

139.

HC

HB

676

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HB

792

writing, but not by stamping or preprinting on prescription forms, that the name and strength not appear on the container. When a drug name is affixed, the name shall be as follows:

(1) As prescribed if no substitution has been made under Sec. 290 of this chapter.

(2) Generic name and either brand or manufacturer's name if a single drug agent is prescribed by brand name and a substitution has been made under Sec. 290 of this chapter.

(3) Brand name or generic names or common abbreviations if substitution is made under Sec. 290 of this chapter for a product containing a mixture of pharmacologically active substances.

(4) "Dr (name)'s mixture" if a mixture of drugs does not have a name.

Sec. 08.80.310 is repealed and re-enacted to read:

The Commissioner of Health and Social Services shall publish a formulary of generic drug types and drug products which the Commissioner of Health and Social Services determines demonstrates clinically significant biological or therapeutic inequivalence and which, if substituted, would pose a threat to the health and safety of patients receiving prescription medication. No pharmacist shall dispense a generically equivalent drug product if the drug product and its generic drug type is included in the formulary.

Sec. 2. AS 08.80.460 is amended by adding a new subsection to read:

(b) a person who violates the provisions of Sec. 290 or Sec. 295 of this chapter is punishable by a civil fine in an amount established by the Board in a schedule or schedules establishing

the amount of civil fine for a particular violation. The schedule or schedules shall be adopted by the Board by regulation. Any civil fine imposed under this section may be appealed in the manner provided for appeals in the Administrative Procedures Act (AS 44.62).

Sec. 08.80.480 is amended by adding:

(20) "brand name" means the proprietary or trade name of a drug product.

(21) "generic name" means the official name of a drug as listed in nationally recognized pharmacopoeias.

January 27, 1976

Mr. Raymond Bonner
Consumer's Union
433 Turk Street
San Francisco, California 94102

Dear Mr. Bonner:

I am enclosing a copy of the bill presently before the House Commerce Committee. Please feel free to offer criticism. A bill, identical in form except for the inclusion of a formulary, was introduced in the Senate.

If you can send some sort of signed letter to us, I will attach that to a revised copy of the testimony presented in California and present it to the Committee.

Thanks for your help.

Sincerely,

Terry Berman, Administrative Assistant
House Commerce Committee

January 21, 1976

MEMORANDUM

TO: Bob Bradley *bb*

FROM: Terry Berman

SUBJECT: HB 584, Major points on substitution of generic drugs for brand-name prescription

1) The generic drug is always cheaper than the brand-name drug even though they may be identical. Also there is no justification that a brand name drug is necessarily a better product. A good example is ampicillin manufactured by Bristol Laboratories, which is distributed by four firms. The disparities in price among the four is astonishing. Bristol, which distributes ampicillin under the name Polycillin, wholesales for \$18.24. Smith, Kline, and French distributes the ampicillin manufactured by Bristol at the price of \$12.00. ICN Pharmaceuticals distributes Bristol's ampicillin through its brand-name division for \$14.80 and through its generic division for \$7.50. Note the differential between \$7.50 and \$18.24.

2) In answer to the argument that chemically equivalent drugs are not necessarily bioequivalent (meaning that when administered in same amount they do not provide the same therapeutic effect), the Department of Health, Education, and Welfare's report from the Task Force on Prescription Drugs stated that only in rare instances would equivalent drug products not produce the same therapeutic effects. A U.S. Senate committee concluded the same. HB 584 (Committee Substitute) has two provisions that respond to this problem of inequivalency. First, the physician can always specify that there be no substitution. Second, the Commissioner of Health, Education and Social Services will draw up a formulary specifying which drugs are and are not bioequivalents.

3) Giving the pharmacist some discretion takes into account his extensive training and his knowledge of drug products, which in some instances may be greater than other health professionals. Physicians lack drug price comparison data which would allow them to choose the best drug at the lowest available price.

4) People over 65 account for 23 per cent of the retail drug expenditures. On prescriptions to the elderly, the average cost per prescription is \$3.91. For brand names alone the average cost per prescription is \$4.11 while generic name prescriptions average \$2.02.

5) There are 11 states with legislation permitting substitution: Arizona, Kentucky, Arkansas, Oregon, Minnesota, Connecticut, Michigan, Maine, Massachusetts, Florida, and Maryland.

6) Groups that have endorsed such legislation: American Pharmaceutical Association, American Journal of Pharmacy, National Academy of Sciences, Consumers Union and HEW Special Task Force.

7) Hospitals use generic name products.

HOUSE COMMERCE COMMITTEE
January 21, 1976

House Bill 584

The meeting was called to order by Chairman Bob Bradley noting that a quorum was present.

Ronald Sedgewick, owner of Ron's Apothecary and a member of the Alaska Pharmacy Association began the testimony on House Bill 584. He stated that he basically had no problems with the bill itself. He did, however, feel uncomfortable with some sections and wished to express them at this time. Section C concerning the posting of a sign was a good idea and was intended for the consumer's benefit. It does, however, offend the professional standards. If a sign was posted it indicates dishonesty in the past. Section E pertaining to the physician using the generic name and the pharmacist must then issue the drug which is the lowest priced. He felt that often the lowest priced drug is not the best and would not select such a drug for his own family. He felt it should be left up to the pharmacist to select the best drug and still give the customer the best deal.

Chairman Bradley stated that Section 1 08.80.205 might answer the objection to Section E. That section gives the pharmacist the option of using his professional judgement.

Mr. Sedgwick felt that the section should be eliminated due to the option the physician has in writing the prescription. He continued stating that in Section G pertaining to labeling was also not necessary due to how the law presently is. He did suggest that an addition be made under that section. The addition being the name and quantity of the drug for the purpose of emergency care. Hospitals often refer to him for the quantity of the drug he issued and this would make it easier on hospital personnel. The Section which states that the Department of Health and Social Services was to provide a formulary seemed unrealistic. The department does not have the resources to provide such a formulary. The Federal department has been working on a list for the last three years and the department would probably have to issue the Federal list.

Rep. Union questioned whether or not it was typical of pharmacists to stock all brand names of one drug.

Mr. Sedgwick stated there are a number of multiple drugs. They are now able to select from major companies with price in mind. He again stated that price should not be the only criteria, the best drug at a lower price.

Mr. Jim McCorcle, owner of Harry Race Drug Store, stated he was representing the Alaska Board of Pharmacists. The Board had reviewed the bill and generally agreed with it. They did feel that it was not possible for the Board to administer the formulary. Much of the Board's feeling were the same as Mr. Sedgewick had expressed.

January 21, 1976

HB 584

Page 2

Dr. Rodman Wilson, member of the Alaska State Medical Association Committee on Legislation and past President, testified that the committee had alot to do with the present statutes and feel they are fairly workable. The main purpose of the bill was to save the consumer money. He stated that physicians by and large do not know much about the price of individual drugs and how they are sold. The Committee felt that some changes were needed in the bill. He referred to the section pertaining to who prescribes drugs describing them as "medical practioners". It could be defined more by using the common language as presently in the statutes; "physicians, osteopathic physicians, dentists or veternarrians". Also all through the bill it describes the communication between the physician and the pharmacist as "telephonic" and he felt it should be changed to "orally" which gives a little more lead way. The Committee also objected to the sign to a point of ascetics. It implies in a subtle way that doctors were trying to give people expensive drugs on purpose. It is unnecessary because the pharmacist has to or should explain to them the substitution when it is done. He stated he could see the others objection to Section E. There are multiple drug agents selling a single substance but one or two have some different active ingredients. The bottles are not big enough to list all the ingredients. He continued stating that the Committee also had their doubts whether or not Health and Social Services could produce a formulary. They would probably just rely on the FDA's list. He surmised that it was included for the purpose of taking the pharmacists off the hook as far as liability was concerned. The pharmacists would be taking alot of responsibility. He then submitted in writing to the members some of the language changes he had discussed.

Rep. Freeman questioned whether or not there was a monetary benefit to physicians on the drugs they prescribe.

Dr. Wilson stated that it was basically unethical by all standards and he wasn't sure if physicians were allowed to own pharmacies.

Chairman Bradley questioned if physicians received free samples from drug companies.

Dr. Wilson replied not as frequently as in the past. He added one other remark concluding his testimony. If not for the drug industry we wouldn't have all the advances we now have and they should be aware of this.

David Freer, Special Assistant to Commissioner of Health and Social Services testified to the section which would apply to the department. He agreed with other witnesses that the department would not be able to carry out that section of the bill without the resources to do it. The department has one pharmacist who is at the Alaska Psychiatric Institute.

Chairman Bradley questioned the witnesses if they felt that if the section on a formulary would help lessen the liability of pnarmacists.

Mr. Sedgwick answer that yes it would help the legal liability question.

Chairman Bradley asked that someone clarify what type of training a pharmacist has and whether or not they know what kind of reaction a drug

January 21, 1976

HB 584

Page 3

would have on patients.

Mr. Sedgwick stated that all pharmacists receive training in bio-equivalents.

Senator Meland then asked to speak to the bill. He stated that the bill was based on the California law and he felt it would help. He then asked if it was true that major hospitals use generic drugs.

Mr. Sedgwick answered that major hospitals establish a formulary and then stock only one brand.

HOUSE COMMERCE COMMITTEE
February 2, 1976

House Bill 584

The meeting was called to order by Chairman Bob Bradley noting that a quorum was present.

Co-sponsor, Speaker of the House Mike Bradner was asked to begin the testimony by explaining the bill. Speaker Bradner stated that this had been recommended to him by many people. It was something which would clarify the process to the consumer. He further stated that he had discussed the bill with a number of pharmacists and some had definite concerns with this. Some pharmacists do do this now, however, their right to do it was a bit cloudy. The present bill is designed after the California statutes.

Representative Bradner further stated that he felt there were areas in the bill which needed to be amended. One area was that of the penalties as stated under the bill. He felt that no penalties should be placed on a pharmacist if he cannot comply. The bill should indicate that they do it but leave a margin for if they can't. Another area was that of the Commissioner of Health & Social Services to establish a list of generic substitutions. He was not sure they could accomplish this with the present staff.

Rep. Freeman questioned objections heard from pharmacists concerning a sign in each pharmacy. How important was the sign?

Rep. Bradner replied that it was not important either way and that it does have implications. Bradner continued stating that the section relating to the a physician must put in his own handwriting that there, could be no substitution, that he was unsure what it was designed to accomplish.

