

137

HC

HB

546

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HB

578

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157

REEVE ALEUTIAN AIRWAYS, INC.

CDB ALASKA

No 5522

Date 10/24 19 75

Name NPEC.

Address \_\_\_\_\_

SOLD BY	CASH	C. O. D.	CHARGE	ON ACCT.	MOSE. RETD.	PAID OUT
RLN			X			
QUAN.	DESCRIPTION			PRICE	AMOUNT	
4638	DIESEL			44	<del>20472</del>	
2				45	201072	
3	STOP 6004702				208710	
4	START 6000064					
5	4638					
6						
7						
8						
9	635					
10						
11					208710	
12	TOTAL				204072	
Customer's Order No.				Rec'd By <u>R. Hampton</u>		
KEEP THIS SLIP FOR REFERENCE						

4814.2

ACC 115

REEVE ALEUTIAN AIRWAYS, INC.

CDB ALASKA

No 5525

Date 10/31 19 75

Name NPEC.

Address \_\_\_\_\_

SOLD BY	CASH	C. O. D.	CHARGE	ON ACCT.	MOSE. RETD.	PAID OUT
RLN			X			
QUAN.	DESCRIPTION			PRICE	AMOUNT	
4610	DIESEL			45	207450	
2						
3	STOP 6009312					
4	START 6004702					
5	TOTAL 4610					
6						
7						
8						
9	6151					
10						
11						
12	TOTAL				207450	
Customer's Order No.				Rec'd By		
KEEP THIS SLIP FOR REFERENCE						

4814.2

ACC 115

HOUSE COMMERCE COMMITTEE  
February 17, 1976

House Bill 546

Chairman Bradley called the meeting to order noting that a quorum was present. Representative Red Swanson was called to testify, being the prime sponsor of the bill.

Rep. Swanson explained that he had introduced the bill at the request of his constituents in his district and those of interior Alaska. One year ago he had filed a protest with the Federal Energy Commission in Washington on an unfair use of surcharge with the Golden Valley Electric Company (GVEA). He didn't get to far with Mr. Zar or Region X, which is the Northwest Region. In fact they ignored me. Although GVEA did with the Alaska Public Utilities Commission (APUC) hold a type of hearing with a protest from the City of Anderson. I didn't have a reply with Region X which should deal with the type of surcharge to oil with GVEA. In my travels in the interior of Alaska this past summer, I again met with people and the number one priority with the Fairbanks people was this. Although my attention is forced on GVEA it is also in twenty-four communities in dealing with electric companies. This is not only on electric companies but on phones, garbage, etc. This bill would amend the statutes to disallow a surcharge. Under the APUC and statutes we have every mechanism laid down by law which allows any public utility to go before the APUC and if rate increase is justified they can get the increase. Through the loop hole, they can use the surcharge for just about anything they want to impose on the people. GVEA had an interium rate increase of 18% but the 18% through the loop hole allows them to use any type of computation they want. One case of this as an example; a man's utility bill was \$344.60 on \$156.50 on the demand basis and \$268.81 surcharge. It is a terrible thing happening to the people. Go back a few short weeks ago to an Anchorage paper whe the APUC denied the City of Anchorage in their utility rates and unfold itself to the public that they had taken the money that was suppose to go to upgrade utilities and instead was put in ghe general fund for whatever they pleased. I quote: "It's just another case of why the bill is important. We must close that loop hole in the law that allows these things to happen." My criticism is not against the utility, it what we as legislature has allowed. Let me quote a part of the loop hole in the law which allows this to happen. Section 42.05.411 New and Revised Tariff. "No public utility may establish or place in effect any new or revised rates, charges, rules, regulations, conditions of servic, or practice except after thirty days notice to the Commission and the public. Notice shall be given by filing with the Commission and keep open for public inspection the revised tariff provisions which shall plainly indicate the change to be made in the schedules then in force and the time when the change will go into effect. The Commission may prescribe additional means of giving notice." The loop hole is: "The Commission, for good cause shown, may allow the change to take effect on less than thirty day notice under conditions the Commission prescribes." The loop hole is there where the Commission can allow them to change anything they want to. I have received over a thousand letters from the public. I will keep them in my office if the committee members would like to view them. Take for example a little old lady on a fixed income and a few years ago was talked into going all electric. Today her electric bill is more than her rent. The public is now being penalized.

I'd like to go through the request that came from the APUC. Mr. Gordon Zerbertz sent me this information and I'm sure it is the same as you have. I would like to go through some of the outstanding parts of his testimony. "I am not particularly fond of the use of surcharges in lieu of the usual rate making process, however, during the last month it appeared that the surcharge route was the only way to help many Alaska utility companies financially viable." This is true because of out of twenty-four communities in Alaska, the small utilities have applied for a surcharge and they have not violated the surcharge. They have applied for the cost of fuel and that is the only reason. They did not go to up to 75 to 90% increase. In Mr. Zerbertz's testimony "The tremendous population boom in the GVEA area has necessitated the utilization of more diesel plant and consequently more fuel oil. GVEA is presently before the Commission for a rate increase which would eliminate this present surcharge and establish a new fuel cost basis and any further surcharges as needed." But even in their request they left open the loop hole. I quote from GVEA's newsletter: "This was a request of 25% rate increase on August 26, 1975 to the APUC. It will eliminate the present surcharge although it also has a surcharge provision which will be exercised if fuel cost go crazy again." They close the loop hole in the beginning and then come back with a provision to do it.

Mr. Marvin Weatherly in his remarks in the first paragraph states: "The economic impact of this commission would be prohibitive. This is due primarily to the unsettled nature of energy source costs to the utility." He further states: "This increase in activity before the commission would require addition personnel, travel and other budgetary increases." I would like to point out to the committee that these people make \$41,000 per year and I certainly am hopeful that they sit at their desks at least eight hours per day, five days per week. Costs to close the loop hole would not make additional costs if they would just sit down and work. There is a strange thing that happened with the APUC when the legislature increased the amount of staff to two people on the commission. We put on that commission two very able people in the role of Susan Knowles and Carol Guess. Susan Knowles' remarks again go back to the fact that there is no real objection to closing the loop hole. They would need additional personnel if effected. Each commissioner has agreed with my bill.

In Mr. Edwards note is the same reason for additional personnel because of the increase in workload. Page five of his testimony is something that really made be protest to the Federal Energy Commission in Washington and I quote: "I cannot foresee this country's fuel crisis become such that fuel costs will begin to lower, however, as I have previously mentioned, I can foresee this country's fuel crisis stabilizing either through market structure or Government control." I would like to say that PL 93.319 Federal, says: "Under the Nixon administration, it was mandated that those companies when coal is available, that companies convert from oil to coal." This was confirmed on December 22, 1975, that utilities where coal was available must convert from oil or gas. Today we have a ceiling on the cost of coal. It could change. Because Mr. Edwards did open this up it did allow me to make those remarks. This ia another thing the committee is not aware of that in the amendment to the law under the Environmental Protection Act, those regulations were amended to allow such companies such as Healy Coal and Usibelli Coal Mines.

I hope that the committee realizes that I'm not taking on the APUC or GVEA. I am trying to close a loop hole in the law for my constituents and yours.

Rep. Wallis asked for an explanation of the last sentence in the bill.

If a utility company is going to build a power plant five years from now, they cannot use the cost of that facility as a charge back today to the customer. The APUC agreed that companies have repeatedly applied for this cost as a rate making base.

Rep. Wallis asked what this says though is work in progress.

A utility company could have work in progress for ten years to twenty years. They continually build a facility up and up.

Rep. Wallis asked if we are putting a hardship on utilities so that they can't amortize their construction.

They can amortize their construction. Nothing in the law stops a utility from going to the commission and asking for an increase in rates for the cost of running the utility.

Chairman Bradley stated that the APUC in their report had stated that this would make it statutory rather than by regulations. They stated they had no problems with Section 1 of the bill, however, Section 2 would put stress on the work load.

Rep. Union asked if Rep. Swanson knows if the surcharge has a profit involved in it or just the cost.

I don't think I can answer that, however, someone did ask the APUC about utilities paying income tax on their profit and the APUC stated that no public utility was allowed to make a profit.

Rep. Union asked if we do this then they could get a permanent increase through the APUC.

Yes, if a utility comes in with a justifiable rate increase and prove to the Commission by law they can grant it.

Rep. Union stated then the surcharge is for additional costs only, we assume that. It seems to me they will be paying the higher rates only it will be permanent.

The GVEA people were granted an 18% increase in cost by the APUC but they have utilized the loop hole in the law to increase 18% to as high as 67%. Many people in their testimony to me stated they realized there had to be an increase in rates but would like to know what it is for. They didn't want it to change every month.

Rep. Rudd was curious to know how this would close the loop hole. Wouldn't this still allow utilities to come in with thirty day notice and get an increase in rates.

No they wouldn't if you close the loop hole. The legal advice I had when we made this bill advised me that this would close it.

The Chairman then recognized Representative Glenn Hackney to testify before the committee.

I'll be very brief Mr. Chairman. There is only one thing, that is make a point of a hearing in Fairbanks on March 6, 1976 which has to do specifically with the GVEA surcharge. I would like to read a letter from the APUC. They say they have directed staff to pursue the question of holding a hearing in Fairbanks. "It was suggested that the most expedient procedure would be to combine our efforts with GVEA and hold a public hearing which would be chaired by the APUC." The date has been firmed up as March 6th. There's one crucial paragraph in the letter that I would like to stress. This is from Marv Weatherly and he says: "As you know, GVEA is a cooperative which is owned by the membership. This commission and other commissions in the lower '48 consider such REA financed co-ops as the least likely to gouge the public. Members of GVEA through the democratic process of changing the board of directors, can have more impact on the management of GVEA than can this commission." It goes on to say: "Hopefully we will soon enter into a period of stable energy prices and the surcharge question will be one of history." Well, I'll believe that when I see it.

A couple of comments on the bill itself. One of the reasons for this surcharge is it takes so long to get a rate hike approved through the APUC and with the way fuel prices have fluctuated, what Red called an escape hatch has been used by the utilities in order to recoup the cost that they've been subjected to by having to use very expensive fuel oil in order to generate electricity. I think Rick (Urion) made a good point in saying that if a rate increase is put into effect that will cover projected costs of the utility, it is going to be a year round rate increase. I think we should look at that very closely, because we could be doing a real disservice to the consumer's of electric power in this state if we do away with the surcharge. If GVEA is being irresponsible in its operating then certainly at the Board of Directors meeting they are open to owners who are the people who have a piece of GVEA. As to comments on the profit question, I think that will come out at this hearing on March 6th. I am intending to go to this hearing, on my own dime I might add. I am going to tape the hearing and I might suggest someone from the committee might want to attend. I'd be please to tape it and make it available to the committee. I think it will be very interesting and informative meeting. I don't happen to be on GVEA in Fairbanks but Mr. Chairman we are talking about rates and I too have had many letters as Red has from constituents in the Fairbanks area. One in particular from a lady who had a bill for 8,150 kilowatt hours. The bill was \$174.07 and \$115.06 surcharge for a total with tax of \$303.59. I took that down to the utility here in Juneau just to get some kind of feel--a comparable as to what that might cost in other parts of the state and that same bill down here would have cost \$644.00 for the same amount of electricity. Juneau's surcharge in the month of December was .002 which is a pretty small amount. But that is the whole point of the surcharge. It is used just in order to recoup addition cost on occassion by the use of more expensive fuel. I just hope you wouldn't proceed quickly.

Chairman Bradley stated for the record that the bill d'd have a further referral to Judiciary Committee.

Mr. Bill McConky of the Governor's Office, Director of the Energy Office, was then asked to testify.

