

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2736 SCOMM 122: COMMISSION ON PRIVATIZATION. ., 1999

for as long as 16 years. Continuation of that contract may be justified by the need of expertise in that area, but in such a case, competitive procurement ceases and it almost looks like an entitlement for that particular firm.

CO-CHAIR WARD asked whether any other state has accepted the ABA's model rules for professional conduct concerning political contributions, or whether those rules are to be viewed as suggestions.

MR. JOHNSON replied that the rules are suggestions. A task force of the Standing Committee on Ethics and Professional Responsibility of the ABA promulgated amendments to the model rules of professional conduct. Alaska adopted an older version. Those rules set forth what an attorney can do, can't do, and ought to do. Although the new ABA rules have not been adopted at the federal level, he suggested that commissioners look at the rules to see if elements of them make sense for Alaska. Mr. Johnson pointed out that the struggle between the legislature and court system over whether or not legislative enactment would result in changing a court rule could arise. He himself has not investigated whether any other jurisdictions have adopted the draft rules, but he believes this issue is a big one in New York.

MR. PIGNALBERI asked why, in Recommendations 1 and 2, the subcommittee recommended that the Legislative Finance committees hold hearings rather than the Judiciary committees.

MR. JOHNSON replied that the Judiciary committees might be good initial referrals to determine whether there is a need for substantive legislation. And to the extent that changes need to be made to the procurement code, the State Affairs committees might also review the legislation. The decision about whether the functions and monies should be moved from a 100 line to a 300 line would have to be made by the Finance committees, he added.

MR. PIGNALBERI referred to DOL's response to Recommendation 1, and asked whether the subcommittee had talked about identifying performance measurement indicators for DOL.

MR. JOHNSON said no. He asked commissioners to keep in mind that the difficult cases go to trial and, as a result, there is a tendency to lose cases that go to trial.

MR. PIGNALBERI acknowledged that the win-loss record is not the only type of performance measurement indicator available for legal work. He wondered whether DOL could identify performance measurement indicators in light of the new impetus in the budget

process for them.

MR. JOHNSON said the pressure of using a win-loss record on prosecutors is exceedingly dangerous because cases can be lost because of what is happening at the screening level or crime detection level. He felt it would be unwise to go down that road.

MR. PIGNALBERI suggested the legislature is going down that road. He requested for more information on performance measurement indicators.

CYNTHIA COOPER, Deputy Attorney General, Criminal Division, Department of Law, said DOL is working on those and is focusing on violent crimes and domestic violence crimes. She echoed Mr. Johnson's concern about using a win-loss record because if one looks at the quality of an appellate court brief, one side may have a better written work product but the appellate court may choose to interpret the constitution differently. Or sometimes a mistake is made at the trial level, so no matter how good the appellate attorney is, the mistake is serious enough to determine the outcome of the case. She added that, in terms of actual prosecutions, the quality of investigative work is an important factor. Ms. Cooper said that when DOL is looking at internal reviews, it looks at written work product; at what it hears from judges, victims and law enforcement officers; and at numbers.

MR. PIGNALBERI asked, in regard to DOL's response to Recommendation 7, whether DOL's timekeeping system contains productivity measures or whether it is strictly used for setting rates because of federal requirements.

BARBARA RITCHIE, Deputy Attorney General, Civil Division, Department of Law, spoke via teleconference from Juneau, saying that is a function of the Civil Division. The division implemented a new timekeeping system last year because the initial system created by DOL was working but not Y2K compliant. The management information that can be derived from the new system is quite vast and useful to DOL. It can track a particular open file because the billing goes to the file number. The number and type of attorney hours can be specified, as can all hours spent on a particular case. The system is helping DOL to allocate its resources to the areas of greatest need. DOL uses it as another tool to determine what is going on within the department.

MR. PIGNALBERI asked if DOL has an "MIS" system that generates reports regularly.

DEPUTY ATTORNEY GENERAL RITCHIE replied that they can generate

reports which are reviewed to track where resources are going and the amount of hours being put into different cases.

MR. PIGNALBERI asked Ms. Ritchie to provide a copy of the regularly generated report to the commission.

DEPUTY ATTORNEY GENERAL RITCHIE responded that she would speak to DOL's administrative services director to get that report.

MR. PIGNALBERI noted that other subcommittee reports contained ten items of boiler plate type information about department budgets and BRUs. He asked Ms. Ritchie if she could provide that information about DOL if he provides her with the outline.

DEPUTY ATTORNEY GENERAL RITCHIE said she would try.

MR. PIGNALBERI commented that the question of why DOL's billing rate differs from its cost was raised at a subcommittee meeting. He asked why DOL bills hours out at a higher rate than cost, and whether it is moral to charge citizens more than the cost.

MR. JOHNSON interjected that DOL provided justification for its billing rate in its response. DOL charges agencies about \$91 per hour, but it charges higher rates when it collects attorney fees.

DEPUTY ATTORNEY GENERAL RITCHIE replied that DOL files the standard motion for attorney fees and the affidavit of counsel in support of that motion. The state gets a very small portion of attorney fees back, compared to what DOL has expended in a particular case. The Criminal Division gets no fees back, and the Civil Division is involved with many public interest litigants from which the state can get no attorney fees reimbursed. If, however, the public interest litigant prevails in the case, the state can be ordered to pay full reasonable attorney fees. Civil Rule 82 only allows for reimbursement of a fraction of the attorney fees expended. Regarding market rate, the courts have uniformly approved that DOL receive attorney fees at a rate comparable to fees charged by the private sector. That policy was determined when a committee made recommendations to the attorney general after it found that this policy is standard procedure for the federal government and other agencies.

MR. JOHNSON noted that subcommittee members were in sharp disagreement about what the prevailing market rate is. The rates cited by DOL in its affidavit would maintain attorneys in a style to which they would like to become accustomed rather than one they could realistically obtain. He concluded that there is substantial room for discussion on this point.

PETER KINNEEN, Member, Subcommittee on the Department of Law, pointed out that very few attorneys would take on a case for less than \$92 per hour. He maintained that DOL's rationale means that the one citizen who gets stuck with the bill gets charged more than anyone else.

MR. PIGNALBERI asked how DOL calculates the rates it pays to attorneys it hires on contract.

DEPUTY ATTORNEY GENERAL RITCHIE replied that the procurement process for selecting outside counsel is detailed in DOL's response to the subcommittee's recommendations. She explained that the number of cases handled by outside counsel is very small compared to the volume of the cases handled by DOL. The rate paid depends on the type of expertise that DOL is seeking and the particular situation. DOL may seek outside counsel who specialize in investment law or Federal Energy Regulatory Commission proceedings regarding the Trans-Alaska Pipeline, for example. Attorneys submit proposals on a competitive basis, and some firms give a discount to the State of Alaska, which is taken into consideration.

MR. PIGNALBERI said he hears Deputy Attorney General Ritchie to say that the process is discretionary and no formula or objective measure is used.

DEPUTY ATTORNEY GENERAL RITCHIE explained that DOL reviews the proposals, and cost is a big factor in the decision. DOL does not have unlimited funds to spend on cases. She emphasized that the proposals vary, depending on the manner in which the case needs to be handled and the amount of expertise required.

MR. PIGNALBERI asked whether DOL has an exemption from the procurement statute, issued by the Commissioner of the Department of Administration.

DEPUTY ATTORNEY GENERAL RITCHIE referred Mr. Pignalberi to DOL's response ... [END OF TAPE - ANSWER INAUDIBLE]

TAPE 99-15, SIDE A

CO-CHAIR WARD referred to Recommendation 10 and asked Mr. Johnson if the subcommittee believes a constitutional amendment is necessary to allow the Office of the Attorney General to continue to function as it currently does.

MR. JOHNSON said that is a philosophical question. He noted that, in regard to the source of powers for the attorney general, one can find no reference to the position of attorney general in the Alaska

constitution. To the extent that the position of attorney general does exist, it is considered as one of the heads of a principal department, and those positions are not identified in the constitution. Discussion about the role of the attorney general and whether that position should be appointed had occurred during the constitutional convention, Mr. Johnson noted; the subcommittee report contains copies of that discussion in the appendices. The only source of powers for the functions of the Office of the Attorney General are contained in Title 44, except for an additional provision in Title 9 that relates to the ability to settle cases. The primary sections are AS 44.23.010 and AS 44.23.020. The subcommittee took a look at trying to amend those sections. The statute identifies a number of powers given to the attorney general but the significant section is paragraph 7, which reads:

Sec. 44.23.020. Duties; and powers; waiver of immunity.

(b) The attorney general shall

(7) perform all other duties as required by law, or which usually pertain to the office of attorney general in a state; and...

MR. JOHNSON said that provision is a residual, meaning that if one can find that an attorney general elsewhere in the country has done something, Alaska's attorney general can do the same thing. He feels that grant of authority is a very broad check and is rather extraordinary. That refers to common law powers of the attorney general. The subcommittee believes the balance has been lost and that the state government would be better served by an attorney general with a limited scope of powers.

CO-CHAIR WARD commented that he had not realized that the framers of the constitution suggested establishing limitations for the position of attorney general.

MR. JOHNSON said much of the debate during the constitutional convention was about whether or not to elect the attorney general, but there was also a certain amount of discussion about who the client of the attorney general should be. To his knowledge, the only statement that relates to who will define the authority of the attorney general is that of delegate Davis. Mr. Johnson said he would be fascinated to hear from anyone who could identify other discussions on that point. He maintained that it is always a bit unfair to extract comments made by an individual delegate and imply that was what the group was thinking about.

CO-CHAIR WARD said he did not realize that Davis wanted the legislature to define these powers.

MR. JOHNSON pointed out that DOL's response to Recommendation 10 cites the National Association of Attorneys General (NAAG), an organization of 56 attorneys general from every state, the District of Columbia and the possessions. He asked commissioners to keep in mind that 43 of those individuals are elected. He maintained that the goals of that association are to identify and disseminate key information relating to the independence, scope and management of the office of the attorney general. NAAG comes from the perspective that its intent is to preserve the independence of the organization, which may be great from the standpoint of the organization and of attorneys general who are provided for in state constitutions.

MR. JOHNSON cautioned that in Alaska's case, the materials provided by the Department of Law are offered to prejudge and decide the issue of what Alaska should do, when Alaska's constitution leaves that to the legislature. Although he said he appreciates that NAAG wants to make attorneys general as efficient, effective and independent as possible, it is not an unbiased organization.

COMMISSIONER HARPER pointed out that no member of the subcommittee was a former attorney general or deputy attorney general. He said he would be curious to see if any former attorneys general would care to respond to some of the findings and recommendations in this report.

MR. JOHNSON responded that Mr. Satterburg, a subcommittee member, worked for DOL's Civil Division for about five years in Fairbanks, where he is now in private practice. Other attorneys with governmental legal experience are on the subcommittee as well.

COMMISSIONER HARPER said he would be interested in comments from former attorneys general, such as John Weber (ph), Charlie Cole, John Rader and Av Gross.

COMMISSIONER THOMAS commented that Mr. Pignalberi offered to put that portion of the report together and ask for comments from all former attorneys general still residing in Alaska.

COMMISSIONER HARPER referred to the schedule provided by the Department of Law in response to Mr. Johnson's request for information about contract expenditures, which amounted to over \$100 million over five years, of which \$78 million was for oil and gas litigation. He asked the representative from the Department of Law what benefits were derived from that schedule.

DEPUTY ATTORNEY GENERAL RITCHIE replied that the department does have information regarding the oil and gas litigation, which she

would provide to the commission.

COMMISSIONER HARPER said he was thinking that the State of Alaska won about \$1 billion from some of the oil companies.

DEPUTY ATTORNEY GENERAL RITCHIE restated that she would provide that information to the commission.

MR. PIGNALBERI indicated that two subcommittees have raised the issue of the collection of fines, which falls under the purview of the Department of Law. Those fines involve restitution, student loan payments, and bad debts to the Agricultural Revolving Loan Fund. The subcommittees found the collection rate in the Department of Law to be about zero. He asked department staff to provide the commission with written information describing how they plan to do the state's collection work. He pointed out that the collection function is one area that has been proposed for privatization. He also asked for a list of the state agencies for which the Department of Law collects.

DEPUTY ATTORNEY GENERAL RITCHIE replied that the list will take some effort to compile, so it will not be immediately forthcoming. She pointed out that she hadn't had an opportunity to study the other subcommittee reports to know what is being recommended in this area. She explained that the department has a Collections and Support Section, for child support enforcement work for court matters as well as a whole host of state collection matters.

COMMISSIONER THOMAS questioned whether the department uses any criteria to determine whether it will go forward to collect a debt.

DEPUTY ATTORNEY GENERAL RITCHIE clarified that the Alaska Court System collects restitution, and she offered to send information to the commission.

MR. PIGNALBERI maintained that there is a difference of opinion on the record regarding that matter.

COMMISSIONER THOMAS pointed out that the same problem was identified in the Subcommittee Report on the Department of Corrections.

DEPUTY ATTORNEY GENERAL RITCHIE repeated that she will provide the commission with information.

COMMISSIONER THOMAS thanked subcommittee members for their efforts. She asked Mr. Pignalberi whether he has received a response from commissioners on the proposed meeting schedule.

MR. PIGNALBERI said he has, and he will distribute it to members. He noted that the next meeting will be November 24, 1999.

There being no further business to come before the commission, Commissioner Thomas adjourned the meeting at 1:39 p.m.

SCOMM

122:28



Testimony
by Invitation
only

LEGISLATIVE TELECONFERENCE NETWORK SIGN-IN SHEET

SPONSOR: It Cm on Privatization

SUBJECT: _____

START/END TIME: 9:00 DATE: 11-30-99

PLEASE PRINT

	Name/Representing	Address	Zip	Phone No.	Testify	Observe	Bill No.
1.	Brad Brown	2200 Shore Dr	99515	522-2254		✓	
2.	Bandy Simmons AIDEA	480 W. Tudor H/A	99503	269-3000	✓		
3.	Jim Chase DMVA	P.O. Box 5800 Ft Rich	99505	428-6854		✓	
4.	Chris Nelson	Anchorage L10 Rm 540	99501	269-0218	✓		
5.	Keith Lanfer AIDEN	480 W. Tudor Anch	99503	269-3046		✓ QUESTIONS	
6.	Ken Varner WVJB	900 W 5th Ave #600	99501	276-6401		✓	
7.	Eric Yould ARZCO	703 W Tudor Rd	99503	541-6103			
8.	Lee Wareham	24865 Teal Loop Chugiak 99567		688-2540	✓		
9.							
10.							
11.							
12.							
13.							
14.							
15.							