Rep. Wallis questioned whether or this bill would have implications of malpractice for pharmacists.

Chairman Bradley stated that there could be a liability.

Rep. Fischer objected to a pharmacist having the right to alter what a physician prescribes. Many people have a great deal of faith in their doctors and would not want this.

Rep. Rudd explained that the bill allowed a patient to also refuse substitution. Chairman explained further that a doctor could refuse substitution and described the section which states this.

Representative Bradley then asked to leave the Chair to testify on behalf of the bill. (see attached)

February 24, 1976

Mr. Paul May
SRA A Box 1447 B
Anchorage, Alaska 99502

Dear Mr. May:

Enclosed is a copy of the Committee Substitute for House Bill No. 584 as you requested.

The bill is presently in the House Judiciary Committee pending their review.

Sincerely,

Bob Bradley

HB 676

"An Act relating to registration, bonds and insurance required of construction contractors; and providing for an effective date."

COMMITTEE REPORT

1/30/76

HOUSE

Mr. Speaker:

Date 1/28/76

The Committee on COMMERCE has had HB 676

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>Asia Rudd</u>	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

is required to register solely to show that he carries liability insurance. He will carry liability insurance as a matter of course, and this is not solely to show that this insurance is January 30, 1976.

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill amending the law relating to registration of construction contractors.

At present, construction contracts may be entered into by an unregistered contractor, and therefore without the bond and insurance required as part of registration, only if the contract price of the total work to be performed is less than \$1,000. This bill would increase that figure to \$10,000.

The bill applies to very small jobs, where the entire work done by all contractors totals less than \$10,000. Few registered (licensed) contractors like to do such small upkeep work. Finding a contractor to do such work becomes a problem and a heavy price has to be charged because the little job is considered a nuisance by the contractor.

More important, I am reliably informed that, even if he is experienced in his trade and has the highest recommendations, an applicant cannot get the bond required under AS 08.18.071, by existing insurance industry practice, unless he has a net worth of \$75,000 and at least \$15,000 in cash. Clearly many of the people who should be handling these very small contracts are being systematically excluded from entry into contracting by the requirements for registration.

The public liability and property damage insurance requirement for registration is not difficult to meet, and the present requirements in this regard are continued in the bill. However, a small contractor would not

be required to register solely to show that he carries liability insurance. Most will carry liability insurance as a matter of course, and registration solely to show that this insurance is carried would be unduly burdensome.

Sincerely,

Jay S. Hammond
Governor

HB 628

February 10, 1976

MEMORANDUM

TO: Rob Bradley

FROM: Terry Berman
Administrative Assistant

SUBJECT: Escrow Accounts, HB 678

Mortgage reserve, or "escrow" accounts were established as a response to the financial problems of the thirties when banks suffered losses as mortgage holders failed to meet tax payments. As a condition of borrowing, borrowers were required to make an additional payment with their monthly mortgage payment to pay for taxes and hazard insurance. This provided the banks with protection against foreclosure or losses due to damage.

Each month, the homeowner prepays 1/12 of the estimated annual taxes and insurance premiums. In Anchorage, municipal tax payments are made only twice a year. Thus, in the homeowner's eyes, his money lays idle much of the year. Of course, the money does not remain idle, but is invested by the lenders. In most cases, the homeowner receives no interest nor benefits, other than not having to take care of his tax and insurance payments himself.

House Bill 678 requires that an escrow account be treated as a savings account, with the borrower receiving interest at a half percent less than the prevailing rate of return from a U. S. Treasury Department Treasury Bill, which is how banks often invest funds from escrow accounts.

Two lending institutions in Alaska do pay interest on escrow accounts. Home Federal Savings and Loan pays 5½ on all escrow accounts, with the average gain of \$30 per year to the homeowner. Alaska Mutual Savings pays 3½ on balances to \$700 and 5½ when the balance exceeds \$700. If interest were paid on escrow accounts at the current rate for savings accounts, a homeowner might receive \$1,000 over the period of a thirty year mortgage. In fact, if all escrow accounts in the United States received 5% annual interest, American homeowners would gain \$470 million dollars per year.

Requiring escrow to be paid into non-interest bearing accounts which are then invested may actually be a violation of the Federal Truth In Lending Law. Banks are required to state the true rate of interest, but with this interest-free loan they receive from borrowers, the actual interest rate to borrowers is higher than the stated rate.

The argument that banks give that the expense of escrow accounts justifies the non-payment of the interest is questionable. The difference between the rate of interest paid to homeowners and that received by the bank from their investment of such funds ought to cover the expense of the account.

TELETYPE

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 535-6440

JUNEAU, ALASKA 99801

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LEB95 LYN325(2339)(1-259320853)PD 22/19/74 2337

ICS IP344H WSA

0812Z NL WASHINGTON DC 74 22-19 612P EDT

PXS LEE COFFMAN

0163

ALASKA FEDERAL SAVINGS & LOAN ASSN

301 NORTH FRANKLIN STREET

JUNEAU ALASKA 99801

CONGRESS CONSIDERED CLOSING COSTS LEGISLATION LAST SEVERAL YEARS.
NO ACTION TAKEN. HOUSE HOUSING SUBCOMMITTEE HEARINGS DECEMBER
AND JANUARY ON H.R. 11450: REQUIRE FINANCIAL INSTITUTIONS TO
PAY INTEREST ON ESCROW ACCOUNTS. U.S. LEAGUE TESTIFIED IN
OPPOSITION. CONCERN FOR ECONOMIC FEASIBILITY AND NEGATIVE IMPACT
ON LOCAL TAXING UNITS. NOT MUCH INTEREST IN CONGRESS AT THIS
TIME. RECENT GAO STUDY ON ESCROW ACCOUNT INTEREST INCONCLUSIVE.
HOUSING SUBCOMMITTEE CONSIDERS BILL LOW PRIORITY. NO ACTION TO
DATE.

JON V. RASMUS

US LEAGUE OF SAVINGS ASSN

WWS



Alaska State Legislature

House

February 10, 1976

JUNEAU ALASKA

MEMORANDUM

TO: Bob Bradley
FROM: Terry Berman
Administrative Assistant
SUBJECT: Escrow Accounts, HB 678

*Good -
just + just back
when not being
bill rep again*

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The argument that banks give that the expense of escrow accounts justifies the non-payment of the interest is questionable. The difference between the rate of interest paid to homeowners and that received by the bank from their investment of such funds ought to cover the expense of the account.

HB

706

"An Act making a special appropriation to the Department of Law; and providing for an effective date."

COMMITTEE REPORT

2/10/76

HOUSE

FINANCE

Mr. Speaker:

Date 2/22/76

The Committee on COMMERCE has had HB 706

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:

Members NOT concurring in the Majority report:

_____ recommends:
_____ recommends:
W. E. ... recommends:
_____ recommends:
_____ recommends:

W. E. ... Chairman

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

TO: APC

DATE: 2/10

(~~SENATE~~ - HOUSE) BILL 705 and 706

RE: power of APC

Check One:

- 1. TOP PRIORITY - in favor of _____
- 2. FAVOR - in favor of, but not top priority _____
- 3. OK - no definite stand _____
- 4. NOT IN FAVOR _____
- 5. TOP PRIORITY - "Strongly Opposed" _____ X
- 6. BILL DOES NOT PERTAIN TO DIVISION _____
- 7. Bill does not directly pertain to division, but I am interested in its progress. Keep me informed. _____

COMMENTS: (Justification must be stated for #1 - #6 above. Continue on another page if needed).

While HB Nos. 705 and 706 must be considered together when weighing the ultimate effect they could have on the state, it is perhaps more helpful if each piece of legislation were discussed separately.

First, HB 705 is considered by the Commission to be a very real threat to the overall concept of having one governmental body (The Alaska Pipeline Commission) responsible for and instrumental in protecting the state's interests in matters of oil and gas pipeline regulation. This legislative intent in enacting the Alaska Pipeline Commission Act (Ch. 139 SLA 1972), which is supported by considerable authoritative testimony on the subject, is readily detected when one considers the broad latitude the legislature gave the Commission for dealing with matters of oil and gas pipeline regulation. Besides being vested with the general responsibility of regulating pipelines, the Commission is also directed to promote and oversee the development of an oil and gas pipeline transportation

(Continued)

Writer's Signature: [Signature]
Writer's Title: /Chairman

(DEADLINE 24 hours)

(Note: Please return to Information Officer/Leg. Asst. Office of the Commissioner)

Comments on HB 705 (Continued)

system in the state (see AS 42.06.010 and 42.06.020). Further, and more specifically, the Act claims very extensive jurisdiction for the Commission and also vests in the Commission wide authority to pass upon the validity of tariffs filed by pipeline carriers. These aspects of the Alaska Pipeline Commission Act reveal the obvious intent to keep the various segments of oil and gas pipeline regulation contained in one governmental unit and not distributed among many.

In addition, one can observe from the statutory provisions relating to the makeup of the Commission (AS 42.06.060) and the authority and tools it is given to carry out its duties (AS 42.06.120) that the Commission is presently structured in such a way as to maintain continuity and to gain the knowledge and expertise necessary to function properly in the public interest.

With this background in mind, it is apparent to the Commission that splitting up of functions between the Commission and the Department of Law would only add confusion, interfere with the Commission's policy making functions, make pipeline regulation (including promotion of them) subject to political pressure and manipulation from the executive branch, and weaken the state's credibility and posture before the federal courts and regulatory bodies.

Funds appropriated through HB 706 would be needlessly expended, since much of what is sought through the appropriation has already been accomplished by the Commission, including contracts for the services indicated.

In conclusion, the Commission cannot comprehend the net benefits to be gained by the state in splitting up its legislatively mandated functions with the Department of Law. Under AS 42.06.110, the Department of Law is the Commission's counsel in legal matters arising from the discharge of the Commission's duties and in actions to which it is a party. This is consistent with the process employed by the ATC and PUC.

HB 707

"An Act appropriating to the Office of the Governor for preliminary planning for an international conference of oil and gas development impacted; and providing for an effective date."