We received a packet through the mail also concerning the surcharge question in Fairbanks. There are a couple of background statements. First of all I would like to reiterate what Red said about the corporate irresponsibility of the people to convert to all electric homes in an era when we have extreme energy crisis and high costs. An all electric home in a situation when we have hydro-electric power or another renewal resource is a viable alternative and should be considered. Corporations to be pushing all electric homes in places where we are burning fossil fuel and even coal is corporate irresponsibility. Consequently we have people in Fairbanks who are paying outlandish surcharges. I might add that in Gordon Zerbertz's letter to the point of this bill and I quote: "The surcharge is much larger in the GVEA area and not necessarily due to higher cost of fuel." In the case of GVEA he is admitting that there are other than fuel charges added into this surcharge. Now on the bill itself, we support the bill in concept. The APUC is there for the single purpose that the utilities are kept financially sound and the public is receiving the power at a fair rate. That means they must hold hearings and devise procedures to see that their workload can be handled to the satisfaction of the legislature, the administration and the people going through them. I am not entirely convinced that the commission cannot handle addition workload if they are required to do so. If they are to handle the addition workload, I think it is a legislative decision whether or not additional staffing would be required. It is our position that the large increases passed on to the public without proper hearing should be stopped. That some kind of hearing, even if it is streamlined somewhat less than a full rate hearing takes place. Something should happen so that the public can at least have the confidence that there isn't any unjust increases allowed. That's basically our position on this bill. It a bad situation. I might believe that in the case of GVEA the bill might end up being more, I'm not saying that it would. Red has argued that it might be lower. It might be higher, and if we take the position of both it would even out. Since we are talking about monopolies and the people don't have anywhere to go, they do have the right of a hearing. If nothing else, those people on a fixed income ought to have a place to go to say ladies and gentlemen you are killing me and I can't do this any more. I would make a further suggestion beyond the scope of this bill and that the legislature undertake a study of the APUC, their procedures, for streamlining to see if perhaps the scope of operation could be improved. There are a number of discussion about the APUC, their scope the surcharge bit.

Chairman Bradley asked what the cost would be for a study of this type.

Firms we deal with, you are generally talking about approximately \$50,000 to \$60,000 for a complete management study. That is a high figure.

Bill Corpuz of the Alaska Electric Light and Power Company in Juneau then testified. We do not have a surcharge which amounts to much. We will have serious problems if this bill does pass. The lag time between when the rate is applied for and the effective dates when it is approved. The regular process is very time consuming. Perhaps the increase in staff will not speed up the time needed for a rate increase. Rate increases take from six to nine months. In the longrun it is a disadvantage to the public.

Rep. Wallis stated that the GVEA bit was bad business. I hereby move that this bill be moved out of committee to Judiciary.

Rep. Urion and Rudd objected.

Rep. Urion asked that members of the APUC be heard and possibly other utility companies.

Rep. McKinnon replied that the bill had one more referral to Judiciary.

There being a motion on the floor a vote was called. Kelley, Wallis, McKinnon, and Bradley voted yea. Urion and Rudd voted nea.

The bill passed out of the Commerce Committee.

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## OFFICE OF THE GOVERNOR

ALASKA ENERGY OFFICE

338 DENALI STREET - ANCHORAGE 99501  
PHONE: 907 272 0527

April 5, 1976

Mr. Samuel J. Speziale, Jr.  
1918 Jack Street  
Fairbanks, Alaska 99701

Dear Mr. Speziale:

I will attempt to answer a couple of the points in your letter to me of March 17, 1976, and have sent a copy of your letter to Gordon Zerbetz of the APUC for further answers.

The Federal Energy Administration reports to me that there is no evidence of fuel overcharges to utilities, at this time. A continuing monitoring of the relationship will be undertaken.

House Bill #546 was voted out of the Commerce Committee with a "do pass" recommendation and is presently in the Rules Committee, I believe. I would encourage you to communicate with Representative Leslie Swanson, in care of the State House of Representatives, Pouch V, Juneau, Alaska, on this piece of legislation.

*Resolution #*  
*McConkey*  
*Field*

The Chairman of the Commerce Committee, Representative Bradley, has introduced a resolution requesting a complete analysis of APUC procedures and rate processes. He may be reached at the same address as Representative Swanson.

The APUC is an independent organization. Administrative officials cannot influence their decisions. I would encourage you to communicate directly with the, in care of, Chairman Gordon Zerbetz, APUC, MacKay Building, 338 Denali Street, Anchorage, Alaska.

I am sending copies of your letter and my response to Mr. Zerbetz, Representative Swanson, Representative Bradley, Mr. Tony Motley, Commissioner of the Department of Commerce and Economic Development, and Mr. Fred Chiei, Administrator of the Federal Energy Administration office in Anchorage.

I realize fully that my response does not solve your problem and will add to your frustration with the matter. We share your concern and frustrations and I sincerely and personally wish there was a quick answer to the problem. We are continuing to search.

Sincerely,

*William C. McConkey*  
William C. McConkey  
Director

March 17, 1976

RECEIVED

MAR 30 1976

Mr. William C. McConkey, Director  
Alaska State Energy Office  
Juneau, Alaska

ALASKA ENERGY OFFICE

Dear Sir:

Thank you for your letter of February 10, 1976. While I appreciate the effort of your explanation, some of the points you list are difficult to accept.

How can the A. P. U. C. possibly claim that it doesn't have the staff, manpower, funds, etc., to hold public hearings on projected rate increases? It seems to this writer that this is exactly what they are chartered to do by the State of Alaska!

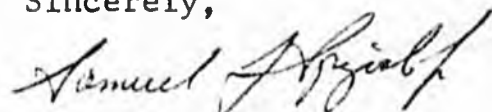
Specifically, where do we stand on your request for a Federal Energy Administration audit of fuel oil suppliers? When can we expect legislative action on House Bill No. 546? The surcharge problem is now reaching crisis proportion while the administrative wheels churn through the red tape. You will soon see people several months behind in their mortgage payments. They don't dare not pay their electric bills or G.V.E.A. will terminate their service. What recourse do they have?

Listed below are the surcharge rates for the past three billing periods: December - .0141180, January - .0165072, February - .201996. Attached is a copy of my latest bill covering the month of February. You will note that the surcharge has now reached the ridiculous figure of 96.4% of the actual electric bill!!! To add insult to injury, the City of Fairbanks tax of 5% is computed on the total bill, surcharge included. This adds another \$9.61 charge for which I have received absolutely no benefit.

I have researched this problem thoroughly in Fairbanks. No longer am I content to join the crowd castigating G.V.E.A. They went to the A.P.U.C. with a rather reasonable request for a 25% increase in charges. The state agency threw it back in their face. As I see it, the problem has been created and maintained by a state agency that is derelict in its duty. If a utility needs a rate increase let the A.P.U.C. get on the ball and hold appropriate hearings and either permit or deny same.

The surcharge method of charging back fuel increases is a farce that cannot be allowed to continue. Somewhere, someone is ripping off the public. Please, your help is needed now. Thank you.

Sincerely,



Samuel J. Speziale, Jr.  
1918 Jack Street  
Fairbanks, Alaska 99701

POSTMASTER—DO NOT DELIVER TO THIS ADDRESS SEE DELIVERY ADDRESS ON OTHER SIDE

FROM

SPEZIALE SAMUEL J JR  
 & CHRISTINE  
 1918 JACK ST  
 FBKS AK 99701

68-9964-2

PLEASE DETACH LOWER PORTION OF THIS SHEET AND RETAIN FOR YOUR RECORDS

PERIOD		ACCOUNT NUMBER	UNIT NO	ADDRESS	CITY	STATE	ZIP	BILLING DATE			
2/02	--03/05	68-99642	21	42547			9,519	199.40	3/10/76	ELEC	199.40
— DEMAND BILLINGS —											
<div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid black; padding: 5px; width: 30%;"> <p><i>Please Note</i></p> <p>THIS BILL INCLUDES A SELF-ADDRESSED RETURN ENVELOPE FOR YOUR CONVENIENCE. DETACH LOWER PORTION OF THIS SHEET AND RETAIN FOR YOUR RECORDS. INSERT PAYMENT IN POCKET ABOVE. FOLD SEAL AND DROP IN MAIL.</p> </div> <div style="border: 1px solid black; padding: 5px; width: 30%; text-align: center;"> <p>FUEL SURCHARGE</p> <p>192.21</p> </div> <div style="width: 30%; text-align: right;"> <p>199.40</p> <p>192.21</p> <p>.00</p> <p>19.58</p> <p>.00</p> <p>411.26</p> </div> </div>											
<p>INCLUDES PAYMENTS RECEIVED THROUGH 3/00/76</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p>YOUR PART OF BILL MUST ACCOMPANY YOUR PAYMENT. THE SURCHARGE TO PAY THE HIGHER COST OF FUEL BURNED TO GENERATE YOUR ELECTRICITY IS \$0.020196 PER KWH FOR MARCH BILLING.</p> </div>											
<p>MISC. CODE:</p> <p>4- YARD LIGHT</p> <p>5- OTHER</p>											

DETACH & RETAIN

THIS LOWER FRONT COPY FOR YOUR RECORDS.

GOLDEN VALLEY ELECTRIC ASSOC., INC.  
 758 ILLINOIS ST., FAIRBANKS, ALASKA 99701

HB

554

"An Act relating to regulation of insurance holding companies; and providing for an effective date," A

COMMITTEE REPORT

1/14/76

HOUSE

JUDICIARY

Mr. Speaker:

Date \_\_\_\_\_

The Committee on COMMERCE has had HB 554

under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT  
CS FOR \_\_\_\_\_ DO PASS
- "and" recommends it BE REFERRED TO THE \_\_\_\_\_  
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ Chairman

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

POUCH D - JUNEAU 99811

January 22, 1976

The Alaska State House of Representatives  
Commerce Committee  
In Session  
Juneau, Alaska

Dear Ladies and Gentlemen:

Re: House Bill 554

As I explained at the meeting of the Committee on Friday, January 16th, I would propose certain technical amendments to accommodate wishes of the insurance industry which were, in general, acceptable to the administration.

Those amendments are as follows:

Amend Section 21.22.060 (c) to read as follows:

The Director may permit an authorized insurer, which is a member of a holding company system subject to registration under the laws or regulations of its state of domicile, which are in the opinion of the Director substantially similar to those contained in this chapter to satisfy the requirement of Subsection (a) by filing a statement in accordance of the laws of its state of domicile except that the Director may at any time require the filing of a copy thereof with the Director. [TO FURNISH A COPY OF THE REGISTRATION STATEMENT OR OTHER INFORMATION FILED BY THE INSURER WITH THE INSURANCE REGULATOR AUTHORITY OF ITS DOMICILIARY JURISDICTION IN PLACE OF FILING THE STATEMENT AS REQUIRED IN (B) OF THIS SECTION].

The effect of this section is to not make it mandatory that all of the 700 foreign carriers authorized to do business in Alaska file the statement, provided a statement is filed with their state of domicile, but authorizes the Director of Insurance to require a copy thereof if necessary.

Amend Section 21.22.060 (d) to read as follows:

No information need be disclosed on the registration statement filed under (b) of this section. That information is

not material for the purposes of this section. Unless the Director by regulation or order provides otherwise, sales, purchases, exchanges, loans or extensions of credit, or investments, involving the lesser of one half of one per cent [OR LESS] of an insurers admitted assets or five per cent of policyholder's surplus as of the 31st day of December of the calendar year in which the transaction took place, are not considered material for purposes of this section.

Some members of industry indicated that the definition of a material transaction was such that a lot of very small transactions would have to come under the prior approval requirement. This dual standard still provides sufficient protection for policyholders in this State but gives appropriate additional latitude to the industry.

Amend Section 21.22.070 to read as follows:

If at any time the Director determines that any material transaction entered into between and insurer and any of its affiliates does not meet the standards set out in Section 80. of this chapter, the Director may, after hearing as provided in Chapter 06 of this title, require the insurer and the affiliate to terminate, set aside, or modify the transaction as considered appropriate by the Director to make the transaction conform to those standards.

An insurer may submit a proposed material transaction to the Director for review and the Director may issue an opinion that such transaction meets the standard set out in Section 80. of this chapter and such opinion shall create a rebuttable presumption that neither the insurer, director, officer, employee, nor agent committed a willful violation of this chapter in entering into the transaction. No such opinion shall prohibit the Director from subsequently exercising his authority in this section."