Full Commission Schedule & Department Reviews

DATE	Dept Review	Dept Review	Dept Review	Dept Review	Dept Review
October 28	Revenue				
November 4	Corrections	Law	Labor	DEC	Courts
November 10	Legislature	Admin	Public Safety		
November 18	CED	DOT	Fish & Game		
November 24	Education	HESS			
November 30	Governor				
December ?					
December 13					

- ✓ Administration
- ✓ CED
- ✓ Corrections
- ✓ Courts
- ✓ Education
- ✓ Environmental Conservation
- ✓ Fish & Game
- ✓ Governor
- ✓ Hess
- ✓ Law
- ✓ Labor
- ✓ Legislature
- Military & Veteran Affairs
- Natural Resources
- ✓ Public Safety
- ✓ Revenue
- ✓ Transportation
- University



and Delivery of Government Services

AGENDA
Full Commission Meeting
October 28, 1999
9:00 AM

- 1) CALL TO ORDER (Time / Date)
- 2) ROLL CALL OF REMOTE SITES
 - a) Juneau _____
 - b) Fairbanks _____
 - c) Mat-Su _____
 - d) Kenai _____
 - e) Other _____
- 3) ROLL CALL OF COMMISSION MEMBERS (staff)
- 4) APPROVAL OF PREVIOUS MINUTES
- 5) INTRODUCTION OF NEW COMMISSIONER, Emil Notti
 - a) Comments by Commissioner Notti
- 6) REPORT BY SUBCOMMITTEE
 - a) Revenue – Chairperson, MaryAnn Pease
- 7) COMMISSIONER COMMENTS
 - Senator Adams
 - Representative Brice
 - Commissioner Allen
 - Commissioner Fink
 - Commissioner Harper
 - Commissioner Notti
 - Commissioner Thomas
 - Commissioner Valesko
 - Commissioner Weurch
- 8) NEXT MEETING SCHEDULE
November 4, November 10, November 18, November 24, November 30, December 13
- 9) PUBLIC COMMENTS



and Delivery of Government Services

AGENDA
Full Commission Meeting
December 13, 1999
9:00 AM

- 1) CALL TO ORDER (Time / Date)
- 2) ROLL CALL OF REMOTE SITES
 - a) Juneau _____
 - b) Fairbanks _____
 - c) Other _____
- 3) ROLL CALL OF COMMISSION MEMBERS (staff)
- 4) APPROVAL OF PREVIOUS MINUTES (November 24, 30, Dec 1, Dec 7, Dec 8 minutes not attached nor available as of 12-13-99, 8:00 AM)
- 5) OLD BUSINESS
 - a) UA Items I - X of Report Outline - *Pending*
 - b) UA Response - *Pending*
 - c) UA Extended Campuses Dollar per Student Study - *Declined*
- 6) NEW BUSINESS
 - a) Transmittal Letter
 - b) Draft Report
- 7) COMMISSIONER COMMENTS
 - ☐ Senator Ward
 - ☐ Representative Cowdery
 - ☐ Senator Adams
 - ☐ Representative Brice
 - ☐ Commissioner Allen
 - ☐ Commissioner Fink
 - ☐ Commissioner Harper
 - ☐ Commissioner Notti
 - ☐ Commissioner Thomas
 - ☐ Commissioner Valesko
 - ☐ Commissioner Wuerch
- 8) MEETING SCHEDULE



and Delivery of Government Services

AGENDA
Full Commission Meeting
December 8, 1999
9:00 AM

9:00 am / 11:43 am

- 1) CALL TO ORDER (Time / Date)
- 2) ROLL CALL OF REMOTE SITES
 - a) Juneau _____
 - b) Fairbanks _____
 - c) Other _____
- 3) ROLL CALL OF COMMISSION MEMBERS (staff)
- 4) APPROVAL OF PREVIOUS MINUTES (November 24, 30, Dec 1, Dec 7 minutes not attached nor available as of 12-07-99, 5:00 PM)
- 5) OLD BUSINESS
 - a) UA Items I - X of Report Outline - *Pending*
 - b) UA Response - *Pending*
 - c) UA Extended Campuses Dollar per Student Study - *Declined*
- 6) NEW BUSINESS
 - a) AK Railroad
 - b) Legislative Proposal from Kathryn Thomas
 - c) FAIRA Bill
 - d) Adoption of Recommendations
- 7) COMMISSIONER COMMENTS
 - ☒ Senator Ward
 - ☒ Representative Cowdery
 - ☒ Senator Adams
 - ☒ Representative Brice - *absent, out of state*
 - ☒ Commissioner Allen
 - ☒ Commissioner Fink
 - ☒ Commissioner Harper
 - ☒ Commissioner Notti
 - ☒ Commissioner Thomas
 - ☒ Commissioner Valesko
 - ☒ Commissioner Wuerch
- 8) MEETING SCHEDULE
December 13 (if necessary), December 14 (if necessary)

11
Present



and Delivery of Government Services

AGENDA
Full Commission Meeting
December 8, 1999
9:00 AM

- 1) CALL TO ORDER (Time / Date)
- 2) ROLL CALL OF REMOTE SITES
 - a) Juneau _____
 - b) Fairbanks _____
 - c) Other _____
- 3) ROLL CALL OF COMMISSION MEMBERS (staff)
- 4) APPROVAL OF PREVIOUS MINUTES (November 24, 30, Dec 1, Dec 7 minutes not attached nor available as of 12-07-99, 5:00 PM)
- 5) OLD BUSINESS
 - a) UA Items I - X of Report Outline - *Pending*
 - b) UA Response - *Pending*
 - c) UA Extended Campuses Dollar per Student Study - *Declined*
- 6) NEW BUSINESS
 - a) AK Railroad
 - b) Legislative Proposal from Kathryn Thomas
 - c) FAIRA Bill
 - d) Adoption of Recommendations

7) COMMISSIONER COMMENTS

- | | | |
|-------|---|---|
| 2-2-2 | ☐ Senator Ward | Y |
| 2-2-2 | ☐ Representative Cowdery | Y |
| 2-2-2 | ☐ Senator Adams | N |
| 2-2-2 | ☐ Representative Brice | |
| 2-2-2 | ☐ Commissioner Allen | 2 |
| 2-2-2 | ☐ Commissioner Fink | Y |
| 2-2-2 | ☐ Commissioner Harper | 2 |
| 2-2-2 | ☐ Commissioner Notti | 2 |
| 2-2-2 | ☐ Commissioner Thomas | 2 |
| 2-2-2 | ☐ Commissioner Valesko | 2 |
| 2-2-2 | ☐ Commissioner Wuerch | 2 |

Fink 9

- Public money
for arts,
radio,

3/7

- 8) MEETING SCHEDULE
December 13 (if necessary), December 14 (if necessary)



and Delivery of Government Services

AGENDA
Full Commission Meeting
December 8, 1999
9:00 AM

- 1) CALL TO ORDER (Time / Date)
- 2) ROLL CALL OF REMOTE SITES
 - a) Juneau _____
 - b) Fairbanks _____
 - c) Other _____
- 3) ROLL CALL OF COMMISSION MEMBERS (staff)
- 4) APPROVAL OF PREVIOUS MINUTES (November 24, 30, Dec 1, Dec 7 minutes not attached nor available as of 12-07-99, 5:00 PM)
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 - b) UA Response - *Pending*
 - c) UA Extended Campuses Dollar per Student Study - *Declined*
- 6) NEW BUSINESS
 - a) AK Railroad
 - b) Legislative Proposal from Kathryn Thomas
 - c) FAIRA Bill
 - d) Adoption of Recommendations
- 7) COMMISSIONER COMMENTS
 - Y ☐ Senator Ward 2
 - Y ☐ Representative Cowdery 2
 - 2 ☐ Senator Adams 2
 - ☐ Representative Brice
 - 2 ☐ Commissioner Allen 2
 - 7/3 - Y ☐ Commissioner Fink 2
 - Y ☐ Commissioner Harper 2
 - Y ☐ Commissioner Notti 2
 - Y ☐ Commissioner Thomas 2
 - 2 ☐ Commissioner Valesko 2
 - Y ☐ Commissioner Wuerch 2
- 8) MEETING SCHEDULE
December 13 (if necessary), December 14 (if necessary)

2/9

product prep Fink 5



and Delivery of Government Services

AGENDA
Full Commission Meeting
December 8, 1999
9:00 AM

- 1) CALL TO ORDER (Time / Date)
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7) COMMISSIONER COMMENTS

- ☐ Senator Ward Y
- ☐ Representative Cowdery Y
- ☐ Senator Adams N
- ☐ Representative Brice 9/1
- ☐ Commissioner Allen Y
- ☐ Commissioner Fink Y
- ☐ Commissioner Harper Y
- ☐ Commissioner Notti Y
- ☐ Commissioner Thomas Y
- ☐ Commissioner Valesko Y
- ☐ Commissioner Wuerch Y

8) MEETING SCHEDULE

December 13 (if necessary), December 14 (if necessary)

6/A
AICRR
under
Exec
Budget
act

Accept the motion

① Conceptual motion.

find objects

along the lines of appendix

Valesho.

P.A.R.A.

Open the Public Employee Employment Act.

Voted to amend P.A.R.A.

Ward - Voting for her motion

Conceptually approved.

① RFP for the A.P.R.C.

Adams - RFP.

Valesho Seconds.



and Delivery of Government Services

AGENDA
Full Commission Meeting
December 8, 1999
9:00 AM

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7) COMMISSIONER COMMENTS

- | | |
|---|---|
| ☐ Senator Ward | Y |
| ☐ Representative Cowdery | N |
| ☐ Senator Adams | N |
| ☐ Representative Brice | N |
| ☐ Commissioner Allen | N |
| ☐ Commissioner Fink | N |
| ☐ Commissioner Harper | N |
| ☐ Commissioner Notti | N |
| ☐ Commissioner Thomas | N |
| ☐ Commissioner Valesko | N |
| ☐ Commissioner Wuerch | N |

8) MEETING SCHEDULE

December 13 (if necessary), December 14 (if necessary)

Thomas -
AOB

12-8-99

Thomas 1

Meeting

(Version Y)

Establish by

#14

to include identity service
cost of establishing ~~and~~ an

including service and an indep. audit
cost committee and staff. They
(passed unanimously) Shall review subcommittee
recommend.

causing - move
Thomas - 2nd

* (performance &
financial) -
before
"audit"

amendment #1

Bill Allen - move
Thomas - second

10/0 pass

part
of
main
not
new.

amend #2

Valeste

→ approp.
money to continue
commis for next
10 years to end it
properly.

ward-object

more the recomm - appropriate
funds come from leg to
do an appropriate job -
"enact a statute & fund it
properly to carry forward
commission work"

9:30am
Went here

Allen suggests to appoint 3-5 to study an
ongoing effort.

"Conceptual"

Thomas - move
Cawley - 2nd

§

legis. consider arguing else
to DGS ~~and~~ in the most
effective cost efficient
manner w/ consider for
provide public & private citizens
w/ a manner to

- see
Adams

have avail. info in
a be appendix. Conceptual
motion.

I missed the vote - typing. Conceptual

RFP for the HKR

4/6 - see

Adams - move
Udler - second

(live ~~565~~ 564)
Pg 19

Adams moving all of the
proposal.

amendment 1

3/7 -

Word - make motion w/
Private Task Force Recm
to cut ~~it~~ consider placing the AR
under the Exec Budget act.
Cawley - second motion

#15

Thames
Wench

- AKRR - Herbicide
- Move
- Second

Langrose

9/1 Adams

from
report

ML 570

#16

#16 Fink 2 AKRR → Executive Budget Act
Cawley -
Fink - second

6/4 Adams
= Allen
Harper
Valestra

Wench - Admin 5 Telephony

~~Wench - Move~~
Adams - Second

ML #94

#17
✓

(Adams 1)

9/10/80

9/1 Valestra - believe
it already
done.

Valestra #2

Valestra - move

#18

Amended - delete "substantive and
guaranteed"

10/0 - as amended.

Adams 11 → accountability per
Privatization -
would like this up.

Fink 4 — labor contracts;
Fink move privat. act
Candery second

#19

7/3 Adams
Allen
Valenko

Fink 5 — Eliminate all products, recycl,
Fink — Move food products
Candery — Second

Fink 2 / 8 Adams
Candery ~~Valenko~~

Fink 6 — Court Settlement,
Fink move appeal →
Candery — Second State Policy
close —
Fink 3/7 Fertil
word Candery
Fink

Fink 9 — Public radio, TV,
Fink arts; PCE
Candery — Second
word 3 / 7 Fertil
Candery
Fink

Valenko 3 / Adams 11

A0 99-03

October 15, 1999

DRAFT ADVISORY OPINION 99-03

RE: Are volunteer members of a legislative advisory council covered by the Legislative Code of Conduct.

You are a legislative employee and are covered by the legislative ethics code. You have requested an advisory opinion concerning facts and circumstances that you have related. The committee relies on facts that you have described in answering your questions.

Statement of Facts

Last session the legislature enacted a Commission on Privatization and Delivery of Government Services in the legislative branch of government to review and evaluate recommendations for transferring the provision of government services to other entities. Sections 2 and 5, ch. 61, SLA 1999. Subsection 2(b) of that Act authorizes the commission to appoint an advisory council to assist it in carrying out its duties. You ask whether the members of the advisory council, who are not compensated for their services or eligible for reimbursement of travel expenses or per diem, are subject to any restrictions imposed by the Legislative Code of Ethics. You note that allegations have been made that some of the members of the advisory council may have conflicts of interest because their recommendations on privatizing activities could, if accepted and acted upon, benefit them personally.

Discussion

Generally, the Legislative Code of Ethics (AS 24.60) applies to members of the legislature,

legislative employees, and the public members of the ethics committee itself. AS 24.60.020(a). "Legislative employee" is defined at AS 24.60.990(10) as "a person, other than a legislator, who is compensated by the legislative branch in return for regular or substantial personal services . . ." It is clear from the privatization commission legislation that the members of the advisory council are not entitled to receive compensation from the legislative branch. Therefore they do not fall within the definition of legislative employee and are not covered as employees by the Legislative Ethics Code. The Code does make certain restrictions applicable to volunteers. Under AS 24.60.080(i),

(h) A legislator, a legislative committee other than the Select Committee on Legislative Ethics, or a legislative agency may accept (1) a gift of volunteer services for legislative purposes so long as the person making the gift of services is not receiving compensation from another source for the services or (2) a gift of the services of a trainee who is participating in an educational program approved by the committee if the services are used for legislative purposes. The committee shall approve training under a program of the University of Alaska and training under 29 U.S.C. 1501 - 1792b (Job Training Partnership Act) . A legislative volunteer or educational trainee shall be considered to be a legislative employee for purposes of compliance with AS 24.60.030 - 24.60.039, 24.60.060, 24.60.080, 24.60.085, 24.60.158 - 24.60.170, 24.60.176, and 24.60.178. If a person believes that a legislative volunteer or educational trainee has violated the provisions of one of those sections, the person may file a complaint under AS 24.60.170. The

provisions of AS 24.60.170 apply to the proceeding.

The ethics code does not define "volunteer" or describe who is intended to be included in the term. The committee believes that it is clear from the context of subsection (h) and the focus of the ethics code on employees and legislators that the term is meant to apply to individuals who are either in training as employees (under programs like the JTPA) or performing employee-like functions. The inclusion of volunteers is aimed at situations in which an * individual legislator may benefit from the activities of the volunteer (by an increase in staff support, for example). The members of the advisory council are acting in a different capacity, as advisors to the legislative branch of government. Their role is different from that of the volunteers who are intended to be covered by AS 24.60.080(h). The committee holds that members of the advisory council are not subject to the requirements of that subsection. The fact that a member might receive a personal benefit if the council's recommendations were accepted by the privatization commission, forwarded to the legislature, and implemented through legislation does not change this result.

Conclusion

For the reasons stated above, the committee finds that volunteer members of the advisory council of the Commission on Privatization and Delivery of Government Services are not subject to AS 24.60 (the Legislative Code of Ethics).

Adopted by the Select Committee on Legislative Ethics on **.

- 3 -

* Discuss including committees and agencies.

Members present and concurring in this opinion were:

Members dissenting from this opinion were:

Members absent were:

LIST OF MEMBERS OF THE COMMITTEE

Shirley McCoy, Chair	yes	no	absent
Representative Al Kookesh	yes	no	absent
Representative Pete Kott	yes	no	absent
Senator Lyman Hoffman	yes	no	absent
Senator John Torgerson	yes	no	absent
Dennis Cook, public member	yes	no	absent
Ed Granger, public member	yes	no	absent
H. Connor Thomas, public member	yes	no	absent
Curt D. Wallace, public member	yes	no	absent

TC:pl:glc
99-166.plm

Subject: Advisory Opinion Request

Date: Mon, 11 Oct 1999 12:31:43 -0800

From: Marco Pignalberi <Marco_Pignalberi@legis.state.ak.us>

Organization: Alaska State Legislature

To: Ethics Committee <Ethics_Committee@legis.state.ak.us>

Suzy:

SB 33 establishes the Commission on Privatization and Delivery of Government Services. Section 2 (b) authorizes the Commission to appoint an Advisory Council. The Commission has done so and recruited approximately 300 volunteers who are working on 17 subcommittees. Please refer to Section 2 (b) of SB 33, linked here, <http://www.legis.state.ak.us/PDF/21/sb0033F.PDF>

These volunteers are neither paid nor eligible for reimbursement of expenses, travel or per diem. They have the same incidental access to LIO resources as do all citizens.

The charge has been made that the Advisory Council volunteers, who serve without compensation of any kind, have conflicts of interest. These conflicts are alleged to derive because the volunteers might be making recommendations to the Commission about privatizing activities in certain departments. Presumably, a volunteer could make a recommendation that would be of personal benefit. For example, a volunteer who owns an auto mechanic shop may vote to recommend that vehicle maintenance be contracted out to the private sector. These recommendations will be strictly advisory and subject to public review by the full Commission, both houses of the legislature and the governor. They would also have to comply with the state's procurement process. Neither the Advisory Council members nor the Commission have any actionable decision making authority. Their purpose is to advise the legislature and the governor.