COMMITTEE REPORT

2/10/76

HOUSE

FINANCE

Mr. Speaker:

Date 2/27/76

The Committee on COMMERCE has had HB 707

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>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends: [Signature]

_____ recommends: [Signature]

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

[Signature] Chairman

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. HB 707
 Title: Appropriation for Preliminary Planning for Int'l Conference on Oil and Gas
 Requested by: Fischer Date: 2/10/76
 Return Date Requested: _____
 Agency: Office of the Governor Program: Policy Development & Planning

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	/	/	/	/
200 TRAVEL	0	0	/	/	/	/
300 CONTRACTUAL	10.0	40.0	/	/	/	/
400 COMMODITIES	0	0	/	/	/	/
500 EQUIPMENT	0	0	/	/	/	/
600 LAND & STRUCTURES	0	0	/	/	/	/
700 GRANTS, CLAIMS, ETC.	0	0	/	/	/	/
TOTAL	10.0	40.0	/	/	/	/

B. FUNDING: (Thousands of dollars)

GENERAL FUND	10.0	40.0	/	/	/	/
FEDERAL FUNDS	0	0	/	/	/	/
OTHER	0	0	/	/	/	/

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assumptions: Appropriation available by 1 June 1976. Start-up costs only in FY 76. Conference to be held in FY77. All expenditures completed in FY77. All overhead and in-kind costs incurred by Division to be absorbed by existing budgets; entire appropriation as per HB707 to be available for private or non-profit group on 75:25 matching basis.

Program Summary: As per HB707. The GF monies appropriated to the Division will be used to contract for conference planning and fund-raising. Contractor to match GF on 75:25 basis.

IV. ATTACHMENTS

None

V. DATE: February 17, 1976 PREPARED BY: Robert B. Weiden

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

HB 730

"An Act providing for a tourism economic impact study and authorizing a data collection system; and providing for an effective date."

COMMITTEE REPORT

HOUSE

2/11/76

FINANCE

Mr. Speaker:

Date

3/8/76

The Committee on COMMERCE has had HB 730

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>R. Kelley</u>	<u>_____</u>	<u>Joe McKinnon</u>
<u>H. Fisher</u>	<u>No Pass</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>

Members NOT concurring in the Majority report:

J. F. Gadley - No Rec. recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

J. F. Gadley Chairman



ALASKA VISITORS ASSOCIATION

P. O. Box 2208 • Anchorage, Alaska 99510 (907) 279-4116

**Tourism
is everybody's
business.**

March 2, 1976

*Copy for
Committee*

The Honorable Bob Bradley
Alaska State House of Representatives
Pouch V, State Capitol Bldg.
Juneau, AK 99811

Dear Representative Bradley:

The Alaska visitor and recreational industry is big . . . but we don't know how big. The Alaskan recreational and pleasure traveler will probably spend \$100 million in Alaska during the 1976 calendar year . . . but we're not sure of that. We believe that there will be in excess of 250,000 non-Alaskan resident recreational visitors in our State in 1976 spending that volume of money . . . but we're not sure of that either. We believe the Alaskan State Government, through the Marine Highway System's revenues, liquor taxes, airport revenues and similar items, receives as direct income from these travelers \$8 to \$12 million . . . but we're not certain of that.

In this time and age, and with the complexities and challenges we are confronted with, it is imperative that not only the private sector, but government officials, planners, economists, and all concerned with a healthy Alaskan economy, be better informed and provided with more accurate information on what the Alaskan tourism and recreational traffic means to us. Most of this impact is good -- but we would be naive to think there are not some negative effects. However, we -- you and I -- do not have the information we need to draft a balance sheet.

Bankers need this information to make loans. Air carriers and hotels need it to consider improvements in scheduling and increasing their capacity. Local and state government officials need it to consider the allocation of their resources. Communities and individual businesses need it to better determine their course of action in the months and years to come. This information can only be obtained with the passage of House Bills 730 and 731, recently introduced into the Alaska State Legislature. They provide the necessary authority and funding for designing and implementing an Alaskan tourism economic impact and marketing research program.

The Honorable Bob Bradley


-2-

March 2, 1976

As the President of the Alaska Visitors Association, I solicit and encourage your support of these bills. We need to inventory our great mineral resources. We need to know how many trees and fish we have available today so we can plan for tomorrow. We also need to know the volume and nature of our Alaskan visitor traffic.

Thank you for your consideration.

Sincerely,



Charles B. West
President

CBW:bf



720 West Fifth Avenue • Royal Inn Hotel • Anchorage, Alaska 99501 • 907-274-4721

March 2, 1976

Copy for members

Rep. Robert Bradley
Commerce Committee
HOUSE OF REPRESENTATIVES
State House
Pouch V
Juneau, Alaska 99811

RE: TOURISM IMPACT STUDY
HB 730 & 731

Dear Mr. Bradley,

This is to advise you that we support the suggested plan to gather data from within the Tourist Industry for the purpose of establishing facts about our business for public release. Only through a cooperative effort can the necessary statistics be made available. Each of us in the industry has our own records. But, in order to factually evaluate the whole tourism market, authority must be granted to a gathering organization to require private reporting. We commit ourselves to 100% cooperation with this plan and urge enactment.

And, we urge appropriation of necessary funds to establish a credible data collection system from the above action. The people of Alaska as well as the Tourist Industry deserves to have the facts. Unfortunately, we sometimes find ourselves maligned by misconceptions, misunderstandings and bias. By proper economic analysis, we all will gain perspective toward our way of life and environment.

These actions are long overdue in Alaska. Our State's one most clean and renewable industry will forever bring extra dollars to our communities. These dollars mean extra jobs for Alaskans and extra services for Alaskans themselves to enjoy. We all know these generalities. What we don't have are specifics. Your support of these actions will assure a healthy future within tourism's economic contribution to Alaska.

Many thanks and with best wishes for your support.

Cordially,

Robert M. Scott

Robert M. Scott
President

MT. MCKINLEY ALASKA GLACIER TOURS, INC.



ALASKANS FOR TRAVEL, INC.

P. O. Box 1479 • Anchorage, Alaska 99510 • (907) 276-7618

March 4, 1976

copy for committee

The Honorable Bob Bradley
Alaska State House of Representatives
Pouch V, State Capitol Building
Juneau, Alaska 99801

Dear Representative Bradley:

Representative Duncan from Juneau recently introduced into the House of the Alaska State Legislature, House Bills 730 and 731. This legislation was referred to the House Commerce and Finance Committees. At the date of this letter, I believe the two bills are scheduled for consideration in the House Commerce Committee on Monday, March 8, 1976.

I write to you today on these two bills for the purpose of informing you that this particular legislation is, in the opinion of Alaskans for Travel, the single most important special authorization and funding legislation that deals with the Alaska visitor industry.

This particular bill seeks to accomplish the establishment of a data collection system and to conduct that survey for the first time. Research in any area of endeavor is crucial for good planning and development. Research and data is important for anyone who wishes to analyze the worth and value of an activity. Research and data is valuable on any subject that has significant impact upon our economy and our lives.

The Alaska travel business, in its various forms and facets, is a major economic factor of our lives. The problem is that we do not know how big it is, where it is concentrated, where it comes from, or who benefits and how much. Certainly the state is a major recipient of funds expended by the traveling public, particularly the recreational traveling public. But you, as a legislator, do not know how much.

This particular goal of acquiring information and data has been the number one goal of the Alaska visitor industry for three years. I would suggest to you that it is most appropriate and imperative that these funds and this program be initiated promptly if we are to properly position Alaskan tourism and recreational travel into the composite picture of the Alaskan economic social structure.

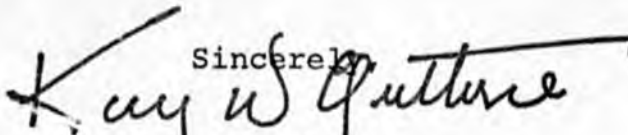
The Honorable Bob Bradley

-2-

March 4, 1976

I ask your active support of this legislation. Will you use your influence, as one of forty members of the Alaska State House of Representatives, to assure its prompt movement through the Committees and vote affirmatively for the bills when they reach the floor of the House. Your positive action would be appreciated and would be of benefit to you, as a state legislator, and to many thousands of your constituents.

Sincerely,

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

Mr. Kay Guthrie
AFT Chairman

HB 754

COMMITTEE REPORT

2/12/76

HOUSE

Mr. Speaker:

Date 3/19/76

The Committee on COMMERCE has had HB 754

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)

(X) 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:

L. J. Bradley _____

Joe McCann _____

Members NOT concurring in the Majority report:

Ed Hill recommends: no rec

Freeman recommends: 160 Rec

Rhine recommends: " "

_____ recommends:

_____ recommends:

L. J. Bradley Chairman



Alaska Gas and Service Company

GENERAL OFFICES LOCATED AT 3000 SPENARD ROAD
P. O. BOX 6288 ANCHORAGE, ALASKA 99502 / PHONE (907) 277-5551
TELEX 25-187

March 17, 1976

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

File

Dear Representative Bradley:

We have not attended any hearings on HB754 and do not know its intended effect. We do see many objections to its being enacted. We believe the Bill is unenforceable: a utility which is exempt from regulation can hardly be regulated as to its "services which do not recur on a regular basis." Such services are in fact probably not "utility service" and probably are not covered by tariff.

In the case of Anchorage Natural Gas (which is fully regulated), non-recurring services might include investigation of gas leaks or gas equipment malfunction: repair of utility or non-utility facilities; or installation of utility or non-utility facilities, and other activity such as bad check charges, costs for collections, etc. Some of this work is done without charge.

Our customer service department does most of the work involving non-recurring charges. In 1975 24,479 individual "orders" were worked, requiring a total of 23,554 manhours, of which only 4,199 manhours were treated as "chargeable time." Similarly, our customer appliance installation department completed 1,183 individual "orders," essentially all as "chargeable time." Our distribution ("street") department completed 452 individual orders to repair gas mains and services broken by "others", of which charges were made on 290 incidents, in addition to various other work done at customer request.

Some of our appliance installation work is done at a predetermined, fixed price, as is some of the service work. Sometimes service work and distribution work are done on a "time and materials" basis, or a "minimum charge" basis. It is effectively impossible to standardize such charges or to assure "equitable" treatment as to charges versus cost because of the great disparity of time required for one call versus another, over our 600-mile system of gas mains. A degree of discretion is always necessary for both the servicemen on the job and for their supervisors. No efforts is made to "cost" the majority of calls by the service department, because either no charge or a minimum charge is made for such work.