It was pointed out that the after the fact review authority of the Director created an onerous burden on the carriers and they have asked that the law be amended to require the Director to give an approval of a material transaction or disapproval prior to the effective date of the transaction. The difficulty with their request is that once approved, the company may hide behind the approval should the transaction subsequently prove to be unwise for the benefit of policyholders. It is my opinion that if the transaction should fail to meet the standards set forth in Section 80. and Section 90., that the transaction ought to be set aside for the benefit of policyholders even if once approved by the Director.

January 22, 1976

I do believe that due process ought to be accorded and that the carriers be given an opportunity to have some indication of the Division's attitude toward the transaction and further that if the executives of an insurance company take the trouble to seek a prior approval, that they should be excused from the penalties for willfully violating the section.

Amend Section 21.22.080 (3) to read as follows:

"The insurers surplus as regards policyholders following any dividends or distributions to shareholder affiliates or performance pursuant a material transaction with an affiliate shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs."

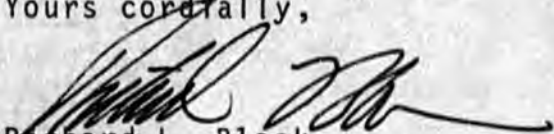
This amendment makes Section 090, the standards for adequacy of surplus, applicable to the approval of material transaction.

For your information I have correspondence from Alaska Pacific Assurance Company, Pioneer National Title Insurance Company (Alaska Title Guarantee Company), and Alaska Insurance Company, all generally supporting the measure provided certain technical changes are made. All technical changes requested are included in these amendments except with respect to the prior approval of material transactions and my reason for not wishing to accede fully to their wishes is explained.

I believe however, that the industry will support the current language.

Let me again take this opportunity to point out the importance of this type of regulatory authority to the proper protection of policyholders in this state. Unfortunately, the prior inability of regulators to deal with transactions between carriers and their noninsurance affiliates has permitted substantial abuse of policyholder's surplus and while it is not prevalent with respect to the carriers currently domiciled in this state, it is important that the authority be available to provide continuing protection.

Yours cordially,



Richard L. Block  
Director

RLB:ls

HB

556

COMMITTEE REPORT

HOUSE

Mr. Speaker:

Date

3/17/76

The Committee on COMMERCE has had HB 556

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

[Signature] Chairman

January 28, 1976

MEMORANDUM

TO: Bob Bradley

FROM: Terry Berman  
Administrative Assistant

SUBJECT: HB 556, "An Act relating to electrical contractors."

This act transfers authority from the Department of Labor to the Department of Commerce and Economic Development to issue cease and desist orders or seek injunctions to stop electrical contractors from acting in violation of the law. Since administrative functions in relation to electrical contractors are presently under the Department of Commerce and Economic Development, it is presumed that it would be more efficient to give this department the power of enforcement.



JUNEAU ALASKA

Alaska State Legislature  
House

January 28, 1976

MEMORANDUM

TO: Bob Bradley *T.B.*  
FROM: Terry Berman  
Administrative Assistant  
SUBJECT: HB 556, "An Act relating to electrical contractors."

This act transfers authority from the Department of Labor to the Department of Commerce and Economic Development to issue cease and desist orders or seek injunctions to stop electrical contractors from acting in violation of the law. Since administrative functions in relation to electrical contractors are presently under the Department of Commerce and Economic Development, it is presumed that it would be more efficient to give this department the power of enforcement.

*H. Rep. Rep.*

*2. New effective as old ones*

HB

5588

COMMITTEE REPORT

1/14/76

HOUSE

JUDICIARY

Mr. Speaker:

Date

1/23/76

The Committee on COMMERCE has had HB 558

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>F. J. ...</u>	<u>...</u>	_____
<u>...</u>	<u>...</u>	_____
<u>...</u>	<u>...</u>	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

... Chairman

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY  
ATTORNEYS AT LAW

200 NATIONAL BANK OF ALASKA BUILDING

PHONE (907) 586-3340

CABLE: ROMEA

TELEX: 099-45-376

P. O. BOX 1211

JUNEAU, ALASKA 99802

R. E. ROBERTSON (1885-1961)  
F. O. EASTAUGH  
J. B. BRADLEY  
W. G. RUDDY  
L. B. JACOBSON  
R. B. BAKER (ANCHORAGE)  
M. T. THOMAS  
L. J. BARKER (ANCHORAGE)  
J. F. CLARK  
P. M. HOFFMAN  
J. P. TANGEN  
A. G. DODGE (ANCHORAGE)

OF COUNSEL  
M. E. MONAGLE

ANCHORAGE OFFICE  
SUITE 310, ALASKA MUTUAL SAVINGS  
BANK BUILDING  
P. O. BOX 679  
ANCHORAGE, ALASKA 99510  
PHONE (907) 277-6693  
TELEX: 090-26-486

PLEASE REPLY TO

JUNEAU OFFICE  
 ANCHORAGE OFFICE

A PROFESSIONAL CORPORATION

 January 28, 1976

The Honorable Robert Bradley  
Chairman  
House Commerce Committee  
Room 628, New Court Building  
Juneau, Alaska 99801

Re: House Bill 558

Dear Representative Bradley:

On behalf of the American Life Insurance Association, I am writing to advise you of the Association's position regarding the above legislation. The following amended language is suggested in order to bring the appropriate sections of the bill into conformity with the 1971 Commissioners' Model Fair Trade Practices, found in the 1972 NAIC Proceedings at pages 444, 495, 498, A513 and 515.

Sec. 21.36.125, page 4, introductory language to be amended as follows:

Sec. 21.36.125. UNFAIR CLAIM SETTLEMENT PRACTICES. No person may commit or perform with such frequency as to indicate a general business practice any of the following acts or practices:

The reasoning behind the suggested rewording being that it is felt some allowance should be made for innocent violations.

Representative Robert Bradley  
Re: House Bill 558  
January 28, 1976  
Page 2

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Sec. 21.36.320(d), page 7, to be amended as follows:

Reduction of proposed penalty to \$1,000 and addition of "but not to exceed an aggregate penalty of \$10,000."

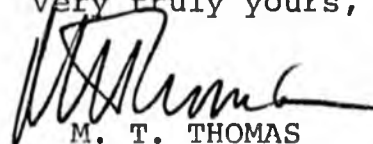
Sec. 21.36.320(e), page 7, to be amended as follows:

Reduction of proposed additional penalty to \$4,000 and addition of "but not to exceed an aggregate penalty of \$50,000, in any six month period."

The basis for the proposed penalty changes is that a fine of an astronomical amount for one advertisement could literally put a small company out of business.

We would appreciate your careful consideration of the suggested amending language. If you should need additional information or I could be of further assistance regarding the subject legislation, please contact me.

Very truly yours,



M. T. THOMAS

MTT:kh

14B

559

# COMMITTEE REPORT

1/14/76

HOUSE

Mr. Speaker:

Date 1/14/76

The Committee on COMMERCE has had HB 559

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

_____	_____	<u>Dr McKinnon</u>
<u>Freeman</u>	<u>do pass</u>	
<u>Shelton</u>	<u>do pass</u>	
<u>Robt. ...</u>		

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ Chairman

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

POUCH D - JUNEAU 99811

January 23, 1976

The House of Representatives  
Commerce Committee  
In Session  
Juneau, Alaska

Dear Ladies and Gentlemen:

Re: House Bill 559

I will be pleased to discuss with you, on Monday, January 26th, an act relating to insurance filing review periods and insurance deviations.

Under current law we have fifteen days to approve or disapprove a rate filing made by a carrier and we may, by writing a letter containing certain specific language, obtain an additional fifteen days in which to approve or disapprove that rate.

The amendment proposed in House Bill 559 would extend both the primary period and the extended period from fifteen days to thirty days. The amendment will also permit the Division to approve for use a rate filing without waiting for the expiration of an approval period. The amendment also eliminates the necessity of putting unnecessary language in the notice of the Division that the time for approval is being extended.

Finally there is a more substantive change which will allow the Division to approve deviation and rate filings in a manner other than a uniform percentage deviation.


Under current law a carrier may deviate from a bureau filing in a flat percentage upwards or downwards. Suppose the Insurance Service Office, the rating bureau for automobile insurance rates for the majority of carriers in this state, made a rate filing for all the various locations in the state, class codes, automobile descriptions, and driver ages, and that rate filing is approved by the Division. A carrier desires to market a program in this state and charge rates other than those approved for the I.S.O.

January 23, 1976

Under current law we have authority to approve only a flat percentage increase or decrease in the total rate scale promulgated by the I.S.O.. Under the proposed amendment we would be authorized to do that but also to approve an entirely different rating scheme or a rating scheme where some rates are higher than bureau and some rates are lower than bureau.

It is believed by the Division that this will enable the carriers to market more strongly in this state and thus improve the market for insurance in a variety of lines.

Yours Cordially,



Richard L. Block  
Director

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

POUCH D — JUNEAU 99811

January 23, 1976

The House of Representatives  
Commerce Committee  
In Session  
Juneau, Alaska

Dear Ladies and Gentlemen:

Re: House Bill 559

*Keep copy for own  
files + send a copy  
to judiciary  
M.C.*

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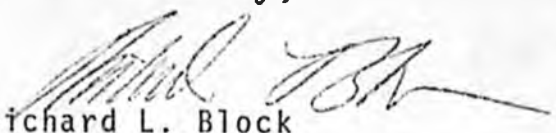
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January 23, 1976

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It is believed by the Division that this will enable the carriers to market more strongly in this state and thus improve the market for insurance in a variety of lines.

Yours Cordially,



Richard L. Block  
Director

HB

570

COMMITTEE REPORT

1/15/76

HOUSE

Mr. Speaker:

Date 2/20/76

The Committee on COMMERCE has had H.R. 570

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

F. S. Bradley \_\_\_\_\_  
\_\_\_\_\_ \_\_\_\_\_  
Joe McKinnon \_\_\_\_\_  
\_\_\_\_\_ \_\_\_\_\_

Members NOT concurring in the Majority report:

Tom Hilt recommends: no rec

\_\_\_\_\_ recommends:

John L. ... recommends: no rec

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

F. S. Bradley Chairman

AMENDMENT

OFFERED IN THE HOUSE:

BY: Commerce Committee

To: \_\_\_\_\_ HOUSE BILL No. 570

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINE: \_\_\_\_\_

Delete Sec. 45.50.550. CREDIT REPORTING beginning with line 10 through line 13 and add:

Sec. 45.50.550 CREDIT REPORTING. Every consumer reporting agency shall send a notice that a consumer report has been issued to the consumer about whom the report is given. The notice shall state that the report is open for inspection and an explanation of codes used in the credit report will be given.

LAW OFFICES OF  
FAULKNER, BANFIELD, DOOGAN & HOLMES  
SUITE 201, 311 FRANKLIN STREET  
JUNEAU, ALASKA 99801

HERBERT L. FAULKNER (1882-1972)  
NORMAN C. BANFIELD  
FRANK M. DOOGAN  
MICHAEL M. HOLMES  
RANDALL J. WEDDLE  
WILLIAM B. ROZELL

JAN VAN DORT  
LAWRENCE T. FEENEY  
CHARLES N. DRENNAN  
PATRICK E. MURPHY  
TOM BATCHELOR

TEL. 586-2210  
AREA CODE 907

February 9, 1976

Mr. Robert Bradley  
Chairman, House Commerce Committee  
Pouch V  
Juneau, Alaska 99811

Re: House Bill No. 570

*Miller's  
bill  
File*

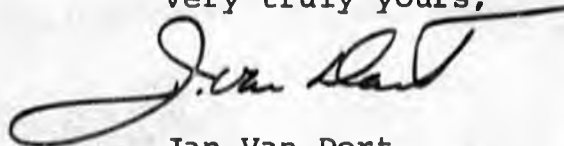
Dear Mr. Bradley:

I represent Household Finance Corporation which is a business organization operating, in part, under the provisions of the Alaska Small Loan Law. If the definition of "consumer report" is retained in its present form, HFC would be required to send a written communication to a customer every time a credit rating was given to another creditor. I would suggest that the words:

A consumer report does not include any report containing information solely as the transactions or experiences between the customer and the person making the report.

be added to the end of subsection (9). I have been advised by my principal that these words are identical to the ones used in the Federal Fair Credit Billing Act.

