 28.35.030, or 28.35.032 while driving or operating a vehicle,
2 aircraft, or watercraft under a limited license issued under this section.

3 * **Sec. 3.** AS 28.35 is amended by adding a new section to article 2 to read:

4 **Sec. 28.35.028. Court-ordered treatment for persons charged with a**
5 **violation of AS 28.35.030 or 28.35.032.** (a) Notwithstanding another provision of
6 law, with the consent of the state and the defendant, the court may elect to proceed in a
7 criminal case under AS 28.35.030 or 28.35.032, including the case of a defendant
8 charged with violating the terms of probation, under the procedure provided in this
9 section and order the defendant to complete a court-ordered treatment program. The
10 state may not consent to a referral under this subsection unless the state has consulted
11 with the victim and explained the process and consequences of the referral to the
12 victim. A court may not elect to proceed under this section if the defendant has
13 previously participated in a court-ordered treatment program under this section two or
14 more times.

15 (b) Once the court elects to proceed under this section, the defendant shall
16 enter a no contest or guilty plea to the offense or shall admit to a probation violation,
17 as appropriate. The state and the defendant may enter into a plea agreement to
18 determine the offense or offenses to which the defendant is required to plead. If the
19 court accepts the agreement, the court shall enforce the terms of the agreement. The
20 court shall enter a judgment of conviction for the offense or offenses for which the
21 defendant has pleaded or an order finding that the defendant has violated probation, as
22 appropriate. A judgment of conviction or an order finding a probation violation must
23 set a schedule for payment of restitution owed by the defendant. In a judgment of
24 conviction and on probation conditions that the court considers appropriate, the court
25 may withhold pronouncement of a period of imprisonment or a fine to provide an
26 incentive for the defendant to complete recommended treatment successfully.
27 Imprisonment or a fine imposed by a court shall comply with AS 12.55 or any
28 mandatory minimum or other sentencing provision applicable to the offense.
29 However, notwithstanding Rule 35, Alaska Rules of Criminal Procedure, and any
30 other provision of law, the court, at any time after the period when a reduction of
31 sentence is normally available, may consider and reduce the defendant's sentence

1 based on the defendant's compliance with the treatment plan; when reducing a
2 sentence, the court (1) may not reduce the sentence below the mandatory minimum
3 sentence for the offense unless the court finds that the defendant has successfully
4 complied with and completed the treatment plan and that treatment plan approximated
5 the severity of the minimum period of imprisonment, and (2) may consider the
6 defendant's compliance with the treatment plan as a mitigating factor allowing a
7 reduction of a sentence under AS 12.55.155(a). A court entering an order finding the
8 defendant has violated probation may withhold pronouncement of disposition to
9 provide an incentive for the defendant to complete the recommended treatment
10 successfully.

11 (c) If the defendant does not successfully complete the treatment plan imposed
12 by the court under this section, the defendant's no contest or guilty plea or admission
13 to a probation violation to the court shall stand, and the sentence previously imposed
14 shall be executed or, if sentence has not yet been imposed, sentence shall be imposed
15 by the court.

16 (d) Notwithstanding any other provision of law to the contrary, the judge, the
17 state, the defendant, and the agencies involved in the defendant's treatment plan are
18 entitled to information and reports bearing on the defendant's assessment, treatment,
19 and progress. The victim is entitled to periodic reports on the defendant's progress and
20 participation.

21 (e) In addition to other conditions authorized under AS 12.30 or AS 12.55, a
22 court may impose the following conditions of bail or probation:

23 (1) require the defendant to submit to electronic monitoring;

24 (2) require the defendant to submit to house arrest.

25 (f) A court shall refer a defendant who is ordered to participate in a treatment
26 program under this section to an alcohol safety action program developed and
27 implemented or designated under AS 47.37.040(21) for screening, referral, and
28 monitoring.

29 (g) In addition to other conditions authorized under AS 12.30, a court may
30 require the defendant to take a drug or combination of drugs intended to prevent
31 substance abuse.

1 (h) In this section,

2 (1) "court-ordered treatment program" or "treatment plan" means a
3 treatment program for a person who consumes alcohol or drugs and that

4 (A) requires participation for at least 18 consecutive months;

5 (B) includes planning and treatment for alcohol or drug
6 addiction;

7 (C) includes emphasis on personal responsibility;

8 (D) provides in-court recognition of progress and sanctions for
9 relapses;

10 (E) requires payment of restitution to victims and completion
11 of community work service;

12 (F) includes physician approved treatment of physical addiction
13 and treatment of the psychological causes of addiction;

14 (G) includes a monitoring program and physical placement or
15 housing; and

16 (H) requires adherence to conditions of probation;

17 (2) "sentence" or "sentencing" includes a suspended imposition of
18 sentence as authorized under AS 12.55.085.

19 * **Sec. 4.** AS 28.35.030(b) is amended to read:

20 (b) Except as provided under (n) of this section, driving while under the
21 influence of an alcoholic beverage, inhalant, or controlled substance is a class A
22 misdemeanor. Upon [EXCEPT AS PROVIDED UNDER (p) OF THIS SECTION,
23 UPON] conviction,

24 (1) the court shall impose a minimum sentence of imprisonment of

25 (A) not less than 72 consecutive hours and a fine of not less
26 than \$1,500 if the person has not been previously convicted;

27 (B) not less than 20 days and a fine of not less than \$3,000 if
28 the person has been previously convicted once;

29 (C) not less than 60 days and a fine of not less than \$4,000 if
30 the person has been previously convicted twice and is not subject to
31 punishment under (n) of this section;

1 (D) not less than 120 days and a fine of not less than \$5,000 if
 2 the person has been previously convicted three times and is not subject to
 3 punishment under (n) of this section;

4 (E) not less than 240 days and a fine of not less than \$6,000 if
 5 the person has been previously convicted four times and is not subject to
 6 punishment under (n) of this section;

7 (F) not less than 360 days and a fine of not less than \$7,000 if
 8 the person has been previously convicted more than four times and is not
 9 subject to punishment under (n) of this section;

10 (2) the court may not

11 (A) suspend execution of sentence or grant probation except on
 12 condition that the person

13 (i) serve the minimum imprisonment under (1) of this
 14 subsection; and

15 (ii) pay the minimum fine required under (1) of this
 16 subsection;

17 (B) suspend imposition of sentence;

18 (3) the court shall revoke the person's driver's license, privilege to
 19 drive, or privilege to obtain a licence under AS 28.15.181, and may order that the
 20 motor vehicle, aircraft, or watercraft that was used in commission of the offense be
 21 forfeited under AS 28.35.036; and

22 (4) the court may order that the person, while incarcerated or as a
 23 condition of probation or parole, take a drug or combination of drugs intended to
 24 prevent the consumption of an alcoholic beverage; a condition of probation or parole
 25 imposed under this paragraph is in addition to any other condition authorized under
 26 another provision of law.

27 * Sec. 5. AS 28.35.032(g) is amended to read:

28 (g) Upon [EXCEPT AS PROVIDED UNDER (r) OF THIS SECTION,
 29 UPON] conviction under this section.

30 (1) the court shall impose a minimum sentence of imprisonment of

31 (A) not less than 72 consecutive hours and a fine of not less

1 than \$1,500 if the person has not been previously convicted;

2 (B) not less than 20 days and a fine of not less than \$3,000 if
3 the person has been previously convicted once;

4 (C) not less than 60 days and a fine of not less than \$4,000 if
5 the person has been previously convicted twice and is not subject to
6 punishment under (p) of this section;

7 (D) not less than 120 days and a fine of not less than \$5,000 if
8 the person has been previously convicted three times and is not subject to
9 punishment under (p) of this section;

10 (E) not less than 240 days and a fine of not less than \$6,000 if
11 the person has been previously convicted four times and is not subject to
12 punishment under (p) of this section;

13 (F) not less than 360 days and a fine of not less than \$7,000 if
14 the person has been previously convicted more than four times and is not
15 subject to punishment under (p) of this section;

16 (2) the court may not

17 (A) suspend execution of the sentence required by (1) of this
18 subsection or grant probation, except on condition that the person

19 (i) serve the minimum imprisonment under (1) of this
20 subsection; and

21 (ii) pay the minimum fine required under (1) of this
22 subsection; or

23 (B) suspend imposition of sentence;

24 (3) the court shall revoke the person's driver's license, privilege to
25 drive, or privilege to obtain a license under AS 28.15.181, and may order that the
26 motor vehicle, aircraft, or watercraft that was used in commission of the offense be
27 forfeited under AS 28.35.036;

28 (4) the court may order that the person, while incarcerated or as a
29 condition of probation or parole, take a drug or combination of drugs intended to
30 prevent the consumption of an alcoholic beverage; a condition of probation or parole
31 imposed under this paragraph is in addition to any other condition authorized under

1 another provision of law; and

2 (5) the sentence imposed by the court under this subsection shall run
3 consecutively with any other sentence of imprisonment imposed on the person.

4 * Sec. 6. AS 47.37.040 is amended to read:

5 **Sec. 47.37.040. Duties of department.** The department shall

6 (1) develop, encourage, and foster statewide, regional, and local plans
7 and programs for the prevention of alcoholism and drug abuse and treatment of
8 alcoholics, intoxicated persons, drug abusers, and inhalant abusers in cooperation with
9 public and private agencies, organizations, and individuals, and provide technical
10 assistance and consultation services for these purposes;

11 (2) coordinate the efforts and enlist the assistance of all public and
12 private agencies, organizations, and individuals interested in prevention of alcoholism,
13 drug abuse, and inhalant abuse, and treatment of alcoholics, intoxicated persons, drug
14 abusers, and inhalant abusers;

15 (3) cooperate with the Department of Corrections in establishing and
16 conducting programs to provide treatment for alcoholics, intoxicated persons, drug
17 abusers, and inhalant abusers in or on parole from penal institutions;

18 (4) cooperate with the Department of Education and Early
19 Development, school boards, schools, police departments, courts, and other public and
20 private agencies, organizations, and individuals in establishing programs for the
21 prevention of alcoholism, drug abuse, and inhalant abuse, and treatment of alcoholics,
22 intoxicated persons, drug abusers, and inhalant abusers, and preparing curriculum
23 materials for use at all levels of school education;

24 (5) prepare, publish, evaluate, and disseminate educational material
25 dealing with the nature and effects of alcohol and drugs, and the misuse of hazardous
26 volatile substances;

27 (6) develop and implement, as an integral part of treatment programs,
28 an educational program for use in the treatment of alcoholics, intoxicated persons,
29 drug abusers, and inhalant abusers that includes the dissemination of information
30 concerning the nature and effects of alcohol, drugs, and hazardous volatile substances;

31 (7) organize and foster training programs for all persons engaged in

1 treatment of alcoholics, intoxicated persons, drug abusers, and inhalant abusers, and
2 estabiish standards for training paraprofessional alcoholism, drug abuse, and inhalant
3 abuse workers;

4 (8) sponsor and encourage research into the causes and nature of
5 alcoholism, drug abuse, and inhalant abuse, and the treatment of alcoholics,
6 intoxicated persons, drug abusers, and inhalant abusers, and serve as a clearinghouse
7 for information relating to alcoholism, drug abuse, and inhalant abuse;

8 (9) specify uniform methods for keeping statistical information by
9 public and private agencies, organizations, and individuals, and collect and make
10 available relevant statistical information, including number of persons treated,
11 frequency of admission and readmission, and frequency and duration of treatment;

12 (10) conduct program planning activities approved by the Advisory
13 Board on Alcoholism and Drug Abuse;

14 (11) review all state health, welfare, and treatment plans to be
15 submitted for federal funding, and advise the commissioner on provisions to be
16 included relating to alcoholics, intoxicated persons, drug abusers, and inhalant
17 abusers;

18 (12) assist in the development of, and cooperate with, alcohol, drug
19 abuse, and inhalant abuse education and treatment programs for employees of state
20 and local governments and businesses and industries in the state;

21 (13) use the support and assistance of interested persons in the
22 community, particularly recovered alcoholics, drug abusers, and inhalant abusers, to
23 encourage alcoholics, drug abusers, and inhalant abusers to voluntarily undergo
24 treatment;

25 (14) cooperate with the Department of Public Safety and the
26 Department of Transportation and Public Facilities in establishing and conducting
27 programs designed to deal with the problem of persons operating motor vehicles while
28 under the influence of an alcoholic beverage, inhalant, or controlled substance, and
29 develop and approve alcohol information courses required to be taken by drivers under
30 AS 28.15 or made available to drivers to reduce points assessed for violation of traffic
31 laws;

1 (15) encourage hospitals and other appropriate health facilities to
2 admit without discrimination alcoholics, intoxicated persons, drug abusers, and
3 inhalant abusers and to provide them with adequate and appropriate treatment;

4 (16) encourage all health insurance programs to include alcoholism
5 and drug abuse as a covered illness;

6 (17) prepare an annual report covering the activities of the department
7 and notify the legislature that the report is available;

8 (18) develop and implement a training program on alcoholism and
9 drug abuse for employees of state and municipal governments, and private institutions;

10 (19) develop curriculum materials on drug and alcohol abuse and the
11 misuse of hazardous volatile substances for use in grades kindergarten through 12, as
12 well as a course of instruction for teachers to be charged with presenting the
13 curriculum;

14 (20) develop and implement or designate, in cooperation with other
15 state or local agencies, a juvenile alcohol safety action program that provides alcohol
16 and substance abuse screening, referral, and monitoring of persons under 18 years of
17 age who have been referred to it by

18 (A) a court in connection with a charge or conviction of a
19 violation or misdemeanor related to the use of alcohol or a controlled
20 substance;

21 (B) the agency responsible for the administration of motor
22 vehicle laws in connection with a license action related to the use of alcohol or
23 a controlled substance; or

24 (C) department staff after a delinquency adjudication that is
25 related to the use of alcohol or a controlled substance;

26 (21) develop and implement, or designate, in cooperation with other
27 state or local agencies, an alcohol safety action program that provides alcohol and
28 substance abuse screening, referral, and monitoring services to persons who have been
29 referred by a court in connection with a charge or conviction of a misdemeanor
30 involving the use of a motor vehicle, aircraft, or watercraft and alcohol or a controlled
31 substance, referred by a court under AS 28.35.028, or referred by an agency of the

1 state with the responsibility for administering motor vehicle laws in connection with a
2 driver's license action involving the use of alcohol or a controlled substance.