In view of the foregoing, it simply would not be practicable for us to comply with the provisions of HB754 as it was introduced. We believe our customers are well pleased with our service work and our policy and charging when and how is deemed appropriate by the workmen involved, and their supervisors. If enforcement of HB754



Alaska Gas and Service Company

GENERAL OFFICE LOCATED AT 3000 SPENARD ROAD
P. O. BOX 6280 ANCHORAGE, ALASKA 99502 / PHONE (907) 277-5551
TELEX 25-187

Representative Bob Bradley
Continuation Sheet #2
March 17, 1976

would require us to perform cost analysis on each of the 25,000 "orders" mentioned above, and to limit our charge to a particular percentage of that cost, the administrative burden would be intolerable. We might be forced to discontinue most of such work and refer our customers to contractors or appliance stores. Although not subject to the proposed law, we doubt if the contractors and appliance stores would want this work because it offers low profitability, if any. We have had to provide the service because it was not otherwise available to our customers but is essential to the safety and success of our utility operations.

We believe that our current program and policy for handling these non-recurring services and charges is well accepted by our customers and that any legislative effort to enforce a "regulated" operation in this area could not work as well, if at all, because of the need for on-the-spot discretion and judgment.

We ask that HB754 not be enacted to apply to natural gas utilities.

Very truly yours,

Dale Teel
President

DT:dh

cc: Representative Mike Bradner
Representative Fred Brown
Representative William Parker

HB

776

FPDI 0006 11.04 SP04 0038 11.05 03/29/76

THE MESSAGE READS AS FOLLOWS:

CHAIRMAN
HOUSE COMMERCE COMMITTEE
JUNEAU, ALASKA

DEAR SIR:

PLEASE ACCEPT MY PERSONAL TESTIMONY AND THAT OF THE FAIRBANKS POLICE DEPARTMENT IN THIS FORM IN REFERENCE TO HB 776 NOW BEFORE YOU:

"FROM OUR EXPERIENCE DURING THE YEARS OF 1974 AND 1975, PARTICULARLY THE SUMMER MONTHS, IT WOULD HAVE BEEN HIGHLY BENEFICIAL TO THE EFFORTS OF LAW ENFORCEMENT IN THE CITY OF FAIRBANKS TO HAVE ALL RETAIL LIQUOR ESTABLISHMENTS CLOSE FOR BUSINESS AT THE 2:00AM HOUR. IT IS OUR FEELING THAT CIVIL DISTURBANCES THAT APPROACHED EMERGENCY LEVELS COULD HAVE BEEN MINIMIZED OR LARGELY AVERTED IF THE BARS CLOSED THEIR DOORS PRIOR TO THE 5:00AM HOUR NOW IN EFF

IT IS ALSO STRONGLY RECOMMENDED THAT PACKAGE LIQUOR STORES HAVE CLOSING TIME OF ONE (1) HOUR PRIOR TO WHATEVER TIME BAR CLOSING OCCURS."

DUE TO LACK OF NOTIFICATION, THIS MEANS HAS BEEN TAKEN TO COMMUNICATE. THANK YOU FOR THIS CONSIDERATION.

RESPECTFULLY SUBMITTED,

RICHARD R. WOLFE
CHIEF OF POLICE
FAIRBANKS POLICE DEPARTMENT
FAIRBANKS, ALASKA

PLEASE ALSO SEE IF YOU MIGHT BE ABLE TO GET A COPY TO REPRESENTATIVE GLENN HACKNEY, HOUSE OF REPRESENTATIVES.

LET ME KNOW IF YOU HAVE BEEN ABLE TO GET HIM A COPY.

THANKS
SHEILA FOSTER
FPDI/FOSTER/WOLFE

3-25-76



CITY OF NOME

POLICE DEPARTMENT
BOX 281

NOME, ALASKA 99762
(907) 443-2341



March 23, 1976

Representative Lawrence T. Davis
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Dear Larry:

In reference to our conversation on Monday, March 23, 1976 regarding proposed new closing hours for liquor establishments throughout the State:

My personal feelings are that the State closing hours should remain as they are at the present time, This gives option to local citizens as to whether or not they wish shorter hours.

As you know, Nome's closing hours are 2:00 A.M. each morning except for Saturday and Sunday mornings when they close at 5:00 a.m.

This works out perfect for us, as policemen, because for five work nights each week everything quiets down at or before 2:00 a.m.. Week end nights are a different story. All the rowdies, the trouble makers and hard drinkers are out, and at 2:00 a.m. they are not going to quit and go home - they go someplace else and continue.

By keeping the bars open until 5:00 a.m. on week ends, we at least know where these people are, and the only hazards they cause are to themselves and possibly the police at times.

Sincerely,

Cecil C. Johnson
Cecil Johnson
Chief of Police

Nome, Alaska

LAW OFFICES OF
GEORGE A. DICKSON
880 H STREET, SUITE 200
ANCHORAGE, ALASKA 99501

ASSOCIATES:
M. P. EVANS
HOMER L. BURRELL
BEN J. ESCH

TELEPHONE
276-2272

March 24, 1976

*File - For
Committee*

Representative Bob Bradley
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Bob:

I am aware that you are on the Commerce Committee which is currently considering House Bill 776. I thought that you might be interested in a memorandum I recently submitted to the Anchorage Assembly regarding alcohol, a copy of which I enclose.

There are some strong statistics available from studies done from Australia, Toronto, Canada and the United Kingdom concerning the socially beneficial effects on closely regulating the hours during which alcoholic beverages could be sold. There is a very definite correlation between accessibility of alcohol and use and a close correlation between use of alcohol and the number of drunk driving cases and alcohol related crimes. You must understand accessibility does not affect the "alcoholic", but does clearly affect the alcohol abuser.

I trust that you will support Representative Hackney's proposal as set forth in House bill 776.

Best Regards,

George A. Dickson
George A. Dickson

Enclosure
GAD:ce

cc: Representative Glenn Hackney

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AIM

Meeting Date: February 9, 1976

From: Assemblyman Dickson

Subject: Alcohol

Alcohol is Alaska's Number 1 problem. Alcohol appears either as a cause or effect in deaths, illness, divorce, crime, failed businesses, unemployment, mental illness, child abuse, welfare, juvenile delinquency and suicide.

Statistics

The national consumption of distilled spirits (not beer) sold in the United States is 1.97 gallons per person per year. Alaskans drink 3.01 gallons per person per year -- 50% more than the national average. Rated nationally, Alaska is fifth. But the states that precede Alaska for the dubious first-place honors, are District of Columbia, Nevada, New Hampshire and Vermont. Nevada, New Hampshire and Vermont are all low-population states with high tourism, which accounts for their high per capita consumption and the statistic source points out that the District of Columbia's high per capita consumption reflected heavy purchases by out-of-state customers. So, taking these factors into consideration, Alaska may very well be first in the nation on per capita consumption of distilled spirits by residents.

It is estimated that one out of every ten adult Alaskans is an alcoholic - about 16,000 individuals. The World Health Organization defines an alcoholic as "one who has severe changes in health, personality, finances, family or social life, due to drinking." Of the 10% of adult Alaskans who are alcoholics, it is estimated that only 3 - 5% of this group are what would be called visible alcoholics. These "tip-of-the iceberg" alcoholics are the ones you see on 4th Avenue, i.e. the ones that the public generally classifies as the "wino".

Thus for every Fourth Avenue drunk you see in Anchorage, there are between 19 and 32 closet alcoholics. There are approximately 5-1/2 drug addicts for every 100 alcoholics.

Nationwide it has been estimated that the economic costs of alcohol are as follows:

1. Loss of Production	9.35 billion
2. Motor vehicle accidents	6.44 billion*
3. Health and medical	8.29 billion
4. Alcohol programs	.64 billion
5. Criminal justice system	.51 billion
6. Social welfare service	<u>.14 billion</u>
TOTAL	25.37 billion

* I ran across another statistic that estimated the cost to be 15 billion.

Delving into more specific statistics, we find the following:

1. Deaths - In Alaska, 14% of all deaths are closely related to alcohol. Another 11% have alcohol as a contributing factor. In Anchorage during a 17-month period, 64 deaths were alcohol related. Forty were providers, leaving a spouse with an average of two children. Many of the survivors went on public welfare. Of a total of 267 coroner's cases investigated in the Anchorage District during a 17-month period from 1971 to 1972, 43% of these deaths were directly due to alcohol or alcohol related. In early 1975 during four months in an area with several small villages in Southeast Alaska, 5 family providers died of alcohol-related deaths. The survivors totaled 28 dependents. The cost of maintaining these individuals, not including any medical care, is \$44,160.00 annually.

2. Drunks and Automobiles - In Anchorage, 81% of traffic fatalities are alcohol related. Between 7:00 p.m. and 3:00 a.m. you will meet 9 drunken drivers on the road during each hour of driving. Seventy-five per cent of all Alaskan traffic fatalities are alcohol related in contrast to about 50% in the South 48. In Anchorage the rate was 81% over a one-year period, and in Fairbanks during a one year period it was 100%. In Anchorage from 1970 to 1974, we had a 58% increase in drunk driving arrests, while at the same time we only had a 44% increase in registered vehicles. The situation is growing worse.

A 1975 study of drunken driving reached some interesting conclusions:

"The results of our study explain to some extent why laws, punishment (including imprisonment), and appeals to reason and intelligence have not effectively deterred persons under the influence of alcohol from operating motor vehicles. One of the obvious reasons is that these methods fail to address themselves to the large proportion of such offenders who have serious levels of alcohol impairment. These are persons who have drinking patterns that almost certainly include an impulsive need to drink and that also possibly incorporate some degree of self-destructive behavior. This conclusion would suggest that punishment alone would serve to satisfy some of the very reasons for the alcohol dependency and would be unlikely to alter behavior beneficially. It is also important to note that this particular group of persons, although admitting to a high proportion of pathological drinking behavior, are poorly motivated to seek treatment. Less than 2 percent of the offenders in our study reported ever having been in any treatment program related to drinking. More than 90 percent did not consider their drinking behavior to be a problem before their arrest.

It is of more than academic interest to consider the impact of extremely strong sanctions against drinking and driving. Several European countries, especially Great Britain and Scandinavia, introduced such sanctions about 10 years ago, lowering the legal blood alcohol level to 0.05 percent and making loss of the driving license and imprisonment mandatory for anyone convicted of drunken driving. Although there was an initial reduction in alcohol-related accidents, the rates of such accidents have gradually begun to rise again. Alcohol is still a significant factor in the serious overall problem of motor vehicle accidents in these countries.

In the United States, judges and juries are reluctant to return convictions in cases involving intoxicated drivers, apparently identifying more with the driver's "right to drink" and "right to drive" than with the potential for disaster. Even when convictions are returned, license suspension or revocation has little or no impact in preventing most people from drinking and driving."