Very truly yours,



Jan Van Dort

JVD/amz

cc: H. Kirk Henry  
D. R. Buckey

ALASKA RETAIL ASSOCIATION, INC.  
Box 1727  
Anchorage, Alaska

January 19, 1976

STATEMENT ON HB 570, RELATING TO THE FURNISHING OF COPIES OF CREDIT REPORTS:

Mr. Chairman, members of the Committee, my name is Dean Ehrich, President of the Alaska Retail Association. I'm speaking, today, on behalf of the Association, a statewide organization of retail merchants and related service businesses. I have also been asked to represent the Anchorage Businessmens Association, which owns and operates the Anchorage Credit Bureau. The Interior Credit Bureau of Fairbanks and Equifax, Inc, formerly Retail Credit Company, have also authorized me to speak on their behalf as the time element did not enable them to send representatives to this particular hearing. It is hoped they will have an opportunity to testify on HB 570 at some future hearing before this Committee.

For your records, my present employment is as Manager of the Anchorage Chamber of Commerce. The Chamber has not yet had an opportunity to formalize a position on HB 570 but I feel certain they will also wish to provide a statement to the Committee at some future date. Meanwhile, my testimony on this measure is not to be construed as a position of the Anchorage Chamber of Commerce but only that of the organizations mentioned before.

HB 570 would require that a written copy of any credit report issued by a credit reporting agency, written or oral, be automatically mailed to the consumer upon whom the report was issued. It is also our understanding that a detailed explanation of terms contained in such reports would be required to accompany the report to the consumer. With the experience gained in my previous employment (four years as Assistant Manager of the Anchorage Credit Bureau), I can assure the Committee that such requirements, as contained in HB 570, would create some nearly insurmountable problems, not only for the consumer credit reporting industry, but also for users of credit reports and, more importantly, for the very consumer this measure would seek to protect.

First, let me review the probable economic consequences of HB 570. While compliance with the proposed provisions of the bill may not unduly harm automated credit reporting agencies, it must be remembered that there are only about six or seven credit bureaus in the State of Alaska, all of which are operating on manual systems. Reporting agencies basically supply two types of reporting services; telephone reports and manually typewritten reports. In a typical bureau, better than 75% of all reports are transmitted via telephone. Report prices for telephone reports are substantially lower than prices for the formal typewritten format.

While time did not permit a thorough analysis of the costs which would be involved in typing and mailing a report to the subject of each inquiry, I can give some "ball park" estimates relative to the Anchorage Credit Bureau. The Anchorage Credit Bureau does an average total dollar volume in reporting of about \$35,000 per month. The average number of reports produced monthly works out to about 12,069 units or about 549 reports per business day. As about 75% of all reports produced are oral or informal "hand written" reports, there are around 411 of such reports daily. The minimum per report cost in typing a report, preparing explanations of coded items and terms, and mailing to the consumer is estimated at \$2.50 per report. Thus, the cost of compliance with HB 570, for the Anchorage Credit Bureau, would amount to over \$1000 per day or a staggering \$22,000 per month. Quite frankly, the Anchorage Credit Bureau does not have an extra \$22,000 per month to spend. I don't elaborate on the annual cost amounting to \$264,000 per year only because I doubt if the operation would be in business for as long as a year under the conditions which would result from compliance with HB 570.

I'm certain that some would say that the reporting agencies could simply pass the increased costs along to their customers but I, quite honestly, have no idea how to pass along an increased cost factor amounting to around 65% of gross volume and still persuade retailers and other credit grantors to continue using credit reports.

Let us suppose for a minute that normal operations would continue in these conditions and that credit grantors would continue to use credit reports to the extent they do presently. First of all, credit bureaus, because a written report would be required to go forward in any case, would probably find it necessary to convert operations to the production of written reports only. The vast majority of credit decisions can now be made in a very short time by obtaining a telephone report.

If only typewritten reports are made available, consumers will be required to wait as long as two weeks for a credit decision instead of the day or two now required in the majority of cases. Further, because report prices would be increased by what reporting industry members tell me would be at least three times the average existing prices, credit grantors would be forced to pass this along to the consumer in some manner, such as increased merchandise prices, a credit report charge or, perhaps, a combination of these. It is also certain that more stringent screening processes would be invoked, thus depriving many consumers of the opportunity to obtain needed credit.

I should mention, in passing, that the increased cost factors mentioned earlier are not the whole story. Under present systems, and in accordance with existing Federal Law (the Fair Credit Report Act - P.L. 91.508), a consumer is only notified about the issuance of a credit report if he is denied credit or some other benefit by reason of such report. If the credit or service is granted, he normally has no particular interest in the contents of a report or even whether or not one was issued. If reporting agencies are to mail a report in every instance, his curiosity would be triggered, even when the report reflects nothing but excellent payment habits, and, more than likely, he would contact the agency for further information or elaboration. This would further increase agency operating costs. We have no estimate of the probable extent of the cost increase in this connection but we know it would be substantial and would ultimately create yet another price increase.

There is one other problem connected with the wholesale mailing of credit reports which I'll touch on briefly. There is the real chance that confidential credit reports on consumers will fall into the hands of unauthorized persons. Mail is often opened by mistake (or design); family members not concerned with the report may have access to the consumers mail and, as we all know, mail frequently goes astray. Credit reporting agencies have both a legal and moral obligation to insure that information contained in credit reports is related only to those having a legitimate business need for the information or to the person upon whom the report is written. Meeting these obligations would be nearly impossible under the conditions which would be imposed by HB 570.

The credit reporting industry is already regulated under Federal law as previously mentioned. I would like to discuss the provision<sup>s</sup> of that law to show the Committee that adequate protection already exists for the consumer relative to credit reports. First, though, I would like to point out that there are two basic types of consumer credit report; the regular "fact bilt" type containing only information obtained from the ledger experience of the consumer's credit references and other information usually obtained from public records; and what is called an "investigative consumer report" which may contain, in addition to the factual material mentioned, some comment and analysis regarding the personal characteristics general reputation, or mode of living of the consumer. The first type of report is typically used for credit granting purposes; the second for insurance and employment purposes. Both types of report have their specific uses and are necessary to determine the eligibility of an applicant for some requested benefit. Both types of report are thoroughly governed by the provisions of the Federal Fair Credit Reporting Act.

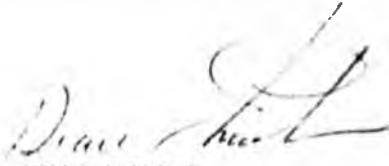
After much careful consideration and work, including input from the credit reporting industry and credit grantors, Congress passed P.L. 91-508, short title, the Fair Credit Reporting Act. This act, which went into effect in April of 1971, regulates all aspects of the industry and sets forth the specific permissible purposes for which credit reports may be issued or obtained. Basically, these purposes are as follows: (1) In connection with a credit transaction involving the consumer; (2) employment purposes; (3) underwriting of insurance; (4) to determine the consumer's eligibility for license or other benefit granted by a government agency; (5) and for any other legitimate business purpose involving the consumer. The law requires that credit report users, when declining to open an account or to grant some other benefit, by reason of a credit report, to notify the consumer of that fact and to supply the name and address of the credit reporting agency. The consumer then has, under the law, the right to contact the agency and to have disclosed to his any and all items contained in the file. This may be done either in person or by phone, upon his supplying the agency with proper identification or information over the phone which would reasonable serve to identify the consumer. The consumer, indicentally, also has the right to review his file even when there has been no transaction. Should the consumer dispute any information contained

in the file, the agency is required to reinvestigate the disputed item or items and to relate any change or correction to any credit report user to whom the erroneous information had been related during the preceding six months or, in the case of employment, the preceding two years. The law also provides that certain adverse information be deleted from a consumers file after a period of seven years, except records of bankruptcy, which must be deleted after 14 years. Examples of adverse items include suits and judgements, paid tax liens, accounts placed for collection and/or charged off to profit and loss for non payment.

To help insure that reports are used only for permissible purposes, each customer of a reporting agency is required by the agencies to sign a contract which outlines the purposes for which credit reports may be obtained. Each customer of the bureau is assigned a code number for identification purposes so that the bureau may be assured that information is transmitted only to authorized persons.

Just to sum up briefly, I would like to say that existing Federal law provides an adequate avenue for consumers to insure the accuracy of information contained in credit reports. Moreover, that law does not place unreasonable burdens upon the consumer credit industry, nor does it create unreasonable delay in the credit granting process or cause any undue expense which must ultimately be borne by the consumer. On the other hand, HB 570, through its requirement that a written copy be mailed to each consumer when a report is issued, whether or not he has been denied credit or some other benefit, would do all these things without accomplishing any substantial or significant benefit to the consumer.

Finally, I wish to thank the Committee for this opportunity to express our views on HB 570 and to assure you that we would be glad to develop and supply any other facts or details you may require in your consideration of this measure. Also, I'm certain that other representatives of the industry would be glad to provide the Committee with any further input they may desire.

  
DEAN EHRICH  
President  
ALASKA RETAIL ASSOCIATION, INC.

HB

572

COMMITTEE REPORT

1/15/76

HOUSE

Mr. Speaker:

Date 2/25/76

The Committee on COMMERCE has had HB 572

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

(x) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

<u>Joe McAnis</u>	<u>" "</u>	<u>_____</u>
<u>J. S. Walker</u>	<u>" "</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

Ferguson recommends: DO NOT Pass

and W recommends: Do not pass

\_\_\_\_\_ recommends:

J. S. Walker  
Chairman

*John*  
*Xerox, just to committee*  
*member + file*  
*B.*

January 22, 1976

Representative Bob Bradley, Chairman  
House Commerce Committee  
Pouch V, State Capitol  
Juneau, Alaska 99811

Dear Representative Bradley:

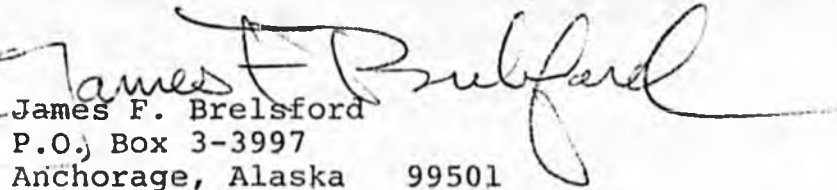
I am writing you in regard to House Bill 572. As you are aware the thrust of this bill is in requiring financial institutions which hold state monies to disclose the geographical location (by census enumeration district) of loans secured by residential real property. Such a requirement would enable the public to determine if financial institutions are "red-lining".

I know of at least one bank that was, if not still, doing so. This past summer my brother and I looked into purchasing a home. Upon phoning our bank I was informed that the terms of a housing loan would vary with the location of the property. For example, the bank stated, if the home was located in Nunaka Valley the Loan would be for a much shorter duration. As it was, my brother and I did not pursue the idea and as such I never thought too much about the bank's statements.

Since that time, however, I have become quite interested in the dynamics of the housing market and crisis. The effect of red-lining is apparent. The practice simply creates a self-fulfilling prophecy in regard to the deterioration of the area marked off. I do not wish to restrict financial institutions' right to lend money as they see fit. HB 572, by simply compelling public disclosure of the information delineated in the bill would not do that. Rather, the requirements of that bill would ensure that the Municipality and the State have at hand information pertinent to any attempt to remedy the housing crisis.

I therefore request your strong support of HB 572. Passage of this bill would exemplify the House's concern for affirmative action in addressing possible solutions to Anchorage's housing emergency.