Under separate cover, I provided a legal opinion from Legislative Legal Services. Rep. Cowdery also asked the governor for an Attorney General's opinion. We are covering all bases and wish to have an Advisory Opinion on the question:

"Do public members who volunteer on a legislative advisory council fall under the requirements of the ethics code, including the conflict of interest requirements?"

Because there are so many volunteers involved, we would like to have this issue resolved promptly. As always your assistance is appreciated. Please call on me if you need additional information.

Regards,
Marco P.

LEGAL SERVICES

**DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

September 7, 1999

SUBJECT: Application of conflicts of interest provisions (CCS SB 33)

TO: Representative John Cowdery
Attn: Marco Pignalberi

FROM: Tamara Brandt Cook
Director

You have asked how conflicts of interest provisions might apply to members of an advisory council appointed under CCS SB 33. That act establishes the Commission on Privatization in the legislative branch and authorizes the Commission to appoint an advisory council. These members "are not eligible for compensation, per diem, or payment of travel or other expenses by the state." (Ch. 61, SLA 1999 (CCS SB 33), Sec. 3(b))

AS 24.60 (Standards of Conduct) generally applies to the legislative branch of government and it contains several provisions that address conflicts of interest issues. (AS 24.60.030, AS 24.60.040, AS 24.60.050, AS 24.60.070, AS 24.60.080, AS 24.60.085, AS 24.60.090, AS 24.60.100) All these conflicts of interest provisions apply to a legislator or legislative employee. (AS 24.60.020) The term "legislative employee" is defined in AS 24.60.990(10). Because compensation is required as part of the definition and the advisory council members appointed under CCS SB 33 are not compensated, in my opinion the majority of the conflicts of interest provisions do not apply to these members. A few of the conflicts of interest provisions do apply to another person who is acting on behalf of a legislator or legislative employee (see AS 24.60.030(d) for example), and a few apply to a member of the immediate family of a legislator or legislative employee (see AS 24.60.040 for example). However, serving on an advisory council alone will not bring a person within the coverage of even these provisions.

In conclusion it is my opinion that the conflicts of interest provisions of AS 24.60 do not apply to members of an advisory committee appointed under CCS SB 33, but be aware that the Select Committee on Legislative Ethics has authority to construe and apply AS 24.60 and that my opinion will not bind or influence the Select Committee. Advice can be requested directly from the Select Committee. (AS 24.60.158, AS 24.60.160)

TBC:pl
99-125.plm

July 1999

July 1999							August 1999						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
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Monday	Tuesday	Wednesday	Thursday	Friday	Sat/Sun
			July 1	2	3
Education = 15	15	CEC = 15	15		
DNR = 11	11	Correct = 9	9		
DEC = 12	12	HESS = 24	24		
Admin = 10	10				
DOT = 15	15	Law = 8	8		
F & G = 11	11	Public Safety = 8	8		
Courts = 11	11	DMVA = 4	4		
Labor = 10	10	University = 8	8		
Revenue = 7	7	Legis = 2	2		
Gov = 8	8	Hydro = 4	4		
9:00am Full Commission		AR/RR = 10	10		
		FC = 10	10		
12:00pm Education	11:30am Admin	12:00pm DNR 1:00pm DEC		12:00pm Education	

205
total

As of
Dec 1

August 1999

August 1999

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September 1999

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September 1999

September 1999						
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October 1999

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November 1999

November 1999

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8 8:30am DOT 14 11:00am ss HESS (DFYS, Juven)	9 11:00am H & SS 15 1:30pm CED 12	10 9:00am FC: LEG/ADMIN/COURT 10:00am UNIV AK 6	11 VETERANS DAY	12 10:00am *DOT (6th FL) 13 10:30am DPS 8 11:00am ss Joint Juvenile Justice 1:00pm ss PUBLIC HEALTH (H 1:30pm ss CED AK RR 3:00pm *ss CED - HYDRO (6 3:00pm F & G 11	13
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29 3:00pm AK RR 5	30 9:00am FC: DMVA/REV:AHFC/	FC: AK RR 10 6			28
12/1					

December 3 1999

Debbie,

Here's a list of the subcommittees by department, including names of the subcommittee members.

Please use this list to make up the Certificates of Appreciation.

Also attached is a list of the departmental liaisons. They should get separate letters acknowledging their co-operation.

Privatization Commission Departmental Contacts

DEPT	NAME	WK PHONE	FAX	EMAIL
ADFG	Bosworth, Robert	465-6140	465-2332	RobertB@fishgame.state.ak.us
ADFG	Bruce, Geron	465-6143	465-2332	Geron_bruce@fishgame.state.ak.us
ADFG	McDowell, Mary	789-6160	789-6170	mary_mcdowell@cfec.state.ak.us
ADM	Elgee, Allison	465-2200	465-2135	Allison_Elgee@admin.state.ak.us
CED	Wolf, Greg	269-8115	269-8125	Greg_Wolf@commerce.state.ak.us
CORR	Richards, Bruce	269-7394	269-7390	Bruce_Richards@correct.state.ak.us
COURT	Wooliver, Doug	264-8265	264-8291	Dwooliver@courts.state.ak.us
DEC	Siroky, Mary	465-5298	465-5274	Msiroky@envircon.state.ak.us
DHSS	Anderson, Stacey -Alt	465-3030	465-3068	
DHSS	Clarke, Janet	465-3030	465-3068	Janet_Clarke@health.state.ak.us
DHSS	Lindstrom, Elmer	465-1613	465-3068	Elmer_Lindstrom@health.state.ak.us
DMVA	Chase, Jim	428-6854	428-6019	Jim_Chase@ak_prepared.com
DNR	Rutherford, Marty	269-8431	269-8918	Marty_Rutherford@dnr.state.ak.us
DOE	Rehfeld, Karen	465-8650	465-3452	Karen_Rehfeld@educ.state.ak.us
DOTPF	Parkan, Kurt	465-6977	586-8365	Kurt_Parkan@dot.state.ak.us
DPS	Smith, Del	465-4322	465-4362	Delbert_Smith@dps.state.ak.us
GOV	McConnell, Annalee	465-4660	465-3008	Annalee_McConnell@gov.state.ak.us
LABOR	Perkins, Dwight	465-2700	465-2784	Dwight_Perkins@labor.state.ak.us
LAW	Kasson, Joan	465-5370	465-2075	Joan_Kasson@law.state.ak.us
LEGIS	Pam Varni	465-3800	465-3234	Pamela_Varni@legis.state.ak.us
REV	Owen, Dana	465-2302	465-2389	Dana_Owen@revenue.state.ak.us
UAA	Redman, Wendy	474-7984	474-7570	Wendy.redman@alaska.edu

COMMISSION ON PRIVATIZATION VOLUNTEER ADVISORY COUNCIL PANELS

ADFG	Treadwell	Mead	343-2218	343-2211	258-7784	Institute of the North, APU	meadow@alaska.net		0	0	0	0
ADFG	Aspelund	Sue	424-3447	424-3430	424-4339	Cordova District Fisherman United	cdu@alaska.net		0	0	0	0
ADFG	Beaver	Robert	465-2332	465-2332	0	Department of Fish & Game - Contact Individual		0	0	0	0	0
ADFG	Brice	Tom	456-7423	451-9293	0	Alaska State Legislature - House	Representative Tom Brice@legis.state.ak.us		0	0	0	0
ADFG	Brice	Tom	456-7423	465-2332	0	Dept of Fish & Game - Primary Contact Individual	garnon_bruce@fishgame.state.ak.us		0	0	0	0
ADFG	Burke	John	225-9605	225-1348	225-0825	United Fisherman's /SE Regional AquaCulture	johnburke@worldnet.att.net		0	0	0	0
ADFG	Daugherty	Amy	463-2588	463-1538	0		amy_daugherty@hotmail.com		0	0	0	0
ADFG	Fields	Duncan	486-8835	486-8393	0		dfields@alaska.net		0	0	0	0
ADFG	Judkins	Cliff	373-3591	373-3592	0	AK Boating Assoc.	cljudkins@customco.com		0	0	0	0
ADFG	Kelly	Dale Ms.	586-9400	586-4473	0	United Fisherman's		0	0	0	0	0
ADFG	Kemper	Steve	244-2243	688-8833 call	688-8833	President, Christian Sportman's Assn.	arowalino@aol.com		0	0	0	0
ADFG	Knowles	Bruce	745-4965	745-4965 call	232-5873	Big Fisherman Charters	biolish@mainet.com		0	0	0	0
ADFG	Madsen	Stephanie	586-6366	586-4618	0	Pacific Seafood Processors	aspa@alaska.net		0	0	0	0
ADFG	McDowell	Mary	789-6160	789-6170	0	Dept of Fish & Game -Contact Individual: Limited Entry	mary_mcdowell@dec.state.ak.us		0	0	0	0
ADFG	Norosz	Kris	772-4294	772-4472	772-3520	Ice Seafoods	krisn@iceseasfoods.com		0	0	0	0
ADFG	Patterson	Jeff	522-8368	522-8383	440-3201	Alaska Recreational Mgmt, Inc.	bjcpatterson@yahoo.com		0	0	0	0
ADFG	Patterson	Jeff	522-8368	522-8383	440-3201	Alaska Recreational Mgmt, Inc.	bjcpatterson@yahoo.com		0	0	0	0
ADFG	Simpson	Pat	563-3474	563-3442	345-5007	Sol Fishery Systems	spilish@alaska.net		0	0	0	0
ADFG	Strong	Ed	276-3735	276-3740	0	The Accessory Shop (Mechanic at Merrill Field)		0	0	0	0	0
ADFG	Strong	Ed	276-3735	276-3740	0	Kodiak Fishery		0	0	0	0	0
ADFG	Blessington	Bill	688-3959	688-3959	0	McBrainey Kilorum & Blessington	bbless@ainbad.net		0	0	0	0
ADFG			0	0	0			0	0	0	0	0
ADFG			0	0	0			0	0	0	0	0
DM	Henri, Esq.	Joe	279-1493	279-4785	333-7505	South Central Timber Development, Inc.	acld@alaska.net		0	0	0	0
DM	Allen	Bill	459-2100	451-7274	0	Doyon Properties	allenb@doyon.com		0	0	0	0
DM	Coghil	Jack	488-6116	488-6992	0	LI Gov.	N/A		0	0	0	0
DM	Cottrell, cpe	David	278-8878	278-5779	345-8392	Mikunda Cottrell & Co.	dcottrell@mcc-co.com (Sandy)		0	0	0	0
DM				465-2135	0	Dept of Admin - Individual Dept Contact	Allison Flores@admin.state.ak.us		0	0	0	0
DM	Fox Worthington	John	261-6430	261-6520	0	CTG Information Technology Services	john.worthington@ctg.com		0	0	0	0
DM				456-9031	0		ranchmotel@mosquitonet.com		0	0	0	0
DM	Hochstein	Spence	273-1635	273-1899	562-6137	Michael Baker Jr., Inc.	shochstein@mbaker.com		0	0	0	0
DM	Liston	Donn	463-4977	463-4950	0	ASEA	donni@asea.info.mxm.com		0	0	0	0
DM	Marlone	Paul	349-7506	349-4398	0	AT Publishing	alpub@alaska.net		0	0	0	0
DM	McLeod	Andree	561-8595	561-3757	561-8595		mcleodak@alaska.net		0	0	0	0
DM	Nelson	Dale	258-5755	258-5766	276-3411	CCI, Inc. 230-5416 call#	nelsonce@concentric.net		0	0	0	0
DM	Norman	Janelle	565-6245	565-3288	248-1045	North Mail, Inc	alaskamail@customco.com	5720 B St	0	0	0	99518
DM				463-3489	0	Exec. Dir., Juneau Chamber of Commerce	juneaucc@alaska.net		0	0	0	0
DM	Quinn	Lewis	777-1500/244-1730	777-1515	777-1500	Capital Office Supply	lquinn@capital-office.com		0	0	0	0
DM	Rowe	Jim	563-4000	562-3778	0	ATA		0	0	0	0	0
DM	Springer	Carl	269-5568	269-6084	269-5568	DMV and APEA	Carl.Springer@admin.state.ak.us		0	0	0	0
DM	Stewart	Scott	277-7555	277-9295	338-2155	Arctic Controls, Inc.	astewart@arcticcontrols.com		0	0	0	0
DM				279-7171	0	Public Employees Local 71 AFLCIO	local71@alaska.net		0	0	0	0
DM	Wagner	Tom	586-8011	586-8012	0		twagner@alaska.net		0	0	0	0
DM	Wakefield	Gerri	272-7878	274-5270	0	Auto Title Services of Alaska	gwakefield@oreland.net		0	0	0	0
DM	Wayne	Dan	586-2770	586-6333	0	Attorney at Law	danwayne@pci.net	326 4th Street Suite B	0	0	0	99501
DM			0	0	0			0	0	0	0	0
DM			0	0	0			0	0	0	0	0
DM			0	0	0			0	0	0	0	0
ED	Johnson	Craig	762-1844/242-6380	583-4744	0	AK Journal of Commerce		0	0	0	0	0
ED	Wareham	Lee	688-2540	688-4008	229-0306	International Path Finder	chwancak@aol.com	24885 Teal Loop	0	0	0	99677
ED	Anderson	Chris	274-2739	277-1033	344-7590	Glacier Brewhouse Restaurant	canderson@glaciabrewhouse.com	737 West 5th Avenue	0	0	0	99501
ED	Crawford	Jim	263-0722	263-0799	0	City Mortgage	crawford@citymortgagealaska.com		0	0	0	0
ED	Davidge	Rick	373-9045	373-9089	0	Community Planner	rdavidge@ci.wasilla.ak.us		0	0	0	0
ED	Fox	Dale	277-5706	277-5700	248-6295	Chenega Corporation	dfox@chenega.com	4000 Old Seward #101	0	0	0	99503
ED	Furman	Gene	345-1755	345-6281	0	CPA	furman@alaska.net	3500 Spinnaker Drive	0	0	0	99516
ED	Haxby	John	345-6800	345-0311	248-6040	Waukesha Alaska Corporation	john@acim.com	PO Box 111088	0	0	0	99511
ED	Holmes	J.D.	745-8506	745-7557	0	Alaska Energy Products, Borough Assembly	jholmes@postman.net		0	0	0	0
ED	Kim	Henry	258-1234	258-4949	0	Topex Industries	topexinc@aol.com	7640 King St	0	0	0	99518
ED	Leary	Linda	276-7797	278-7301	244-3774	Carlisle Enterprises	leary@carlisle.com	1800 E. 1st Avenue	0	0	0	99501
ED	Levi	Steve	440-7444/337-2021	337-4485	0	Parsnackie	stlvi@alaska.net		0	0	0	99501
ED	Nichols	Mel	562-2000 x 205	801-838-0486	250-0483	DOWL	mnichols@dowl.com		0	0	0	0
ED	Ripley	Justin	245-0900	245-0300	248-8787	Alaska Tour & Travel	justin@alaska.net	PO Box 221011	0	0	0	99522
ED	Rouse	Steve	258-2878	276-7255	244-8421	MAKE IT ALASKA, Inc.	makelak@alaska.net		0	0	0	0
ED	Sanders	Jim	269-4591	269-4539	0	ASEA	jim_sanders@doed.state.ak.us		0	0	0	0
ED	Schlotfeldt	Dennis	452-3663	456-6803	0	Pacific Movers	pacificmovers@mosquitonet.com		0	0	0	0
ED	Schroer	Don	272-5668	277-1964	0				0	0	0	0
ED	Smimoff	Steve	349-5481	522-1489	0	Transmart Corp	bahemes@alaska.net	1331 Barnister	0	0	0	99516
ED	Smith	Don	276-4325	276-2500	229-7079	Alaska Native Directory	alaskadir@prodigy.net	3581 Kachemak Circle	0	0	0	99503
ED	Southall	Bob	265-7118	265-7175	0	Hilton Anchorage	bob_southall@hilton.com	2400 Spenard Rd #1	0	0	0	99501
ED	Thomas	Kathryn	776-5515	776-5132	0	Alaska State Chamber of Commerce	acclunc@alaska.net	500 West 3rd Ave	0	0	0	99511
ED	Walt	Steve	562-8444	562-8444	0	Dept of Commerce - Individual Dept Contact		Box 3005	0	0	0	0