C R I M E

Although there is a dearth in Alaska of reliable statistics concerning Alcoholism one of the outstanding exceptions to this rule is a study done by the Division of Corrections in 1975 concerning alcohol and crime. In interpreting any statistics which relate to alcohol and crime, one must first note that in 1972 the Uniform Alcoholism and Intoxication Treatment Act passed by the Alaska State Legislature decriminalized "Drunk in Public". Prior to 1972 "Drunk in Public" was the most frequent charge on the Police blotters, constituting 36% of the total. As an aside, it should be noted that the passage of the Uniform Alcoholism & Intoxication Treatment Act of 1972 emptied the Alaskan jails and filled every available treatment center. Arrest for drunkenness fell from over 4,000 annually to zero.

The Division of Corrections study dealt with 103 prisoners in the Eagle River Facility who were serving sentences of 6 months or more. 52% had committed violent crimes and 84% reported that they had been drinking at the time of their most recent offense. 50% of those prisoners indicated that they had or have had serious drinking problems.

Between July, 1974 and April, 1975, all the cases at the Parole and Probation Board were reviewed - 84% of the inmates appearing before the Parole Board had alcohol abuse as a salient factor in the offense. Alcohol abuse was a

factor in 69% of the homicides. Alcohol was a factor in 57% of the assaults with a deadly weapon, robbery, and shooting with intent to kill. Alcohol was a factor in 67% of rapes, and lewd and lascivious acts. Alcohol was a factor in 52.5% of Probation and Parole violations.

In the late 1960s a study indicated that 60% of all the people in the State Jail were there for "alcohol related" offenses. After the implementation of the Uniform Act in the early 1970s, a study in 1974 indicated that 41% of all those serving jail terms were still for "alcohol related" offenses, even without public drunks being charged. Note that the term "alcohol related" refers to charges directly involved with alcohol use, but does not include other offenses while drinking. Thus, alcohol related offenses are such crimes as disorderly conduct, drunk on a roadway, or driving while intoxicated.

The Police Department's reports until the decriminalization of "Drunk in Public" reflects 90% of their resources were spent in handling drunks. This is now a responsibility assigned under the Uniform Act to the Department of Health and Social Services. In the case of Anchorage, the City was able to shut down its honor farm operation located at International Airport Road and Seward. It is certainly arguable that although we are spending more money for the treatment of

alcoholism than we ever did before, we are also spending less money for police services and the cost of incarceration than we were before.

MENTAL HEALTH

Of U.S. Mental Hospital admissions in 1972, alcoholics made up 38% among males aged 18-44 and 74% of the males 44-54 years of age.

H E A L T H

In 1971, 4986 patients with alcoholic symptoms were admitted to Alaskan hospitals. Recent research shows that alcoholic mothers damn their children to death, mental retardation, or stunted growth.

E M P L O Y M E N T

As noted above, the 4th Avenue drunk makes up the visible problem but accounts for only 5% of the alcoholics in the community. Most persons with alcohol problems are employed and many alcohol case workers say that it is the job which is the last asset of the alcoholic to go. The alcoholic

needs the job to buy the booze. Because the alcoholic is motivated to hold on to his job, early identification of an alcoholic employee and early treatment of this employee offers society one of the best opportunities to achieve a reduction in the alcohol population. The employer is in a nearly ideal position to pressure an employee into seeking aid for drinking problems. Educated estimates are that as many as 5% of the employed population had drinking problems. General Motors instigated a program to deal with alcoholic employees and reported recovery rates ranging up to 60% of those referred in the first 22 months after introducing an alcohol program. General Motors further reported a decrease of lost man hours of about 50%, a decrease in sickness and accidents of 30%, a decrease in leave of absence of 50% and a decrease in job-related accidents of 83%.

The National Council of Alcoholism reports that one in every 13 employees in the United States is an alcoholic. The highest incidence of alcoholism appears to be in pressure jobs, people in problem related careers.

Losses to industry because of alcoholism were computed at \$6 billion per year in 1971.

Jim Spaulding of the Anchorage Alcohol Treatment Center at Port Alsworth stated that most of the patients did

not need vocational counselling to obtain jobs. He added that alcoholics almost always have tremendous skills. In fact, if one generalization is true of alcoholics, he said, it is that they drink because they cannot meet the high standards of perfection they set for themselves.

Y O U T H

One out of fifteen high school students in Alaska is an alcoholic.

Five years ago, the average age of those in detoxification centers was 39 years old - today it is 32 years old.

ALCOHOLISM AGENCIES

There are 46 alcoholism treatment services in addition to AA groups listed with the Office of Alcoholism, 25 of which receive state funding.

In 1971 almost 21,000 requests were serviced to agencies in Alaska as a result of alcohol problems.

At any given time there is an average of 150 persons receiving treatment at the alcoholism rehabilitation unit of the Health Department and between 120 and 130 at in-patient or residential facilities. In addition, average

monthly attendance at group sessions in the Health Department is 600. This does not include the many AA meetings in Anchorage nor the heavy traffic at CME walk-in Center at 6th and F, which may be 200 each evening.

2/9/76

ANCHORAGE DEPARTMENT OF HEALTH & ENVIRONMENTAL PROTECTION

ANALYSIS OF ALCOHOLISM FUNDS SPENT

IN THE ANCHORAGE AREA, 1975-1976 - ALL SECTIONS

	TOTAL	SOURCE			
		MUNICIPAL	STATE	PRIVATE	FEDERAL
Municipal - Outpatient & Mgmt.	283,990	283,990			
Anchorage Native Program For Alcohol (Taheta)	54,000		27,000	27,000	
Anch. Native Pro. (7/1-9/30)	15,000		6,000	9,000	
Salvation Army	30,787		20,000	10,787	
Anchorage Council On Alcoholism	71,924		66,174	5,750	
CME Walk-In Center	251,247		157,017	59,130	35,100
Studio Club	117,990		80,890	37,100	
SDC (Honor Farm)	632,131		402,396	46,325	183,410
Anchorage Comm. Hospital	14,400				14,000
Court Program-DWI (Nat'l. Coun.)	34,000				34,000
Ak. Labor & Mgmt Emp. Affairs	200,000				200,000 (State wide)
Estimated: Phoenix House	50,000			50,000	
	<u>1,755,469</u>	<u>283,990</u>	<u>759,477</u>	<u>245,092</u>	<u>466,910</u>

- Note 1: Considerable funds are being spent on alcoholism in the private sector. The hospitals, the psychiatrist, and the private physician all treat alcohol related problems (for which there are no reports).
- Note 2: CINA & ANB have some effort invested. However, the amounts cannot be broken out and the effort has been small (estimate 1/2 to 1/4 man year).
- Note 3: SDC includes the Re-Ed. Unit at API - both receive a fair number of referrals from other areas of the State.
- Note 4: Approximately \$265,000 of the Municipal figure is counted as the required local match for the States \$759,477.

EARNINGS AND TAXES OF THE LIQUOR INDUSTRY

The earnings of the liquor industry in Alaska have increased 30.8 million in 1971 to 33.6 million in 1974 and finally to 41.2 million in 1975.

License fees total \$80,000.00 in 1971 and \$81,850.00 in 1975.

Excise taxes paid were 4.2 million in 1971, 5.7 million in 1974, and 6.6 million in 1975.

DISCUSSION

I shall divide this discussion into the following:

1. Treatment and rehabilitation.
2. Prevention and education (there is, of necessity, some overlap with No. 1).
3. The alcoholic as an anti-social person.
4. The distribution of alcohol.

TREATMENT AND REHABILITATION

What at first appears to be a confusing and overlapping system of treatment and rehabilitation of alcoholics in the Anchorage area on closer inspection resolves itself into some semblance of order. I have read evaluation reports on each of the programs and have personally visited about half of the programs. I think that, all in all, they are doing a good job. Those people who work in the programs are doing jobs that I wouldn't

do for ten minutes. To enter the CME Walk In Center on Saturday night is like walking into a scene from Dante's Inferno. Those who work there are saints and are full of charity and sweetness and are certainly performing a service to humanity and my feeling is that as long as they are willing to perform those services at the kind of minimum wages they serve for then let them do it. It is certainly a labor of charity, not an act for economic remuneration.

One of the things that should be recognized, though, is that the rehabilitation centers are oftentimes dealing with recidivous drunks. For example, the CME Walk In Center treats between 200 and 300 walk-in clients every 24 hours. During the month of October, 39 individuals out of 8,972 (.43%) seen were initial contacts. This indicated an enormous and excessive recidivism rate. It is apparent that certain clients are returning two and three times within a 24 hour period. During this time only 48 individuals were referred to the Social Development Center (AATC) and 18 individuals referred to the hospital. Of those that were referred to the latter institutions, many of them simply went through a detoxification procedure and immediately went back to the streets. A portion went into the rehabilitation program and a few may have succeeded in being successfully rehabilitated. However, one never knows whether they were successfully rehabilitated or not because follow-up procedures are very poor.

I talked this matter over with a man who has been a dry alcoholic for many years and who is a member of AA and who is also involved in various aspects of the programs in Anchorage and familiar with all of them, and he wrote me the following letter:

"In regards to local alcoholism programs where treatment and rehabilitation are involved, it has been my observation that they are not doing the job.

First of all, there is little or no distinction between the village persons who arrive in Anchorage for a visit (and promptly get drunk). The 4th Avenue bars are also meeting places and very much a form of local fellowship away from home. These people are then picked up by the police (who have no other place to take them) and are taken to the De-Toxification Center at Pt. Woronzof where they are dried out, and then released. Since the non-incarceration act, the police have had no choice but to use the De-toxification facility as a dumping grounds for alco-abusers. This service, of course, may be needed, but it has nothing to do with the rehabilitation of alcoholic persons. In fact, it is interfering with what should be a distinct and separate function, that of offering an open course of opportunity for those persons who wish, or have a desire to do something for themselves. Right now, all the alcohol abusers and the alcoholics are thrown together, which is not conducive to good program functioning for the rehabilitation of alcoholics.

The facility at Pt. Woronzof, both the old and new facility (which, by the way, the new building should be funded and completed immediately) should serve as a community resource for rehabilitative programs and the re-entry of the alcoholic person into the community as a productive citizen.

Unfortunately, guidelines have not been instituted wherein the alcoholic person is given 2 or 3 opportunities at a treatment center to rehabilitate themselves; but if they continue to drink up their opportunities, they should be jailed on each occasion. Many of us who have gone through the process of rehabilitation know that to coddle or sympathize with alcoholics, may prolong their rehabilitation.