Sincerely,



James F. Brelsford  
P.O. Box 3-3997  
Anchorage, Alaska 99501

cc: Representative Joe McKinnon  
Sponsor, HB 572



Robert E. Barnes, President

P. O. Box 240 Anchorage, Alaska 99510 907/277-5661

February 6, 1976

Honorable Bob Bradley  
Alaska House of Representatives  
224 Foster  
Juneau, Alaska 99801

Dear Mr. Bradley:

SUBJECT: House Bill No. 572

After careful reading of House Bill No. 572, I would like to express my opposition to this bill in its present form. As you know, Congress has recently enacted Public Law 94-200, and Title 3 of this law is referred to as the "Home Mortgage Disclosure Act of 1975". The Congress held extensive hearings and have enacted a law which I believe will effectively deal with the so-called "red-lining problem". House Bill No. 572 goes far beyond the requirements of Public Law 94-200 for information to be supplied by financial institutions.

The "Home Mortgage Disclosure Act of 1975" requires that banks maintain records which would be available for public inspection giving the number and total dollar amount of mortgage loans which are originated or purchased during each fiscal year in each standard metropolitan statistical area within which the depository institution has an office. The Act further requires that the information to be maintained shall be itemized to show the number and dollar amount by census tracts, where readily available at a reasonable cost, as determined by the Board of Governors of the Federal Reserve System, or otherwise by Zip code. We will also have to maintain records for mortgage loans which are secured by property outside the standard metropolitan statistical areas and we will have to itemize the number and dollar amount of mortgage loans which are federally insured or guaranteed; the number and dollar amount of mortgage loans made to mortgagors who are not residing on the property securing the mortgage loans; and the number and dollar amount of home improvement loans. The maintenance of these records will represent a substantial burden on financial institutions.

Honorable Bob Bradley  
February 6, 1976  
Page 2

House Bill No. 572 requires a great deal more detailed information and would represent an excessive burden on the financial institutions in Alaska. The banks in Alaska simply cannot press a button on a computer to generate the information called for in House Bill No. 572. We would have to extensively rewrite our computer software and there is some doubt in my mind that we can design programs to generate the data. The programs would be extremely complex and would substantially increase our operating costs. The higher costs would inevitably be passed on to the consumer.

I think that Public Law 94-200 will effectively deal with the national "red-lining problem" in urban areas and it is not necessary for the State of Alaska to go beyond the requirements of this law (which was passed after extensive deliberation by the U.S. Congress) because I do not believe the problem exists in our State.

Sincerely,



Robert E. Barnes  
President

REB:ph

MINUTES  
HOUSE COMMERCE COMMITTEE  
January 19, 1976  
Testimony on HB 572

Representative McKinnon, sponsor, presented an explanation of HB 572 and the purpose of the bill.

He explained that present Federal law requires lending institutes to report loans by zip code areas. This is not realistic in Alaska. The bill would require lending institutes to report by census divisions to the State of Alaska.

Presently some areas in Anchorage are being "red lined" by lending institutes. Consumers are being refused loans for property or it is made difficult for them to obtain one by being forced to pay excessive down payments, higher interest rates, or the parcels are under appraised forcing the consumer to pay the difference between the appraised value and the selling price. Loans are being denied on the basis of area in which the property is located instead of the consumer's credit record.

Rep. McKinnon further stated that banks must report under the Federal law and an addition such as this would not be costly to the institutes. The change would make the information useful to the State.

Rep. Union questioned why such measures were necessary. From his past experience, he did not know of any lending institutes which were red lining any districts in the Anchorage area.

Rep. Fischer requested that the Chairman contact the banks to see if the information could be obtained without this legislation.

Rep. Rhode questioned whether or not the Division of Banking had been notified. Rep. Bradley confirmed that the Administration had been notified.

Jamie Love, Executive Director of the Alaska Public Interest Research Group testified in favor of the bill. He related an experience of a resident in the Anchorage area who wanted a home improvement loan so that she could rent out her home. The bank refused because of the area which her home was located. Mr. Love stated that he had met with Nunaka Valley residents who have had the same problems. He understood that the Muldoon area residents were having the same problems. He also related that the University of Alaska through the Urban Housing Institute had done a study of this trend.



Robert E. Barnes, President

P. O. Box 240 Anchorage, Alaska 99510 907/277-5661

February 6, 1976

Honorable Bob Bradley  
Alaska House of Representatives  
224 Foster  
Juneau, Alaska 99801

Dear Mr. Bradley:

SUBJECT: House Bill No. 572

After careful reading of House Bill No. 572, I would like to express my opposition to this bill in its present form. As you know, Congress has recently enacted Public Law 94-200, and Title 3 of this law is referred to as the "Home Mortgage Disclosure Act of 1975". The Congress held extensive hearings and have enacted a law which I believe will effectively deal with the so-called "red-lining problem". House Bill No. 572 goes far beyond the requirements of Public Law 94-200 for information to be supplied by financial institutions.

The "Home Mortgage Disclosure Act of 1975" requires that banks maintain records which would be available for public inspection giving the number and total dollar amount of mortgage loans which are originated or purchased during each fiscal year in each standard metropolitan statistical area within which the depository institution has an office. The Act further requires that the information to be maintained shall be itemized to show the number and dollar amount by census tracts, where readily available at a reasonable cost, as determined by the Board of Governors of the Federal Reserve System, or otherwise by Zip code. We will also have to maintain records for mortgage loans which are secured by property outside the standard metropolitan statistical areas and we will have to itemize the number and dollar amount of mortgage loans which are federally insured or guaranteed; the number and dollar amount of mortgage loans made to mortgagors who are not residing on the property securing the mortgage loans; and the number and dollar amount of home improvement loans. The maintenance of these records will represent a substantial burden on financial institutions.

Honorable Bob Bradley  
February 6, 1976  
Page 2

House Bill No. 572 requires a great deal more detailed information and would represent an excessive burden on the financial institutions in Alaska. The banks in Alaska simply cannot press a button on a computer to generate the information called for in House Bill No. 572. We would have to extensively rewrite our computer software and there is some doubt in my mind that we can design programs to generate the data. The programs would be extremely complex and would substantially increase our operating costs. The higher costs would inevitably be passed on to the consumer.

I think that Public Law 94-200 will effectively deal with the national "red-lining problem" in urban areas and it is not necessary for the State of Alaska to go beyond the requirements of this law (which was passed after extensive deliberation by the U.S. Congress) because I do not believe the problem exists in our State.

Sincerely,



Robert E. Barnes  
President

REB:ph



JOHN F. KAMPER  
VICE PRESIDENT

# PEOPLES BANK & TRUST

POUCH 7007 • 8TH AVENUE AND G STREET • ANCHORAGE, ALASKA 99510  
TELEPHONE (907) 279-7511

*File*

February 19, 1976

Representative, Bob Bradley  
Alaska State House of Representatives  
Pouch V  
State Capitol Building  
Juneau, AK 99881

Dear Representative Bradley:

RE: House Bill #572

On January 15, 1976, House Bill #572 was introduced. This proposed bill is in regard to the disclosure of geographical distribution of loans.

The bill is presumably designed to thwart "red-lining" and is similar to proposed federal legislation. The additional reporting, accounting, and record keeping that would be required for this bill puts an undue burden on the lender. The proposed federal legislation would have different requirements and would mean double reporting and record keeping.

In the State of Alaska, with such vast geographical areas, it would seem that "red-lining" is not something that can be readily identified. Even in our large cities, with their great demand for housing, it seems that "red-lining" is not a problem.

I have to conclude that this type of legislation is of the "tag along" variety. It serves no purpose for anyone involved.

I would consequently urge you to vote against this bill.

Very truly yours,

John F. Kamper

JFK:sh



HB

578

**ALASKA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

P. O. BOX 675  
ANCHORAGE, ALASKA 99501

February 6, 1976

Representative Bob Bradley  
Chairman, House Commerce Committee  
Pouch V  
Juneau, Alaska 99811

Dear Representative Bradley:

Thank you for the letter notifying me that your committee would hear testimony on HB 578 at 8:00 a.m., January 29, 1976.

The postmark on the envelope which contained the notice was January 26, 1976. I received the notice approximately 3:00 p.m. January 28, 1976. A time frame of this nature makes it totally impossible for anyone to catch an airplane to Juneau to deliver testimony or to even telephone you to relay any thoughts one might have on this or any other bill. All of this, of course, would have to be based upon the assumption that one had already received, studied and developed opinions upon this proposed piece of legislation, which in this case I had not. If this is the normal operating procedure of the legislature, citizen criticism that the legislature does not allow for adequate public input is justified.

I see that this bill was introduced January 15, 1976 at the request of the Governor. I am at a loss to understand why the Governor and/or the Commissioner of Commerce did not, as far as I know, seek comment from existing regulatory boards prior to the introduction of this bill or supply members of regulatory boards with copies of the bill at the time it was introduced in order that those affected would have an opportunity to study the bill's provisions and develop a position thereon.

I have obtained a copy of this bill, studied it, discussed the provisions with a majority of the members of both the State Board of Public Accountancy and the Board of Directors of the Alaska Society of Certified Public Accountants and have the following observations:

1. This bill appears to be a direct result of the problems the dentists and the attorneys have encountered in challenges to their examining and grading practices.

Representative Bob Bradley

February 6, 1976

2

2. It would seem to me that a natural function of the Department of Commerce would be those items covered by Article 2, Section 08.03.020 (1) and (2) without the need to create a five-person commission.
3. Article 2, Section 08.03.030 (A)  
Why must one member be an attorney? Article 2, Section 08.03.090 provides for legal council. This provision appears to be a special interest clause.
4. Article 3, Powers and Duties of the Commission  
Again, as observed in 2. above, these responsibilities appear to be a natural ongoing function of the Department of Commerce and/or the legislature and do not support the need to create another government commission.
5. The State Board of Public Accountancy has, on more than one occasion, been told by the Commissioner of Commerce, or members of his staff, that there was no money in the 1975-76 budget and no money would be requested in the 1976-77 budget to fund activities which the Board wanted to undertake that would aid them in being current and responsible to the public and to the members of the profession which they help regulate. Yet approximately \$100,000 is being sought to establish another layer of government to do what can be done by existing units for the same or a lesser amount.
6. HB 578 provides that the five-person commission will meet at least once each month. If all five members met for two days each month the State would receive 120 man days of effort or one-half of the man days available to one full-time employee. This for \$100,000?

Let us look at the following alternative:

Salary - one full-time person	\$ 30,000
Fringe benefits 21%	<u>6,300</u>
	\$ <u>36,300</u>

That leaves \$63,700 to fund travel and other costs, and the State would have twice as many man days of work available to perform the review and report writing functions described in this bill.

7. I can not speak for other State of Alaska regulatory boards or other professional societies, but as a member of the State Board of Public Accountancy and as President of the Alaska Society of Certified Public Accountants I am certain that a concerted effort is being made by members of the Board and the Society to stay current and responsive to public and professional needs.

Representative Bob Bradley  
February 6, 1976  
3

8. I believe that your committee should hold additional hearings on this bill in Anchorage and adequate advance notice of these hearings should be given to all affected organizations.

Very truly yours,



Vernon R. Johnson,  
President, Alaska Society of  
Certified Public Accountants  
Vice-President, State Board of  
Public Accountancy

VRJ:KME

cc: The Honorable Jay Hammond, Governor  
Senator Jay Kerttula  
Senator Ed Willis  
Senator Mike Colletta  
Representative Tim Wallis  
Representative Helen Fischer  
Representative Oral Freeman  
Representative Ramona Kelley  
Representative Leo Rhode  
Representative Richard Urion  
Commissioner Langhorne Motley  
Members of the State Board of Public Accountancy  
Members of the Board of Directors Alaska Society of CPAs  
Anchorage Daily News  
Anchorage Times  
Members of Alaska Society of CPAs



# EARL E. COOK REAL ESTATE

224 3RD AVE. • BOX 2134  
FAIRBANKS, ALASKA 99707

OFFICE PHONE 456-5070  
EVENINGS 452-3637



SALES

RENTALS

PROPERTY MANAGEMENT

APPRAISALS

January 28, 1976

Rep. Bob Bradley, Chairman  
House Commerce Committee  
House of Representatives  
Pouch V  
Juneau, Alaska 99801

Dear Mr. Bradley:

Thank you for the notice on the hearing for January 29, 1976 on HB 578. I have not yet had an opportunity to read this bill, and have only read some News Paper articles about the bill. I will not be able to attend the hearings.