3 * Sec. 7. AS 28.35.030(p) and 28.35.032(r) are repealed.

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

6 INDIRECT COURT RULE AMENDMENT. AS 28.35.028(b), added by sec. 2 of this
7 Act, has the effect of amending Rule 35, Alaska Rules of Criminal Procedure, by allowing a
8 court to consider and reduce a criminal sentence outside of the time periods currently
9 provided by that rule.

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

12 TRANSITION. Notwithstanding sec. 6 of this Act, defendants participating in a court-
13 ordered treatment program under AS 28.35.030(p) or 28.35.032(r) or the therapeutic court
14 pilot program created by ch. 64, SLA 2001, as amended by ch. 109, SLA 2004, on the
15 effective date of this Act, shall continue in their respective programs under the terms of that
16 program until the individual program is completed.

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



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
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Juneau, Alaska 99801-1182

CORRECTED / CLARIFIED FAX COVER SHEET

DATE: 3 May 2006 TIME: 10:40 am
9:25 am

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 2

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
FAX: 465-2187

NOTES: Final Please (FIN)
SCS CS HB 441 (JWD) 24-LS1295\X
Plus 1 amendment - attached

Thanks
Mindy

* Please issue a Finance SCS
sorry for the goof!

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS:

RULES COMMITTEE, CHAIRMAN
LABOR & COMMERCE COMMITTEE, MEMBER
LEGISLATIVE COUNCIL, MEMBER
SPECIAL COMMITTEE ON OIL & GAS, MEMBER
SPECIAL COMMITTEE ON WAYS & MEANS, MEMBER

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Representative Norman Rokeberg

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SPONSOR STATEMENT FOR SCS CSIB 441(JUD)

By: Representative Norman Rokeberg

Title: An Act relating to criminal sentencing; relating to operating or driving a motor vehicle, aircraft, or watercraft while under the influence; relating to court-ordered treatment programs for certain offenders and offenses; amending Rule 35, Alaska Rules of Criminal Procedures; and providing for an effective date.

The Alaska Legislature has repeatedly stated its belief in the effectiveness of therapeutic courts. Therapeutic courts save money and reduce recidivism by changing the long-term addictive behavior of offenders. The Anchorage Wellness Court tracked graduates of its therapeutic court over a three-year period after graduation. Only 25 percent of the graduates had any repeat crime. This is in stark contrast to the 75 percent of DUI defendants who re-offend after serving their time in jail.

Over the last several years, the legislature has made tremendous efforts to provide these courts with the statutory tools, financial assistance and institutional support to make these courts successful. To further the accomplishments of therapeutic courts, the 22nd Legislature created a pilot DUI program in Anchorage and Bethel. This pilot program is set to expire on June 30th, 2006.

As therapeutic courts are being formed around the state, from Ketchikan to Fairbanks, it is important these courts have uniformity in their operation. HB 441 takes all of the tools created over the last several years and establishes one uniform therapeutic court statutory structure to be applied throughout the state.

This legislation streamlines and makes more workable provisions for a therapeutic court. HB 441 is vital to creating permanent successful therapeutic courts for the people of Alaska.

I urge your support of this legislation.

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS:

RULES COMMITTEE, CHAIRMAN
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LEGISLATIVE COUNCIL, MEMBER
SPECIAL COMMITTEE ON OIL & GAS, MEMBER
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Representative Norman Rokeberg

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SECTIONAL ANALYSIS FOR SCS CS HB 441(JUD)

By: Representative Norman Rokeberg

Title: An Act relating to criminal sentencing; relating to operating or driving a motor vehicle, aircraft, or watercraft while under the influence; relating to court-ordered treatment programs for certain offenders and offenses; amending Rule 35, Alaska Rules of Criminal Procedures; and providing for an effective date.

- Section 1:** Clarifies the mitigator for defendants who participate in a court-ordered treatment program.
- Section 2:** Conforming amendment referencing the new therapeutic court statute.
- Section 3:** Creates a therapeutic court statutory structure, AS 28.35.028.

AS 28.35.028(a): Provides authority for a defendant to enter a court-ordered treatment program if charged under the DUI or refusal statutes. A defendant cannot participate in the program if they have already done so two or more times.

AS 28.35.028(b): Defendant shall enter a plea of no contest or guilty plea. The state and defendant may enter a plea agreement. The court shall enter a judgment of conviction for the offense(s) for which the defendant pleaded. There must be a schedule provided for payment of restitution. The court may withhold pronouncement of sentence or fine as an incentive to complete the recommended treatment. Court may reduce the sentence based on defendant's compliance with the treatment plan. Court cannot reduce below the mandatory minimum unless the defendant has successfully complied with and completed the treatment plan. Court may consider defendant's compliance with the treatment plan as a mitigating factor allowing a reduction of sentence.

AS 28.35.028(c): If defendant does not successfully complete the court-ordered treatment program, defendant's plea shall stand and the court shall impose sentence.

AS 28.35.028(d): Provides for information and reports on defendant's assessment, treatment and progress for those entities involved with the therapeutic court. Victim is entitled to periodic reports on defendant's progress and participation.

AS 28.35.028(e): Electronic monitoring and house arrest can be a condition of bail or probation.

AS 28.35.028(f): Court shall refer the defendant to Alcohol Safety Action Program (ASAP).

AS 28.35.028(g): Court may require defendant to take a drug or combination of drugs to prevent substance abuse.

AS 28.35.028(h): Defines court-ordered treatment program, treatment plan, sentence and sentencing.

Section 4: Conforming amendment.

Section 5: Conforming amendment.

Section 6: Conforming amendment to H&SS statutes for ASAP participation in therapeutic court.

Section 7: Repeals the following statutes:

AS 28.35.030(p): Existing court-ordered treatment provisions.

AS 28.35.032(r): Existing court-ordered treatment provisions.

Section 8: Indirect court rule amendment to Rule 35, Alaska Rules of Criminal Procedure, as the court will be allowed to consider and reduce a criminal sentence outside of the time periods provided by the rule.

Section 9: Transition section that allows those in existing therapeutic court programs to complete their existing programs.

Section 10: Immediate effective date.

ALASKA STATE LEGISLATURE

House of Representatives

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Representative Norman Rokeberg

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SECTIONAL ANALYSIS FOR SCS CSHB 441(JUD) with changes from the original bill By: Representative Norman Rokeberg

Title: An Act relating to criminal sentencing; relating to operating or driving a motor vehicle, aircraft, or watercraft while under the influence; relating to court-ordered treatment programs for certain offenders and offenses; amending Rule 35, Alaska Rules of Criminal Procedures; and providing for an effective date. (New title)

Changes from the original bill are indicated in **BOLD**.

- Section 1:** Clarifies the mitigator for defendants who participate in a court-ordered treatment program.
- Section 2:** Conforming amendment referencing the new therapeutic court statute.
- Section 3:** Creates a therapeutic court statutory structure, AS 28.35.028.

AS 28.35.028(a): Provides authority for a defendant to enter a court-ordered treatment program if charged under the DUI or refusal statutes. A defendant cannot participate in the program if they have already done so two or more times.

AS 28.35.028(b): Defendant shall enter a plea of no contest or guilty plea. The state and defendant may enter a plea agreement. The court shall enter a judgment of conviction for the offense(s) for which the defendant pleaded. There must be a schedule provided for payment of restitution. The court may withhold pronouncement of sentence or fine as an incentive to complete the recommended treatment. Court may reduce the sentence based on defendant's compliance with the treatment plan. Court cannot reduce below the mandatory minimum unless the defendant has successfully complied with and completed the treatment plan. Court may consider defendant's compliance with the treatment plan as a mitigating factor allowing a reduction of sentence.

AS 28.35.028(c): If defendant does not successfully complete the court-ordered treatment program, defendant's plea shall stand and the court shall impose sentence.

AS 28.35.028(d): Provides for information and reports on defendant's assessment, treatment and progress for those entities involved with the therapeutic court. Victim is entitled to periodic reports on defendant's progress and participation.

AS 28.35.028(e): Electronic monitoring and house arrest can be a condition of bail or probation. We deleted "if the commissioner of corrections agrees to this condition." This section is no longer needed, as Corrections is no longer doing the supervision.

AS 28.35.028(f): Court shall refer the defendant to Alcohol Safety Action Program (ASAP). Original subsection (f) was deleted.

AS 28.35.028(g): Court may require defendant to take a drug or combination of drugs to prevent substance abuse.

AS 28.35.028(h): Defines court-ordered treatment program, treatment plan, sentence and sentencing. Original subsection (h) was deleted.

Section 4: Conforming amendment.

Section 5: Conforming amendment.

Section 6: Conforming amendment to H&SS statutes for ASAP participation in therapeutic court.

Section 7: Repeals the following statutes:

AS 28.35.030(p): Existing court-ordered treatment provisions.

AS 28.35.032(r): Existing court-ordered treatment provisions.

AS 12.55.155(d)(17) was repealed in the original bill, but is now being amended by Section 1 of the bill.

Section 8: Indirect court rule amendment to Rule 35, Alaska Rules of Criminal Procedure, as the court will be allowed to consider and reduce a criminal sentence outside of the time periods provided by the rule.

Section 9: Transition section that allows those in existing therapeutic court programs to complete their existing programs.

Section 10: Immediate effective date.

A brief history of therapeutic courts in Alaska
from Rep. Norman Rokeberg

2001:

- The House Judiciary Committee became familiar with therapeutic courts, specifically Judge Wanamaker's Anchorage Wellness Court, which he started in 1999. The Anchorage Wellness Court only handled misdemeanant DUI cases prosecuted by the Municipality of Anchorage.
- Speaker Porter introduced a therapeutic court bill, HB 172, which created a three-year, pilot felony DUI court in Anchorage & Bethel.
- Juneau Wellness Court begins.

2002:

- HB 4, sponsored by Rep. Rokeberg, was passed. HB 4 included therapeutic court provisions for misdemeanant DUI offenders.

2003 -2004:

- Therapeutic court funding expanded.
- Worked with the Administration to increase their involvement in the courts.
- Pilot felony DUI courts were extended until June 30, 2006 (HB 451).

2005:

- HB 4 (2002) provided \$100,000 for a Drunk Driver Pilot Program within the Department of Corrections. As this program was never implemented, this money was permanently given to the Department of Law and Department of Administration for a part-time district attorney and public defender to work on state misdemeanor DUI therapeutic cases.
- HB 132 was passed. The legislation expands the statutory therapeutic court provisions (from HB 4) to felony DUI defendants and allows the court to wave up to 75% of the fines.
- Unfortunately, HB 132 created a disparity between those felony DUI participants in the statutory therapeutic court vs. those felony participants in the pilot DUI courts regarding the disposition of their sentence and fines upon successful completion of the therapeutic court...thus creating an apparent equal protection problem.
- Multiple therapeutic courts begin around the state from Ketchikan to Fairbanks.

2006:

- As we have both statutory therapeutic courts and a pilot program in uncodified law conflicting with each other, we have introduced HB 441 to create one uniform statutory structure for therapeutic courts around the state. The court system has been very helpful in trying to find the best solution for the operation of these courts around the state. This structure will work for both misdemeanor and felony DUI defendants.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

*Advisory Board on Alcoholism and Drug Abuse
Alaska Mental Health Board*

Frank H. Murkowski, GOVERNOR

*P.O. BOX 110608
JUNEAU, AK 99811-0608
PHONE: (907) 465-8920
FAX: 465-4410*

March 7, 2006

Representative Norman Rokeberg
Alaska House of Representatives

Dear Representative Rokeberg:

The Governor's Advisory Board on Alcoholism and Drug Abuse (ABADA) strongly supports the concept of diversion into alcohol treatment for non-violent DUI offenders. The development and institutionalization of therapeutic courts is pivotal to this effort, and ABADA thanks you for introducing HB 441.

Treatment in lieu of incarceration for drug offenders has gained national attention and public support. In a 2002 survey sponsored by the Open Society Institute, "Changing Attitudes Towards the Criminal Justice System," 63% of Americans consider drug abuse a problem that should be addressed primarily through counseling and treatment rather than the criminal justice system.

Many states have passed legislation or voter initiatives that provide access to quality treatment in lieu of incarceration:

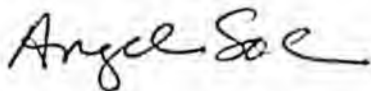
- In 1996, Arizonans voted in favor of Proposition 200, the Drug Medicalization, Prevention and Control Act, which sends first and second time non-violent drug offenders to treatment rather than incarceration. According to a report conducted by the Supreme Court of Arizona, Proposition 200 saved Arizona taxpayers \$6.7 million in 1999. In addition, 62% of probationers successfully completed the drug treatment ordered by the court.
- In November 2000, 61% of California voters passed Proposition 36, the Substance Abuse and Crime Prevention Act of 2000 (SACPA), an initiative aimed at rehabilitating rather than incarcerating non-violent drug possession offenders. Under SACPA, certain persons convicted of non-violent drug possession offenses are given an opportunity to receive community-based drug treatment in lieu of incarceration. In 2000, the independent Legislative Analyst's Office (LAO) predicted that by treating rather than incarcerating low level drug offenders, SACPA would save California taxpayers approximately \$1.5 billion over the next five years and prevent the need for a new prison slated for construction, avoiding an expenditure of approximately \$500 million. LAO estimated that SACPA would annually divert as many as 36,000 probationers and parolees from incarceration into community-based treatment.

- Maryland's new treatment law immediately diverts several thousand prisoners into drug treatment, saving the state's taxpayers millions of dollars a year in the process. It also provides \$3 million in additional funding for treatment and gives judges new discretion in sentencing.
- In November 2002, an overwhelming 78% of Washington D.C. voters passed the drug treatment initiative, Measure 62. Under Measure 62 the city will provide substance abuse treatment instead of conviction or imprisonment to non-violent defendants charged with illegal possession or use of drugs (except those drugs classified as Schedule I); provide a plan for rehabilitation to individuals accepted for substance abuse treatment; and provide for dismissal of legal proceedings for defendants upon successful completion of the treatment program.