Therefore, let us return to the system of punishment for the alcoholic person if they fail to take advantage of the local and state funded alcoholism programs, which have offered rehabilitative support to them. Give the power of arrest back to the police departments with a farm system for those persons unwilling to do something for themselves, and let the treatment centers do the job for which they were originally created."

I tend to agree with this letter. I think it makes some sense and there seems to be a consensus in the alcoholic community that programs for rehabilitation should be supplemented with programs of arrest and detention for those alcoholics who are not susceptible to rehabilitative treatment. The arrest and detention would not necessarily be considered in the normal criminal context.

PREVENTION AND EDUCATION

At the present time only a very small amount of the money poured into alcohol programs is being used for alcohol education programs. The bush towns of Barrow and Ft. Yukon recently established a program in the schools from grade school onwards through high school. The curriculum outlined for such a program has been prepared by Mr. Keating of the National Council on Alcoholism. The occasional auditorium lecture that children in Anchorage schools are now receiving is simply not enough.

Dr. Colyar stated to me in a memorandum, "Earlier prevention must be applied to youthful populations, through efforts to educate school age children and youth in the nature

and effects of alcohol. We must also take measures to change attitudes of the community toward abuses of alcohol and to support proper establishment and enforcement of the laws regarding distribution and misuse of alcohol."

Edwin J. Bew, Jr., editor of the National Council of Alcoholism News, Alaska Region, stated, "It is my strong hope that, in the years to come, we will all come to realize and be able to influence opinion makers in the community at large that there would never be enough money to treat all alcoholics at public expense. The only way that real inroads can be made is through the spending of funds not only in direct treatment, where it is still desperately needed throughout the state, but also in efforts towards changing the public's attitudes and knowledge about alcoholic beverages, the disease of alcoholism, and explosion of myths and misinformation about both. Essentially, in the long run, prevention is the only answer. And, as in the case of tuberculosis and many other incurable, but controllable diseases, no real progress is made in the control of those diseases until efforts of treating those already chronically ill were supplemented by strong public education and awareness campaigns to bring them out of the shadows and into the spotlight of truth and reality. This phase has really just begun in alcoholism. . . . and other positive steps to bring the scales into balance."

Ms. Hoffman, who has counseled alcoholics in Anchorage as young as 13 years old feels that the ultimate answer to the alcohol abuse problem is the education of the public. She noted

that the curriculum in Anchorage schools includes only instruction on alcohol in health education at the junior and senior high school levels. By that time, she stated, it is too late. "Children need to be educated about alcohol at an early age so that by the time they are ready to consider drinking, they can make decision regardless of peer pressure."

THE ALCOHOLIC AS AN ANTISOCIAL PERSON

Since the 1972 Uniform Alcoholism Act abolished DRUNK IN PUBLIC as a crime certain downtown areas have been inundated with inebriants. We have a proposed statute amendment in Juneau which would allow us to once again arrest drunks. This does not mean that we will be going back to the old drunk in public status, but there will be some kind of a blend between the arrest procedure that we had before and the new treatment procedure that has been instituted. I think that the letter which I have quoted above thoroughly addresses this problem and proposes a solution.

One of the areas that has not been considered has been the drunk driver. This is one of the reasons that I became interested in the alcoholism programs in Anchorage. In my law practice I have handled several cases in which a drunk driver drove over the center line and hit head on some completely innocent family coming from the other direction. These tragedies simply can no longer be tolerated. I have already addressed the subject to some degree in the statistical analysis above, and despite the rather pessimistic prognosis of the study, I think we must make some effort in Alaska to put the drunk driver off the road.

Another item which has been suggested to me is a Tippler's Tax. This would require a certain tax on those who drink at bars. The purpose of the tax would be to help support the alcohol prevention, education and treatment programs. Unfortunately, at the present time, under state law, no special local tax can be placed on alcoholic beverages unless it is part of a general sales tax. This is something which we might consider asking the Legislature to repeal.

There is also the possibility of requiring those who drink to have a "Alcoholic Beverage Drinking Card". Because of enormous problems created by alcohol, the consumption of alcohol might very well be considered a privilege. The card could be taken away just as a driver's license is taken away from bad drivers. Thus a drinker's card might very well be taken away from a person for drunken driving or for being involved in alcohol-related crimes or for being drunk in public.

The Distribution of Alcohol - During my survey of alcohol problems I have had occasion to read Title 4, which covers Alcoholic Beverages, and Title 47 which includes the Uniform Alcoholism Act. Section 04.04.010, which creates the Alcoholic Beverage Control Board, provides "The board shall meet at least once each year in each of the four judicial districts to study, reconsider and modify existing agency rules and regulations in light of current local problems." I believe that this particular provision and charge upon the board has been sadly neglected and should be one of the major activities of the board in light of the seriousness of the alcohol problem in Alaska.

As a matter of fact, all of Title 4 should be given a serious look by a statute revisor. It seems to me upon reading it that it is simply nothing more than a conglomeration of laws that are the result of 50 years of liquor lobbying in Juneau. The laws are there more to protect the industry than the public. Even when you see a law that prohibits a bar from serving a drunk you find out that it really is unenforceable because of the evidentiary problems. That is, you have to prove that the man the bartender was serving was in fact drunk. This requires you to either take the drunk in by his consent for a test to prove he is drunk or it requires you to arrest the drunk and take him in involuntarily for some sort of test. This can't be done any more under the Uniform Alcoholicism Act and I don't think there has ever been one prosecution under this particular section. I could go through Title 4 in detail, but it would take a great deal of time and the upshot is that it badly needs revision if it is to be a statute that is to protect the public and not the industry.

Despite the discouraging statistics that arise from the study of alcohol, one does find that there are some areas that offer limited control. For instance, the statistics show a correlation between the availability and the consumption of alcohol. Nationwide, in 1974, the per capita consumption in license states was 2.12 gallons and in controlled states was 1.62 gallons.

The Department of Corrections Task Force stated at the conclusion of their study:

"The availability of alcohol has a direct relationship to alcohol-related crime. Liquor is the only commodity in the state which can be purchased 21 hours a day. The Task Force recommends that a study be conducted as to

Fourth Avenue watchers indicate the customers are swept out of the bars shortly before the closing hours and that they immediately line up at the package stores on Fourth Avenue to buy enough alcohol to last over until the bars open again three hours later. If one desires to regulate the closing hours, it would seem wise to treat separately the closing hours of bars and the closing hours of package liquor stores. Package liquor stores might legitimately be open from 11:00 in the morning until 9:00 at night and the bars from 11:00 in the morning until 1:00 or 2:00 in the morning. Although there is some argument to the effect that after hours clubs will be encouraged if the bars are not left open until 3:00 a.m.

I'm not sure what effect the number of bars in a community has. However, I think that this deserves some additional research as to the population ratio system that is now the standard. I'm not really certain whether fewer bars would result in less consumption of alcohol but I think it certainly deserves investigation. Certainly fewer bars would be easier to police.

RECOMMENDATIONS

To be determined at work session.

the feasibility of some of the following alternatives to alleviating this problem:

(a) The State of Alaska set up state-owned and operated liquor stores and remove the sale of alcohol from the private sector; thereby taking the profitability out of the sale of alcohol.

(b) Regulations which require the earlier closure of bars and taverns.

(c) Stricter regulations for bars governing the sale of alcohol."

We should also investigate the possibility of controlling the advertising of alcoholic beverages in Alaska. Certainly the advertising we have which depicts the consumption of alcohol as a romantic and desirable social event should be eliminated and, in addition, we should at least do something like the anti-smoking campaigns which show the side of smoking or alcohol which are not social, desirable and romantic events.

We have already noted the possibility of state operated liquor stores but have not mentioned the possibility of increasing closing hours.

Alaska Statute 04.15.010 provides, "No person may consume, sell, offer for sale, give, furnish or deliver from an unauthorized licensee any intoxicating liquor on any licensed premises inside the state between the hours of 5:00 a.m. to 8:00 a.m. each day of the week. Incorporated municipalities may provide for additional closing hours under Section 70 of this chapter."

The opening hours from 8:00 a.m. in the morning until 5:00 a.m. the next morning seem far too liberal. Reports from

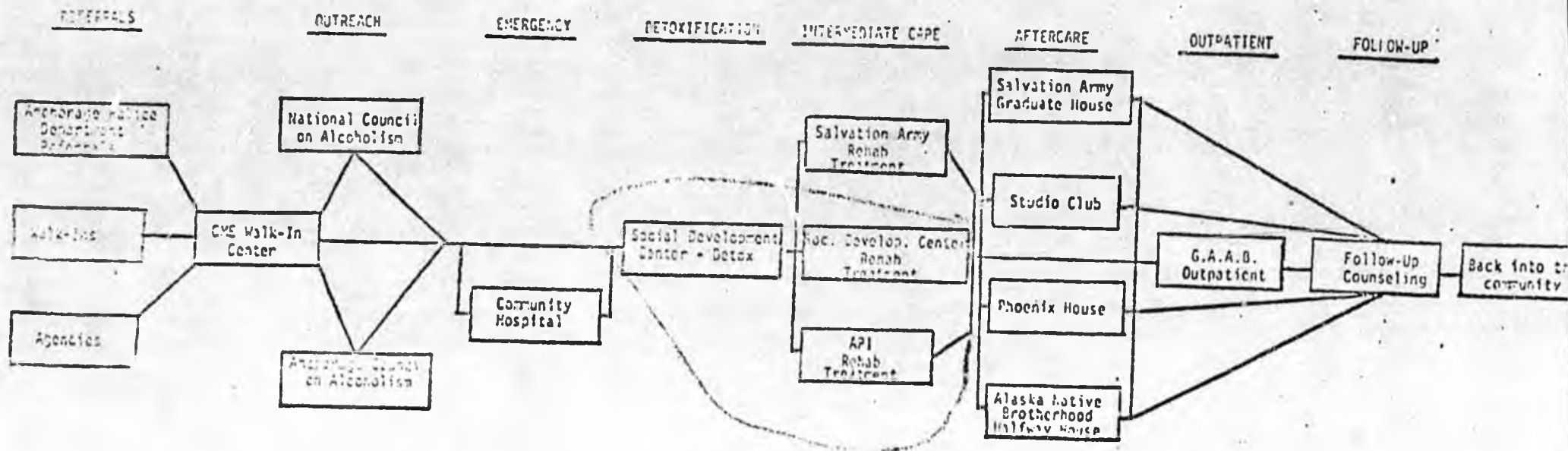
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RECOMMENDATIONS

To be determined at work session.