SED	Wuerch	George	563-2737	561-3793	0	Municipality of Anchorage	wuerch@alaska.net		0	Anchorage	AK	0
SED	Zong	Ken	278-1700	278-1994	727-1174	Pan A Travel	pan-a@customcpu.com	3020 Minnesota Drive	0	Anchorage	AK	99503
SED			0	0	0				0			0
SED			0	0	0				0			0
SED			0	0	0				0			0
IRRC	Wareham	Lee	688-2540	688-4009	229-0308	International Path Finder	chwancak@aol.com		0			0
IRRC	Cottrell, cpa	David	278-8878	278-5779	0	Mikunda Cottrell & Co.	dcottrell@mcc-cpa.com (Sandy)		0	Anchorage	AK	0
IRRC	Furman	Gene	345-1755	345-6281		CPA	furmco@alaska.net		0			0
IRRC	Haxby	John	345-6800	345-0311	248-8040	Wausheka Alaska Corporation	john@acfm.com		0			0
IRRC	Sanders	Jim	269-4591	269-4539	0	ASEA	jlm_sanders@dcad.state.ak.us		0			0
IRRC	Schroer	Don	272-5668	277-1964	0		dons3ak@oci.net	1331 Bannister	0	Anchorage	AK	0
IRRC	Thomas	Kathryn	776-6515	776-5132	0	Alaska State Chamber of Commerce	asccluno@alaska.net		0			0
IRRC	Wilson	Samantha	277-1127	278-2538		sdwmoney@alaska.net	#REF!		0			0
IRRC			0	0	0				0	Fairbanks	AK	0
IRRC			0	0	0				0			0
YDRO	Wareham	Lee	688-2540	688-4009	229-0308	International Path Finder	chwancak@aol.com		0			0
YDRO	Carlson	Dave	772-4203	772-9287	772-3765		dcarlson@alaska.net		0			0
YDRO	Friesen	Tom		225-0568	225-4905				0			0
YDRO	Sapp	Walt	488-6990	488-2441	488-3386	Cell: 528-8743	wsapp@alaska.net		0			0
YDRO	Wilkinson	Robert	822-8340	822-5586	822-3112	Copper Valley Electric	wilkinson@cves.org	PO Box 45	0	Glennallen	AK	0
YDRO	Yould	Eric	561-6103	561-5547	745-8367	ARECA Cell: 441-7483	eric@areca.org	703 W Tudor Rd	0	Anchorage	AK	0
YDRO	Laufer	Keith	269-3000	269-3044	345-9090	Alaska Energy Authority	klaufer@alaska.net	480 W Tudor Rd	0	Anchorage	AK	0
YDRO			0	0	0				0			0
YDRO			0	0	0				0			0
ORR	Anderson	Sharon	229-5324		0	Health Information Institute	fishhatic@alaska.net		0			0
ORR	Dyson	Fred	694-6683	694-1015	0	House of Representatives - State of Alaska			0	Eagle River		0
ORR	Lewis	Russell	258-0106	258-5519	276-0123	Oles Morrison Rinker & Bathcer	lewis@oles.alaska.com		0			0
ORR	Miller	Barbara	376-5636	376-5609	0	Miller Investments			0	Wasilla		0
ORR	Pate, Esq.	Mary	279-0930	279-0933	0	Eide & Miller			0			0
ORR	Pease	Greg	780-3011	780-4098	0	Gastineau Human Services	ghs@alaska.net		0	Juneau		0
ORR	Perrin	Keith	337-1979	337-1753	0	Bus. Mgr., PSEA			0			0
ORR	Perrin	Keith	337-1979	337-1753	0				0			0
ORR	Richards	Bruce	229-7594	229-7594	333-4415	Department of Corrections - Department Contact	Bruce_Richards@correc.state.ak.us		0	Anchorage		0
ORR	Schubert	Gail	222-7100	222-7198	244-8711	Foster, Pepper, Rubini & Reeves	schub@foster.com		0			0
ORR	Tipton	Mel	279-7654	278-0885	274-0215	Tipton Development			0			0
ORR	Utterback	Greg	274-6667	274-3825	0	Cornell Corrections- 713-598-2117	utterback@cornellcorrections.com		0			0
ORR	Ward	Jerry	269-0106	269-0109	0	Alaska State Legislature - Senate	Senator Jerry Ward@legis.state.ak.us		0			0
ORR	Warren	Garland	276-7211	279-7171	333-8774	Public Employees Local 71	71garland@pobox.alaska.net		0			0
ORR			0	0	0				0			0
ORR			0	0	0				0			0
ORR			0	0	0				0			0
CURT	Harris	Joyce	458-8702	458-8702 call	458-8702	Court Visitor Services	lrnorth@oci.net		0	Fairbanks	AK	0
CURT	Jarvi	"B"	458-8850	458-8860	457-1500	Professional Guardian Services Corp	jarvi@alaska.net		0	Fairbanks	AK	0
CURT	Adams	Al	465-3707	465-4821	0	Alaska State Legislature - Senate	Senator Al Adams@legis.state.ak.us		0	Juneau	AK	0
CURT	Gibson	Susan	262-1840	262-6163	262-4853	Paralegal			0	Kanai	AK	0
CURT	Leon	Edward	229-1042	243-6061	243-5337	The Leon Company	edleon@alaska.net		0	Anchorage	AK	0
CURT	Peavyhouse	Ken	333-4881	N/A	333-4881	N/A	pvhouse@alaska.net		0	Anchorage	AK	0
CURT	Rogers, M.D.	Don	349-9104	522-5405	349-9104		N/A		0	Anchorage	AK	0
CURT	Rollins	Charles	488-9030	488-9030 call	488-9030	Fairbanks North Slope Borough	chuck@mosquitos.net		0	Fairbanks	AK	0
CURT	Tamagni	Al	522-3108	562-1366	0		atamagni@alaska.net		0	Anchorage	AK	0
CURT	VanHatten	Coleen	488-4524	488-2822	488-4023	Alaska Contracting & Consulting	acc@mosquitos.net		0	Fairbanks	AK	0
CURT	Weaver	Greg	269-0106	269-0109	333-8774	Alaska Court System - Contact	gweaver@courts.state.ak.us		0	Anchorage	AK	0
CURT			0	0	0				0			0
CURT			0	0	0				0			0
CURT			0	0	0				0			0
EC	Norton	Virgil	778-5481/250-9594	278-6291	0	Contractor			0	Kanai		0
EC	Allen	Bob	283-9003	283-8118	0	Doyon Properties	allenb@doyon.com		0	Fairbanks		0
EC	Andress, PE	Gus	283-9003	283-8118	0				0			0
EC	Brookman	Jerry	283-9329	283-7180	0	Oil Spill Prevention & Response Comm. PWSRC			0	Kanai		0
EC	Bucklin	Keith	561-1911 x110	561-4650	0	AudioVideo, Inc.	kbucklin@aviac.com		0			0
EC	Conroy	Mike	277-2021	274-8683	0	Dept of Environ Conserv - Department Contact	mconroy@environ.state.ak.us		0	Juneau		0
EC	Conroy	Mike	277-2021	274-8683	0	VP, Trident Seafoods	dconroy@alaska.net		0			0
EC	Gillilan, PE	Bob	277-2021	274-8683	0	Gillilan Engineering & Environmental Testing, Inc.	bob_gillilan@ge21.com		0			0
EC	Hampton	Paul	278-2551	277-9736	0	CH2M Hill	phampton@ch2m.com		0			0
EC	Hampton	Paul	278-2551	277-9736	333-0372	Kuskokwim Corporation	mch@kuskokwim.com		0			0
EC	High, PE	Dee	244-1385	344-1383	0	DHI Consulting Engineers			0			0
EC	Homer	Greg	257-5000	257-5007	0	Ecology & Environment, Inc	ghomer@ene.com		0			0
EC	Lawrence	Bill	463-4870	463-4871	0	Environmental			0	Juneau		0
EC	Madson	Stephanie	586-8368	586-4618	0	Pacific Seafood Processors	smadson@pacfish.net		0			0
EC	Mapes, PE	Greg	248-8883	248-8884	0	Montgomery Watson, PEPP	gmapes@mw.com		0			0
EC	McConkie	Vern	278-4373	279-2900	0	Publisher, Alaska Business Monthly	publisher@akbizmag.com		0			0
EC	Greenstar				0	Greenstar (Environment in Business)	greenstar@alaska.net		0			0

LABOR	Smith	Clerk	866-2239	349-1806	563-3090	Aurora Electric	csmith@auroraelec.com		0	0	0	0
LABOR	Spalding	Jim	761-9218	761-9349	0	Mataruska Electric Association	avlon8@aol.com		0	0	0	0
LABOR	Watterson	Bill	563-7441	563-7222	243-3290	Watterson Construction	wcc@alaska.net		0	0	0	0
LABOR			0	0	0				0	0	0	0
LABOR			0	0	0				0	0	0	0
LABOR			0	0	0				0	0	0	0
LAW	Johnson	Mark	346-3860	N/A	0		ballo@corecom.net		0	0	0	0
LAW	Brandt-Erichsen	Scott	228-6635	247-6625	0	Ketchikan Gateway Borough	borovaty@kin.net	0	Ketchikan		0	0
LAW	Call	Blake	274-7522	263-8320	0	Hughes, Thomass, Powell, Huddleston & Bauman	bhc@hslaw.com	0		0	0	0
LAW	Cowdery	John	269-0222	269-0223	0	Alaska State Legislature - House	Representative John Cowdery@legis.state.ak.us	0	Anchorage		0	0
LAW	Kasson	Joan	466-6666	466-6666	0	Dept Of Law - Department Contact	Joan_Kasson@law.state.ak.us	0	Juneau		0	0
LAW	Kinneen	Pete	279-3323	243-7679	727-3323	Litigation Support Services	mcveighrichard@netscape.net	0	Wasilla		0	0
LAW	McVeigh	Richard	373-8035	373-8036	0			0		0	0	0
LAW	Oberly	William	276-8500	258-7282	0		santama@hotmail.com	0	Fairbanks		0	0
LAW	Rollins	Betty	488-9030	488-6614	488-6614	Paralegal, founder Badger Safe Water Assn.	lowrs@moscoultonai.com	0	Fairbanks		0	0
LAW	Satterberg	Bill	452-4454	452-3988	0	Lawyer		0	Juneau		0	0
LAW	Weyhrauch	Bruce	463-5566		0		crc@chupach.net	733 West 4th Ave Suite 6	Anchorage	AK	99501	
LAW			0	0	0			0		0	0	0
LAW			0	0	0			0		0	0	0
LAW			0	0	0			0		0	0	0
LEG	Knudson	Kip	248-4422	266-8383	244-1920	ERA Aviation, Dir of Marketing	politey@alaska.net		0	0	0	0
LEG	Duke	Kim	267-3600	267-3156	0	Ak Petrol. Contractors	kim_duke@natchio.com	6700 Arctic Spur Rd	Anchorage	AK	99518	
LEG	English	Candi	265-6276		0	ARCO/ Prudhoe Bay	canolish@mail.arco.com			0	0	0
LEG	Fenerty	Harriet	345-6448	345-6448	0	Events Planning		0	2330 Innes Circle	Anchorage	AK	99515
LEG	Fanley	Mark	563-9519	563-9464	0	Anadarko Petroleum Corp	mark_fanley@anadarko.com	3201 C St Suite 603	Anchorage	AK	99503	
LEG	Hawker	Mike	346-3142	346-3142	250-6003	Michael C Hawker, CPA	mhawker@oilalaska.net	PO Box 111329	Anchorage	AK	99511	
LEG	Heatwole	Mike	276-6353	276-1042	0	Bradley Reid	mike.heatwole@brcomm.com	1840 S. Bragaw #200	Anchorage	AK	99508	
LEG	Hendrickson	Ed	263-4980	263-3748	0	ARCO	ehendri@mail.arco.com	700 G Street Suite 920	Anchorage	AK	99501	
LEG	Norquist	Cindy	265-2153	265-2701	0	NBA	akanofake@aol.com	PO Box 113011	Anchorage	AK	99501	
LEG	Vam	Pam	465-3800	465-3800	0	Legislative Affairs - Contact Individual	pam_vam@legis.state.ak.us	130 Seward St #313	Juneau	AK	99801	
LEG			0	0	0			0		0	0	0
LEG			0	0	0			0		0	0	0
LEG			0	0	0			0		0	0	0
REV	Pease	MaryAnn	297-3097	297-3153	345-6322	Alaska Communications System	mpease@akcomsys.com		0	0	0	0
REV	Barry	Mike	344-2581	349-2411	243-4039	Dimond Center	mbdcm@aol.com		0	0	0	0
REV	Duszynski	Terry	479-3324	479-9319	479-3324	Duszynski & Assoc	tduszynski@compuserve.com		0	Fairbanks		0
REV	Griffith	Joe	762-4740	762-4514	696-1868	Chugach Electric	joe_griffith@chugachelectric.com		0		0	0
REV	Hoffman	Buz	357-3101	357-3102 call	357-3101		buz@GCI.net		0	Wasilla		0
REV	Main	John	269-6832	787-3135	345-2161	APEA	MJTAKAHASHI@NETSCAPE.NET		0		0	0
REV	McQuay	Frank	466-6666	466-6666	243-2999	GCI	fmquay@GCI.com		0		0	0
REV	Roberts	Leisa	265-6092	265-1515	696-0624	Department of Revenue - Dept Contact		0	Juneau		0	0
REV	Schmedt	Greg	696-6666	696-6666	276-8503	ARCO, Alaska	lroberts3@mailarco.com		0		0	0
REV	Steinberg	Leonard	258-2000	258-2001	272-3763	Century 21 Crawford Real Estate	crawford@aol.com		0		0	0
REV	Timmons	Gerald	456-7195	455-8885	455-7195	Brens Bell & Clarkson	lsteinberg@brenlaw.com		0		0	0
REV	Wooten	George	563-2767	561-3793		Timmons Contracting, Inc.	gtimmons@oilalaska.net		0	Fairbanks		0
REV			0	0	0	Municipality of Anchorage	wwerch@alaska.net		0		0	0
REV			0	0	0			0		0	0	0
REV			0	0	0			0		0	0	0
REV			0	0	0			0		0	0	0
JAA	Frasca	Cheryl	258-2331	258-2332	240-8923		cfrasca@alaska.net	2415 La Honda Drive	Anchorage	AK	99617	
JAA	Allen	Bill	460-3100	460-7274	0	Doyon Properties	allenb@doyon.com	714 4th Avenue Suite 302	Fairbanks	AK	99501	
JAA	Andrews	Sharon	456-7423	456-7423	0	The Andrews Group	sandrawa@legis.state.ak.us	2627 C Street	Anchorage	AK	99503	
JAA	Brice	Tom	456-7423	451-9293	0	Alaska State Legislature - House	Representative Tom Brice@legis.state.ak.us	119 N Cushman St #205	Fairbanks	AK	99701	
JAA	Curwen-Boyles	Rhonda	456-1997	451-7894	0	Fairbanks Chamber of Commerce	akwand@oilalaska.net	1859 Airport Way	Fairbanks	AK	99701	
JAA	Fink	Tom	279-2522	279-2566	0			0	1360 W. 23rd Ave	Anchorage	AK	99503
JAA	Fredricks	Jan	274-7232	274-9524	0	Small Business Development Center	janaf@uaa.alaska.edu	430 West 7th #110	Anchorage	AK	99501	
JAA	Jensen	Wayne	586-1070	586-3959	364-2474	Jensen Yorba Lott, Inc. Architects	wayne@jensenyorbaiott.com	522 West 10th St	Juneau	AK	99801	
JAA	Price	Wayne	562-6644	562-6641	227-4872	ARCO - FBKS	sporier@mail.arco.com	122 First Ave Suite 102	Fairbanks	AK	99701	
JAA	Price	Wayne	562-6644	562-6641	227-4872	Energy Masters International	k.wayne.price@emasters.com	#REF!	Anchorage	AK	99508	
JAA	Redman	Wendy	474-7370	474-7370	0	University of Alaska - Contact Individual	wendy.redman@alaska.edu	PO Box 755000	Fairbanks	AK	99775	
JAA	Users	Nancy	563-4567	561-4857	0	AK USA Federal Credit Union	nusers@alaskausa.com	6610 Lakeway Drive	Anchorage	AK	99502	
JAA	Wallace	Chick	456-8000	456-8329	0		chick@moscoultonai.com	522 W 10th St	Juneau	AK		0
JAA	Wilson	Tom	337-7123	332-0030	0		snwrth@alaska.net	3820 Lake Ols	Anchorage	AK	99504	
JAA			0	0	0			0		0	0	0
JAA			0	0	0			0		0	0	0
JAA			0	0	0			0		0	0	0
JAA			0	0	0			0		0	0	0

FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR AND THE LEGISLATURE

Pursuant to CSSB33, the Commission on Privatization and Delivery of Government Services makes the following report. CSSB33 states that the annual cost of state government is exceeding the annual revenue and that our commission is to study government services and make determinations along the following lines;

1. Services that should be eliminated.
2. Services that ought to be contracted out to private organizations.
3. Services that ought to be performed by local government or regional service organizations.
4. Services that ought to be performed by the federal government.
5. Services that ought to be consolidated for efficiency purposes.
6. Services that can most effectively and efficiently be delivered by the state.