Experience in other states and scholarly research indicates that drug treatment can decrease drug use and save money. Further, public opinion research reveals that the public supports a shift in resource allocation away from incarceration and toward treatment and prevention. Many states have been adjusting their policies to reflect this understanding.

Please let us know how ABADA can be of assistance in passing this bill through the legislature this year. And once again, thank you for your work on this crucial issue.

Sincerely,

A handwritten signature in cursive script that reads "Angela Salerno".

Angela Salerno, Advocacy Coordinator
Governor's Advisory Board on Alcoholism and Substance Abuse

Alaska Judicial Council Evaluating Alaska's Therapeutic Courts

March 6, 2006

The Alaska Judicial Council has evaluated several of Alaska's therapeutic courts, and continues to work with the courts and legislature to report their effectiveness. The Council uses rigorous methods and measures to make accurate tests of the therapeutic court programs:

- Each of the Council's evaluations uses comparison groups of defendants who did not participate in the programs to see whether graduates and participants differ from other defendants.
- Each of the evaluations looks at people currently in the programs and those who left the programs (in addition to graduates and comparison groups) to see what the programs' effects are for those defendants.
- Each of the evaluations, for defendants in the four groups, also looks at the defendants' records two years before the program started (or comparison date) and two years after, to see whether the defendants' behavior changed when measured against their own histories.
- To the extent possible, the evaluations look at several measures of recidivism, because no single measure is entirely reliable by itself. The Council looks (as appropriate) at days of incarceration, arrests, convictions, and remands to DOC custody for each group of defendants.
- The Council also reviews measures of qualitative improvement in the defendants' lives and accountability, to the extent that these are available. Measures include improvements in employment, education, family relationships, reduction in domestic violence, payment of child support and other fiscal obligations, and improvements in the lives of the defendants' children.
- The Council has evaluated the Anchorage Felony Drug Court, the Anchorage Felony DUI Court, the Bethel Therapeutic Court, and the Anchorage Mental Health Court. Copies of the evaluations are available from the Judicial Council, or on the Council's website at www.ajc.state.ak.us.
- The Council is updating the evaluations of the felony therapeutic courts with a followup on the defendants' recidivism in the past year. It is also working with the UAA Justice Center and The Urban Institute on a long-term evaluation of the Anchorage Wellness Court. The evaluation will provide a thorough review of outcomes, cost and benefits, and transferability of the benefits of Wellness Court to other jurisdictions.
- The existing evaluations using the rigorous measures described above suggest that Alaska's therapeutic courts are achieving some measure of success in reducing recidivism. The Council will continue to update its information and report to the legislature on the effectiveness of therapeutic court programs.

Heather Nobrega

From: dfiscus@myway.com
Date: Friday, February 24, 2006 10:21 PM
To: Rep. Norman Rokeberg
Subject: hb441

Email For: Representative Norman Rokeberg
From: dfiscus@myway.com
Name: Donald Fiscus
Street: 1830 E Parks Hwy STE-A-113, #301
City: Wasilla
Zip Code: 99654

Subject: hb441

I am proof that long term re-hab works. I have had many dui before treatment. I have had three years sobriety after and probably will continue. AA works. I support your bill.

Please Add My Email Address to your distribution list. Thank You.

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April 10, 2006

Representative Norman Rokeberg
Chairman, House Rules Committee
State Capitol
Juneau, Alaska 99801

Dear Representative Rokeberg:

On behalf of our Board of Directors I want to express strong support for HB 441.

As you recognized when Judge Wanamaker started the Wellness Court five years ago, combining the coercive power of the court with addiction treatment saves public costs overall and provides long-term public protection against repeat addicted offenders.

Partners for Progress would like to see therapeutic courts become a regular part of our judicial system throughout Alaska. HB 441, establishing a consistent statewide sentencing system, is a major step in the right direction.

Thank you for introducing and sponsoring this important and beneficial legislation.

Sincerely,

A handwritten signature in cursive script that reads "Janet".

Janet McCabe

Chair, Partners for Progress



Justice that Protects and Heals

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Mike Williams
Sobriety Movement Leader,
Southwest Alaska

Esther Wannicke
Community Leader,
Former State Commissioner

April 7, 2006

Representative Norman Rokeberg
Chairman, House Rules Committee
State Capitol
Juneau, Alaska
99801

Dear Norm:

On behalf of the Partners for Progress Advisory Council, I want to express our appreciation for your support of Alaska's therapeutic courts, and for introducing and sponsoring HB 441. We look forward to passage of this bill during the current session.

Recently I had the opportunity to observe the Anchorage Wellness Court under Judges Bill Morse and Nancy Nolan. By combining the power of the court with addiction treatment and recovery support, therapeutic court participants are overcoming their addictions and becoming responsible members of our community. Therapeutic courts are the most effective method of addressing the repeat addicted offender that I have seen yet!

The Advisory Council would like to see the therapeutic courts become a regular part of our judicial system throughout Alaska. Passage of HB 441, establishing a consistent statewide sentencing system for therapeutic courts, will be a major step towards that goal.

Thank you for your leadership in initiating and supporting this highly beneficial change in the way our judicial system deals with the repeat addicted offender.

Respectfully,

George M. Sullivan
Honorary Chairman, Partners for Progress Advisory Council

SENATE COMMITTEE REPORT

DATE: 3/31/06

FURTHER: Finance

DATE TURNED IN TO OFFICE: 4/12/06

Judiciary Committee considered CS FOR HOUSE BILL NO. 441(FIN)

HB 441 THERAPEUTIC COURT FOR DUI

"An Act relating to operating or driving a motor vehicle, aircraft, or watercraft while under the influence; relating to court-ordered treatment programs for certain offenders and offenses; amending Rule 35, Alaska Rules of Criminal Procedure; and providing for an effective date."

and recommends:

- be replaced with S CS CS HB 441 (JUD)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by Committee
- further referral to Committee

CS Senate Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
SCS House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input checked="" type="checkbox"/>	New Title w/ SCR # <u>27</u>

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):


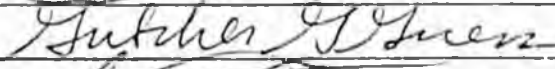
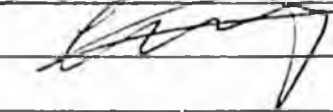
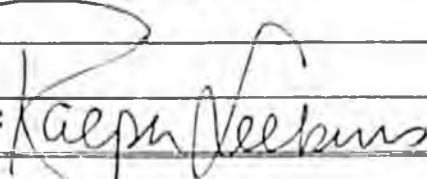
Department	Date	Fiscal	Indet.	Zero	FN#
ADM	2/23/06			✓	1
CRT	2/21/06			✓	2
LAW	2/23/06			✓	3
ADM	2/23/06			✓	4
COR	3/1/06			✓	5
HSS	2/23/06			✓	6
DPS	2/24/06			✓	7

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:

French
Gross
Huggins

Seelins

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
			X	
			X	
	X			
CHAIR: 	✓			

HB

445

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March 6, 2008

Chairman and Members
House Labor and Commerce Committee

Re: Support for House Bill No. 445

Honorable Chairman and Committee Members,

My name is Meera Kohler. I am the President and CEO of Alaska Village Electric Cooperative – an electric utility serving 52 villages in rural Alaska, representing more than 40% of Alaska's village population and with some of the highest electric rates (as high as 58 cents per kwh) in the state.

AVEC has been actively engaged in developing alternative energy resources (primarily wind generation) in its communities in an effort to reduce the crippling grip that petroleum fuels currently holds over these cash-strapped economies. We have partnered with Kotzebue Electric Association in a demonstration project in Wales and have a working wind plot (four machines totaling 260 kw) in Selawik. We are also currently building wind generation (300 kw in each community) in Toksook Bay and Kasigluk and expect these projects to benefit three linked communities – Tununak, Nighmute and Nunapitchuk. Additional projects are planned for Gambell, Savoonga, Chevak and Hooper Bay.

As I am sure you are aware, alternative energy sources are extremely expensive to develop – typically four to twenty times (the latter in the case of hydro power) the cost of conventional diesel generation. We have been fortunate to receive Denali Commission funding to assist in our recent wind projects but funding for the Commission in future years is less certain as pressures mount from other domestic needs. Our Congressional delegation is also looking toward the state to develop and fund these critical systems.

HB 445, especially in conjunction with HB 335 and SB 270, are landmark pieces of legislation that will establish state support for alternative energy sources and funding mechanisms for them. AVEC strongly supports the concept of HB 445 and pledges its efforts to help in refining this bill so that it can deliver the highest possible benefits to Alaskans throughout the state.

Sincerely,

Meera Kohler
President & CEO

ALTERNATIVE ENERGY IN ALASKA

Why HB 445 should pass

WHY ALASKA NEEDS ENERGY ALTERNATIVES: Short-Term

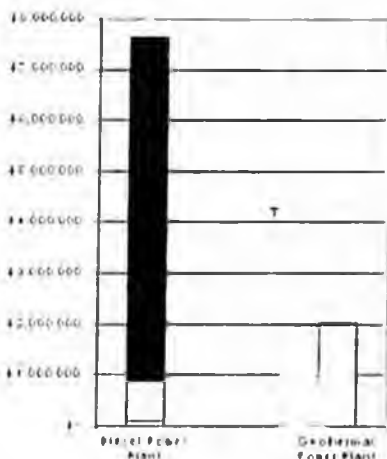
- **COST.** Alaskans are seeing some of the highest fuel costs in the U.S.
- **INDEPENDENCE.** Despite being a crude oil producer, Alaska imports over half of the petroleum products (including fuel) it uses. This puts us in a vulnerable economic and political position.

WHY ALASKA NEEDS ENERGY ALTERNATIVES: Long-Term

- **SUPPLY.** Alaska is nearly totally dependent upon fossil fuels for our energy needs, and fossil fuels are a finite resource.
- **LONG-TERM COSTS.** Extraction and combustion of fossil fuels results in costly public health and environmental problems.

WHY ALTERNATIVE ENERGY NEEDS A GRANT FUND

- The state of Alaska paid over \$15M in FY2005 to rural utilities as part of the Power Cost Equalization program. This number will continue to grow in the coming years.
- Rural Alaskans need alternative energy the most, but can afford startup costs the least.
- Long-term costs are lower for power generation from alternative sources, but startup costs remain prohibitive. For example, Chena Hot Springs:



Left: Comparison of two power schemes at Chena Hot Springs over 20 years.

Beige: Startup Costs
Blue: Fuel Costs
Purple: Transportation/transmission costs
Light blue: Maintenance Costs

SUPPORT HB 445!
Invest in our energy future!



REPRESENTATIVE BILL THOMAS

ALASKA STATE LEGISLATURE DISTRICT 5

e-mail: Representative.Bill.Thomas@legis.state.ak.us webpage: www.akrebublicans.org/thomas/

State Capitol

Juneau AK, 99801-1182

907-465-3732

888-461-3732

FAX 907-465-2652

Sponsor Statement for HB 445 An Act Relating to the Alternative Energy Grant Fund and to Alternative Energy Grants.

The cost of fuel in Alaska has made it increasingly difficult for Alaskan residents to exist. Home heating fuel and gasoline prices have skyrocketed in recent years leaving families, who already struggle to make ends meet, to prioritize between basic necessities of life: heat or food. This has a direct impact on Alaska's economy. When people are sinking such a large chunk of their income into purchasing fuel they have less money available to spend on travel, groceries, and other necessities.

The time has come to seriously explore alternative sources of energy. Many of our communities have already been thinking of other ways to secure energy but need funding to help them harness these new sources of power. HB 445 takes 10 cents of the revenue received from each barrel of oil produced by Alaska and places this money into a fund. This fund will be made available for Alaska's power utilities to use for developing alternative sources of energy. The Alaska Energy Authority will administer grants of up to \$20 million to power utilities who have shown both need and responsibility by securing some matching funds in furtherance of a clear plan.

Based on the Legislative Finance Division's estimate of the production rate for Alaska's oil, it is estimated that the Alternative Energy Fund would receive more than \$30 million over the course of a year creating an excellent source of funding for new and existing projects.

Further, these alternative energy grants will not only move Alaska's communities into the future, but they will also assist those still completely crippled by the rising costs of fuel. By reducing the cost of power in some areas with alternative energy projects, Power Cost Equalization funds will be available to go to other communities who are still experiencing exorbitant power costs.

Our communities have paid enough for Alaska's wealth, they are poised to take control of their future energy needs, and it is up to Alaska's government to give them the tools to do so. I urge your support for this crucial piece of legislation.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB 445 (L&C)
() Publish Date: _____

Revision Date/Time (Note if correction): 3/8/06 6:58 pm Dept. Affected: Commerce
Title: Alternative Energy Grant Fund RDU: Alaska Energy Authority (453)
Component: AEA Rural Energy Operations
Sponsor: Thomas
Requester: House Labor and Commerce Component No.: 2600

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	*	*	*	*	*	*
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CHANGE IN REVENUES ()						
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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--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill establishes an Alternative Energy Grant Fund and directs Alaska Energy Authority to award alternative energy grants from the fund. The Department of Revenue provided estimates of the amount of funds that would be available for appropriation to the newly established Alternative Energy Grant Fund in their fiscal note. If funds are appropriated to the fund established in HB 445, AEA would issue grants as required for alternative energy projects. A single grant may not exceed more than \$20 million, but more than one grant may be awarded to a particular energy project.

AEA currently awards and manages grants and anticipates no fiscal impact to awarding additional grants from this fund; however, depending on the level of appropriation and complexity of proposed projects, AEA may need a private contractor to assist in the required economic viability determinations.

Prepared by: Sara Fisher-Goad, Financial Analyst Phone: 907-269-1623
Division: Alaska Energy Authority Date/Time: 3/8/06 6:58 PM
Approved by: William C Noll, Commissioner Date: 3/8/2006
Agency: Commerce, Community, and Economic Development



Exploring Alaska's Alternative Energy

The state possesses vast sources of alternative energy in the forms of wind, geothermal, tidal, hydro and biofuels.

BY VANESSA ORR

The Klondike wind-power facility in Wasco, Ore. Oregon is one of about 30 states in the Lower 48 to use wind turbines. The primary requirement for identifying locations for constructing a wind farm is the annual amount of wind that area receives. To make a project worthwhile, the site must receive a year-round average wind speed of 14.2 mph.