I do have some very strong opinions on the system of Boards and Commissions in this State. I feel there are problems and inefficiencies, but I do not feel in the case of the Real Estate Commission that our problem is internal with the commission or that we are trying to protect our own or anything else sinister. I have been on the Real Estate Commission 3 years. We sincerely would like to protect the consumer and revoke licenses where justification is shown or to prosecute those operating without a license where one is required. But we must follow due process, with proper hearings and with prosecution by the Attorney General's Office on behalf of our Commission.

This is where I see the real problem. In the 3 years I have been on the Real Estate Commission we have almost no cooperation from the Attorney General's office. They don't seem to care and don't seem to have time. We have some very good complaints about non licensed activity where the State is involved with the alleged violator. This 2½ year old complaint by an Alaskan citizen has yet to see any definitive action by the Attorney General's Office. There are other examples also.

So unless HB 578 contains a mechanism to assure that alleged wrong doing by those who are licensed or those who should be is followed up by the office of the Attorney General, there will be no protection of the consumer and all your reforms will do no good. I do not see the problem being one of Credentialing of commission members only, but being much broader.

There was supposedly a major study in the last year of Boards and Commission and their function. Yet the Real Estate Commission members were not contacted or interviewed about the study. Thus, any study and its conclusions would have to be lacking in my opinion, especially as relates to some of the criticism I have seen expressed in the press under quotes from Division of Occupational Licensing personnel.

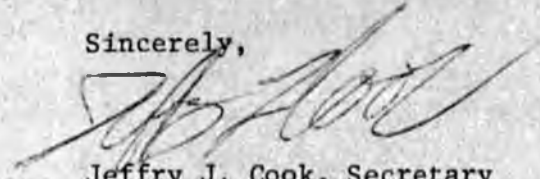


January 28, 1976

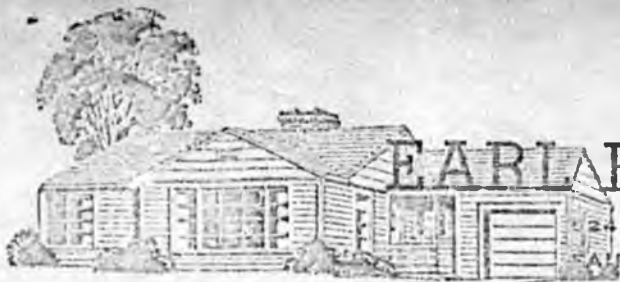
We on the Real Estate Commission have no objection to a public or lay member being on the Commission. We are anxious that others see that our problems are not from within, but are caused by lack of follow up by the office of the Attorney General and frustration with forms, paper work and the Bureaucracy with which we must deal.

Thank you for your attention to my comments. I feel the bill implies poor intentions and conflicts of interest by all Boards and Commissions. This would be the exception rather than the rule in my opinion. Our Commission works hard to do a good job and to properly handle consumer complaints, but our hands are tied after a point. Somewhere along the line and possibly with amendments to HB 578 I hope this will be corrected.

Sincerely,



Jeffrey J. Cook, Secretary  
Alaska Real Estate Commission



# EARL E. COOK REAL ESTATE

3RD AVE. • BOX 2134  
AIRBANKS, ALASKA 99707

OFFICE PHONE 456-5070  
EVENINGS 452-3637



SALES • RENTALS • PROPERTY MANAGEMENT • APPRAISALS

January 28, 1976

Rep. Bob Bradley, Chairman  
House Commerce Committee  
House of Representatives  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Bradley:

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January 28, 1976

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Sincerely,



Jeff J. Cook, Secretary  
Alaska Real Estate Commission

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

Division of Occupational Licensing

Board of Nursing  
2702 Denali St. Rm 206  
Anchorage, AK 99503  
phone: 276-7969

10 February 1976

*File*

Honorable Bob Bradley  
Pouch V  
Capitol Building  
Juneau, AK 99811

Dear Representative Bradley;

The Board of Nursing submits the following comments regarding pending legislation.

HB 578 "An Act creating the Alaska State Credentialing Review Commission." The board does not support this bill. The need for such a commission is questioned. Isn't the purpose of this Commission already inherent within the functions and responsibilities of the department or the Division of Occupational Licensing?

This bill seems to be adding to the bureaucracy at the expense of the taxpayer. Increased accessibility of the office of the attorney general to the boards would perhaps be more valuable than creating another area for that office to respond to.

Sincerely,

*Joyce Hazelbaker*

Joyce Hazelbaker, R.N.  
Executive Officer

LAW OFFICES OF  
FAULKNER, BANFIELD, DOOGAN & HOLMES  
SUITE 201, 311 FRANKLIN STREET  
JUNEAU, ALASKA 99801

HERBERT L. FAULKNER (1882-1972)  
NORMAN C. BANFIELD  
FRANK M. DOOGAN  
MICHAEL M. HOLMES  
RANDALL J. WEDDLE  
WILLIAM B. ROZELL

JAN VAN DORT  
LAWRENCE T. FEENEY  
CHARLES N. DRENNAN  
PATRICK E. MURPHY  
TOM BATCHELOR

TEL. 586-2210  
AREA CODE 907

February 23, 1976

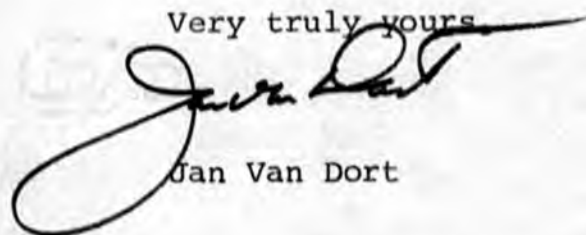
The Honorable Bob Bradley  
Chairman, House Commerce Committee  
State Capitol  
Fouch V  
Juneau, Alaska 99811

Re: House Bill No. 578

Dear Chairman Bradley:

On behalf of Household Finance Corporation, I have been requested to inform you that the broad language contained in the definition section of this bill would give the Credentialing Review Commission the authority to affect business entities and enterprises which normally would not be licensed or are regulated under other portions of the statutes. AS 08.03.400(3) and (6) should be amended to provide that other business entities are exempted from the provisions of the act.

Very truly yours



Jan Van Dort

JVD/amz

cc: H. K. Henry  
J. M. Murray



JUNEAU ALASKA

# Alaska State Legislature

## House

February 26, 1976

### MEMORANDUM

TO: Bob Bradley

FROM: Jennifer Peterson, Secretary  
House Commerce Committee

SUBJECT: Correspondence concerning HB 578

I have reviewed the correspondence from William D. Bradshaw as per your request.

I believe this to be a perfect example of what Sharon Andrews was explaining to the Committee. The Boards need to be reviewed and analyzed as to their procedures and policies.

Mr. Bradshaw was simply trying to find out why the Board refused his license. The Board told him he needed six more months of experience and that he would have to take the test again whether he passed the first one or not. In each of his letters and ones written by his attorney, they requested an explanation of what kind of experience he needed and when would he be eligible for his license. In each reply he received, they simply stated again that he needed "more experience" without an explanation of why.

Sharon Andrews did finally answer the questions, however, the answer was not acceptable. She stated that: "It is my understanding that the Board has not rejected Mr. Bradshaw's experience, or portions of it; but that in following established procedure for evaluating professional experience, has allowed only one half credit for Mr. Bradshaw's experience as a project engineer with a contractor. This policy is not a portion of the regulations adopted by the Board, but is part of the guidelines which the Board established for its use in evaluating 'professional experience'. I hope this information clarifies the situation for you." Mr. Bradshaw's attorney's reply, I believe, is an answer to it all (see attached).

In Mr. Bradshaw's cover letter, he offers three recommendations to be included in the bill based on his experiences.

**RICE, HOPPNER & HEDLAND**

ATTORNEYS AND COUNSELORS AT LAW

SUITE A-330 WENDELL STREET  
P.O. BOX 2551

FAIRBANKS, ALASKA 99707

(907) 452-1201

ANCHORAGE OFFICE  
1016 WEST 6TH AVENUE (99501)  
(907) 279-5528

BETHEL OFFICE  
P.O. BOX 555 (99158)  
(907) 543-2850

VALDEZ OFFICE  
P.O. BOX 486 (99686)  
(907) 835-4388

JULIAN C. RICE  
LLOYD I. HOPPNER  
JOHN S. HEDLAND  
GEORGE E. SMALL  
MILLARD F. INGRAHAM

HUGH W. FLEISCHER  
CHRISTOPHER R. COOKE  
SAUL R. FRIEDMAN  
PATRICK T. BROWN  
DAVID A. ENGELS

CHARLES J. CLASBY  
OF COUNSEL

January 22, 1976

Sharon Andrew, Director  
State of Alaska  
Department of Commerce & Economic Development  
Pouch D  
Juneau, AK 99811

Re: William D. Bradshaw

Dear Ms. Andrew:

I have received your letter of January 13, 1976 and a copy of the letter that was sent to me on December 8, 1975, but never received. I have reviewed your letter of December 8, 1975 and while I appreciate the candid manner in which you advised me of the Board's procedure, I am appalled by the secret way in which the Board considers applications. The statutes specifically provide that the Board is to be governed by the Administrative Procedures Act, which requires publication, notice and hearing of any and all regulations that the Board wishes to operate under. Now however, I am told that the Board has a "secret" regulation which has never been published and which the citizens of the State have never had a opportunity to comment on before its adoption. Although the Board may very well wish to operate under its "secret" regulations and "pull-up-the-ladder" on the new engineer applicants, nevertheless, the Board is bound to operate in conformity with the published and accepted regulations which are found in 12 AAC 38.010, et seq. These regulations were adopted pursuant to authority granted by statute in AS §08.48.011. Neither the statutes nor the published regulations contain anything close to the "secret" regulations you quoted to me in your letter of December 8, 1975. There is no question but that the experience that has been provided by Mr. Bradshaw meets the requirements of the statutes and of the published regulations, therefore,

C  
O  
P  
Y

Sharon Andrew Director  
Department of Commerce & Economic Development  
Re: William D. Bradshaw  
January 22, 1978  
Page 2

it meets the requirements of law. It may not meet the requirements of the whims of the members of the Board, but it does meet the requirement of law.

Therefore, you are hereby requested to immediately issue the certification to Mr. Bradshaw. If the certification is not issued, I shall file a complaint in Superior Court on his behalf compelling you to issue the certification as required by law.

Very truly yours,

RICE, HOPNER & HEDLAND

Lloyd I. Hoppner

LIH/cmb

January 29, 1976

Representative Bob Bradley  
Chairman House Commerce Committee  
Pouch V  
Juneau, Alaska 99811

Subject: HB 578, "An Act Creating the Alaska State Credentialing Review Commission".

Dear Representative Bradley:

I received your notification on 28 January 1976 that the House Commerce Committee will hear testimony on HB 578, "A Act Creating the Alaska State Credentialing Review Commission". I am not presently familiar with HB 578, but will assume it addresses the current laws and regulations applicable to the operation of the State of Alaska occupational licensing boards. Correspondence is presently being exchanged between the State Board of Registration for Architects, Engineers and Land Surveyors and myself regarding their denial of my application for registration as a Professional Engineer in the field of civil engineering.

With this letter I am enclosing a file of correspondence that has been exchanged with the Board from 13 February 1975 through 22 January 1976. Included is a summary of comments pertaining to the correspondence exchanged between 13 February 1975 and 23 September 1975.