This commission appointed 20 subcommittees to review the various elements of state government. There were about 250 people active on these subcommittees. Each subcommittee returned a report and, in the aggregate, made 291 recommendations for changes. The commission considers most of the recommendations to be very valid and ought to be followed by the state government.

In an attempt to zero in on a limited number of those recommendations, each commissioner was asked to prepare a list of recommendations that he or she wanted to take up in the full committee. The committee then took up, discussed, and voted upon those recommendations that each committee member put forward during our meeting. The commission members did not put forward all of the items which were listed on each of their personal privatization recommendations list.

The following 19 recommendations received majority approval of the commission members:

(List 19 recommendations)

Also attached to this report are the individual commissioner's list of recommendations, a list of the 291 recommendations made by all the subcommittees with the backup material, a copy of each of the subcommittee's full report, and a list of the subcommittee members and chairmen.

We did not vote on all the subcommittees' recommendations as time did not permit a full review. The Privatization Committee did meet with each of the subcommittees to receive their written and oral reports.

We recommend that the administration and the legislature follow through on the recommendations of this commission and that the appropriate legislative committees review all of the recommendations of the subcommittees.

This commission expires on January 1, 2000, but all the members of this commission and the members of the subcommittees are available to the legislature or the Governor.

Cowdery

Ward



The Clearinghouse

State International Policies

Southern Growth Policies Board • Vol. 10, No. 2 • February/March 2000

Latest News

Dear Faithful Reader:

We are updating our distribution list. With few exceptions, only those people who specifically request it will receive future issues of this publication. (Board and associate members of the Southern Growth Policies Board will continue to receive it automatically.) In addition, we are beginning to transition from a print version to an online version. Hard copies will remain free, at least for the time being, but we would like to offer our readers an electronic alternative. To continue receiving this newsletter, please provide the information requested on the back page. You may mail or fax it as indicated, or you may e-mail the information to cconway@southern.org. You can also call (919) 941-5145.

U.S. Subsidiaries Creating U.S. Jobs

According to a new report from the Washington-based Organization for International Investment, U.S. subsidiaries of international companies now employ 5.3 million people in the United States, and reinvest almost half their earnings back into U.S. operations. According to the report, *American Jobs*, employment in these companies has increased by as much as 60 percent in the past 10 years.

International Student Exchange Growing

The most recent issue of *Open Doors*, an annual report on international educational exchange, indicates there were 490,933 international students in the United States during the 1998-99 academic year, up 2 percent over last year's total. The report goes on to say that international education contributes \$13 billion to the U.S. economy. The most heartening news, however, is that the number of U.S. students studying abroad was 113,959 in 1997-98, the most recent year available — a remarkable 15 percent more than the previous year.

Wisconsin Initiative Aims to Create a Global Generation

There is a shortage of workers and managers with international skills and experience. In the past, U.S. exporters could hire talented immigrants and foreign nationals to staff their international sales efforts. But now that a significant share of U.S. businesses are involved in global trade, they are feeling the pinch. And the need for international talent extends beyond a single sales manager position; modern business requires all kinds of workers and managers to communicate directly with customers and develop products with partners around the world.

Wisconsin is one state that has tackled this educational deficit head-on. Although most of its initiative focused on changing the educational system, the governor turned first to his trade and commerce leaders for guidance. The initiative was jointly funded by the Commerce Department and the University of Wisconsin; an insurance company donated \$50,000 for dissemination of the report.

Mary Regel, the state's trade director, participated in the initiative and is an enthusiastic supporter of the outcomes and process.



Background

In the fall of 1997, Gov. Tommy Thompson called on his Wisconsin International Trade Council to form a task force "to study our international education programs to ensure that young people throughout Wisconsin are properly trained and prepared to become the first truly global generation."

One of the co-chairs of the Task Force on International Education was Milton Neshek of Kikkoman Foods Inc. The other was Roger Axtell, noted author and lecturer on foreign business etiquette. (Perhaps as a result of his work with the task force, and the governor's desire to see its recommendations implemented, Axtell was recently appointed to the Board of Regents for the University of Wisconsin.) Twenty-five leaders from business,

continued on page 2...

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- Midwestern States Take a Collaborative Approach — page 3
- State Overseas Trade Offices — page 4

The Clearinghouse is a project of the Southern International Trade Council, an advisory body to the Southern Growth Policies Board, formed to address the complex challenges and enormous opportunities presented by the rapid globalization of the South's economy. For more information about this newsletter, direct inquiries to Carol Conway at (919) 941-5145 or e-mail cconway@southern.org.

... Program Profile, continued from page 1

government and academia served on the task force, including Regel, and more than 100 more served on its seven committees.

The task force held that "tomorrow's citizens must be globally literate and linguistically capable." Beyond basic literacy, people must be able "to use and adapt to technology and be capable of leading healthy lives." Specifically, people need to be "geographically informed, media savvy, computer literate, technically skilled, artistically communicative, comfortable in relationships with other cultures, and proficient in a language besides English." The task force set forth the additional goal of active involvement by the business community, which has a huge stake in workforce readiness.

The task force adopted 45 recommendations from the committee reports. Highlights follow.

Ramp Up and Diversify Study Abroad

Programs such as study abroad are the single most effective way to globalize the minds of both students and teachers. This holds true whether the program is for one week or a full semester.

Accordingly, the task force recommended that funds from the public and private sectors be used to allow a significantly larger number of students and teachers to travel and study overseas. More than that, the task force wanted diversity. Those currently involved in study abroad programs are disproportionately white, female and humanities majors. To do this, the task force recommended creating the Wisconsin International Scholars program, which would use state general-purpose funds to give grants of \$1,000 to four types of recipients:

- Economically disadvantaged post-secondary students.
- K-12 students and accompanying teachers.
- Teachers in training, to complete their student teaching in a foreign country.
- Current teachers.

The task force also suggested an incentive to businesses in the form of a \$1,000 tax credit for each student they sponsor to participate in an internship experience overseas, provided it was through an approved school.

Bolster Sister City/State Relationships

Wisconsin, like other states, has a mix of active and inactive sister relationships. In addition to setting the goal of boosting the number of relationships to the national average, the task force sought to make them more sustainable. Its report noted that while Wisconsin's relationships are maintained largely by volunteers, other countries tend to have government as a partner. The state's Commerce Department was recommended as the lead entity to achieve this goal.

Increase Foreign Language Proficiency

The task force report cited research showing that learning a language early develops specific regions of the brain and affects many skills beyond communication. While foreign-language enrollments have never been higher in the state — over half of all students in grades six through 12 are in a class — this was judged inadequate.

Only 4 percent of Wisconsin college graduates have genuine foreign-language proficiency, which means the vast majority of graduates fail to qualify for the best new international jobs. In addition, only 10 percent of the state's elementary schools offer foreign-language classes, the age when it is best to develop true fluency.

Wisconsin has several elementary schools that offer immersion programs, but the task force recommended that 200 such schools offer those programs by 2015. The report also recommended that:

- K-12 schools create plans for foreign-language education.
- Elementary school teachers be encouraged to learn a second language.
- Foreign language proficiency be a graduation requirement.

To help keep these goals on track, the task force also recommended creating and staffing a permanent Governor's Council on World Languages for Wisconsin Citizens.

Other

The task force was comprehensive in its assessment of the state's international education needs. A major portion of the report dealt with increasing the state's information technology systems to allow Internet access to every home and business in Wisconsin. Another section addressed the need for increased awareness by citizens of their role in a global economy, better access to trade services for businesses, training students for jobs in international trade and internationalizing the curricula beyond social studies. And still other recommendations called for capitalizing on the skills and connections that foreign students and workers bring to the state.

Results

The task force report, *How to Create a Global Generation in Wisconsin for the 21st Century*, was presented to the governor in May 1998. According to Regel, all stakeholders have given it a warm reception. "The universities have just run with it," she said.

The task force estimated full implementation would cost at least \$3 million to \$5 million per year over the next five years.

Increased funding for the recommendations is likely to be gradual, but the report received total bipartisan support in the legislature. The legislature has passed a bill allocating \$1.5 million for need-based study-abroad scholarships for University of Wisconsin undergraduates. The first few grants have already been awarded.

Similarly, new support is being directed to the development of the state's Internet system for education. One example is the allocation of \$350,000 to develop a distance-learning program for K-12 foreign language instruction. Other initiatives are under discussion, but nothing is concrete yet.

But one of the most important results has been a new level of cooperation between universities and the technical colleges and between universities and the state trade office. The task force deliberations offered a unique opportunity for people to get to know each other. Similarly, the state trade office supports the Sister State efforts by helping to coordinate delegation visits, and in so doing is able to capitalize on the connections.

For more information, contact Mary Regel, director of international trade, at (608) 266-1767 (mregel@commerce.state.wi.us), or William Steiger, point person for the initiative out of the Governor's Office (william.steiger@gov.state.wi.us).

Early Returns

Midwestern States Take a Collaborative Approach to Trade Development through Event for Region's Exporters

A number of Midwestern states already share overseas trade offices under the auspices of the Council of Great Lakes Governors. They now have a second vehicle for trade cooperation — the Midwestern Governors' Conference (MGC) of the Council of State Governments.

In June 1997, the governors formed the Midwestern Economic Development Cooperation Council (MEDCC) as a subsidiary body of the MGC. MEDCC was established to create more effective economic-development efforts through regional cooperation, and to identify opportunities at the federal level to enhance economic development in the region.

MEDCC's member states are Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio and Wisconsin. North Dakota and South Dakota are members of MGC but have not appointed representatives to MEDCC. Each member state is represented on MEDCC by a top commerce official.

MEDCC quickly set up three working groups in trade, tourism and workforce development. The International Trade Working Group consists of a top trade officer from each state. MGC Assistant Director Ilene Grossman and an MGC policy analyst serve as staff. Administrative support is provided as needed.

It was 1998 before the working groups started meeting. The International Trade Working Group has had conference calls and sometimes meets face-to-face in Chicago. There is no formal mission statement or structure, but their charge is to suggest projects for approval by the MEDCC and to implement them.

To start the process, Indiana's trade director and chairman of the International Working Group, Carlos Barbera, informally polled the other members on their interests. The group decided on two initiatives:

- A small-scale effort to educate state legislators via regular meetings of the Midwestern Legislative Conference (an organization that is also staffed by the CSG Midwestern office) through techniques such as "table topic" discussions.
- A major U.S.-based networking event for the region's exporters.

The Strategy: Export via U.S. Shows

Whereas most states promote business networking exclusively through overseas trade events, the working group decided to test the efficacy of promotion through domestic shows.

After hearing presentations from several show organizers they targeted the National Manufacturing Week show at McCormick Place in Chicago, managed by Reed Exhibitions. That event, March 13-17, will attract about 60,000 attendees. In recent years the show has attracted some 1,500 international business participants.

Before making the final commitment, Grossman and Barbera visited the show to check it out for themselves and ask questions of

the participants. Most of the people they encountered said they would be interested in attending an international business reception. Barbera also spoke with state trade staff in Pennsylvania and Illinois, states that have some experience marketing through domestic shows. (National Manufacturing Week's Chicago show is an annual event and Illinois business officials had already been using the show to access buyers for some time.)

This year the Chicago show has the added feature of certification under the U.S. Department of Commerce's International Buyers Program. Such certification triggers recruitment support from overseas offices of the U.S. Commerce Department, and commits Reed Exhibitions to set up an international business center with space for meetings. Show organizers also pledge to provide orientation for foreign visitors. "The International Buyers Program certification was essential," Barbera says. Since most state trade offices are very busy, the working group wanted to try something that required little additional staff time. In this situation, most of the hard work of recruitment is already done. MGC staff manage most of the logistics.

The Details

The actual networking will take place at a 1½-hour reception in the show complex, right after the show floor closes on the first night. Guests pay no fee. Each state is contributing \$3,500 toward expenses and can invite up to 50 U.S. business people to participate.

States can easily build their invitation list from the directory of those registered for the show. All foreign participants will receive an invitation, and Grossman has been recruiting additional participation from the foreign consuls in Chicago.

Each state will have a designated area, tables and chairs, signs and access to translators. The international buyers will have a directory so they can know who is going to be there and where to find them at the reception.

All in all, the cooperation of Reed Exhibitions has been crucial to successful planning of the event. According to Grossman, the show organizers have gone out of their way to be accommodating.

Next Steps

This is a pilot effort, so no one can predict how it will work out. But Barbera says all participating businesses will be surveyed to gauge results, such as whether they obtained trade leads, met people they would not have otherwise encountered or established good dialog. If the event is judged a success, the working group is likely to consider repeating it, or considering another collaborative venture.

For more information, contact Ilene Grossman at (630) 810-0210 or at igrossman@esg.org.

Fact Sheet

State Overseas Trade Offices – A Network of Commercial Advocates

An overseas presence is essential for acquiring fresh intelligence about foreign market opportunities, meeting potential buyers and handling the logistics of moving people, products and ideas in and out of a country. This is true not only for multinational corporations, but for small firms, too. That is why most states have a network of personnel overseas. As South Carolina's secretary of commerce, Charlie Way, puts it, "State foreign offices are an indispensable tool in export trade development. Having someone represent our businesses' interests on a day-by-day basis is critical, especially when you're 8,000 miles away."

States have an average of more than four overseas offices each — six if you eliminate the states that have no offices at all. (See Table 1.) This is up from a decade ago, despite fiscal crunches that put a halt to rapid growth in state trade budgets.

Table 1
State Overseas Offices, Selected Years

Year	Total Number	Average Per State
2000	233	4.5
1990	163	3.1
1988	129	2.5
1986	62	1.2
1984	54	1.0

Source: NASDA State Exporter Database and U.S. Department of Commerce

Impressive as it is, it still does not approach the scale of the federal government. The U.S. Department of Commerce has commercial offices in 174 locations overseas. State and federal offices provide similar but not identical services. Both search for trade leads, match exporters with agents and distributors and handle the logistics of delegation visits. But many state trade offices are there to provide more tailored and rapid service in high-demand markets, and many also handle investment recruitment, which the federal offices do not.

Trends in State Overseas Offices

1. **Growing by sharing.** Indiana has 12 overseas offices, five of which are shared with other states. "Let's face it," says Indiana's trade director, Carlos Barbera, "demands on us are ever increasing, but governments aren't getting any bigger." Under the umbrella of the Council of Great Lakes Governors, the Midwestern states are experimenting with an array of shared offices, and may account for much of the apparent rise in total state overseas offices in the past few years. (See the Clearinghouse profile of the shared office phenomena in the December-January 1999-2000 issue.)