GREATER ANCHORAGE AREA BOROUGH
 COMPREHENSIVE ALCOHOLISM TREATMENT PROGRAM
 (CATP)



CME WALK-IN CENTER	274-3032
NATIONAL COUNCIL ON ALCOHOLISM	279-3575
ANCHORAGE COUNCIL ON ALCOHOLISM	274-1332
COMMUNITY HOSPITAL	272-9461
SOCIAL DEVELOPMENT CENTER	272-8575
SALVATION ARMY	277-2575
API RE-ED	277-6551
STUDIO CLUB	279-2124
PHOENIX HOUSE	272-9675
ALASKA NATIVE BROTHERHOOD HALFWAY HOUSE	274-3125
GREATER ANCHORAGE AREA BOROUGH OUT-PATIENT COUNSELING UNIT	277-2675



ALASKA ALLIANCE OF HOTEL
AND RESTAURANT EMPLOYEES
AND BARTENDERS



PRESIDENT Joseph Walsh

SECRETARY Bettie Clancy

March 24, 1976

Representative Bob Bradley
Pouch V
Juneau, Alaska 99801

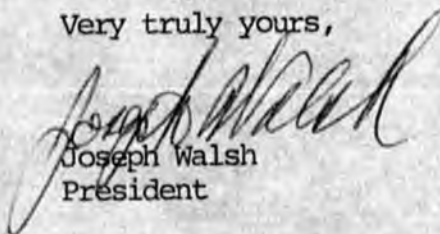
ATTENTION: Representative Bradley,
Chairman Commerce Committee

Dear Representative Bradley:

As President of the Alaska Alliance, representing 7,000 members in the state of Alaska, I want you to know that we are strongly opposed to House Bill 776.

We will be in Juneau April 7th and 8th, as per your discussion with Mr. Ben Marsh. I would like to personally appear, in conjunction with the CHAR organization, before the Commerce Committee to give our reasons why we are opposed to HB 776.

Very truly yours,


Joseph Walsh
President

cc: Helen Fischer
Ramona Kelley
Oral Freeman
Rick Orjon



PIONEER PROGRESS

CITY OF FAIRBANKS

410 CUSHMAN ST.
FAIRBANKS, ALASKA 99701



FAIRBANKS POLICE DEPARTMENT

MARCH 26, 1976

Chairman
House Commerce Committee
Juneau, Alaska 99801

File
REFERENCE: HB 776

Dear Sir:

Please accept my personal testimony and that of the Fairbanks Police Department in this form in reference to HB 776 now before you:

"From our experience during the years of 1974 and 1975, particularly the summer months, it would have been highly beneficial to the efforts of law enforcement in the City of Fairbanks to have all retail liquor establishments close for business at the 2:00AM hour. It is our feeling that civil disturbances that approached emergency levels could have been minimized or largely averted had the bars closed their doors prior to the 5:00AM hour now in effect.

It is also strongly recommended that package liquor stores have a closing time of 1 hour prior to whatever time bar closing occurs."

Due to lack of notification, this means has been taken to communicate. Thank you for this consideration.

Respectfully submitted,

Richard R. Wolfe

RICHARD R. WOLFE
Chief of Police
Fairbanks Police Department
Fairbanks, Alaska

RRW:smf

cc: Representative Glenn Hackney
House of Representative



CHAR

Alaska Cabaret, Hotel & Restaurant Association

MARCH 25, 1976

REP. BOB BRADLEY
HOUSE COMMERCE COMMITTEE
FOUCH V STATE CAPITOL BUILDING
JUNEAU, ALASKA 99811

DEAR BOB:

THIS WILL CONFIRM OUR CONVERSATION OF YESTURDAY CONCERNING HB776. WE
THANK YOU FOR YOUR COOPERATION ON THIS MATTER.

WE UNDERSTAND THAT HB776 (CLOSING HOURS FOR LIQUOR ESTABLISHMENTS) WILL
BE CONSIDERED BY THE COMMITTEE ON MARCH 31. IF THE BILL HAS NO SUPPORT AND
IS KILLED BY THE COMMITTEE, THERE WILL BE NO NEED FOR CHAR MEMBERS TO
TESTIFY. IF THERE IS SUPPORT, WE UNDERSTAND YOU WILL HOLD IT OVER UNTIL
APRIL 6, WHEN MOST OF OUR BOARD OF DIRECTORS WILL BE IN JUNEAU FOR THE
LEGISLATIVE DINNER, AND CAN TESTIFY ON IT.

FOR THE RECORD, THE MEMBERS OF CABARET HOTEL AND RESTAURANT ASSOCIATION
ARE UNANIMOUSLY OPPOSED TO THIS BILL. THEY FEEL THAT A PROHIBITION
MENTALITY IN LIQUOR ESTABLISHMENT REGULATION WILL BE SELF-DEFEATING AND
ACCOMPLISH NOTHING TOWARD RELIEVING THE ALCOHOLISM PROBLEM.

THANK YOU AGAIN FOR YOUR HELP.

SINCERELY,



BERNARD L. MARSH
EXECUTIVE DIRECTOR
CHAR

CC: REP. HELEN FISCHER
MEMBERS CHAR BOARD OF DIRECTORS

The alcohol beverage industry shares the concern of many well-intentioned people who are anxious to reduce alcoholism and other problems related to the misuse of its products. We are anxious to cooperate in sound programs to deal with these complex problems.

We take strong exception, however, to proposals which would penalize the members of our industry and the vast majority of our customers who do not misuse our products, especially when such proposals offer little hope of a meaningful reduction in alcoholism and related problems.

Proposals to shorten the permitted hours of operation of on-premise outlets fall into this category. Such proposals overlook the historic evidence that the hours of sale, as well as other control regulations, have little impact on alcohol abuse.

Dr. Selden Bacon, until his recent retirement Director of the Rutgers University Center for Alcohol Studies, has noted, "Actually, this type of law has no effect on the use of alcohol or its problems; the underlying assumptions are fallacious and the laws defeat the philosophy upon which they are based. The control system of the United States is isolated from reality because it assumes that drinking and its problems are entirely dependent on the conditions of sale." 1

Perhaps the most exhaustive study of control laws and their relation to alcohol problems was published in 1963 by the New York State Moreland Commission on the Alcoholic Beverage Control Law. Study Paper Number 1, issued by the Commission noted, "The alcoholic simply does not accept legal limits to consumption whether those limits be related to time, place, quantity or to kind of alcohol." ² The report further states, "An analysis of the figures on arrests for driving while intoxicated and for rates of alcoholism in the various communities studied, reinforces a conclusion that laws dealing with sales, sellers and selling are above all irrelevant to the solution of the major problems of alcohol." ³

Most recently, an official U.S. Government report titled "Alcohol and Health", published in June, 1974 observed, "Liquor control has taken many facets over the years. There have been attempts to control consumption by outright prohibition, limitations on purchases, state monopolies, prohibiting sale by the drink, controlling prices, sumptuary taxation and limiting the number of outlets. Most of the evidence indicates that these measures have not proven to be important in limiting alcohol-related problems." ⁴

It is clear from the available evidence that further manipulation of the conditions of sale by shortening the hours for on-premise consumption will neither help those who are now alcoholics nor reduce their future numbers.

As a simple matter of common sense it should be obvious that if an individual wants to become intoxicated he doesn't need all night to do it. Closing pouring places at an earlier hour will not present a serious obstacle. It will present a serious obstacle to night workers and others who enjoy a few sociable drinks at late hours. Those who enjoy 9 to 5 jobs and who retire each evening by 11 p.m. should not assume that all "good people" do the same or that persons who keep different hours are not entitled to the relaxation and enjoyment offered by on-premise outlets. No studies have been made on the time most alcoholics go to sleep for the night, but there is no reason to assume they are over-represented in the late crowd.

We recognize that a minority of on-premise outlets serve obviously intoxicated persons in violation of the law and that these persons create a real hazard on our roads. But rather than strike out against all licensees and their customers, ABC law should address the real problem and take appropriate corrective enforcement steps.

As for the deeper, more complex problem of alcoholism, neither we nor anyone we know of has any easy solutions. Soundly based public education efforts, improved availability and quality of treatment, better occupational programs by employers, and the recognition by health insurance companies that alcoholism is a treatable illness, can be important steps. We urge those who share our concern to look beyond simplistic, "quickie" solutions which have been tried before to no avail.

BIBLIOGRAPHY

1. Bacon, S. D. American Experiences in Legislation and Control Dealing with the Use of Beverage Alcohol. In: "The Legal Issues in Alcoholism and Alcohol Usage"; pp. 123-141. Boston; Boston University Law-Medicine Institute; 1966.
2. The Relationship of The Alcoholic Beverage Control Law and The Problems of Alcohol, by the New York State Moreland Commission on the Alcoholic Beverage Control Law, October 18, 1963, page 35.
3. IBID, page 55
4. Alcohol and Health, Second special report to the U.S. Congress by the Secretary of Health, Education and Welfare. June 1974. DHEW Publication number HSM-72-9099. Page 158.

CRIME PREVENTION SUB-TASK FORCE ON ALCOHOLISM

December 10, 1975

A regular meeting of the Sub-Task Force on Alcoholism was held December 10, 1975 at 4:00 p.m. in the Conference Room of the Anchorage Chamber of Commerce.

IN ATTENDANCE

Mike Colletta - Chairman
Virgil Knight
Ken Hume
John Bowerman

STAFF

Diane Danaher - Secretary

ABSENT

Carl Bailey
Jackie Graham
Wilda Hudson
Claude Johnson
Ben Marsh
Evelyn Phelps

Chairman Colletta called the meeting to order at 4:15 p.m. The purpose of this meeting was to review the attached report prepared by Virgil Knight. This report includes the objectives and recommendations made by the Sub-Task Force on Alcoholism. Deletions and additions were made.

This final report will go to the Crime Prevention Task Force for approval. The intent is that it will go before the Board of Directors at the Chamber and then presumably on to the Mayor and Assembly.

The meeting was adjourned at 5:00 p.m.