One of the major objectives of this correspondence has been to receive an explanation from the State Board of Registration for Architects, Engineers and Land Surveyors explaining the reasoning behind their denial of my license. After considerable effort and expense they have vaguely explained that certain categories of my experience is receiving one-half credit under unpublished policy of the Board. While my lawyer has informed me that a State policy established in this fashion is in violation of State regulations, the correspondence

has not explained why the Board utilizes a factor of one-half in evaluating this experience.

I believe that the State Board of Registration for Architects, Engineers and Land Surveyors under its present policy is violating the rights of the citizens of the State of Alaska. Under their present system of operation, a applicant cannot challenge the decisions of the Board by requesting a review of his application because the Board fails to provide the necessary information. Thus under the present system, the only recourse an applicant has is the expensive solution of appealing through the courts.

The present policy of the State Board of Registration for Architects, Engineers and Land Surveyors of not publishing their policies for evaluating experience leaves unregistered engineers in a undesirable position. An example would be a newly graduating engineer who still requires four years of experience to comply with the applicable State laws and regulations for professional registration. Without guidelines, he could spend the next four years in positions that he considered acceptable under the State laws and regulations, only to be informed by the Board that his experience is totally unacceptable and he will have to provide four more years of experience acceptable to the Board. An interesting question would be what experience the Board presently credits at a level of one hundred per cent acceptance. In my letter of 20 June 1975, I outlined my experience and excerpts from the State law and regulations that I interpreted as defining this experience to be completely acceptable.

I would like to submit three recommendations to the House Commerce Committee:

- 1.) That all policies the occupational licensing boards utilize in evaluating an applicant's application be published and made available to the public, and a copy be supplied to each applicant for registration.

January 29, 1976

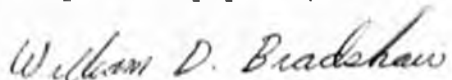
- 2.) The occupational licensing boards be required to document each denial of registration based on the State laws and regulations and board policy, and furnish a copy to the applicant.
- 3.) That an appeals mediation board be established to review disputes, and thus establish an intermediate step between requesting a review by the occupational licensing board that denied the initial application for registration, and the more expensive process of appealing through the court system.

I sincerely hope you will evaluate the enclosed correspondence and form your own impressions about possible revisions to the State law and regulations that may be required.

My personal feelings are that I have been treated very unfavorably by the State Board of Registration for Architects, Engineers and Land Surveyors. Whenever a government agency feels it does not need to explain its actions to a citizen, the laws and regulations that govern its operations should be revised.

I hope that this letter and enclosed information will be of assistance to the House Commerce Committee in evaluating HB 578 and if I may be of any further assistance, please feel free to contact me.

Respectfully yours,



William D. Bradshaw

WDB:ta

enclosure

THE FOLLOWING PAGES WERE TREATED AS  
A UNIT IN THE ORIGINAL FILE.

February 13, 1975  
Box 81712  
College, Alaska 99701

Department of Commerce  
State Board of Registration for Architects,  
Engineers and Land Surveyors  
Pouch D  
Juneau, Alaska 99811

Dear Sir:

Please find enclosed page 1, page 6, and a letter of reference from Mr. John L. Burdick, P.E. The rest of my application to take the professional engineering examination will be submitted as soon as I receive a copy of the "Law & Regulations." The University of Alaska has sent a copy of my college transcript to your office and I hope it will be placed with my application.

Respectfully yours,

*William Douglas Bradshaw*  
William Douglas Bradshaw

STATE OF ALASKA  
DEPARTMENT OF COMMERCE  
BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS AND LAND SURVEYORS  
FOUCH D  
JUNEAU, ALASKA 99811  
PHONE (907) 485 2540

I HEREBY APPLY FOR REGISTRATION BY EXAMINATION ( ) RECIPROcity (X) FOR:  
 PROFESSIONAL ARCHITECT \_\_\_\_\_ ARCHITECT EQUIVALENCY \_\_\_\_\_  
 PROFESSIONAL LAND SURVEYOR \_\_\_\_\_ FUNDAMENTALS OF ENGINEERING \_\_\_\_\_  
 PROFESSIONAL ENGINEER IN THE FIELD OF Civil Engineering \_\_\_\_\_

A certified check, bank draft or money order accompanies this application. \$25.00 if application for registration by reciprocity; \$40.00 for taking of the examination. Fees are retained after Board action. Make payable to State of Alaska. NOTE: Separate applications are required if registration is desired in more than one branch.

**1. GENERAL INFORMATION**

Name in full William Douglas Bradshaw  
 Usual written signature William Douglas Bradshaw  
 RESIDENCE address Box 81712 College, Alaska 99701  
 BUSINESS address Box 81712 College, Alaska 99701  
 Firm name Between Positions  
 Present position Between Positions  
 Date of birth March 25, 1946 Are you a citizen of the U.S? Yes (X), No ( ) If yes,  
 by birth X, by naturalization \_\_\_\_\_. If no, what is your status? \_\_\_\_\_  
 legal resident of what state? Alaska When did you become a resident? 1946

Attach photo with face not less than 1" on each side. Affix signature at bottom of photo

**2. REFERENCES**

Give names and addresses of five references, not relatives, not listed under experience record summary, section 8, who are responsible architects, engineers or land surveyors. Three of these shall have professional registration and have personal knowledge of your character and professional activities.

Name	Address	Position	Cert No.	State
r. George Easley, P.E.	BUSINESS CONSTRUCTION COMPANY Box 4-2020 Anchorage Alaska 99507	Senior Vice President		Alaska
r. John L. Burdick, P.E.	DEPT. OF CIVIL ENGINEERING UNIVERSITY OF ALASKA, COLLEGE, ALASKA 99701	Head, U of A C.E. Dept.		Alaska
r. Elbert F. Rice, P.E.	DEPT. OF CIVIL ENGINEERING UNIVERSITY OF ALASKA, COLLEGE, ALASKA 99701	Prof., U of A C.E. Dept.		Alaska
r. E. Laurence Bennett, P.E.	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL, CHAPEL HILL, NC 27607	Visiting Professor		Alaska
r. William McKullen	GENERAL ENGINEERING, INC. JUNEAU, ALASKA 99801 BOX 60107	Vice President		Alaska

(Copies from these references are secured by the applicant and filed with the application.)

**3. PREVIOUS REGISTRATION**

P.T. REGISTRATION Name of state Alaska 1968 Year 1968 Hours of written examination 8  
 PROFESSIONAL REGISTRATION ( List only state of original registration and/or registration by exam)

Type of License	State	Year Registered	Hrs. written examination	Reciprocity	Grandfather Clause	Active or Lapsed

Have you ever had your registration refused or revoked in any state? No If yes, attach your statement giving full particulars.

(Turn this page over)

**4. MEMBERSHIP IN SOCIETIES, ASSOCIATIONS OR INSTITUTIONS**  
(Professional or Scientific)

Name of Organization	Location	Grade of Membership	Office	Date

**5. EDUCATION**

State in chronological order under the name of each college, university or technical school attended, the time spent at each and if a graduate, the year of graduation. If not an Engineering or Architectural graduate, outline nature and extent of studies. Submit with the application a certified transcript of all education entered here.

Name of Institution	Technical Course	Other	From-To	Year Graduated	Degree
University of Alaska			1964-1969	1969	B.S.C.E.
Univeristy of Alaska			1971-1973	1973	M.S.F.M.

**6. RULES OF PROFESSIONAL CONDUCT**

I have received and read a copy of the Rules of Professional Conduct set forth in Title 12, Chapter 36, Article 2 of the Alaska Administrative Code. I hereby subscribe to and agree to exemplify these Rules of Professional Conduct.

William Douglas Bradshaw  
Written signature of applicant

**7. AFFIDAVIT**

STATE OF Alaska  
Borough-County of 4th Judicial } ss.

WILLIAM DOUGLAS BRADSHAW being first duly sworn, deposes and says: I am the Applicant named in this application, have read the contents thereof, and to the best of my knowledge and belief, the foregoing statements are true and correct in every respect.

Subscribed and sworn to before me this  
12th day of February, 1975  
(SEAL)

William Douglas Bradshaw  
Signature of Applicant

My Commission expires 3-28-77

Harold J. ...  
Signature of Notary Public

Applicant William Douglas Bradshaw

**AFFIDAVIT FOR REGISTERED PROFESSIONAL ARCHITECTS, ENGINEERS OR LAND SURVEYORS**

I hereby certify that I have known the applicant for 10 years, that I have personal knowledge that he has been engaged in the practice of   
 land surveying   
 engineering for 6 years and that he is of good moral character and reputation.   
 architecture

Name William Douglas Bradshaw  
Address Barrow, Alaska  
Certificate No. 222-12 State Alaska  
Notary Public in and for the State of Barrow, Alaska  
Residing at Fairbanks, Alaska

Subscribed and sworn to before me this 22<sup>nd</sup> day of February, 19 77

MY COMMISSION EXPIRES  
MARCH 28, 1977

...

Applicant William Douglas Bradshaw

**AFFIDAVIT FOR REGISTERED PROFESSIONAL ARCHITECTS, ENGINEERS OR LAND SURVEYORS**

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MARCH 28, 1977

...

Applicant William Douglas Bradshaw

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I hereby certify that I have known the applicant for 6 years, that I have personal knowledge that he has been engaged in the practice of   
 land surveying   
 engineering for 6 years and that he is of good moral character and reputation.   
 architecture 4 yrs college

Name William W. Mindenhell  
Address 635 Commercial St  
Certificate No. 222-12 State Alaska  
Notary Public in and for the State of Barrow, Alaska  
Residing at Fairbanks, Alaska

Subscribed and sworn to before me this 22<sup>nd</sup> day of February, 19 77

MY COMMISSION EXPIRES  
MARCH 28, 1977



UNIVERSITY OF ALASKA  
COLLEGE, ALASKA 99701

February 12, 1975

State Board of Registration  
for Architects, Engineers  
& Land Surveyors,  
Pouch D,  
Juneau, Alaska 99801

Gentlemen:

I have known William Bradshaw since 1964.

Bill was a student in a number of my classes and I have had some knowledge of his engineering employment since graduation.

He is intelligent, conscientious and possesses good common sense.

I fully recommend him for licensing as a professional Engineer (Civil).

Very truly yours,

A handwritten signature in cursive script, reading "John L. Burdick".

John L. Burdick, Head  
Department of Civil  
Engineering  
Alaska 933-E

JLB/jo



**ALASKA  
INTERNATIONAL  
CONSTRUCTION, INC.**

P. O. Box 60029  
Fairbanks, Alaska 99701  
(907) 452-7171  
Telex: 090-35454

**Lon McDermott  
President**

**February 25, 1975**

Department of Commerce  
State Board of Registration for Architects,  
Engineers and Land Surveyors

Pouch D  
Juneau, Alaska 99811

Dear Sir:

Please find enclosed the Summary Sheet of Section 8, Experience Record Summary, and a letter of reference from Mr. William B. McMullen, P.E.

In reading through Register 50, Title 12., Chapter 36., Article 3., 18, 19, 20, and 22; I noticed that four categories of experience are defined; "professional work", "responsible charge of work in the field", and "sub-professional work." The Summary Sheet of Section 8 does not contain a column for time in "professional work" and thus I have listed Engagements 5. and 6. in column 3. This form is also in conflict with the categories listed on the Experience Record Summary. I would appreciate farther clarification from you about this apparent discrepancy and notification about the status of my application as to whether it has been completed correctly.