Multistate isn't the only form of office sharing. Kentucky's Mexico office is jointly funded by the Cabinet for Community

Table 2
Number of State Overseas Offices, by Regions

	South	West	Northeast	Midwest	Total
Asia	30	27	10	25	92
Japan	10	9	4	10	33
Taiwan	5	8	0	3	16
China	5	2	3	5	15
Korea	4	6	2	3	15
Singapore	2	1	1	2	6
Malaysia	2	0	0	0	2
Vietnam	2	0	0	0	2
Indonesia	0	1	0	0	1
Australia	0	0	0	1	1
Thailand	0	0	0	1	1
The Americas	32	10	11	19	72
Mexico	13	8	3	7	31
Canada	4	0	3	3	10
Brazil	4	0	2	4	10
Chile	4	1	1	3	9
Argentina	2	1	2	2	7
Domin. Rep.	1	0	0	0	1
Panama	1	0	0	0	1
Costa Rica	1	0	0	0	1
Venezuela	1	0	0	0	1
Colombia	1	0	0	0	1
Europe	17	11	8	16	52
Germany	7	2	3	4	16
U. K.	4	3	3	1	11
Belgium	4	1	1	4	10
Russia	0	3	0	0	3
Spain	2	0	0	0	2
France	0	1	0	1	2
Hungary	0	0	0	2	2
Netherlands	0	0	0	1	1
Poland	0	0	0	1	1
Norway	0	0	0	1	1
Sweden	0	0	0	1	1
Czech Rep.	0	0	1	0	1
Austria	0	1	0	0	1
Africa/Mid. East	7	2	3	5	17
Israel	4	1	2	2	9
S. Africa	2	1	1	2	6
Ghana	0	0	0	1	1
United Arab Emirates	1	0	0	0	1
Grand Total	86	50	32	65	233

Source: U.S. Department of Commerce Web site, www.tradeinfo.doc.gov, (as of Jan. 5, 2000), and surveys to member states of the Southern Growth Policies Board

Development and the Department of Agriculture. It's also the only Kentucky office abroad focused solely on developing trade.

2. **Getting off the state payroll.** Time zones, exchange rates and high costs of living can make overseas offices very complex and costly to operate and supervise. Many states are therefore moving to contract offices, using foreign nationals or ex-patriate Americans as their representatives. Contract offices can also be virtual — the responsibility of the contract employee.
3. **Focusing on emerging markets.** In 1988, only 14 of the 129 state offices — 11 percent — were off the beaten path. Just four states had offices in Latin America. But by 1990, there were 12 state offices in Latin America and, today, there are 62. In the space of one decade, state offices in Latin America went from representing 7 percent of all state overseas offices to 27 percent. Equally remarkable has been the rise of interest in the Middle East. There was only one state office in the region in 1990, but today there are 17. In addition, state offices in China went from three in 1990 to 15 a decade later. All told, state offices can be found in 38 countries, sometimes in several different cities.
4. **Strategic thinking about trade.** In the 1980s, many office locations were decided based on factors other than the needs of local exporters. Many were placed close to potential investors (e.g., Japan and Europe). Others were started largely because other states were already there, or because the foreign country offered free office space. But many states today are focusing on trade, as opposed to investment recruitment, and they are choosing locations based on the unique characteristics and needs of the state's exporters. Indiana's trade office, for instance, has developed a client base of nearly 2,000 firms and, based on client tracking and annual surveys, knows a lot about the firms, including which have used the overseas offices (about half). Based on this intelligence, trade officials can better judge where to invest in an overseas office.

Caveats and Notes

Not all records are up to date. Most of the data for this article were pulled from the U.S. Department of Commerce Web site at www.tradeinfo.doc.gov. (Click on "trade offices nationwide," then go to the National Export Directory and view the entries by state.) The information in the Web site is collected from a variety of sources, so some is out of date. When we surveyed the state trade offices in Southern Growth Policies Board states, seven of the 15 had corrections. To update information on the Web site, send changes to Hans Huber by e-mail to Hans_Huber@ita.doc.gov, or by fax to (202) 482-4473.

Keep in mind that overseas offices can be very different in portfolio and physical form, making direct comparisons difficult. Further, not all states may report a contract office in surveys.

Finally, a complete chart of the state overseas offices as described in this article is available. We can e-mail you the chart in an Excel spreadsheet if you request it. E-mail requests are preferred, at cconway@southern.org. You may also call Carol Conway at (919) 941-5145 to request a fax version.

Table 3
Number of State Overseas Offices, by Region

	Asia	Americas	Europe	Africa/ Middle East	World Total
Ala.	2	0	1	1	4
Alaska	3	0	2	0	5
Ariz.	2	3	1	0	6
Ark.	2	1	1	0	4
Calif.	5	1	2	2	10
Colo.	1	1	1	0	3
Conn.	3	3	1	0	7
Del.	1	3	1	0	5
D.C.	0	0	0	0	0
Fla.	3	5	2	1	11
Ga.	5	3	1	2	11
Hawaii	0	0	0	0	0
Idaho	3	1	0	0	4
Ill.	2	1	3	0	6
Ind.	5	5	1	1	12
Iowa	1	0	1	0	2
Kan.	2	0	1	0	3
Ky.	1	1	1	0	3
La.	1	1	1	0	3
Maine	0	0	0	0	0
MD	0	4	0	2	6
Mass.	1	1	1	1	4
Mich.	2	1	0	0	3
Minn.	3	1	6	0	10
Miss.	1	2	1	0	4
Mo.	4	3	2	1	10
Mont.	2	0	0	0	2
Neb.	0	0	0	0	0
Nev.	0	0	0	0	0
N.H.	0	0	0	0	0
N.J.	1	0	0	0	1
N.M.	0	1	0	0	1
N.Y.	1	2	2	0	5
N.C.	2	2	2	1	7
N.D.	0	0	0	0	0
Ohio	2	3	1	1	7
Okla.	0	1	1	0	2
Ore.	3	0	0	0	3
Pa.	4	5	4	2	15
Puerto Rico	0	7	1	0	8
R.I.	0	0	0	0	0
S.C.	2	0	2	0	4
S.D.	0	0	0	0	0
Tenn.	0	0	0	0	0
Texas	0	1	0	0	1
Utah	4	3	3	0	10
Vt.	0	0	0	0	0
Va.	2	1	1	0	4
Wash.	4	0	2	0	6
W.Va.	2	0	1	0	3
Wis.	4	5	1	2	12
Wyo.	0	0	0	0	0
Total	82	72	52	17	233

Source: U.S. Department of Commerce Web site, www.tradeinfo.doc.gov, (as of Jan. 5, 2000), and surveys to member states of the Southern Growth Policies Board

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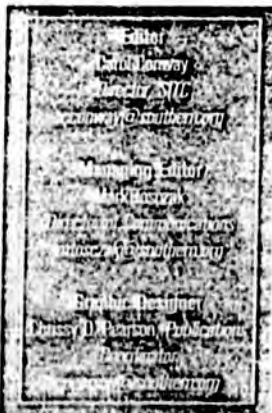
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March 3, 2000

Editor

Anchorage Daily News

P.O. Box 149001

Anchorage, Alaska 99514-9001

Dear Sir:

Your editorial "Privatize" in the March 3, 2000, edition of the Daily News is the bunk.

You say: "Privatization Commission members were not bound by the law." Of course they're bound by the law. They are not bound by the narrow confines of the state's conflict-of-interest statutes, but there are certainly other laws covering honesty in public behavior and those certainly apply here.

The fact is, if there is any distrust of this process it is because you and those elements opposed to the privatization process have cooked it up, popularized it, and scattered it like fertilizer in a windstorm. If the smell of ink-by-the-barrel has not totally numbed your senses, you should be ashamed of yourselves.

Yours truly,

YOU MAY NOW SLUG
THE BRIDE.



IS TO MARRY ON THE JERRY SPRINGER SHOW?

althy activities for the next proposed expansion will be dollars. There is no way in lose on this effort.

— John C. Fleming
Anchorage

nt hates quitters

for the Daily News story aid smokers, pro-tobacco (March 2) points out a classic lie. The story deals with effiant Philip Morris to fend looking ben in Anchorage by tion options."

e — Philip Morris isn't try- s. Their true motive was re-ternal document: "Smoking st challenge we have ever es from 5% to 21% when nsmoking environment." nowns that most smokers en forblid that they actual-rtor that they smoke until ancer, heart disease or em- bad about the nonsmokers roathe toxic air on the job). been lying to the American about smoking and second Options" program and the business owners and loca- med to achieve the comp- to keep smoking rates, a- ere is no other motive.

— Anne Marie Holer
Alaska Native Health Board

nefits Alaskans

e since long before the Fund was established. sars, our lawmakers have to the Fund, and event-

ally they are going to succeed.

Recently the Daily News published a story about a \$25,000 final payment being introduced into the Legislature ("\$25,000 dividend payment gets cool reception before House committee," March 2). This payout is equal to half of the Fund's value, \$27 billion. I agree. I think the idea is great, for several reasons.

There are many people who have come up here from other places specifically because of the Permanent Fund dividend. If they were to receive a lump sum, they would be headed back south to buy the farm or whatever they always wanted but could not afford. This would decrease our population, our welfare, and our school enrollment, thus saving the taxpayers millions of dollars.

I think the disbursement should be 75 percent of the Fund to the people of Alaska. Let the lawmakers have the rest and then sit back and watch them haggle over what they are going to spend it on and how fast they will spend it. It would be interesting.

— Terry N. Clark
Wasilla

Privatization article biased

State government cannot explain how much it costs to deliver government services. That's what I expected beneath the Feb. 28, front-page headline "Fatal flaws claimed in state study."

The most glaring fact emanating from the Commission on Privatization and Delivery of Governmental Services' report is that government cannot assess actual costs to specific services provided.

The commission gleaned that government doesn't account for direct and indirect costs (overhead) in its accounting for services. The privatization concept infers those costs be associated to specific services. That discipline alone brings about efficiency and cost savings

before any managed competition takes place.

The reporter decided to taint the many volunteers' work by ignoring the merits of the report and recommendations, and by deciding to provide the critics yet another opportunity to continue undermining the progress of this commission with their vicious prattle. Having been involved, the only sweetheart deal observed was the empowering of average Alaskans as they stepped up to the plate and gratuitously contributed to the process of their government.

You'd think it's important to report that our state government cannot account for the services provided or how inefficiently it collects and spends our money. Maybe then topics like taxes can be taken seriously.

— Andres McLeod
Anchorage

Governor ignores science

Gov. Tony Knowles says wolf management must be based on science. Gov. Knowles says wolf harvests outside of Denali threaten wolf populations in Denali. Gov. Knowles wants to outlaw wolf harvests outside Denali.

Layne Adams is a federal biologist who has studied Denali's wolves for years. Layne Adams' science says wolf populations in Denali are not threatened by wolf harvests outside Denali. Gov. Knowles thumbs his nose at science. Gov. Knowles is playing politics. Please stop pretending, Gov. Knowles.

— Tom Lessard
Chugiak

Wolves not ours to manage

In his 1978 work "Of Wolves and Men," Barry Lopez gives a chilling account of the history between wolves and Caucasians: we have persecuted, tortured and systematically executed wolves in massive numbers, leaving Alaska with some of the last healthy wolf populations in the world.

In Lopez's words, "we do not understand our place in the universe and have not the courage to admit it." Native Americans, on the other hand, have coexisted with wolves for thousands of years. They understand wolves perhaps more deeply than any biologist ever can, and they have historically respected, learned from, and dwelled among wolves.

At the Alaska Wildlife Alliance's March 2 wolf rally, a man who described himself as one of "The First People" spoke from the audience. Among many valuable points, he stated that the wolf control debate centers around money — and therefore around our interests. This is a critical point. We sincerely believe that the wolves are "ours" and that the real question centers around how we will manage them.

I believe the real issue is not how to manage wolves, but how to manage ourselves and recognize our place in this world. We users would do well to learn from history and from the wisdom of "The First People" who understand their own place in this world, as well as the place of wolves.

— Amy Crawford
Anchorage

Subject: On point and distilled

Date: Sat, 04 Mar 2000 09:52:34 -0600

From: Andree-Marie <mcleodak@alaska.net>

To: Marco Pignalberi <Marco_Pignalberi@legis.state.ak.us>

John wanted to see a copy of this letter. This was the original letter that the Daily News censored and printed on Saturday the 4th of March.
Bold is what was left out.

Also, could you cc me on the letter you send to poe from john on how to capture direct and indirect costs with AKSAS. I was officially on the privatization- admin subcommittee and would be very interested in finding out how he will explain away not using AKSAS to its fullest potential of assessing actual costs to services provided, putting aside costs. Budgeting done by defending prior year budgets could become passe.

Thank you for well, everything.

Letter to the editor:

State government cannot explain how much it costs to deliver government services. That's what I expected beneath the headline "Fatal flaws claimed in state study." The most glaring fact emanating from the Commission on Privatization and Delivery of Governmental Services's report is that government cannot assess actual costs to specific services provided. **Instead, the same rhetoric of sweetheart deals, conflicts of interest and vote packing allegations from the same people was regurgitated.**

The Commission gleaned that government doesn't account for direct and indirect costs (overhead) in its accounting for services. The privatization concept infers those costs be associated to specific services. That discipline alone brings about efficiency and cost-savings before any managed competition takes place. **Rather than realizing to Alaska residents the benefits of this exercise, members of the commission, their families and friends were impugned for the sole purpose of furthering special interests.**

The reporter decided to taint the many volunteers' work by ignoring the merits of the report and recommendations, and by deciding to provide the critics yet another opportunity to continue undermining the progress of this commission with their vicious prattle. Having been involved, the only sweetheart deals observed was the empowering of average Alaskans as they stepped up to the plate and gratuitously contributed to the process of their government. **The only conflict of interest was respecting those with opposing views without attacking their uh, character or integrity. And vote-packing...well, guess that's what some people call it when they don't like the votes' outcome.**

You'd think it's important to report that our state government cannot account for the services provided or how inefficiently it collects and spends our money. Maybe then topics like taxes can be taken seriously.

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Fax: 451-7274

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Doyon Properties, Inc.

Fax

To: Marco Pignalberi

From: Bill Allen

Fax: (907) 269-0223

Date: December 6, 1999

Phone: (907) 269-0222

Pages: 37

Re: Statement of opinion to the Committee **CC:**
on Privatization

Comments:

Decemember 2, 1999

Dear Commissioner Bill Allen

This is the statement of opinion to the Committee on Privatization of State Printing Services (including UAF). It will mostly bring attention to UAF Printing Services because of its large size and direct impact on the state private sector economy. This is not to exclude, though, DOT facilities and other state printing and copying services.

By the time a 1994 state law corrected the legislative intent regarding state printing, the University of Alaska Fairbanks campus had built up a print shop as large as any other in the Fairbanks area. Since 1994, UAF has managed to subvert state law, to a large extent, aided by a Board of Regents Printing Standards policy. The 1996 Legislative Audit Report took the University to task in this regards.

The committee recognizes the need for in-house duplicating for State agencies, but we question if any agency can operate large scale duplicating and printing facilities as effective as the private sector.

We feel all State printing services should be privatized, including UAF Printing Services as well as DOT printing and copying offices.

Reason #1. As a general rule private sector printing plants are less expensive to operate than government facilities. This includes, but is not limited to, such items government rarely takes into consideration. For example, what about all the fringe benefits (free tuition to students of parents working for UAF), the true cost of space occupied by printing facilities (if this space was used for classroom space wouldn't that be more efficient use of the building?), paying retirement benefits and other such costs.

Reason #2. The intent of the law (HCS CSSB 212) is written to put printing and copying into the hands of the private sector. Quoted from Sec. 44.99.2000 says "The publications of a state agency shall be produced at a private sector facility located in the state when practicable." See attached copy of law.

Reason #3. If students of UAF need on-hands experience and access to modern equipment, it stands to reason that the private sector would be the best place for this. We feel confident that the private sector is willing to cooperate.

Reason #4. The entire process of bidding requires the private sector to be very competitive. The establishment of a sole source print shop does just the reverse. This is a major reason why the legislature generally supports privatization.

Reason #5. There are some procedural problems with UAF Printing Services. The first is that administratively it is under Purchasing and there is the potential for Printing Services seeing bids of private sector shops before bid openings. The second issue is that private sector shops are not awarded state preference points against UAF Printing Services.

Reason #6. Copying services are controlled by UAF Printing Services and are used as a revenue source. This seems to cost other departments extra money in an effort to make UAF Printing Services self-sufficient.