In a state best known for its oil reserves, it might be considered surprising that a number of different Alaska entities, including rural and urban utilities, consumer and conservation groups, Native corporations and both large and small businesses, are working together to explore renewable energy sources. Though the 49th state has always been known for its fossil fuels, the fact is, the state possesses vast sources of alternative energy in the forms of wind, geothermal, tidal, hydro and biofuels.

"There are a number of reasons why it is important for Alaska to explore renewable energy resources," explained Chris Rose, director of the Renewable Energy Alaska Project (REAP). "Some areas, like Southcentral, are showing a shortage of natural gas, which the communities there really depend upon. It would also be wiser from a national security standpoint for the country not to be so dependent upon foreign fuels."

An investment in renewable energy development also could pay off handsomely for the state, according to Rose.

"This is a huge economic opportunity," he said. "Promoting this form of development could result in the creation of hundreds of jobs, increase the tax base and attract other industries to our state. If Alaska gets in on the ground floor, the state could reap the benefits of what is definitely the industry of the future."

There are already a number of projects under way throughout the state that take advantage of Alaska's renewable resources. The majority of these have been spearheaded by businesses and corporations that have made a commitment to

providing power in a new way. "There are still very few federal policies that support the exploration of renewable resources," explained Rose, "though some states have begun to provide incentives to companies that do so."

One of REAP's goals is to encourage Alaska to develop statewide incentives and policies that would make renewable energy exploration viable. Their other goals include advocating and supporting proposed renewable energy projects; building a market for renewable energy through public education; creating stakeholder unity and support among their members; and promoting energy efficiency and conservation throughout the state.

To this end, REAP recently held its first Renewable Energy Fair in Anchorage, during which workshops were held on subjects including wind in Alaska's villages, green building, landfill gas for Anchorage, Fire Island wind power, climate change and energy, and more. The group also hosted a group of renewable resource experts from Iceland, who have visited Alaska several times to share their knowledge on how Alaska can develop its geothermal resources. Iceland currently gets all of its electricity from a renewable energy grid, which includes 80 percent hydro energy and 20 percent geothermal energy.

"Once Alaska develops these resources, we can sell our expertise to other areas, just as Iceland is doing," said Rose.

WIND POWER

Once considered an alternative energy source, the use of wind to provide electricity is now considered part of the mainstream, and is in fact already competing against fossil fuels in other parts of the country to provide power. In Alaska, some areas have been using wind power for more than eight years with successful results.

"Kotzebue has been using wind turbines since 1998, and they have remained 98 percent available—they don't break down much," said Rose. "Using this power, the village displaced more than 100,000 gallons of diesel last year."

Alaska is in the perfect position to harvest the power of wind, which needs to be considered Class 4 or above to

be commercial grade. "Most wind in Alaska is in the Class 5 to 7 range," said Rose. "And if you look at a wind map of the United States, you'll see that we have most of the Class 7 winds in the whole country."

Some companies are taking advantage of this, including TDX Power, which has a 225-kilowatt wind turbine on St. Paul Island, and Alaska Village Electric Cooperative, which is planning to put three 100-kilowatt turbines into the villages of Selawik, Kasigluk and Toksook Bay this fall.

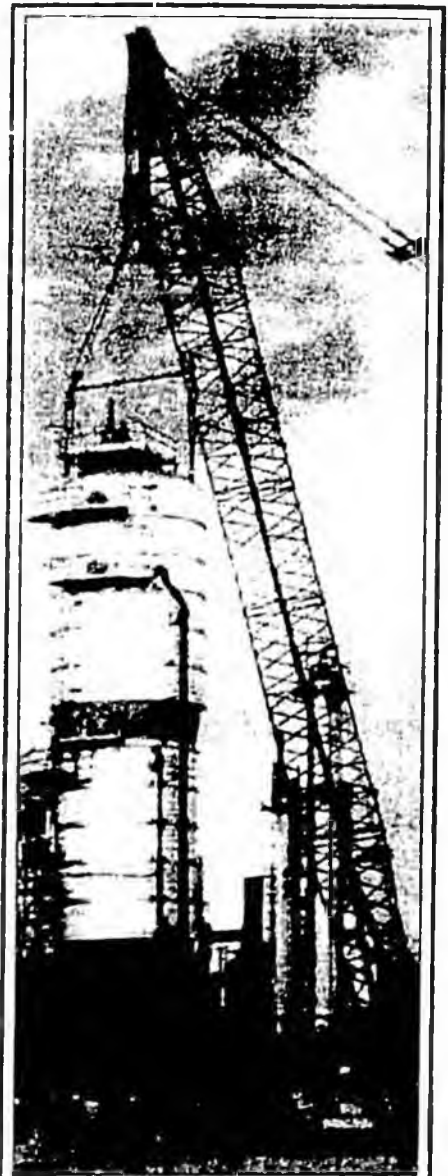
One of the biggest projects proposed is a 100-megawatt wind farm that will be built on Fire Island, west of Anchorage. The project, which would require an approximately \$175 million investment, is seriously being considered by Chugach Electric Association, and its two partners, Municipal Light & Power (ML&P) and Golden Valley Electric Association.

"We've gone beyond thinking 'this would be nice to have,' to seeing it more realistically as the levels of interest have increased," said Steve Gilbert, manager, Energy Projects Development, Chugach Electric Association. "We do have a Joint Action Agency Agreement (JAA) in place between Chugach, ML&P and Golden Valley to look at developing power generation resources together."

Gilbert credits some of this interest to the fact that equipment in the Railbelt is getting old and the utilities are looking at making significant investments in their infrastructure. "We're trying to strike a balance between replacing or adding machines to meet the demand, and our need to diversify," he explained. "There hasn't been a final decision made, though I believe that will happen by year's end."

One of the obstacles facing the utilities is the cost of the project itself. According to Gilbert, roughly \$41 million will be needed to build infrastructure, including sub-marine and overhead transmission lines to the island, a barge landing, roads and a substation. About \$134 million would be used to build the wind project itself.

"All renewables have a higher up front cost than fossil based power sources," he explained, "though fossil based costs are going up quickly. Of



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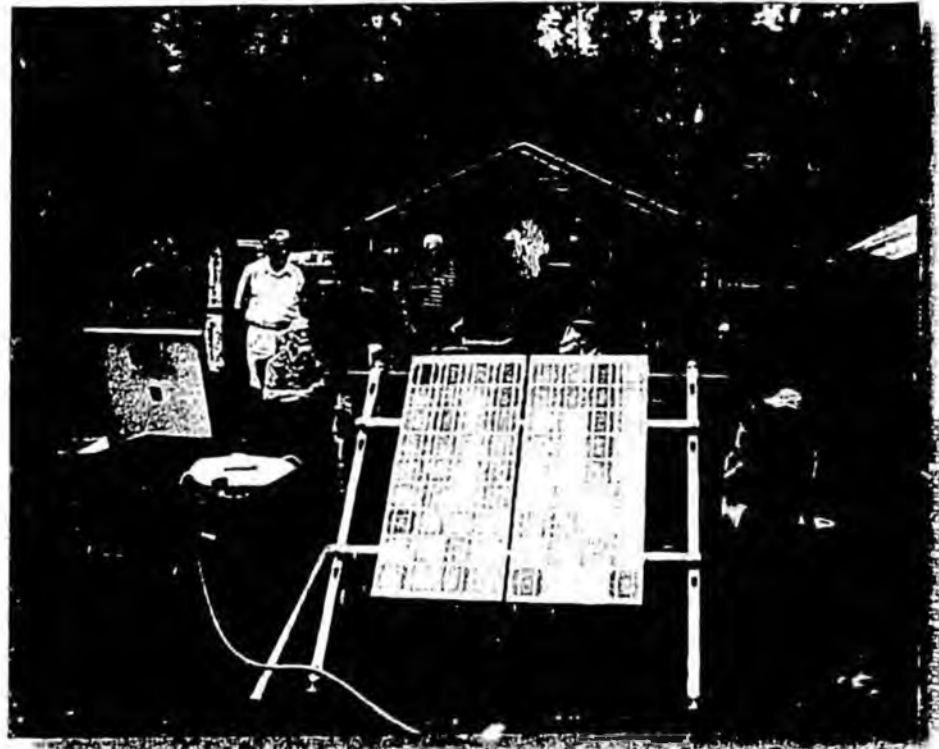
the \$41 million we need, we're looking for someone to help us with about \$20 million, from the Railbelt Energy Fund, for instance."

Another thought is to put the project out for bid to private developers who have experience in wind power development. "Developers are able to take advantage of tax incentives and other programs that utilities like Chugach can't," said Gilbert. "Having a developer install the system and sell power into the grid for the first 10 years of the project's life would help bring down the cost substantially. The new generating costs could go head-to-head with the cost of old generation."

GEOTHERMAL RESOURCES

Just as wind has already become competitive with fossil fuels in other states, so has the use of geothermal energy. Though there is huge potential to use this resource in Alaska, one of the drawbacks to its development is that much of the source of the energy is located far from the demand.

"Mount Makushin in Unalaska has great potential," explained Rose, who



A solar workshop put on by ABS Alaska for Chena Hot Springs Resort.

says that the Aleutian Islands' volcanic makeup could provide a quality source of geothermal energy. "But the most exciting prospect that I see is Mount Spur, the volcano across Cook Inlet.

It is only 40 miles from the Anchorage power grid, which isn't that long a transmission line to build."

Chugach Electric Association also sees the potential in Mount Spur, and is

Alaska's Blueprint For Success.



Housing Privatization Phase II - Nebraska Area, Elmendorf AFB
Anchorage



Eagle River High School
Eagle River

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in the "very preliminary" stages of exploration, according to Gilbert. "While there is a fairly significant geothermal resource near Mount Spur, it is a tough, rugged location," he explained. "We are taking a look at early reports, and will explore it as a potential resource from there."

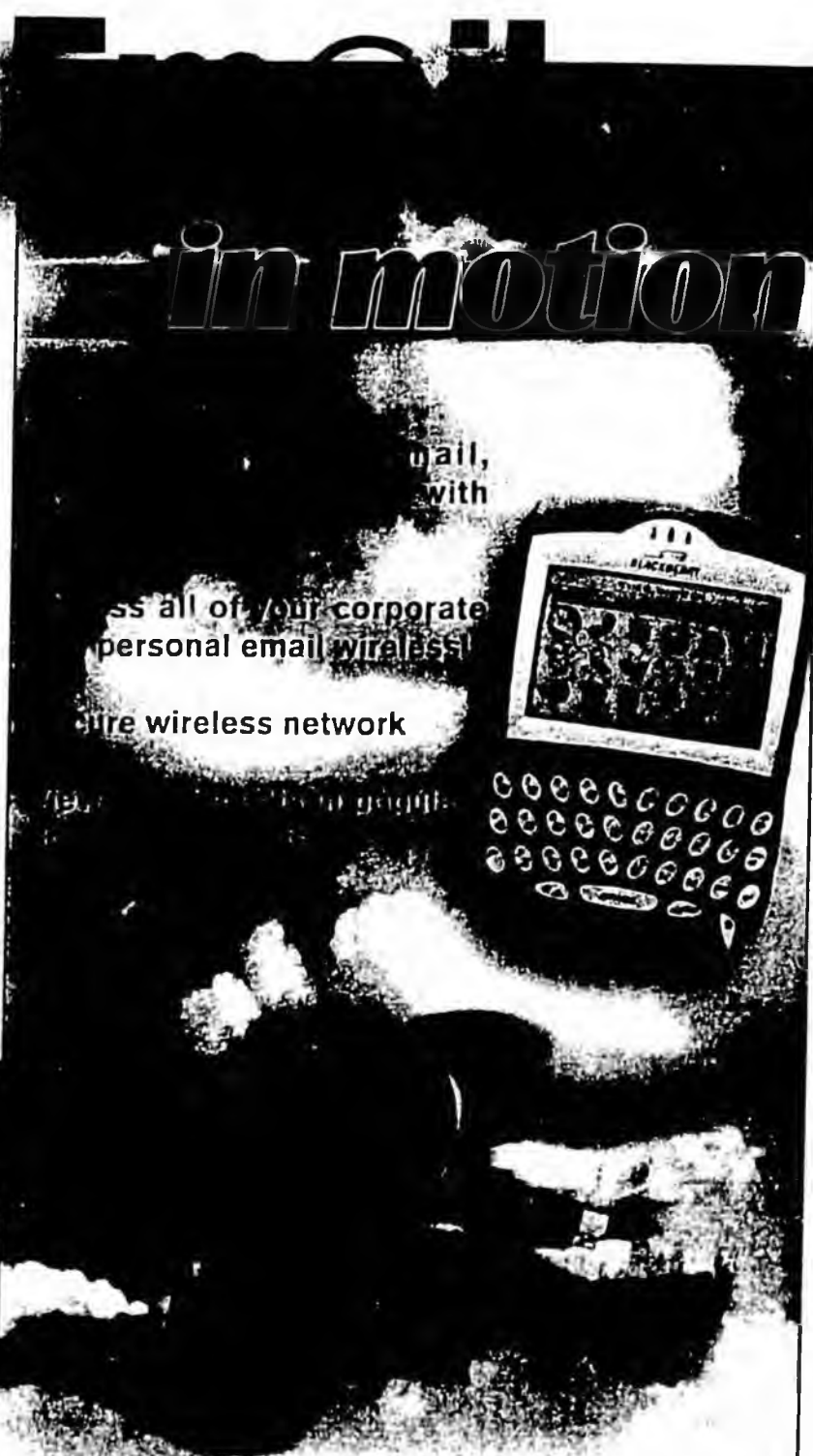
As the cost of importing diesel and developing fossil fuels goes up, Rose believes that the state will begin to look more seriously at using geothermal energy to provide for the Railbelt. Because geothermal power is a baseload resource, as compared to wind which is intermittent, the resource is considered to be a more consistent, reliable option. Some cities, like San Francisco, already get their energy from geothermal sources, and have been doing so for more than 30 years.