Please address all future correspondence to the following address:

Mr. William D. Bradshaw  
Alaska International Construction, Inc.  
Box 60029  
Fairbanks, Alaska 99701

Respectfully yours,

William D. Bradshaw

## Summary Sheet of Section 8

ALASKA BOARD OF REGISTRATION FOR PROFESSIONAL  
ARCHITECTS, ENGINEERS AND LAND SURVEYORSName of Applicant William Douglas BradshawNOTE: Totals in Column (1) and (2) equal (3)  
Totals in Column (3) and (4) equal (5)

Engagement No.	Date		Professional Work			(4)	(5)	
	From	To	(1) In Design Months	(2) In Respon- sible Charge Months	(3) Total Profes- sional time (1)+(2) Months	Sub- Profes- sional work Months	TOTAL TIME Months	
	Education - Undergraduate	1964	1969		48		48	
	Education - Graduate	1971	1973		12		12	
1.	Burgess Construction Company Box 4-2520 Anchorage, Alaska 99509	4/74	1/75		10	10	10	
2.	Michael Baker Jr., Inc. Box 60109 Fairbanks, Alaska 99707	6/73	3/74	1	9	10	10	
3.	Fairbanks North Star Borough Fairbanks, Alaska 99707	10/72	12/72		2	2	2	
4.	Alaska Dept. of Highways Box 3-1000 Juneau, Alaska 99801	5/72	10/72		6	6	6	
5.	Alaska Dept. of Highways Box 3-1000 Juneau, Alaska 99801	4/71	8/71		5	5	5	
6.	Alaska Dept. of Highways Box 3-1000 Juneau, Alaska 99801	5/69	8/69		3	3	3	
7.	Miscellaneous	1961	1968	0	0	0	0	
<b>TOTALS</b>				1	27	96	0	96

Applicant William Douglas Bradshaw

Engagement No. 1.	EXPERIENCE RECORD SUMMARY		Date			
	(Additional forms will be supplied upon request)		Verified			
Name and address of Supervisor (not deceased)	Dates of Employment Give Month and Year	Experience (Years in Months)				
		In Design	Responsible Charge	Prof.	Sub. of Prof.	Total Time
r. Thomas Hendrix, P.E. ice President aska International Industries ox 60029 Airport Annex airbanks, Alaska 99701	4/74-1/75		10			10

Title of job and Description of work. Be concise. Include magnitude and complexity of work on which you were engaged.

Construction Bid Estimator. Independent preparation of estimates of costs for proposed projects to include; inspection of project location, developing methods of construction, estimating equipment and manpower requirements, calculating manpower and equipment production rates, preparing estimates of project manpower and equipment costs, calculating labor and equipment hourly rates, and locating and evaluating necessary sub-contractors and materials. Preparation of project progress schedules; critical path method and bar charts. Preparation of project budgets.

Engagement No. 2.	EXPERIENCE RECORD SUMMARY		Date			
	(Additional forms will be supplied upon request)		Verified			
Name and address of Supervisor (not deceased)	Dates of Employment Give Month and Year	Experience (Years in Months)				
		In Design	Responsible Charge	Prof.	Sub. of Prof.	Total Time
r. Cecil E. Palmer, P.E. ice President ichael Baker Jr., Inc. x 9997 ackson, Mississippi 39206	6/73-3/74	1	9			10

Title of job and Description of work. Be concise. Include magnitude and complexity of work on which you were engaged.

Assistant Engineer. Supervise the preparation and dissemination of field information in a usable form for design, responsible for the updating of office alignment sheets for the North slope haul road and the trans-Alaska pipeline, designed a small portion of highway realignment for the Livengood to Yukon River highway, supervised the preparation of navigation permits for the crossings of navigable streams and rivers along trans-Alaska pipeline route, and assisted in preparing studies of the expected hydraulic characteristics of rivers along the trans-Alaska pipeline route after the excavation of river borrow.

(Turn this page over)

Applicant William Douglas Bradshaw

Engagement No. 3. **EXPERIENCE RECORD SUMMARY** Date Verified  
 (Additional forms will be supplied upon request)

Name and address of Supervisor (not deceased)	Dates of Employment Give Month and Year	Experience (Years in Months)				
		In Design	Responsible Charge	Prof.	Sub. of Prof.	Total Time
r. Walt Pierce, P.E. orough Engineer orth Star Borough airbanks, Alaska 99707	10/72-12/72		2			2

Title of job and Description of work. Be concise. Include magnitude and complexity of work on which you were engaged.

Civil Engineer. In charge of engineering for the "Big Dipper" recreation center renovation and inspector for the Main Junior High renovation.

Engagement No. 4. **EXPERIENCE RECORD SUMMARY** Date Verified  
 (Additional forms will be supplied upon request)

Name and address of Supervisor (not deceased)	Dates of Employment Give Month and Year	Experience (Years in Months)				
		In Design	Responsible Charge	Prof.	Sub. of Prof.	Total Time
r. James Nelson, P.E. istrict Design Engineer laska Dept. of Highways ox 3-1000 uneau, Alaska 99801	5/72-10/72		6			6

Title of job and Description of work. Be concise. Include magnitude and complexity of work on which you were engaged.

Location Project Engineer, HEA II, grade 16. Supervised the gathering of design data, highway design, and reconnaissance work on route selection.

Applicant William Douglas Br. Shaw

Engagement No. 5. **EXPERIENCE RECORD SUMMARY** Date Verified  
 (Additional forms will be supplied upon request)

Name and address of Supervisor (not deceased)	Dates of Employment Give Month and Year	Experience (Years in Months)				
		In Design	Responsible Charge	Prof.	Sub. of Prof.	Total Time
Mr. Barry L. Bergdoll, P.E. Project Engineer Alaska Dept. of Highways Box 3-1000 Juneau, Alaska 99801	4/71-8/71			5		5

Title of job and Description of work. Be concise. Include magnitude and complexity of work on which you were engaged.

Grade Inspector, HEA I, grade 14 step C. Employed on the Sitka Bridge Project, responsible for assuring contractor's compliance with project specifications in the placing and compacting of roadway embankment, evaluated excavation for suitability in building roadway embankment, inspected the pouring and finishing of curb and gutter and sidewalk, installation of storm drains and inlets, and water lines.

Engagement No. 6. **EXPERIENCE RECORD SUMMARY** Date Verified  
 (Additional forms will be supplied upon request)

Name and address of Supervisor (not deceased)	Dates of Employment Give Month and Year	Experience (Years in Months)				
		In Design	Responsible Charge	Prof.	Sub. of Prof.	Total Time
Mr. James Nelson, P.E. District Design Engineer Alaska Dept. of Highways Box 3-1000 Juneau, Alaska 99801	5/69-8/69			3		3

Title of job and Description of work. Be concise. Include magnitude and complexity of work on which you were engaged.

Engineer in Training, HEA I, grade 14. Designed storm drain systems, frontage road, intersections, retaining wall, for the Sitka Bridge Project. Calculated estimated quantities of materials.

Applicant William Douglas Bradshaw

Engagement No. 7. **EXPERIENCE RECORD SUMMARY** Date verified  
 (Additional forms will be supplied upon request)

Name and address of Supervisor (not deceased)	Dates of Employment Give Month and Year	Experience (Years in Months)				
		In Design	Responsible Charge	Prof.	Sub. of Prof.	Total Time
	1961-1968	0	0	0	0	0

Title of job and Description of work. Be concise. Include magnitude and complexity of work on which you were engaged.

Employed in summer jobs as a headchainman, instrumentman, party chief, assistant project engineer, and inspector by John D. Ballard, P.E., Alaska Department of Highways, Morrison-Knudsen Company, and S. S. Mullens

Engagement No. **EXPERIENCE RECORD SUMMARY** Date verified  
 (Additional forms will be supplied upon request)

Name and address of Supervisor (not deceased)	Dates of Employment Give Month and Year	Experience (Years in Months)				
		In Design	Responsible Charge	Prof.	Sub. of Prof.	Total Time

Title of job and Description of work. Be concise. Include magnitude and complexity of work on which you were engaged.

(Turn this page over)

P. O. Box 60109  
Fairbanks, Alaska 99701

February 24, 1975

State of Alaska  
Department of Commerce  
Division of Occupational Licensing  
Pouch D  
Juneau, Alaska 99801

Re: William D. Bradshaw, E.I.T.

Dear Sirs:

Mr. Bradshaw worked as an employee of Michael Baker, Jr., Inc., under my general supervision during the period from June 1973 through March 1974. His work assignments during this period included:

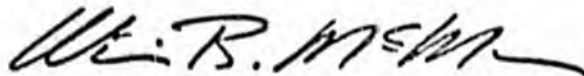
1. Survey Party Chief - Roadway Surveys
2. Survey Coordination and Supervision - Roadway Surveys
3. Roadway Design
4. Preparation of engineering drawings and exhibits necessary for road entrance permits onto Alaska State Highway system
5. Preparation of engineering drawings and exhibits for Corps of Engineers permits for work in navigable streams
6. Coordination of technical work effort in the analysis, collation and indexing of survey data for pipelines and roads

All of the noted work was accomplished under the direct supervision of a Registered Professional Engineer.

In the accomplishment of his assigned engineering duties, Mr. Bradshaw has shown a high degree of professional competence. His interest in and enthusiasm for the work of an engineer are highly commendable.

I strongly support Mr. Bradshaw's application for registration as a Professional Engineer in the State of Alaska.

Sincerely yours,



William B. McMullen, P.E.  
Registration No. 2253E

WBMc/ew

bcc: Mr. P. A. Koonce  
Mr. D. C. Harris  
Mr. W. D. Bradshaw  
Personnel File

# STATE OF ALASKA

JAY S. HAMMOND, Governor

## DEPARTMENT OF COMMERCE

465-2540

DIVISION OF OCCUPATIONAL LICENSING

POUCH D - JUNEAU 99801

### BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS AND LAND SURVEYORS

March 24, 1975

William D. Bradshaw

Dear Applicant:

You may take the exam on the contingency basis pending receipt of your work verifications. Mr. Bergdall, Mr. Pierce, Mr. Palmer and Mr. Hendrix have not replied.

You have been assigned to:

     Anchorage; Community College Bldg. "G", Rooms 102 & 103.

XX Fairbanks; U. of Alaska Campus, Room 109 Duckering Bldg.

     Juneau; 803-3rd St. in Douglas, Hwy. Dept. Bldg., Bridge Design Room.

The examinations will be:

<u>    </u> Fundamentals of Engineering	April 19	8:00 AM-12 PM & 1:00 PM-5:00 PM
<u>XX</u> Professional Engineering	April 20	8:00 AM-12 PM & 1:00 PM-5:00 PM
<u>    </u> Land Surveying	April 19-20	8:00 AM-12 PM & 1:00 PM-5:00 PM each day.

If you plan on being in another location for the examination please contact this office no later than April 7. If you wish to postpone the examination your request must be received in writing before the exam date.

Your application will be considered abandoned if you 1) fail to appear for the examination without a postponement and 2) after two postponements, fail to appear for examination.

A memorandum on exam information and the instructions for the Entry Level Survey are enclosed for your use.

The results of the examination will not be available for approximately 12 weeks after the exam date. If you have any change of address please notify this office immediately to assure receipt of your exam results.

Very truly yours,

Sharon Andrew  
Director



(Mrs.) Leilani Kingsbury  
Licensing Examiner

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE

DIVISION OF OCCUPATIONAL LICENSING

POUCH 2

JAY S. HAMMOND, Governor

465-2540

TELEPHONE 99801

BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS AND LAND SURVEYORS

May 16, 1975

Mr. William D. Bradshaw  
ALASKA INTERNATIONAL CONSTRUCTION, INC.  
Box 60029  
Fairbanks, AK 99701

Dear Mr. Bradshaw:

At its first meeting the newly appointed board reviewed your application for admittance to the April 19-20, 1975 examination. I regret to inform you that at this time it was not approved.

The Board concurred that you need 18 more months of professional experience in responsible charge. Your estimating and inspection work does not qualify as professional work in responsible charge.

If you attended the April 19-20, 1975 examination, the Board concurred that the exam grade will be invalid. Whether or not you pass you will be required to take it again when you become eligible.

Please update your experience record in letter form when you have fulfilled the required experience time. Be sure to include the names and addresses of your supervisors in order for your experience to be verified.

Your application will be considered abandoned after 18 months if we do not receive any correspondence by that time and filing a new application will be required.

Very truly yours,

Sharon Andrew  
Director

*Leilani Kingsbury*  
(Mrs.) Leilani Kingsbury  
Licensing Examiner