Support for Reason #1

The bidding process through the private sector is the reason the largest printing buyer in the world - the United States Government - established the Government Printing Office. This office does not print, but contracts with printers all over the United States to receive the best product for the best price. The US Government has closed down printing facilities all over the US and the world, to simply save money. If the largest printing buyer in the world does this, why should the State of Alaska or UAF feel they can be more efficient.

As stated in the reason above. We feel that the true costs involved with running a print shop are not always included. We doubt that all fringe benefits are added as expenses. Such costs as free tuition to UAF employees, retirement monies, all travel costs, the true cost of space used by printing plants in state or university buildings (to include heating, utilities, parking space) and equipment amortization are costs that must be included. State government should do what it does best. Let the private sector do what it does best - provide efficient services. So often government builds upon itself and although the process builds a larger government, it certainly does not build a more efficient and cost effective government.

Support for Reason #2.

Prior to 1990 the laws were fairly quiet about the establishment of printing services, but HB75 which was signed June 14, 1990 did spell out that all printing was to be done in a state facility. In discussion with one of the writers of that bill, Senator Drue Pearce, the intent was to specify a private sector facility in the state of Alaska; therefore, the final wording of the bill was in error. The UAF printing services took this as a mandate to increase their facilities and equipment to do the printing for UAF and state agencies.

Then in 1994, the law was corrected to be the intent of the lawmakers. The law says "the publications of a state agency shall be produced at a private sector facility located in the state where practicable." It was obvious that the university was not following these guidelines. A Legislative Audit was ordered and finished on April 16, 1996. Since that time, to the best of our knowledge, jobs over the \$2500 threshold have been bid and other arbitrary restrictions removed resulting in savings to the University of Alaska. Prior to that audit, jobs were not always bid.

See the attached copy of the Legislative Audit.

One state print shop in Juneau has since been closed, however DOT regional centers still have a full copy shop for their publications. We question this to be within the spirit of the law.

It might be pointed out that the total dollar billing by Printing Services has gone down, demonstrating that it is harder for them to compete with the private sector.

FY 94	\$1,056,943.25
FY 95	1,030,203.55
FY 96	999,971.46
FY 97	873,341.12
FY 98	859,891.41

We do not know if this includes copy revenues as well as printing revenues.

UAF Printing Services are mandated to be self-supporting. This is a complicated issue. This committee does not have access to UAF accounting to know how they compute costs.

Support of Reason #3

The University Administration claims the UAF Printing Services is partially justified because of services to UAF students. This committee feels that getting students into the work force and actual job situations would be of greater value than going through UAF Printing Service on campus. A program could be developed with private industry to have the students work with experienced tradesman to achieve desired results. Through casual conversation with past and present UAF print shop employees, we believe the claim that UAF students have an opportunity to learn the printing trade is over-exaggerated. We disagree with the statement that such opportunities are not available from the private sector.

One stated justification for UAF Printing Services is having on campus consulting on design, color and layout from Printing Services. The Private Sector also provides such services.

A companion justification is that of the on-campus network and being able to electronically send files. The private sector printing shops would be more than happy to pick and deliver files and in fact do so now. The private sector has also has internet and other electronic capabilities, also.

Support of Reason #4.

Bidding does provide competition which keeps prices down.

The UAF Subcommittee mentioned that a national company visited the campus three year ago as a potential bidder to operate their plant. To our knowledge, the private sector printing businesses in the Fairbanks area have never been invited to participate in such a study. Why not? No one knows the local economy, sources of supply etc. better than local suppliers.

Support of Reason #5.

It seems a strange administrative procedure to have purchasing and one of the bidders(UAF Printing Services) both under the same office. This is not to say that UAF Printing Services has prior access to bidding prices, but the issue is certainly a potential conflict of interest. This should be addressed by the current University Administration.

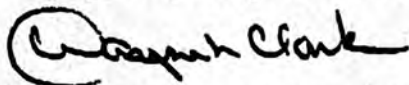
There is a concern, also, when printing bids are awarded by UAF Purchasing, whether the private sector shops that have Class II and III state preferences under the Alaska Bidders Program are being considered. This committee questions if UAF Printing Services is eligible for these preferential points. This certainly could be the difference of awarding a job to the private sector or UAF Printing Services. It is generally understood that if state money is used, then state bidding policies are to be followed.

UAF Purchasing policy currently is that since this is a state facility competing against printing companies within the state, this program does not apply. However, the private sector printing companies go through a qualifying process to become a member of the program. UAF Printing Service has not gone through this process of being qualified. This committee suggests that all private sector printing companies that are qualified under this program be given these preferential points when bidding against UAF Printing Services or out-of-state private sector printing plants.

Support of Reason #6.

It is this committee's understanding that the UAF Printing Services controls many of the copy machines on campus and charges each user 5.5 cents per copy or 11 cents for a two sided copy. If this is the practice, then it appears that UAF Printing Services is charging more than costs to support their printing plant.

Respectfully submitted,



Committee on Private Sector Printing
Wayne L. Clark, Secretary

Members
Charles L. Gray
Paul J. Massey
Wayne L. Clark

11/10/94



LAWS OF ALASKA

1994

Source
HCS CSSB 212(L&C) am H

Chapter No.
59

AN ACT

Relating to the giving of procurement notices; changing the content of the required procurement reports to the legislature by the commissioner of administration; relating to publications produced by state agencies; establishing an innovative construction procurement methods pilot program; and establishing legislative findings, a legislative purpose, and legislative intent for state procurement; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: May 24, 1994 .

Actual Effective Date: Section 3 takes effect August 22, 1998; remainder of Act takes effect August 22, 1994

AN ACT

1 Relating to the giving of procurement notices; changing the content of the required
2 procurement reports to the legislature by the commissioner of administration; relating to
3 publications produced by state agencies; establishing an innovative construction procurement
4 methods pilot program; and establishing legislative findings, a legislative purpose, and
5 legislative intent for state procurement; and providing for an effective date.

6
7 * Section 1. FINDINGS, PURPOSE, AND INTENT. (a) The legislature finds that
8 (1) the state needs to develop and maintain a strong, stable, and prosperous
9 economy based on private investment;
10 (2) the existence of a strong and healthy free enterprise system is directly
11 related to the well-being and competitive strength of Alaskan businesses and to the opportunity
12 for Alaskan businesses to have free entry into the business market and to grow and expand;

Chapter 59

(3) the use of products manufactured, grown, or produced in Alaska strengthens, stabilizes, and diversifies Alaska's economy;

(4) when governmental agencies purchase and use out-of-state products and services, they reduce job-creating investments and limit the growth of the economy of Alaska;

(5) contracts are frequently awarded to out-of-state firms, even though Alaskan suppliers, manufacturers, and providers of services are more accessible and responsive to the needs of Alaska's business community than their out-of-state counterparts;

(6) there is a need for Alaska to examine its purchasing practices in order to ensure that state agencies support Alaskan businesses by making every reasonable effort to identify available Alaskan goods and services and to foster bidding by local and resident businesses and labor forces, including union and nonunion labor;

(7) state agencies should look outside Alaska for goods and services only if they have provided notice of the procurement in Alaska.

(b) The legislature declares that the purpose of this Act is to foster a procurement process where Alaskan businesses obtain a fair proportion of Alaska's total procurement contracts by providing Alaskan businesses with a fair, equitable, and competitive bid process.

(c) It is the intent of the legislature that

(1) except as prohibited under AS 36.30.320(d), a state agency shall, when practicable and economically feasible, design procurements in a way that fosters participation by Alaska bidders or offerors;

(2) except as prohibited under AS 36.30.320(d), and unless it is anticipated that two or more Alaska bidders or offerors would be capable of performing the procurement, an agency that is proposing a procurement shall, when practicable and economically feasible, divide or otherwise structure the procurement so that it can be performed by Alaska bidders or offerors, if the proposed procurement is too large to be performed by Alaska bidders or offerors, and if the procurement officer determines that Alaska bidders or offerors generally would be capable of performing the procurement if the procurement were reduced in size or otherwise restructured; in this paragraph, "Alaska bidders or offerors" means persons who qualify as Alaska bidders under AS 36.30.170(b); and

(3) state agencies that procure investment and brokerage services increase the utilization of brokerage and investment services provided by persons located in the state; in

1 this paragraph, "state agency" includes the University of Alaska, the Alaska Railroad
2 Corporation, the Alaska Housing Finance Corporation, the Alaska Aerospace Development
3 Corporation, the Alaska State Pension Investment Board, and the Alaska permanent fund
4 established under AS 37.13.010, but does not include the state trustees or federal trustees
5 under AS 37.14.450.

6 * Sec. 2. AS 36.30.130(a) is amended to read:

7 (a) The procurement officer shall give adequate public notice of the invitation
8 to bid at least 21 days before the date for the opening of bids. If a determination is
9 made in writing that a shorter notice period is necessary for a particular bid, the
10 21-day period may be shortened. The determination shall be made by the chief
11 procurement officer for bids for supplies, services, or professional services. The
12 determination shall be made by the commissioner of transportation and public facilities
13 for bids for construction or acquisition of property for the state equipment fleet.
14 Notice shall be published in the Alaska Administrative Journal. The time and manner
15 of notice must be in accordance with regulations adopted by the commissioner of
16 administration. When practicable, notice may include

17 (1) publication in a newspaper calculated to reach prospective bidders
18 located in the state;

19 (2) notices posted in public places within the area where the work is
20 to be performed or the material furnished; and

21 (3) notices mailed to all active prospective contractors on the
22 appropriate list maintained under AS 36.30.050

23 (A) if the contractors are located in the state;

24 (B) upon request, if the contractors are not located in the
25 state.

26 * Sec. 3. AS 36.30.130(a) is repealed and reenacted to read:

27 (a) The procurement officer shall give adequate public notice of the invitation
28 to bid at least 21 days before the date for the opening of bids. If a determination is
29 made in writing that a shorter notice period is necessary for a particular bid, the
30 21-day period may be shortened. The determination shall be made by the chief
31 procurement officer for bids for supplies, services, or professional services. The

Chapter 59

determination shall be made by the commissioner of transportation and public facilities for bids for construction or acquisition of property for the state equipment fleet. Notice shall be published in the Alaska Administrative Journal. The time and manner of notice must be in accordance with regulations adopted by the commissioner of administration. When practicable, notice may include

- (1) publication in a newspaper calculated to reach prospective bidders;
- (2) notices posted in public places within the area where the work is to be performed or the material furnished; and
- (3) notices mailed to all active prospective contractors on the appropriate list maintained under AS 36.30.050.

Sec. 4. AS 36.30.540 is amended to read:

Sec. 36.30.540. REPORT TO LEGISLATURE. ~~The~~ [BEGINNING WITH DECEMBER 1, 1989, THE] commissioner shall biennially report to the legislature concerning procurements by agencies. The report must include

- (1) the records maintained by the commissioner under AS 36.30.510 and the records maintained under AS 36.30.520(a) for the previous two fiscal years;
- (2) recommendations for changes in this chapter or other laws based on implementation of this chapter in the previous two fiscal years;
- (3) a description of any matters that involved litigation concerning this chapter in the previous two fiscal years;
- (4) a list of procurements made under this chapter from out-of-state sources during the previous two fiscal years together with the total number of procurement contracts entered into during that period with out-of-state contractors and the total value of these contracts; this paragraph does not apply to procurements made under AS 36.30.320; and
- (5) a list of procurements made under this chapter from state sources during the previous two fiscal years together with the total number of procurement contracts entered into during that period with state contractors and the total value of these contracts; this paragraph does not apply to procurements made under AS 36.30.320;
- (6) the number of bidders and offerors that bid on or made

proposals for procurements under this chapter, the number of these bidders and offerors that were located in the state, and the number of these bidders and offerors that were located outside the state; this paragraph does not apply to procurements made under AS 36.30.320.

* Sec. 5. AS 44.99.200 is repealed and reenacted to read:

Sec. 44.99.200. PRODUCTION OF PUBLICATIONS. The publications of a state agency shall be produced at a private sector facility located in the state when practicable. The Department of Administration shall establish standards for the production of publications by state agencies, except that the Board of Regents of the University of Alaska shall establish the standards for the university. The standards shall be designed to promote simplicity, low cost, and consistency.

* Sec. 6. AS 44.99.210 is amended to read:

Sec. 44.99.210. DISCLOSURES ON PUBLICATION. If [A PUBLICATION OF A STATE AGENCY IS EXEMPTED UNDER AS 44.99.200(a) FROM BEING PRODUCED AT A STATE-OPERATED FACILITY AND IF] the actual annual costs for ~~a~~ (THE) publication of a state agency that are paid from the general fund exceed \$1,500, or if the actual annual costs of a state agency publication that is a report required by law are paid from a source other than the general fund and exceed \$1,500, the publication must include a statement that gives the name of the agency releasing the publication, the purpose of the publication, the cost for each copy of the publication, and the city and state where the printing was done. The statement must read: "This publication was released by . . . (name of state agency) . . . , produced at a cost of \$ per copy to . . . (statement of purpose) . . . , and printed in (city and state where printed)." If the publication is required by law, the statement must also include: "This publication is required by . . . (appropriate citation to Alaska law)." The statement may include, if applicable, a declaration of the revenue raised by the sale of the publication or from the purchase of advertising in the publication. The statement shall be printed in one conspicuous place in the body of the publication in a type size that is not smaller than 12 [EIGHT] points and shall be placed in a box composed of at least two [ONE] point rule. In this section, "cost for each copy" means the figure that results after dividing the total contract cost of producing the

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publication by the number of copies produced. This section does not apply to a publication that is intended primarily for foreign or other out-of-state use, [OR] to a program for a public ceremony of a state agency, or to materials used by a state agency to develop a market for the agency's services or products.

* Sec. 7. AS 44.99.230 is repealed.

* Sec. 8. INNOVATIVE CONSTRUCTION PROCUREMENT METHODS PILOT PROGRAM. (a) Within six months after the effective date of this section, the commissioner of transportation and public facilities shall begin a two-year pilot program for the use of innovative methods for the procurement of construction services by using bonuses to replace the preferences required under AS 36.30. The bonuses are to be offered to achieve the purposes of the preferences in AS 36.30 and shall be defined by regulations adopted by the commissioner.

(b) Notwithstanding the provisions of AS 36.30, if the commissioner determines in writing that using innovative construction procurement methods for the procurement of construction contracts would be in the best interests of the state, the commissioner may, by regulation, adopt procedures different than those provided under AS 36.30 as necessary to use bonuses instead of preferences in the procurement of construction contracts. The determination must find that the innovative methods are not contrary to the intent and purposes of AS 36.30, demonstrate that the innovative methods are in the best interests of the state, and describe how the innovative methods modify the procurement methods and procedures of AS 36.30.

(c) Within 15 months after the pilot program begins, the commissioner shall report to the legislature on the construction contracts awarded during the first year of the pilot program. Within 27 months after the pilot program begins, the commissioner shall report to the legislature on the construction contracts awarded during the second year of the pilot program. In a report under this subsection, the information must include for each contract awarded during the period covered by the report

(1) the geographical region where the construction is to be performed; and

(2) whether the contractor is classified as a minority contractor.

(d) The legislature may review the pilot program at any time during the program and may make the program permanent or broaden the scope of the innovative procurement

1 program.

2 (e) In this section.

3 (1) "best interests of the state" means that the proposed action would provide

4 (A) an economic benefit to the private businesses and citizens of the

5 state;

6 (B) an economic benefit to state government; and

7 (C) greater administrative efficiencies than existing procedures provide;

8 (2) "commissioner" means the commissioner of transportation and public
9 facilities.

10 * Sec. 9. APPLICABILITY. AS 36.30.540(6), enacted by sec. 4 of this Act, applies to
11 reports due after the effective date of sec. 4 of this Act.

12 * Sec. 10. Section 3 of this Act takes effect on the date that is four years after the effective
13 date of sec. 2 of this Act.

Audit Report

**DEPARTMENT OF ADMINISTRATION
UNIVERSITY OF ALASKA
PRINTING AND PUBLICATION
EXPENDITURES**

April 16, 1996



Audit Control Number:

02-4533-96

Division of Legislative Audit

P.O. Box 118900, Juneau, Alaska 99811-3800

TABLE OF CONTENTS

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

The Legislative Budget and Audit Committee is a permanent interim committee of the Alaska Legislature. The committee is made up of five senators and five representatives, with one alternate from each legislative chamber. The chairmanship of the committee alternates between the two chambers every legislature.