Chena Hot Springs Resort is one Alaska business that already takes advantage of this option. "Much of the heating provided at the resort is geothermal," explained Gwen Holdmann, vice president of new development. "Geothermal resources provide extensive direct-use heating to 46 buildings on the property, and we have also installed a custom-built absorption chiller in our ice museum that is powered by geothermal energy."

The prototype unit, which Holdmann says is the first of its type in the world, keeps the museum "on ice"



A water ram used to water the gardens at Chena Hot Springs Resort.



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year-round, without the high cost of generated electricity. The machine uses both the hot spring water abundant at Chena and the cold river water at the site to generate power. "We're saving \$400 to \$500 a day by using these on-site resources," she explained.

The resort is also in the process of installing a power plant containing two 200-kilowatt units that will be powered by the geothermal resources to displace even more diesel fuel. "The initial 200-kilowatt unit will be used to help power the resort, and the second unit will enable us to expand, and possibly supply power to other homes in the area," explained Holdmann. The \$2.5 million project, which the resort is doing in partnership with United Technology Corp., will be completed by next summer.

An even bigger project on the horizon is the digging of a 4,000-foot well to quantify the resource and determine what the true production potential is. The resort is working with the Department of Energy on this \$1.8 million project, which could conceivably allow them to build a larger-scale power plant to provide power for Golden Valley in the future.

BIOFUELS

There are a number of different types of biofuels available for Alaska's use, ranging from fish oil, which can be burned in boilers and diesel generators, to trash and wood waste, and even landfill gas. These fuels, which are normally considered waste products from other industries, could actually help to displace the use of fossil fuels, while disposing of unused byproducts.

At Denali National Park this past summer, fish oil, made from pollock and other fish byproducts from the Dutch Harbor area, was converted into 100 percent diesel fuel to run the Toklat maintenance yard and housing facility. While biodiesel had previously been used in national parks in the Lower 48, their fuel was provided by oil seeds, ethanol and animal fat rather than fish.

"Biodiesel has been proven to work in a variety of situations," said Tim Hudson, the project leader for the National Park Service and the agency's regional engineering, planning and design chief.

"The National Park Service is interested in this fuel as a way to reduce emissions and reduce petroleum consumption, especially in sensitive environments."

The test this summer also included using a blend of fish oil and traditional petroleum-based diesel in a few park vehicles, and NPS is also considering testing the fuel at Brooks Camp in Katmai National Park.

In other parts of Alaska, biofuels are being considered for use as well. Nova Fuels in California has proposed building an ethanol plant in Ketchikan,

which would use trash and wood waste to create transportation fuel. In 2004, UniSea Inc. in Dutch Harbor displaced more than 1 million gallons of diesel fuel by using fish oil.

"What's even more exciting is that municipalities, including Anchorage, are looking into ways to capture the methane produced at their landfills to create power," added Rose. "There are plants all over the world already using landfill gas, and since landfills have a life of 30 to 40 years, this could become a tremendous resource."

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TIDAL POWER AND HYDROFUELS

With so much of the state surrounded by water, it would seem a natural fit for Alaska to use this resource as a source of energy. Already in the Railbelt there are three hydropower projects, including the state-owned Bradley Lake resource, which is operated by Homer Electric; the Eklutna project, which is jointly owned by ML&P, Matanuska Electric Association and Chugach Electric; and the Cooper Lake Power Plant, owned by Chugach Electric.

While Chugach Electric and REAP

both say that they support the exploration of small-scale, low-impact hydropower projects, there are some drawbacks to the use of this source of energy, including the amount of time it takes to get a hydropower plant up and running.

"As far as I know, there are currently no study initiatives to look at the use of more hydro power in the Railbelt," said Gilbert.

There are also no current plans to explore the use of tidal power in Alaska, though it might very well become

"Promoting this form of development (renewable energy) could result in the creation of hundreds of jobs, increase the tax base and attract other industries to our state. If Alaska gets in on the ground floor, the state could reap the benefits of what is definitely the industry of the future."

—Chris Rose, Director
Renewable Energy Alaska Project

an option in the future. Tidal power requires a large tidal differentiation, which in the United States, occurs only in Maine and Alaska.

"The technology needs to mature—we are not there yet," said Rose. "We do know that tidal power works to provide energy, but it is not necessarily economical to do so right now. As more information is developed on how to build such a project, we might find a way to make tidal power economically competitive, but for now, there is not even a pilot project in the works."

SOLAR POWER

Though solar power is used extensively in Alaska by people off the grid, it has not been determined that there is any commercial application for its use, according to Rose. "Like tidal power, it is just not as competitive economically," he explained. "We'd have to find ways to deal with the fact that solar power provides a lot of electricity for part of the year and not enough during the rest of the year. It would require a large investment, and even so, solar power would still be much more expensive than wind."

THE FUTURE OF ENERGY

As interest in renewable energy grows and the cost of fossil fuels continues to rise, some of the power sources once thought "alternative" are gaining new acceptance. "Here in the Railbelt, I can see a change happening in the paradigm," said Gilbert. "Between all of the utilities, there is definitely an interest in exploring non-fuel generation."

"Alaska could become a model for the whole world in how to use renewable resources," added Rose. "There is a huge market out there for clean, inexhaustible power sources that also provide economic opportunities."



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State of Alaska Fiscal Summary

(\$ millions)

	FY06 Authorized				FY07 Governor's Budget				GF Change
	GF	Federal	Other	Total	GF	Federal	Other	Total	
1 REVENUE (Excludes Permanent Fund Earnings)									
2 Unrestricted General Fund Revenue (1)	2,664.0			2,664.0	3,139.3			3,139.3	
4 Bond Proceeds and Other Borrowing (2)			330.2	330.2			89.3	89.3	
5 Corporate Dividends (3)			114.9	114.9			105.2	105.2	
6 Retained Corporate Dividends (3)			(59.9)	(59.9)			(31.9)	(31.9)	
7 Federal and Other Funds		2,787.8	880.3	7,894.0		2,893.8	1,058.9	3,952.7	
8 Total Revenue	2,664.0	2,787.8	1,265.5	6,717.3	3,139.3	2,893.8	1,221.3	7,254.4	
9 APPROPRIATIONS									
10 Operating	2,225.5	1,683.2	1,022.4	4,931.0	3,131.4	1,800.7	1,039.1	5,971.1	
11 Agency Operations (Non-Formula) & RPLs	1,310.8	825.2	1,362.1	3,498.1	1,509.7	845.8	1,448.8	3,804.3	
12 Formula Programs (4)	1,257.5	816.0	148.6	2,222.1	1,445.9	915.0	109.8	2,470.7	
13 Debt Service	53.1	8.0	241.2	302.4	74.7	9.7	243.3	327.7	
14 Fund Capitalization	(396.0)	33.9	15.3	(346.8)	73.3	30.1	40.1	143.5	
15 New Legislation				0.0	27.8			27.8	
16 Duplicated Authorization (5)			(744.8)	(744.8)	0.0	0.0	(802.9)	(802.9)	
17 Capital	338.7	1,102.0	238.7	1,679.4	432.1	1,093.1	182.3	1,707.5	93.4
18 Project Appropriations & RPLs (Revised Programs)	332.2	1,102.0	198.1	1,632.3	429.1	1,093.1	109.5	1,631.8	
19 Mental Health Projects	6.5	0.0	5.6	12.1	3.0	0.0	3.9	6.9	
20 Projects Funded with Debt Proceeds			308.2	308.2	0.0	0.0	212.4	212.4	
21 Duplicated Authorization (5)			(273.2)	(273.2)			(143.5)	(143.5)	
22 Total Authorization (unduplicated)	2,564.2	2,785.1	1,261.0	6,610.4	3,563.5	2,893.8	1,221.3	7,678.7	
23 Surplus (Draw From CBR) at Session End	99.8				(424.2)				
24 ADJUSTMENTS TO REVENUE									
25 Fall Revenue Forecast (increase of \$15.84/bbl) (1)	1,145.7			1,145.7					
26 Public Education Fund used in Subsequent Fiscal Year (6)	416.8			416.8	3.4			3.4	
27 Other Carryforward from FY05 (6)	41.5	0.9	4.5	47.0					
28 Total Revenue	4,268.1	0.9	4.5	4,273.5	3,142.7	0.0	0.0	3,142.7	(1,125.4)
29 ADJUSTMENTS TO AUTHORIZATION									
30 Public Education Fund used in Subsequent Fiscal Year (6)	416.8			416.8					
31 Other Carryforward from FY05 (6)	41.5	0.9	4.5	47.0					
32 Supplemental Placeholder	60.0			60.0	60.0	0.0	0.0	60.0	
33 Total Authorization (unduplicated)	3,082.6	2,786.0	1,265.5	7,134.2	3,623.5	2,893.8	1,221.3	7,738.7	540.9
34 Revised Surplus (Draw From CBR)	1,185.5				(480.9)				
35 Governor's Proposed Uses of the Surplus									
36 Supplemental Appropriations (7)	180.0			180.0					
37 Public Education Fund to be used in FY07	565.0			565.0	(565.0)			(565.0)	
38 Gas Pipeline Ownership (7)	400.0			400.0					
39 Total Authorization (unduplicated)	4,227.6	2,786.0	1,265.5	8,279.2	3,058.5	2,893.8	1,221.3	7,173.7	
40 Revised Surplus (Draw From CBR)	40.5				84.1				
41 Permanent Fund Dividends			610.0	610.0			795.0	795.0	
42 Deposits to Permanent Fund Principal		1.7	901.0	902.7		0.0	691.0	691.0	
43 Capital Income Fund			30.0	30.0			28.0	28.0	
44 TOTAL WITH PERMANENT FUND	4,227.6	2,787.8	2,806.5	9,821.9	3,058.5	2,893.8	2,735.3	8,687.7	

Notes:

- (1) Revenue assumptions are from the Fall 2005 Revenue Sources Book. The oil forecast is .865 million barrels per day at \$57.30 per barrel in FY06 and .843 mbd at \$49.20 per barrel in FY07.
- (2) Money borrowed for FY06 projects and debt service includes \$62.1 million in revenue bonds, \$138 million in Airport bonds, \$20.4 million in COPs, \$85 million in ASLC bonds and \$20 million in line of credit. The FY07 budget includes \$89.3 million in funding from securitization of the tobacco settlement revenue stream, which reduces future revenue.
- (3) Corporate dividends include funds made available to the State by the boards of AMFC, AIOEA, and ASLC. Dividends retained by AMFC for debt service on state capital project bonds are subtracted.
- (4) FY06 appropriations for formula programs exclude \$410 million FY05 capitalization of the Public Education Fund (line 26) that was used for K-12 education in FY06. That amount reduces fund capitalization (on line 14) by \$416 million. FY07 appropriations for formula programs exclude \$565 million of FY06 capitalization of the Public Education Fund. That amount is shown on line 37.
- (5) Duplicated authorizations are in the budget twice, such as when funds flow in and out of a holding account or one agency pays another for services provided.
- (6) Money appropriated in one fiscal year for use in later fiscal years shows as offsetting adjustments to revenue and authorization.
- (7) The Governor has not yet provided details on the how this money is to be used.

Representative Bill Thomas, Jr.
and Representative Jim Elkins
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182
February 16, 2006



Dear Representatives Thomas and Elkins,

This letter is in response to your recently-introduced "Alternative Energy" legislation (HB-445). I would like to offer resounding applause to you and Representative Elkins for your initiative to address a long-overdue Alaskan need. If I or my company can be of assistance, I would be glad to do so.

My company (Juneau Biofuels Research) has undertaken a joint venture with a local not-for-profit to produce renewable fuel right here in southeast Alaska. The enterprise will recycle waste cooking oil and refine it on a regional scale into fatty acid alkylate esters, commonly called biodiesel. This undertaking solves a chronic solid-waste-disposal problem for Alaska restaurants, while at the same time producing a clean, non-toxic, locally-consumed energy source. These two organizations have been working directly with Waste Management/Capital Disposal, Arrow Refuse, Juneau Wastewater, Southeast Conference, and Alaska Department of Environmental Conservation to address the complex issues of waste cooking oil disposal and diesel emissions reductions. Our combined effort has also garnered support from the Alaska Energy Authority, the National Park Service, Juneau's Friends of Recycling, and numerous local business establishments.

Our plan is to build a refinery and make fuel here in Juneau that will serve the whole region. It will divert nearly 800 tons (1.6 million pounds) of locally generated waste from Juneau's landfill and sewer system annually (another 2 million pounds in the rest of southeast Alaska). It will solve a costly disposal problem for regional businesses. It will create a value-added product for Juneau and other southeast communities. It will create jobs for the regional economy. Incentives through Arrow Refuse and Waste Management for businesses will encourage participation, avoiding much of the need to impose regulatory intervention on businesses with existing Alaska statutes. It is a WIN-WIN-WIN enterprise and your proposed grant fund can make similar efforts a success throughout the state.

Thank you very much for your time and efforts. I hope that all of your colleagues in the State House as well as those in the Senate see the wisdom of your hard work and rally their support behind you. Again do not hesitate to call on me or my company for support.

Sincerely,

Amy Darcie Neff

Cc:
Senator Kim Elton, Juneau
Representative Beth Kerttula, Juneau
Representative Bruce Weyhrauch, Juneau
Representative Carl Moses, Unalaska
Senator Thomas Wagoner, Resources Committee
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Web posted August 17, 2005

Gas, diesel prices bust all records

Spike worries businesses that will have to pass on costs to customers

NEWS

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- » Juneau-Skagway Road Series
- » Looking Forward

By **ANDREW PETTY**
JUNEAU EMPIRE

Gasoline prices continue to hit all-time highs in Juneau and diesel prices have surpassed unleaded costs in some places.

Unleaded gas and diesel have climbed about 20 cents in the last three months. Gas started at \$2.71 a gallon at the Douglas Depot on Tuesday, while the Taku Fleet Fuel station in Lemon Creek priced diesel at \$2.68 a gallon.

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"That's higher than I can remember," said Jeff Hansen, manager of Taku Oil Sales.

The spike continues to affect businesses that must decide whether to pass the cost on to the consumer.

Independent excavator Jerry Godkin's dump truck guzzles about five gallons per hour and he spends about \$1,100 to \$1,200 a month on diesel. In early April, diesel was at \$2.49, he said.

"The prices have flip-flopped," Godkin said. "Diesel is higher than gasoline."

Seven years ago when he began his business, the only increase he said he worried about was for insurance.

Instead of charging a fuel surcharge like others in his line of work, he adjusts his rates along with the price of diesel. It's a good thing his customers aren't complaining, he said.

"They know as well as anybody that when they get fuel at the gas pump that it's been higher than before," Godkin said.

In the last two weeks, trucking and shipping company Alaska Marine Lines bumped up its fuel surcharge from 11 percent to 14 percent.

Kevin Anderson, vice president of sales in Seattle, said diesel is traditionally cheaper than unleaded gasoline; it was only 50 cents in January 2002.



Brian Wallace / Juneau Empire

► Fuel prices spiral up: Jerry Godkin, an independent excavator, fills a Cat excavator with diesel fuel Tuesday at Taku Fleet Fuel. Fuel prices have continued to hit all-time highs in Juneau, with diesel prices now on a par with gasoline.

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19	20	21	22	23	24	25
26	27	28				

"Who knows what's creating this?" Anderson said.

Alaska North Slope crude oil closed Monday at \$63.52 per barrel. It broke the \$60 crest for the first time Aug. 5 by jumping 93 cents from the day before.

In the global market, the price of crude oil Tuesday hovered beyond \$66 per barrel, a slight dip from its peak at \$67 on Friday.

Californians are paying the most in the Lower 48 at the pump with prices more than \$3 a gallon in some places.

About a dozen refineries nationwide reported problems or unplanned shutdowns last week. Also, the U.S. Department of Energy reported declines in gasoline inventories. Industry experts say fears of Iran cutting back on production continues to fuel the bullish behavior of the market as well.

Hansen of Taku Oil Sales said in years past prices were expected to go up every summer and then taper off after Labor Day. But now Hansen says he can't predict when they will go down again.

Market diesel prices have fluctuated as much as 13 cents a day, he said. Hansen adjusts his prices with the markets in Seattle, where he buys the fuel every four weeks.

James Harris, owner of Juneau Taxi and Tours, said the increase is something he doesn't like to see, but his company will not have to increase rates until the price hits \$3 a gallon.

Another taxicab company owner says when pump prices hit \$2.75 a gallon, he may consider adjusting fares.

"We would have to do something," said Andrew Beattie, owner of Capital Cab.

The city allowed Juneau taxis to raise their rates by 90 cents in May due to rising gas prices. At the time, gasoline was around \$2.50 a gallon.

Beattie said the increase hurts locals who take short, frequent trips the most.

Harris said if gas prices drop, he wants to reduce the fares.

"Hopefully gas prices will go down after Labor Day," he said.

• Andrew Petty can be reached at andrew.petty@juneauempire.com

High gas prices mean tough winter in the Bush

Friday, November 4, 2005 - by Rhonda McBride



Anchorage, Alaska - Shakespeare wrote "Now is the winter of our discontent." But it seems fitting to describe the winter ahead for villages in Alaska that are off the road system.

In Anchorage, gas is running around \$2.50 a gallon. While that's still higher than it was this spring, it's a price that people in the Bush would be happy to pay.

Just the sounds on the radio tell you that things are different out here as you are woken up to the weather in being told in Yup'ik. Lillian Michael's Yup'ik name is Atmak, which means backpack, and she carries a heavy load these days. She's the bearer of mostly bad news about the high cost of fuel. Her home village in Kwethluk recently made the news.



"On October 7, they jacked up their prices on their gas and stove oil. They're both now over \$4 a gallon," said Michael, Yup'ik news director (right).

Atmak joined us on a trip up the Kuskowkim River by hovercraft. Kwethluk is one of the stops along the way.



It's a race against time for villagers to stock up for winter. The river is icing over, and until it freezes solid enough to make an ice road, the only place to buy food, unless you can afford fly out, is in the village. Kids still buy treats, but it's getting harder for parents to come up with the cash. Most buy on credit and many are overextended. As the high cost of fuel drives the prices up, the problem will only get worse.

"When people feel a little richer, they buy these (Lucky Charms). I used to buy these for my grandchildren. This one is \$8.19," said Michael.

It's a tough tradeoff: food or fuel. It's a choice villagers must weigh every day.



"If I get a five-gallon stove oil, how am I gonna get a pamper?" said James Nick, Kwethluk Native store manager.

Those with wood stoves might fare better. But if you live out on the tundra, it takes a lot of gas to go upriver and get wood, and most homes in this region don't have wood stoves anymore. So on average, it takes about 300 gallons of stove oil to get through the winter. That's more than \$1,200 here in Kwethluk.



Samuel Snyder grew up in Akiak, our next stop. Snyder says he's lucky to have a job on the hovercraft because he can afford to pay for fuel. But his relatives in Akiak don't fare as well.

"It's a scary thought to have to go up anymore because a lot of people in the villages are not employed," said Snyder (left).

Akiak is already on thin ice. The village government fell behind on its payroll taxes and the Internal Revenue Service seized money that was earmarked for fuel to run this power plant. It was a high voltage drama. With no fuel to run these boilers, the village was about to go dark.

"We start scrounging around. We start borrowing some fuel from the school district and the corporation," said Adam Kashetok, Akiak city administrator (right).



An emergency loan saved the day, but the circumstances that led to this crisis remains. Most people in the village had fallen way behind in their power bills and the price of fuel hovers at around \$4.20.

"It is ridiculous. It's too high," said Kashetok.



The hope is by the time barges come in next spring, the price of fuel will go down. But until the ice goes out, the price is frozen. When people get tired of crying about the cost of fuel, they joke about going back to the old days, when people traveled by dog teams to hunt and fish. But that's easier said than done. Today they fly to travel outside the village, but they're flying a lot less with the cost of fuel so high.

"It's not like people are living high on the hog in the villages in the first place," said Scott Bailey, Hageland Aviation (left).

Normally, this is a busy time of the year for Hageland Aviation, but traffic is slower this season.

"The less demand, the less we fly. The less we fly, the less employees I can employ," said Bailey.

As the economy heads downward, it won't be a soft landing. The more remote the village, the higher the cost of fuel.



"One gallon of gas is \$4.40 without tax," said Raphael Jimmy, Mountain Village.



"I'm from Hooper Bay and gas is probably like almost \$5," Effram Smith.

"I bought 11 gallons of gas yesterday for \$51," said Minnie Nook, Lower Kalskag (left).

And the question hangs heavy in the air: What will people do in the darkest days of winter?

"I don't know. I don't even know," said Patrick Edwards of Pilot Station.

Out in the Bush, gasoline is needed to fuel more than just cars.

"A lot of people out here, they depend on their snowmobiles, like a guy in the city would depend on a car," said Mike Riley, Northstar Gas, station manager (right).



At these prices, villagers may not be able to afford the gas to go out and hunt for food, which they can't afford to pay for.

"We have these Eagle brand milk, a lot of people hardly ever buy these. But they're for \$3.49 for this size," said Michael.

As Atmak works on a story about high fuel prices, she wonders how villagers, especially those with small children, can afford to survive.

"If they don't move into relatives or the relatives don't take care of them, they'll just have to live in the cold like they did a long, long time ago," said Michael.



On the Kuskokwim, the ice floes will soon come to a standstill, but many along this river already feel trapped. It will be a long winter of discontent, one many will feel grateful to survive.

In case you're curious, we went out and bought some of the goods that Lillian Michael was checking out in Kwethluk. Our purchase included Cheerios, Lucky Charms, Gold Medal Flour and Eagle brand milk. In Kwethluk, that would cost you about \$27. In Anchorage, we paid about \$13 for the same goods, using a Carr's card, which gave a \$4 discount. So the regular price of those goods in Anchorage was about \$17.



Serving Haines and Klukwan since 1966

Chilkat Valley News

Volume XXXVI Number 6 Feb. 16, 2006

Front Page

High fuel prices drive new habits

Duly Noted

By Matt Hawthorne

Letters

With gasoline and stove oil prices at an all time high, residents of the Chilkat Valley increasingly are turning to conservation and fuel alternatives.

Unclassifieds

"We've been selling tons of woodstoves," said hardware store sales clerk Dave Parks. "We've sold three this week, which is more than normal, and we've been selling them at that rate for some time now."

Yukon Quest

News Archive

Home heating oil, number 1 grade, was selling in Haines for \$2.98 per gallon this week, up more than 40 percent from last October, when the price was only \$2.11, according to fuel distributor Fred Gray. Locals pay about 30 cents per gallon more than the national average of \$2.69, according to the Energy Information Administration.

About CVN

Nick Degtoff said escalating fuel prices helped clinch his decision to open a firewood business this year. "I decided to start this business because of unregulated oil prices and the price hikes going on," said Degtoff.

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Sales are booming, he said, "between 15 and 20 cords a week."

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But even his prices have climbed as the cost of cutting and delivering wood has increased, Degtoff said. "We depend upon oil too."

High prices are not only driving some consumers away from petroleum products, it's also prompting others to trim what they do consume.

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Parks said he's seen increased demand for efficient oil-burning stoves and insulation this fall. "We've also been selling more Toyos (oil-burning stoves) because they are efficient. And we've had several requests for bids on insulation and more demand for rigid foam and other insulating materials."

To help ease the pinch of high prices, the borough assembly has proposed exempting home heating fuel from sales tax this winter. The four-month exemption period, which is set to begin Nov. 1, is expected to cost the borough about \$60,000 in revenue, but is a goodwill effort to recognize that many families will be struggling this winter, assembly members said in endorsing a resolution for the tax break at their meeting last month.

Commuters have also begun to look to alternative practices to lower personal gasoline consumption and expenses. Kim King, who lives at 26 Mile Haines Highway, has begun carpooling to town twice a week since gas prices went up in September. "We've been doing it about a month now, and it's been working great. We work out, shop, and come home."

King said the three members alternate cars, while each individual is responsible for paying for the gas in their own car. "I'm pretty frugal, and wouldn't be going to town twice a week without this," said King.

SEARHC clinic administrator Marcia Scott had considered joining a carpool for her 64-mile daily commute, but said her schedule usually prevents such collaboration.

Instead, she's found another solution. "I got a Honda CRV in December to replace our Ford Explorer. Getting a smaller, fuel efficient car was the top priority on the list."

Gasoline prices in the valley range from \$3.32 to 3.45 for regular and \$3.38 to 3.51 for diesel. A year ago Delta Western sold regular for \$2.54 and diesel for \$2.78. The Energy Information Administration's national average, tax excluded, for regular gasoline is \$2.92, up from \$1.98 a year ago.

Chilkat Valley News
Main Street/ PO Box 630
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Chilkat Valley News

Last modified: Sunday, 23-Oct-2005
16:52:33 PDT

AEA Update: ALTERNATIVE ENERGY



Alaska Energy Authority (AEA) update

February 2006

Displacing diesel with alternatives

AEA's Alternative Energy and Energy Efficiency programs promote:

- Use of renewable energy resources and local sources of coal and natural gas as alternatives to diesel-based power, heat, and fuel production.
- Measures to improve the efficiency of energy production and end use.

Currently, AEA manages or funds 47 projects with state and federal funding totaling \$21.9 million in the areas of hydroelectric, wind, biomass, transmission and distribution, geothermal, diesel generation efficiency, and energy conservation. By displacing diesel fuel, projects also seek to lower the cost of power and heat to Alas-

kan communities while maintaining system safety and reliability.

AEA publishes the biennial Alternative Energy and Energy Efficiency Assistance Plan describing available funding, funding AEA plans to request, types of assistance that AEA provides or plans to provide, and criteria for allocating funds.

Project highlight: HYDROELECTRIC

Prince of Wales Island - Alaska Power and Telephone Co. recently completed the 2 MW South Fork Hydroelectric Project with grant and loan funding under AEA's Energy Cost Reduction RFP. The \$3.97 million project is expected to displace 536,000 gallons of diesel fuel annually, used to provide power to Craig, Klawock, Viking Lumber sawmill, Thorne Bay, Kasaan, Hollis and Hydaburg.



South Fork Hydro - water diversion construction in late 2005.

Project highlight: RETROFITS

Ruby - The Merrelene A. Kangas school, home of the Ruby Ravens, was retrofitted with more efficient compact fluorescent (T8) lighting by AEA in the summer of 2003.

saved over \$6,000 on electricity in the current year.



that the school was able to send two honor roll students on an otherwise unaffordable field trip. The school was also able to bring in a career counselor for the students. Besides the savings and direct student benefits,

The Principal, Tim Stathis, estimated that the school

Asked what the savings were used for, he replied

(Continued on page 3)

Special points of interest

- Does your office or home have an Energy Star rating?



- Energy awareness campaign in the North Star

Time to go green!

- NEW AEA website new web address

akenergyauthority.org

Inside this issue:

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HYDROELECTRIC

Project highlights: 1
RETROFITS

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BIOMASS

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HEAT RECOVERY

Project highlights: 4
GEOTHERMAL

AEA's Energy Group Staff Listing: 4

Hydroelectric power is one of



Alaska's most attractive alternative energy options. AEA owns **Bradley Lake** and **Larsen Bay** hydro projects, and is developing or upgrading hydro projects in **Atka**, **Akutan**, **King Cove**, and **Pelican**. AEA is investigating hydro potential in **Elfin Cove**, **Chitina** and assisting in **Gustavus**.

"Phantom" energy costs real money

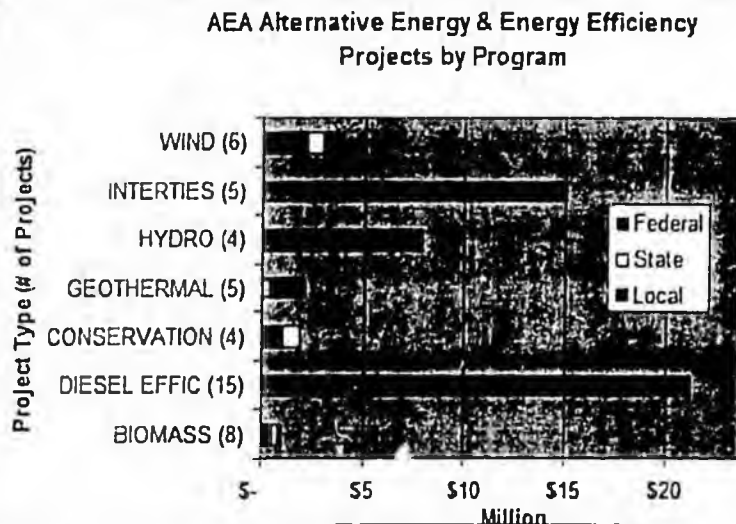
Many idle electronics, TVs, VCRs, DVD and CD players, cordless phones and microwaves, use energy even when switched off -- to keep display clocks lit and memory chips and remote controls working.