The committee is responsible for providing the legislature with audits of state government agencies. The programs and activities of state government now cost more than \$5 billion a year. As legislators and administrators try increasingly to allocate state revenues effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by the Division of Legislative Audit helps provide that information.

As a guide to all their work, the Division of Legislative Audit complies with generally accepted auditing standards established by the American Institute of Certified Public Accountants and with government auditing standards established by the U.S.

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Representative Mark Hanley (alternate)

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DIVISION OF LEGISLATIVE AUDIT

Randy S. Welker, CPA
Legislative Auditor
Merle R. Jensen, CPA
Deputy Legislative Auditor

Audit Report

REGENTS POLICY

PART V

FINANCE AND BUSINESS MANAGEMENT CHAPTER VIII

Printing Standards

Printing Standards

05.08.01

Publications produced by and for the University shall be simple, low in cost, and consistent. Publications shall be printed on recycled paper whenever it meets specific printing needs and shall be printed on both sides of the paper. A publication with actual annual general fund production costs in excess of \$1,500 shall contain the disclosure statement if required by A.S. 44.99.200.

Printing at Private Facilities

05.08.02

A University publication shall be produced at a private sector facility located in the state unless: (a) the publication cannot be produced within the time limits established by the University by a private sector facility located in the state; (b) the technical requirements for the publication exceed the capability of private sector facilities located in the state; (c) the publication can be produced at least cost by the University, or (d) in-house xerographic copiers, computer printers or imagers are used to produce the publication.

Printing Regulations

05.08.03

In adopting University Regulations with printing standards designed to promote simplicity, low cost and consistency in accordance with this policy, the President shall consider the standards adopted by the Department of Administration under A.S. 44.99.230. The President shall allow for exceptions to the University standards with written justification. The standards shall not apply to publications used by the University to develop a market for the University's services or products, publications intended primarily for foreign or out-of-state use, programs for public ceremonies, or posters, or printed materials exempted by A.S. 44.99.240(1).

08-19-94

factors above. all three of these non-cost aspects, have served to limit the amount of printing and publication produced in the private sector.

2. Market development exemption has also been employed to avoid use of private sector printers. As reflected by the BCR policy on page 4, the university states "*the standards shall not apply to publications used by the University to develop a market for the University's services or products, publications intended primarily for foreign or out-of-state use, programs for public ceremonies . . .*" The policy has been interpreted by university staff to avoid having to seek private sector competitive bids for certain publications because they are considered marketing items.

For example, the UAF Summer Sessions catalog, at a cost of more than \$18,000 for . . .
. . . of private printers. University

university staff to avoid having to seek private sector printing publications because they are considered marketing items.

For example, the UAF Summer Sessions catalog, at a cost of more than \$18,000 for FY 95, was produced by UAF-PS without consideration of private printers. University officials we interviewed felt that this was appropriate under the BOR policy, since the summer sessions catalog not only provides information for prospective students, but is also used as a means to recruit those students. The individuals responsible for producing the catalog were confident that UAF-PS could meet their needs and felt more comfortable working with the in-house facility. For further discussion see Recommendation No. 1.

3. UA policy interpreted in such a way to expand the definition of "cost effective." The BOR policy provides that if a publication can be produced at a less cost by the university, it does not have to be produced by a private sector facility. Some individuals we interviewed indicated that they considered more than the publication price when applying the BOR policy. In their view, their time and effort also represented a university cost and if use of UAF-PS made more efficient use of their time, the total cost to the university would be less. Accordingly, this would allow them to be exempted from utilizing a "private sector" facility.

While the new printing standards have not affected private sector printers in Fairbanks, they have also not affected the private sector printers in Anchorage. Due to the small facility on the University of Alaska Anchorage (UAA) campus, and the large number and diversity of services offered by Anchorage area printing companies, the UAA print shop had a limited impact on the local market. From our discussions with UAA personnel use of the private sector to produce printing and publications has not significantly changed with adoption of the revised statute.

DOA's new policy has resulted in a slight increase in the use of private sector printers

The Department of Administration's (DOA) new procurement policy⁹ has resulted in a slight increase in the use of private sector facilities. Using state accounting system records, we estimate that private sector printing and publication expenditures increased just over 5% from FY 94 to FY 95. After making some adjustments to assist in comparability, we estimate state expenditures for printing and publications increased from just under \$4 million in FY 94, to almost \$4.2 million in FY 95.

We also estimate that private sector printing and publication activity, as measured by expenditures, increased from just over 73% in FY 94 to almost 78% in FY 95. This trend is further illustrated and discussed by the information presented in Table III on the following page. As shown in the table, we estimate state agencies spent over \$5.4 million in printing-related expenditures in FY 94, and just under \$5.4 million in FY 95.

There may be numerous reasons for these changes. However, in our view, unlike the university, the change in procurement procedure and policy was the central contributing factor. The impact of the change in procurement policy was lessened to an extent by a large increase in paper prices, that printers faced during FY 95. State procurement personnel we spoke to commented they thought CD was able to continue as "low bidder" on many jobs because it had a large store of paper bought at volume discount prices through the auspices of the State. As a result, procurement personnel speculated CD was able to hold on to some business due to this competitive advantage.

CD does not have the technological advantages of UAF-PS. The capabilities of the state printing facility in Juneau are less than that available from local printers in the Juneau market. CD is not conveniently accessible to many Anchorage-based state agencies which may make extensive use of the Anchorage market to meet their printing and publication needs. As a result, the shift to private sector facilities was not affected by "customer preferences" involving technological capabilities or convenience as was the case with UAF-PS.

⁹As stated in the Background Information section, the Division of General Services interpreted the "when practicable" language in the amended statute to generally mean "lowest price." Accordingly, the change in procurement policy was a directive to state agencies to obtain printing and publications from whatever vendor, CD included, who could provide what they wanted, when they wanted, at the lowest price.

TONY KNOWLES. GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

August 16, 1996

Randy Welker
Legislative Auditor
P.O. Box 113300
Juneau, AK 99811-3300

RECEIVED
AUG 19 1996

LEGISLATIVE AUDIT

Dear Mr. Welker:

Thank you for the opportunity to comment on Preliminary Audit 02-4533-96. We did not understand that you were expecting a written response to this audit and apologize for any inconvenience our subsequent tardiness may have caused.

This audit contained no recommendations for the Department of Administration. We concur with the analysis and agree with the recommendation for the University of Alaska Board of Regents.

If you have any questions, please call me or Dugan Petty, Director of the Division of General Services.

Sincerely,



Mark Boyer
Commissioner

cc: Dugan Petty
Director
Division of General Services

Sharon Barton
Director
Division of Administrative Services



Anchorage Daily News

Monday, February 28, 2000

Fatal flaws claimed in state study

Conflicts of interest alleged in privatization committees

By MARTHA BELLISLE

Daily News Juneau Bureau

JUNEAU - Sweetheart deals, conflicts of interest and vote-packing tainted the work done by hundreds of Alaskans who volunteered to find ways to turn some government functions over to businesses, according to some who worked on the six-month effort.

An appointed panel, drawing on advice from volunteers who served on subcommittees, delivered a list of 20 recommendations to the governor and Legislature earlier this month. Backers of the ideas call the criticism unfounded, say the process was proper, and believe the recommendations will make Alaska government more efficient and better serve citizens.

But some members of the panel and subcommittees are condemning the privatization commission's work, arguing that monetary interests pushed self-serving goals that will ultimately benefit a narrow few.

"The end result is a reflection of personal agendas, not a plan for the good of the people of Alaska," said Rep. Tom Brice, a commission member and Democrat from Fairbanks. "The result was a fatally flawed product. It should be put on a shelf to collect dust."

During the six months the commission and its subgroups were in operation:

- * A panel headed by a former head of a private prison company called for the state to do more business with private prison companies.
- * Another group headed by a private school director recommended public funding for private schools.
- * A man involved in a long dispute with the state Department of Environmental Conservation was placed in charge of reviewing it. His group recommended major changes in the agency.
- * A report concluding that one state agency was doing a good job was tossed out and replaced with recommendations mirroring those

of one of the lawmakers who helped create the privatization panel.

* And, in at least one case, a privatization committee recommended adding a new government agency.

Sen. Jerry Ward and Rep. John Cowdery, both Anchorage Republicans, launched the Commission on Privatization and Delivery of Government Services last June after lawmakers approved a bill directing a study on moving government functions to the private sector to save the state money.

"The overriding principle behind being prime sponsor of this bill," Ward told a joint Finance Committee hearing earlier this month, "was if it could be done (in the private sector) at the same level of service for less money, than it ought to be done. If it can't be done for less money, then we shouldn't do it."

Both Ward and Cowdery said the groups were given a huge task in a choking time frame, but managed to produce a fair, balanced report that lawmakers can use when deciding new directions for government services.

Sen. Sean Parnell, R-Anchorage, co-chairman of the Senate Finance Committee, said he has asked the budget subcommittees to review all 408 recommendations from the privatization panels and final 20 from the commission.

House Speaker Brian Porter, R-Anchorage, said he had heard of some conflict of interest concerns, but thought it was necessary to bring in people who specialized in specific fields with knowledge of how certain areas worked. Porter said he had not heard of any inappropriate behavior in the commission.

Chairman assignments 'mysterious'

Eleven commissioners were appointed by a combination of legislative leaders and heads of municipal, business and labor organizations. The commission divided state agencies among 20 subcommittees made up of community volunteers.

Anyone interested could join a subcommittee, Cowdery said. Chair positions were handed out upon request, he said, adding, "generally, the first person who wanted to be chair was chair. No one was denied participation."

But an assortment of people who held those posts said in recent interviews that they were called or received a notice in the mail asking if they would join, then were assigned or voted in as chairs.

"The assignment of subcommittee chairs was mysterious, confusing,"

said Steve Rouse, who sat on the Community & Economic Development panel. Rouse manages the Made In Alaska program, which contracts with the Department of Commerce.

Several people involved said the panels were stacked with hand-picked members and leadership positions predetermined. Mike Abbott, who oversaw the process for the governor's office, said Ward and Cowdery chose the chairmen.

"Partisan politics appeared to have played a major role in the selection of subcommittee members," said Don Valesko, a commission member and a representative of a state worker union.

One woman who tried to participate said she was told she couldn't vote and was ultimately left off the panel roster.

Kelly Brown of Fairbanks, a business agent with the Alaska State Employees Association, volunteered, and joined a panel looking at Health, Education & Social Services.

During meetings of some spin-off panels, she said she was told she couldn't vote because she worked for an employee union. She also was surprised to learn that her name wasn't included in the final list of subcommittee members, even though she attended meetings.

The commission's final report boasted that the panels "included at least one member of the state employee unions."

That sort of conflict between some group leaders and volunteers "turned off a lot of people," she said. "They were drowned out by people who wanted to push their own agenda."

Marco Pignalberi, Cowdery's legislative aide and executive director of the commission, said Brown's allegations were not true. "We never kept anybody from voting," he said. "It was the most all-inclusive process we could possibly have made it."

The absence of Brown's name from the final list "was probably an oversight," said Rynnieva Moss, a legislative aide for Rep. John Coghill who worked on the subcommittee and remembers that Brown participated and offered recommendations.

Criticism starts early

Complaints that many subcommittee members had conflicts of interest began early and never went away.

"The way the commission was established and run," Brice said, "was if you're in business and want to get a government contract, come participate."

Some business people initially were reluctant to participate in the process out of fear that they might be barred in the future from bidding on state contracts.

To reassure them, Pignalberi asked the Legislature's legal service for an opinion on their concerns. A legislative counsel later told the volunteers that contractors serving on the panels would not be restricted from state contracts.

Cowdery and Pignalberi said the personal agenda accusations were unfounded.

"There's no conflict of interest in a volunteer group," Pignalberi said. "Conflict of interest occurs when you have decision-making authority and you use that power for your own benefit."

All recommendations from these subcommittees must be run through the Legislature and by the governor, he said. "There's checks and balances."

But critics of the subcommittees' makeup argued that self-serving interests kept the panels from looking objectively at privatizing state work.

The panels also didn't do much of the work that the bill required: No cost-benefit reviews were done, no studies on competitive bidding, no surveys of what other states have tried and failed at.

The commission said in its report that the cost-benefit analysis wasn't done because the state budget was too difficult to understand and most programs are not broken down by costs for specific services.

The panels unanimously complained that they didn't have enough time for a complete job.

Cowdery and Pignalberi tried to quell some early conflict of interest criticism after the Department of Corrections panel came under fire for having as a chairman the head of a private corrections company.

David Morrison, head of Cornell Corrections, a private company that now owns Allvest Inc., was replaced as chairman early on in the process. His company operates a number of private corrections facilities in Alaska and is slated to build a new prison in Delta Junction, thanks to aggressive lobbying from Ward.

But Morrison's substitute also has been heavily involved with the private prison industry in Alaska.

The replacement, Sharon Anderson, is a former chief operations

officer of Allvest who worked for Cornell from August 1998 until June 1999. Cowdery, Pignalberi and Anderson said they couldn't remember who asked her to serve as chair, but believed the invitation came from Ward's office.

Pignalberi also said it wasn't a problem because the subcommittees started after June. "There was no reason not to use her," he said. "She has expertise in the area. The fact that she worked for the company in the past didn't disqualify her."

In the end, the Corrections panel recommended that the state shift much of its corrections work to private companies, including its entire sex offender treatment program. It also suggested moving nonviolent prisoners to private intermediate facilities. Cornell provides such services.

Questions also were raised about other chair assignments and panel recommendations.

Virgil Norton of Nikiski was put in charge of the panel reviewing the Department of Environmental Conservation. Norton works for a man in Kenai who is suing the DEC over a multiyear, \$1-million-plus cleanup of dry cleaning fluid spilled on his land and seeping along the Kenai River.

Norton's boss, Gary Hinkle, has battled the DEC for nearly three years over the cost of the cleanup and the way it has been handled. Norton's panel ultimately recommended a laundry list of changes to the way the DEC operates, including how it issues permits and conducts investigations.

The group also recommended that the Legislature "prohibit unnecessary and redundant rule making by the department" and "fund a thorough audit" of the DEC.

Jim Hickel, executive director of Holy Rosary Academy, a private school in Anchorage, chaired the Education & Early Development panel. The group's recommendations included creating a voucher system - in which the government pays for schooling by giving families redeemable certificates. The families use those vouchers to pay for the school of their choice, including private religious schools.

Added offices; rewritten reports

One recommendation from the Community & Economic Development subcommittee said, "there should be an Alaska Film Commission." In the commission's final report, the recommendation states "there should be an Alaska Film Office."

Until last year, the state film program was run by Mary Pignalberi,

wife of commission executive director Marco Pignalberi. She and four others were laid off when the Legislature cut the division's budget last year.

Steve Levi, an Anchorage-based writer, who served on the economic development panel, said Mary Pignalberi is a friend who also used to direct film work his way when television or movie producers called her office for help on a project.

He lobbied his group to add the film office to the list, he said, because "Alaska is the only state that doesn't have a film commission" and he and other writers need an agency to steer work their way.

Marco Pignalberi said the recommendation came from others, not him.

"At no time did I ever try to get that position to get my wife's job back," he said. "I did not instigate anything to do with the Alaska Film Office."

Pignalberi did not object to adding the film office to the recommendation list, however, even though it means more government, not privatization. He said the film commission's work was valuable to the state. He also said part of the panel's job was to offer suggestions on making the delivery of government services more efficient.

The fully staffed film office did that, he said.

One subgroup recommendation was rewritten and its chairman booted after it submitted a report at odds with Cowdery's views.

Ric Davidge, who led the Community and Economic Development sub-subcommittee for 21/2 months, said in the first meeting Cowdery offered a report he had done during the last legislative session on Alaska's international trade programs. Cowdery's study was highly critical of the way they were run and concluded that the services would be better provided by the World Trade Center of Alaska, a private group that competes with the state's Division of Trade and Development.

Davidge said his group read Cowdery's study, and the subsequent reports critical of the paper, and chose to take a different track. Their final report explained their reasons and offered recommendations significantly different from Cowdery's.

When the panel turned in the report, Pignalberi condemned it as "off the mark" in an e-mail to Davidge and said it was a political attempt to further Commerce Commissioner Deborah Sedwick's disapproval of Cowdery's report.