Nationally, these energy "vampires" use 5% of our domestic energy and cost consumers more than \$3 billion annually.

"Sleep" features that power down equipment and electronic devices that are turned on but not in use can save households up to \$70 annually.

Energy cost reduction loans and grants

AEA's Energy Cost Reduction (ECR) program offers opportunity for entities to apply for low interest loan and grant financing. A new ECR solicitation is expected in early 2006.



End use efficiency activities

The Alaska Rural Energy Plan identifies end use efficiency and widespread opportunities for reducing costs of power and heat.

AEA focuses its end use efficiency activities on larger facilities such as schools, community clinics, buildings and water treatment plants.

AEA has conducted state and federally-funded energy audits in **490 schools** and other facilities in **143 rural communities** over the last five years under the Re-

build America Program. Audits identify measures that can save an estimated \$2.3 million per year over the next decade at a one-time cost of \$4.1 million.

AEA is currently supporting lighting and other cost-effective upgrades in **55 schools** and other facilities in **17 communities**. Funding for **10 additional communities** to be completed in FY07 is requested.

AEA also supports the Alaska DOT/PF's Facilities

Energy Efficiency Program, projected to save the state \$3.4 million in utility costs over ten years in **eight facilities**. In 2006, **16 more facilities** may be added.

In 2005, AEA solicited proposals offering utilities and communities engineering assistance for power generation and end use efficiency upgrades.

All **14 communities** that applied were awarded funding!

Project highlight: BIOMASS

City of Craig – Funded by AEA, the **USDOE Regional Biomass Energy** partnership, and the **US Forest Service**, the **City of Craig** is in the design stage for a planned wood-fired district heating system supplying two schools and the City pool facility. The clean-burning automated chip-fired system is expected to annually displace **39,000 gallons of propane** and **16,000 gallons of fuel oil** using local sawmill residues.

AEA and its partners are soliciting requests to assess feasibility of other wood-fired facilities in Alaska. See www.akenergyauthority.org for more details and an application.

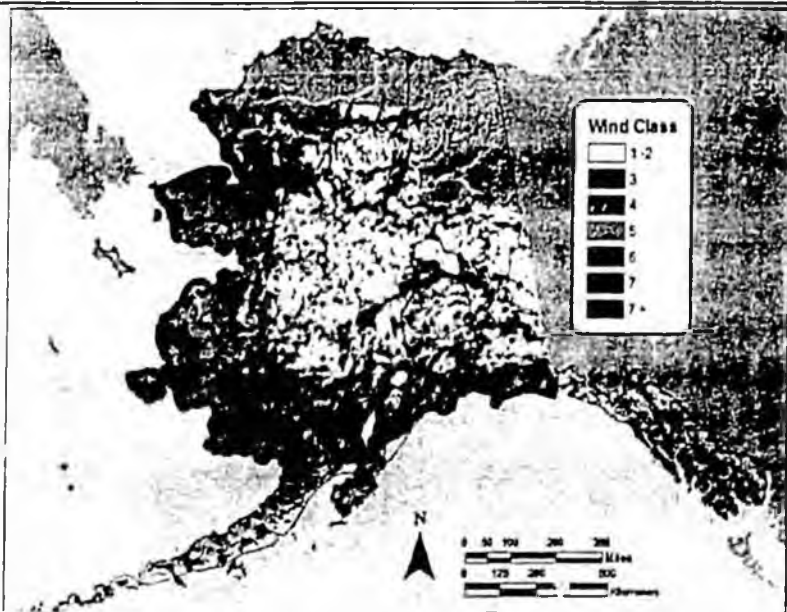
Opportunity might be in the WIND

Wind Energy Construction RFP

NEW! AEA's wind energy development initiative will provide approximately \$3,000,000 for construction of wind generation systems in rural Alaska through a competitive solicitation. Federal funds will be matched with state capital funds and local contributions. The first Request for Proposals (RFP) is expected to be issued this February.

Anemometer Loan Program

NOW! Over 35 communities are participating in AEA's wind resource monitoring program to assess the viability of wind energy in their power systems.



Go online to see AEA's high resolution wind map, Anemometer Loan Program details, wind resource reports and more! For wind in Alaska go to: www.akenergyauthority.org

Project highlight: HEAT RECOVERY

Certificate of Construction Completion



Bulk Fuel Storage and
Power Plant Upgrades

Pedro Bay

Pedro Bay Village Council



Pedro Bay - Lake and Peninsula Borough School District is enjoying the heat recovery rewards from the recently completed bulk fuel storage and power plant upgrades in **Pedro Bay**. Commissioned last summer, the AEA project included an expansion of the school powerhouse to meet the entire community's needs and an agreement between the District and the Pedro Bay Village Council to provide heat from the new powerhouse to the school. The District previously had a heat recovery system, but it was only from the school's powerhouse, so there was not enough heat to minimize fuel consumption at the school. Based on fuel data from the District, heating fuel consumption at the school has decreased by approximately 80% since the new systems were installed. At the 2005 price of \$2.72/gallon, the District will save over \$10,000 in fuel costs annually.

(Continued from page 1)

Project highlight: RETROFITS light the Ruby gym

"the gym lighting is phenomenal" according to principal Stathis. "We have been able to use it with the minimal lighting levels for lunch and other activities. Full lighting during activities such as games, assemblies and school photographs is easy to achieve, as there is no 'warm up' time in turning lights on. This also allows us to turn lights off completely when the gym is not in use."

Don Honea, the maintenance man for the school, said he felt the lighting upgrade had been a major improvement. The cages for the gym fixtures seemed to be quite substantial and had already been 'well tested' by the students. He thought the new lamps were better and he had not needed to replace any yet. Teachers and staff both commented on the improvements in lighting levels. Ronda McCarty, the administrative assistant, said the lights were better and brighter and Holly, the Kindergarten teacher, said she often uses a quarter of the lights she did before.



Executive Director
Ron Miller 269-3000

**Deputy Director -
Rural Energy**
Mike Harper 269-3025

Alternative Energy
Peter Crimp 269-4631
Reuben Leavenworth 269-4632
Rebecca Garcia 269-4634
Mia Devine 269-4682

Community Outreach
Bruce Tiedeman 269-4641

Manager - BF & RPSU
Chris Mello 269-4649

Bulk Fuel (BF)
David Lockard 269-4541
Bryan Carey 269-4688
Mark Schimscheimer
269-4689
Ron Brown 269-4698

**Rural Power System
Upgrades (RPSU)**
Kris Noonan 269-4697
Lenny Landis 269-4684
Fintan Lyons 269-3001

**Power Cost Equaliza-
tion (PCE)**
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Cheryl Smith 269-4626

Training
Monica Moore 269-3026

HELP!
Front desk 269-3000
Fax 269-3044

Location
813 W Northern Lights
Anchorage, AK 99503

Toll Free in Alaska only
1-888-300-8534

Alaska Energy Authority (AEA) update - Alternative Energy 2006

- Biomass Energy
- Diesel Efficiency
- End-use Efficiency
- Geothermal Energy
- Hydroelectric Power
- Tidal & Wave Power
- Transmission/Distribution
- Wind Energy
- Combined Heat / Power
- Solar

Alternative Energy Options



Dillingham - AEA sets up a "met tower" for monitoring the wind resource with help from the locals.



Don't be an Energy Hog!

AEA supports the national energy awareness campaign

Turn down the heat. Lower the temperature just 10 degrees in a building or home during unoccupied times to save 10% or more on heating fuel - - try a programmable thermostat.

Turn off the power. Purchase a quality power strip to plug in the T.V., stereo, microwave or coffee maker - flip the switch off when not in use.



Project highlight: GEOTHERMAL

Chena Hot Springs - This geothermal project is an AEA Energy Cost Reduction Project. The plan is to install a 400kW geothermal power plant at Chena Hot Springs in Interior Alaska. As a technology demonstration, this will be the first power plant operated by a geothermal resource in Alaska. The geothermal power plant will replace a 200kW diesel Caterpillar genset. The first unit will start qualifications testing February with actual installation in June and November for units one and two.

Projected savings: Based on October 2005 fuel costs of \$2.50/gallon, the Chena project is expected to displace 96,725 gallons of diesel fuel and save \$241,812 of diesel costs annually.

HB

446

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: C5HB 446 (JUD)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
Title: "An Act relating to the amount of a civil penalty for RDU CIVIL
an unlawful act or practice in the conduct of trade.. Component Commercial & Fair Business0
Sponsor Representative McGuire
Requester House Judiciary Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	*****	*****	*****	*****	*****	*****
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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-Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: House Finance Committee

Phone: 465-4945/465-3779

Rep. Kevin Meyer, Co-Chair

Date: 3/15/2005

Rep. Mike Chenault, Co-Chair

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 446(JUD)
(H) Publish Date: 2/27/06

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
Title Penalty for Unlawful Trade Practice RDU Alaska Court System
Sponsor Representative McGuire Component Trial Courts
Requester _____ Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL 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						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The court system does not anticipate any fiscal impact from the passage of HB 446.

Prepared by: Doug Wooliver, Administrative Attorney
Division: Alaska Court System
Approved by: Doug Wooliver for Stephanie Cole, Administrative Director
Agency: Alaska Court System

Phone: 463-4750
Date/Time: 2/21/06 @ 2:30 pm
Date: 2/21/2006

Alaska State Legislature

Session:
State Capitol
Juneau, AK 99801
Phone: (907) 465-2995
Fax: (907) 465-6592



Interim:
716 W 4th Avenue, Suite 430
Anchorage, AK 99501-2133
Phone: (907) 269-0250
Fax: (907) 269-0249

Representative Lesil McGuire
Chair, Judiciary Committee

SPONSOR STATEMENT HB 446

"An Act relating to the amount of a civil penalty for an unlawful act or practice in the conduct of trade or commerce."

The Federal Trade Commission recently reported that *Alaska topped the nation in fraud complaints last year: 249 per 100,000 people*. Unfortunately, Alaska's current consumer protection laws provide one of the lowest allowable civil penalties of any state. To strengthen Alaska's consumer protection law and send a message to those who prey on Alaska consumers, HB 446 seeks to increase the civil penalties authorized under Alaska's Unfair Trade Practices and Consumer Protection Act.

Under current law, when a person or company violates an injunction prohibiting unfair or deceptive business practices, it is subject to a maximum penalty of \$25,000. HB 446 will increase that maximum allowable civil penalty to \$50,000.

The current Act also provides for a \$5,000 civil penalty for each violation of the Act. HB 446 will increase this amount to a range between \$1,000 and \$25,000 per violation. The current \$5,000 penalty in the Act was established in 1970 when the Act was passed. Adjusting for inflation alone, this penalty should be \$20,200 (inflation from January 1970 to January 2005 was 405%). An increase to \$25,000 is a very modest increase.

Obtaining injunctive relief and civil penalties are the tools that enable the Attorney General to protect Alaska consumers against unfair and deceptive trade practices. These changes are vital enforcement tools that strengthen the Act. All civil penalties are assessed by a court only after a violation of the Act has been proven. All penalty payments go directly to the State of Alaska. Your support of this important legislation is appreciated.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 446(JUD)
(H) Publish Date: 2/27/06

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
Title Penalty for Unlawful Trade Practice RDU Alaska Court System
Component Trial Courts
Sponsor Representative McGuire
Requester _____ Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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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--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The court system does not anticipate any fiscal impact from the passage of HB 446.

Prepared by: Doug Wooliver, Administrative Attorney
Division: Alaska Court System
Approved by: Doug Wooliver for Stephanie Cole, Administrative Director
Agency: Alaska Court System

Phone: 463-4750
Date/Time: 2/21/06 @ 2:30 pm
Date: 2/21/2006

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 446(JUD)
(H) Publish Date: 2/27/06

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
Title "An Act relating to the amount of a civil penalty RDU CIVIL
for an unlawful act or practice in the conduct of trade..." Component Commercial & Fair Business
Sponsor Representative McGuire
Requester House Judiciary Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL 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						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill doubles the civil penalty imposed on someone who violates the terms of an injunction or restraining order issued to prevent the person from engaging in an unlawful act or practice in the conduct of trade or commerce, from \$25,000 to \$50,000 for each violation. It changes the penalty for the unlawful act or practice that is the subject of the injunction or restraining order, from the present level of \$5,000 to not less than \$1,000 nor more than \$25,000 for each violation.

Passage of this legislation will not have a fiscal impact on the Department of Law.

Prepared by: Kathryn Daughetee, Director
Division: Administrative Services Division
Approved by: Kathryn Daughetee for David Marquez, Attorney General
Agency: Department of Law

Phone: 465-3673
Date/Time: 2/22/06 2:18 PM
Date: 2/22/2006

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL

FRANK MURKOWSKI, GOVERNOR

1031 WEST 4TH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-5903
PHONE: (907)269-5100
FAX: (907)276-8554

February 20, 2006

The Honorable Lesil McGuire
Chair
House Judiciary Committee
State Capitol, Room 118
MS 3100
Juneau, Alaska 99801

Re: HB 446, Civil Penalties in Consumer Protection Cases

Dear Representative McGuire:

Thank you for introducing HB 446. The Department of Law supports this important legislation. It would provide the department with more powerful enforcement tools by ensuring minimum penalties for violators of Alaska's Unfair Trade Practices and Consumer Protection Act (the "Act"), and increase the maximum penalty to a more meaningful amount. The current penalty of \$5,000 per violation is outdated. Several states have maximum penalties of \$100,000 or more, recognizing that in some cases, a single violation can have catastrophic consumer impacts that require severe penalties against larger corporate defendants.

The penalty provision of the Act requires the court to ultimately decide the amount of the penalty. Currently, this amount can range from \$0 to \$5,000. The court typically considers the nature of the alleged conduct, the harm involved, and other factors when considering an appropriate penalty. The amendments proposed by HB 446 will require the court to engage in this same analysis, except that the court must impose at least a \$1,000 penalty if a violation is found, and can impose up to \$25,000 per violation in appropriate cases. The proposed amendments will only affect state enforcement efforts because only the state can request penalties.

The Honorable Lesil McGuire
Chair
House Judiciary Committee

February 20, 2006
Page 2

The Act is a critically important law that allows consumers and the department to investigate and prosecute consumer fraud and deception. HB 446 strengthens the Act, and provides a greater deterrent to would-be violators.

If you need additional information, please contact me at (907) 269-5200.

Sincerely,

DAVID W. MÁRQUEZ
ATTORNEY GENERAL

By:



Clyde E. Sniffen, Jr.
Assistant Attorney General

cc: Kevin Jardell, Legislative Director
Office of the Governor

Randy Ruaro, AAG
Deborah Behr, AAG
Department of Law

CES/sjm



America's Newspapers

Paper: Anchorage Daily News (AK)

Title: State tops in fraud gripes - PER CAPITA LEADER: Tips offered on identifying scams.

Date: February 7, 2006

Alaska topped the nation in fraud complaints last year: 249 per 100,000 people, according to the Federal Trade Commission. Identity theft topped the list of nationwide complaints for the sixth year in a row, according to the FTC's annual report on consumer fraud released recently.

Monday, Jeremy Zidek, a spokesman for the Better Business Bureau that serves Alaska, western Washington and Oregon, talked about the latest versions of common scams and how to avoid them.

Q. Do we know how many Alaskans are affected by fraud each year?

A. According to the FTC, 1,654 Alaskans complained about being a victim of fraud in 2005.

Q. How much does fraud cost consumers in a year?

A. Alaskans lost an average of \$1,062. We were one of the lowest. The national average was \$2,412.

Q. What are some current scams?

A. On Internet dating sites, scam artists may say, "I want to come and see you, can you send me money?" or "My mother's sick."

They may pose as an American citizen working in a foreign country, say they don't trust the banks in the country and want to send money to someone they trust in the United States and ask them to wire the money back.

Prizes, sweepstakes and lotteries generate a lot of inquiries at the BBB, often out of Great Britain and Canada.

A lot of prize sweepstakes go out targeting seniors. They might have to pay \$20 to enter, and be guaranteed a prize. The fine print shows the minimum prize might be 50 cents.

A counterfeit check is a favorite tactic.

People hesitant to put up their own money when dealing with a stranger are a little more willing to cooperate when they get what appears to be a cashier's check.

Checks may be used in an overpayment scam: If you're selling something online to be picked up later, they may send you a check for more than the amount then ask you to send back the difference.

If anyone asks you to cash a check and wire back money, you can be pretty sure it's a scam.

Anyone with time and determination and a few key tools can counterfeit identification, Web sites and checks and credit cards for that matter.

Q. What are a few key steps people can take to avoid fraud?

A. Ask detailed questions; don't accept elusive answers. Ask for written information. Don't be rushed into making a decision. Talk to a trusted friend or family member about the offer.

Monitor credit cards, banking and other accounts online for a better chance of catching identity theft faster.

Q. Is there any good news on the fraud front?

A. The numbers of identity theft cases seem to have declined in 2005. That's good news.

The federal government requires the three major credit report companies to provide a free credit report every year, so consumers can get three of them free a year. That may be helping consumers keep better track of their financial records, and that may be part of why we're seeing a decline in identity theft cases.

Several bills being considered in the state Legislature would require businesses to inform consumers if their personal information is lost or stolen. Some variations of the bill also enable consumers to put a freeze on their accounts.

WANT TO KNOW more about common consumer scams? Need a credit report? For information on fraud and identity theft, log on to

www.adn.com/money

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Author: SARANA SCHELL, Anchorage Daily News Staff
Section: Money
Page: F1
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To: Housed Judiciary and Finance Committees

Re: AkPIRG Supports HB 446 - Penalty for Unlawful Trade Practice

AkPIRG urges support for HB 446 – Penalty for Unlawful Trade Practices. This bill is a concrete step toward better protection for Alaskan consumers by modernizing the penalties against those who commit consumer crime.

Alaska leads the nation in fraud complaints, according to the Federal Trade Commission. Alaska's current laws in regard to consumer protection however, provide one of the lowest allowable civil penalties of any state. HB 446 will strengthen the Unfair Trade Practices and Consumer Protection Act, sending the message that crimes against consumers will not be lightly punished.

The current penalty dates back to the 1970s, HB 446 will increase deterrence by increasing the penalties for consumer crimes. In cases involving a person or company violating an injunction prohibiting unfair or deceptive business practices, the maximum allowable civil penalty will be increased from \$25,000 to \$50,000 - for each violation. The bill will also allow a range of \$1,000 to \$25,000 to be employed for civil penalties – again, for each violation of the Act.

The Department of Law needs the proper tools to be able to protect consumers in Alaska. HB 446 is one step toward better protection. The Alaskan Legislature is making great strides in updating consumer protection laws in regard to Identity Theft and other fraud. Increasing the penalties for such crimes will serve as a needed deterrence to better protect Alaskans.

Thank you for your support of this legislation.
Sincerely,

Steve Cleary
AkPIRG Director

HB

446

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
 MAY 9 4 2006
 SENATE FINANCE COMMITTEE

DATE: 4/22/06

FURTHER:

DATE TURNED
 IN TO OFFICE: 5/4/06

Finance Committee considered CS FOR HOUSE BILL NO. 446(JUD)

HB 446 PENALTY FOR UNLAWFUL TRADE PRACTICE

"An Act relating to the amount of a civil penalty for an unlawful act or practice in the conduct of trade or commerce; and eliminating mandatory continuances in these matters after issuance of an injunction."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

CS Senate Bill:
 Same Title
 New Title

SCS House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#
CRT	2/21/06			✓	1
H.F.W./Law	3/15/06		✓		3

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

FISCAL NOTE

REPORTED OUT
MAY 04 2006
SENATE FINANCE COMMITTEE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 446(JUD)
(H) Publish Date: 2/27/06

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
Title: Penalty for Unlawful Trade Practice RDU: Alaska Court System
Component: Trial Courts
Sponsor: Representative McGuire
Requester: _____ Component No.: _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

POSITIONS	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
The court system does not anticipate any fiscal impact from the passage of HB 446.

Prepared by: Doug Wooliver, Administrative Attorney Phone: 463-4750
Division: Alaska Court System Date/Time: 2/21/06 at 2:30 pm
Approved by: Doug Wooliver for Stephanie Cole, Administrative Director Date: 2/21/2006
Agency: Alaska Court System

Alaska State Legislature

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Representative Lesil McGuire

Chair, Judiciary Committee

SPONSOR STATEMENT HB 446

"An Act relating to the amount of a civil penalty for an unlawful act or practice in the conduct of trade or commerce."

The Federal Trade Commission recently reported that *Alaska topped the nation in fraud complaints last year: 249 per 100,000 people*. Unfortunately, Alaska's current consumer protection laws provide one of the lowest allowable civil penalties of any state. To strengthen Alaska's consumer protection law and send a message to those who prey on Alaska consumers, HB 446 seeks to increase the civil penalties authorized under Alaska's Unfair Trade Practices and Consumer Protection Act.

Under current law, when a person or company violates an injunction prohibiting unfair or deceptive business practices, it is subject to a maximum penalty of \$25,000. HB 446 will increase that maximum allowable civil penalty to \$50,000.

The current Act also provides for a \$5,000 civil penalty for each violation of the Act. HB 446 will increase this amount to a range between \$1,000 and \$25,000 per violation. The current \$5,000 penalty in the Act was established in 1970 when the Act was passed. Adjusting for inflation alone, this penalty should be \$20,200 (inflation from January 1970 to January 2005 was 405%). An increase to \$25,000 is a very modest increase.

Obtaining injunctive relief and civil penalties are the tools that enable the Attorney General to protect Alaska consumers against unfair and deceptive trade practices. These changes are vital enforcement tools that strengthen the Act. All civil penalties are assessed by a court only after a violation of the Act has been proven. All penalty payments go directly to the State of Alaska. Your support of this important legislation is appreciated.

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STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

FRANK MURKOWSKI, GOVERNOR

1031 WEST 4TH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-5903
PHONE: (907)269-5100
FAX: (907)276-8354

February 20, 2006

The Honorable Lesil McGuire
Chair
House Judiciary Committee
State Capitol, Room 118
MS 3100
Juneau, Alaska 99801

Re: HB 446, Civil Penalties in Consumer Protection Cases

Dear Representative McGuire:

Thank you for introducing HB 446. The Department of Law supports this important legislation. It would provide the department with more powerful enforcement tools by ensuring minimum penalties for violators of Alaska's Unfair Trade Practices and Consumer Protection Act (the "Act"), and increase the maximum penalty to a more meaningful amount. The current penalty of \$5,000 per violation is outdated. Several states have maximum penalties of \$100,000 or more, recognizing that in some cases, a single violation can have catastrophic consumer impacts that require severe penalties against larger corporate defendants.

The penalty provision of the Act requires the court to ultimately decide the amount of the penalty. Currently, this amount can range from \$0 to \$5,000. The court typically considers the nature of the alleged conduct, the harm involved, and other factors when considering an appropriate penalty. The amendments proposed by HB 446 will require the court to engage in this same analysis, except that the court must impose at least a \$1,000 penalty if a violation is found and can impose up to \$25,000 per violation in appropriate cases. The proposed amendments will only affect state enforcement efforts because only the state can request penalties.

The Honorable Lesil McGuire
Chair
House Judiciary Committee


February 20, 2006
Page 2

The Act is a critically important law that allows consumers and the department to investigate and prosecute consumer fraud and deception. HB 446 strengthens the Act, and provides a greater deterrent to would-be violators.

If you need additional information, please contact me at (907) 269-5200.

Sincerely,

DAVID W. MÁRQUEZ
ATTORNEY GENERAL

By: 

Clyde E. Sniffen, Jr.
Assistant Attorney General

cc: Kevin Iardell, Legislative Director
Office of the Governor

Randy Ruaro, AAG
Deborah Behr, AAG
Department of Law

CES/sjm

To: Housed Judiciary and Finance Committees

Re: AkPIRG Supports HB 446 - Penalty for Unlawful Trade Practice

AkPIRG urges support for HB 446 – Penalty for Unlawful Trade Practices. This bill is a concrete step toward better protection for Alaskan consumers by modernizing the penalties against those who commit consumer crime.

Alaska leads the nation in fraud complaints, according to the Federal Trade Commission. Alaska's current laws in regard to consumer protection however, provide one of the lowest allowable civil penalties of any state. HB 446 will strengthen the Unfair Trade Practices and Consumer Protection Act, sending the message that crimes against consumers will not be lightly punished.

The current penalty dates back to the 1970s, HB 446 will increase deterrence by increasing the penalties for consumer crimes. In cases involving a person or company violating an injunction prohibiting unfair or deceptive business practices, the maximum allowable civil penalty will be increased from \$25,000 to \$50,000 - for each violation. The bill will also allow a range of \$1,000 to \$25,000 to be employed for civil penalties – again, for each violation of the Act.

The Department of Law needs the proper tools to be able to protect consumers in Alaska. HB 446 is one step toward better protection. The Alaskan Legislature is making great strides in updating consumer protection laws in regard to Identity Theft and other fraud. Increasing the penalties for such crimes will serve as a needed deterrence to better protect Alaskans.

Thank you for your support of this legislation.
Sincerely,

Steve Cleary
AkPIRG Director

HB

447

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 447(L&C)
(H) Publish Date: 3/24/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title Broadcasting Promoting RDU Tax and Treasury
Charitable Gaming Component Tax
Sponsor Rep. McGuire
Requester (H) L&C Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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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--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would allow a permittee (or operator under contract with an authorizing permittee) to broadcast promotion of a raffle or lottery. The means allowable include radio, television and, by extension, the internet; email and web sites. Anyone who can conduct a raffle can promote it with broadcasting.

Though the bill language applies to raffles and lotteries, the statutory definition [AS 08.15.690(38)] equates the two, effectively giving two different names to the same activity. Thus, there is no apparent authorization, to expand the kinds of gaming activity that can be conducted.

Prepared by: Jeff Prather Phone: (907) 485 3410
Division: Tax Division Date/Time: 3/20/06 10:41 AM
Approved by: Jerry Burnett Date: 2/20/2006
Agency: Department of Revenue

withdrawn

CONCEPTUAL AMENDMENT

2

OFFERED IN THE HOUSE FINANCE
TO: CSHB 447 (L&C)

REPRESENTATIVE STOLTZE

Page 1, line 8 following "broadcasting":

Insert ", if the broadcasting is limited to public service announcements provided free of charge by a broadcaster to a permittee,"

Renumber accordingly

Alaska State Legislature

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Representative Lesil McGuire

Chair, Judiciary Committee

Sponsor Statement HB 447

"An Act relating to the use of broadcasting to promote raffles and lotteries"

HB 447 would afford an equal playing field for Alaska's broadcasters. Alaska Statute prohibits broadcasters from airing truthful and non-misleading advertisements of lawful "charitable gaming activity". HB 447 would avoid a likely constitutional challenge to the Statute.

As it stands now, AS 05.15.640(a) bans, but only via radio and television, the advertising of lawful charitable gaming or conduct. Newspapers are free to advertise the very same activity and conduct that radio and television stations may not advertise.

In addition, the statute also impedes positive governmental interests. ABA member stations cannot assist deserving not-for-profit organizations in their efforts to raise money to meet their goals.

AS 05.15.640(a) may well deny broadcasters equal protection under the Federal and State Constitutions since the act prohibits, without rational basis, the broadcast media from engaging in conduct which is allowed by the print media, namely the carriage of third party advertising promoting a lawful "charitable gaming activity"

As an example of the current misguided law, local church raffles cannot be promoted by local radio and TV stations. Boy Scout fundraisers involving raffles may not be included in public service announcements. Not-for-profit groups such as the Boys and Girls Club are excluded from promoting fundraisers involving games of chance using radio and TV. Even various statewide fundraising events such as the Iditarod may not be promoted by broadcasters, thus reducing the organizations fundraising ability.