SUB-TASK FORCE ON ALCOHOLISM

December 10, 1975

OBJECTIVE

To determine and recommend to the basic Crime Prevention Task Force a positive solution to the "drunk in public" problem prevalent in the downtown area of Anchorage. A solution would serve a two-fold purpose:

1. Help the chronic alcoholic cope with his problem
2. Clean up the core area for the general public.

OPERATING PROCEDURES AND RESOURCE PERSONS HEARD

The Sub-Task Force set up meetings and upon invitation, held interviews and heard testimony from the following people:

Mr. Ed Stewart, Alcoholism Program Manager, Municipal Health Department.
Mr. Claude Johnson, Coordinator, CME Walk-in Center.
Ms. Jackie Graham, Program Treatment Director, Alaska Alcoholism Treatment Center, usually referred to as AATC or SDC.
Mrs. Pat Heibert, Community Relations Officer, AATC.
Chief Charles Anderson and Lieutenant Pavovich of the Anchorage Police Department.
Mr. Thomas Yates, Project Administrator Taheta House.
Mr. Warren Runnerstrom, Chairman, Anchorage Alcoholism Advisory Council.

On November 21, Mr. Hume and Mr. Knight attended a portion of a meeting in Anchorage of the Program Evaluation Team, State Office of Alcoholism based in Juneau.

OBSERVATIONS

There are a number of programs in the Anchorage Area dealing with alcoholism. A degree of coordination exists among these programs. This coordination was developed by the Greater Anchorage Area Borough and is known as the Comprehensive Alcoholism Treatment Program (Depicted on the attached chart). This program ideally carries the "drunk in the street" or the confirmed alcoholic through all possible phases of rehabilitation and puts him back into the community.

We obtained and studied organization charts of each identifiable operative unit. These units are the CME Walk-in Center, the Alaska Alcoholism Treatment Center also referred to as the Detox Center on Point Woronzoff, the Halfway Houses, and the former Borough Outpatient Counseling and Rehabilitation Centers.

We were advised by representatives of the former Borough Health Department that approximately \$1.3 million are expended on the program annually with about \$943,000 coming from State and Federal sources and apparently the balance from local funds including some client income at the Halfway Houses of possibly \$40 - \$50,000.

The total staffing in the various functions total some 57 persons plus a portion of the staff of the former Borough Health Department which totaled some 96 authorized positions for all health related programs.

Various statistics were obtained from those interviewed as to the number of "clients" involved. One estimate places the alcoholics in Anchorage at 26,000. The CME Center averages about 200 clients a day or nearly 72,000 during the 1974-75 year of which only 981 were initial contacts. This includes those who walk in and are brought in by the CME patrol, city police and friends. Obviously, most are repeaters. Police estimate there are probably less than 200 persons involved in the "drunk-on-the-street" count at any one time. Some of these repeaters visit the centers two or more times in one day. The Anchorage Alcoholism Advisory Board claims to have identified some 554 repeaters who have gone through Detox at the Alcoholism Treatment Centers more than three times in a year. A few have gone through the full course as much as 15 times.

According to their organization charts, most of the Centers are independent, each with its own non-profit corporation, board of directors and officers. Lines of authority within and between each function seem vague.

While some of the funds and budget allocations appear to be quite explicit, the actual expenditure of funds or an expenditure audit in the various programs has not been located.

The Anchorage Alcoholism Advisory Board apparently has the responsibility for providing recommendations and advise to the Mayor and the Assembly on the program administered in the area. The Board utilizes Federal, State and Municipal funds and seems to be in a good position to monitor and audit the use of these funds. They also should be able to make determinations as to the efficiency and effectiveness of the program and to recommend necessary changes if warranted by its studies.

CONCLUSIONS AND RECOMMENDATIONS

We recognize the problems of attempting to separate and deal with only portions of the total alcoholic program but since our primary objective is to improve the Anchorage downtown area by getting the drunk off the streets, we address our recommendations only to that specific phase.

Lines of authority to control the program and expenditures seem ambiguous and vague. Instead of a single pyramid type structure, there seem to be several small pyramids with the apexes vaguely connected. Not until the entire program is organized with direction, authority, responsibility, funding, and expenditures to flow from a single head in a centralized planning and administrative agency, can significant improvement in accountability and effectiveness be realized.

We therefore, make the following recommendations:

1. THAT THE MAYOR'S ADVISORY BOARD DEVELOP SPECIFICS TO FORM SUCH SINGLE

PYRAMIDAL ORGANIZATION, INCLUDING FISCAL RESPONSIBILITY, AND SUBMIT SUCH TO THE MAYOR AND ASSEMBLY FOR ADOPTION, IMPLEMENTATION, AND FOLLOW-UP.

2. THAT NO MEMBER OF THE ADVISORY BOARD HAVE A VESTED INTEREST.
3. THAT NO PROFESSIONAL PEOPLE SERVE ON THE MAYORS ADVISORY BOARD.
4. THAT THE MAYORS ADVISORY BOARD BE GIVEN THE RESPONSIBILITY OF FOLLOW-UP.
5. THAT A PATROL UNIT BE ESTABLISHED. THIS PATROL SHOULD BE CLEARLY IDENTIFIABLE. THEY WOULD BE RESPONSIBLE FOR REMOVING THE INEBRIATES FROM THE STREETS, PARKS, AND PRIVATE PREMISES TO A CENTRAL POINT WHERE THE SUBJECT WOULD BE REGISTERED AND DETAINED FOR A PERIOD OF APPROXIMATELY 48 HOURS. DURING THIS PERIOD THE SUBJECT WOULD BE CHECKED AND EXAMINED FOR ILLNESS, CHRONIC DISEASE, MENTAL AND PHYSICAL DISABILITIES, AND RECEIVE PERSONAL COUNSELING. THE RESULTS OF THIS EXAMINATION WOULD INDICATE THE NEXT COURSE OF ACTION. IT WOULD ALSO PREVENT HAVING TO IMMEDIATELY RECYCLE THE SUBJECT IN THE NEXT 48 HOUR PERIOD. WE BELIEVE THAT THIS MAY REQUIRE A NEW MUNICIPAL ORDINANCE AND WILL REQUIRE THE ESTABLISHMENT OF A DETENTION CENTER IN THE DOWNTOWN AREA. IT IS ALSO LIKELY THAT STATE LEGISLATION WILL HAVE TO BE REVISED TO PERMIT FORCEABLE REMOVAL AND DETENTION OF INEBRIATES. IN ANY EVENT, WE MAY ANTICIPATE BEING CHALLENGED IN COURT IN CARRYING OUT THIS POINT. ACCORDING TO TESTIMONY RECEIVED, A TEST CASE IS MORE THAN LIKELY INEVITABLE IN ORDER TO DETERMINE WHOSE CIVIL LIBERTIES ARE BEING INFRINGED UPON-- THE INEBRIATE OR THE SOBER CITIZEN.

A large part of the confirmed alcoholics are generally out of sight in their homes, among friends, or at work. The latter group are a major part of the total alcoholism problem but are not the specific problem we address. The former, which form the problem we do confront, is of fairly recent origin. The Alaska Native Corporations have a mutual interest in this problem and they should be included in the planning of the solution.

Daily News

VOL. 41 NO. 76.

KETCHIKAN, ALASKA, WEDNESDAY, MARCH 31, 1975

20 CENTS

Alcohol plan rejected:

Social workers and bar owners agree

By BOB SPEED

Daily News Staff Writer

Bar owners and social workers dealing with alcoholism may not often agree, but they did Tuesday evening at a public hearing on, among other things, state-run liquor stores and earlier bar hours. Don't do it, they said.

The hearing was arranged to allow public input on the preliminary draft of a 51-page report on Standards and Goals for Criminal Justice. The report, compiled by the Governor's Commission on the Administration of Justice, deals with goals and standards for future planning in community crime prevention, the juvenile justice system, the police, the courts and offices of corrections.

However, the commission report said the "key issue examined by the task force was alcohol related offenses. This led to the commission's recommendation for state-owned and operated retail liquor stores and to shorten bar hours."

Those proposals, in turn, led to the most controversy resulting from the report.

Ketchikan Police Chief Ray Hackstock, bar owner Bill Marx and Ketchikan Alcoholism Coordinator George Mundell all agreed that neither state-owned liquor stores nor earlier bar closing times is an answer to alcohol abuse problems. They all had different reasons for reaching the same conclusion.

Marx, noting that he had spent several years as a local magistrate sentencing people who had been arrested for driving while intoxicated, said he couldn't see how either shorter bar hours or state-controlled

liquor stores would help solve any problems.

Hackstock said he actually prefers longer hours from an enforcement standpoint, because this allows individual establishments to set their own hours. The staggered closing hours in turn allow limited night forces to know where likely trouble spots will be, and to be at the scene, he said.

Mundell said "more control over hours actually brings less control," because it encourages after-hours black market which is indiscriminate to whom it sells, including young people; and because "it has been observed folks generally tend to overdrink in the home (more than) the bar setting."

Another target for opposition was a proposal for jail facilities to be used as holding tanks for intoxicated people until sober. Steven Krause, superintendent of the local jail facility opposed "protective custody" of intoxicated individuals, and the vagueness of the section of the report recommending this alternative. He said the Ketchikan jail is totally inadequate for such use.

Krause also objected to the idea of jail work programs. He said that, ideally, the idea is a good one, but he "totally disagreed" with the proposal to establish such a program in state facilities because jails are unsatisfactory and jail attendants are untrained for this kind of work.

Mark Crewson, the hearing officer who heard testimony, said afterward the Ketchikan public response was far different from that heard in Juneau. He said the Juneau people at that hearing

supported earlier closing times and "seemed to consider alcohol abuse a real problem," which they felt the two controversial proposals would help.

He said the Juneau and Ketchikan hearings showed markedly different attitudes, with other hearings yet to be heard in Anchorage, Fairbanks, Bethel and Barrow.

Crewson also said after the hearing the public attitude in criminal justice is showing a strong conservative movement "to lock 'em up with little or no rehabilitation, and just keep them away."

People, he said, seem pretty dissatisfied with the effectiveness of the courts, with many people opposed to Supreme Court decisions that favor rights of the accused.

Some of the proposals dealt with rights of the victim to recompense for loss due to criminal activity.

Barton Penny, Ketchikan probation officer, praised the report as "a very good job," but said the part dealing with victim compensation was imprecise and should be clarified.

Penny also said more training is needed for all parts of the criminal justice system.

He also said the state "needs more emphasis on local, existing facilities," such as schools, mental health facilities and alcohol programs, "rather than stacking more services on top of existing services."

On rehabilitation, Penny said, "I don't think it's enough just to isolate an offender in an institution, because they are eventually back out on the street again. We have to deal with their problems."

Jim
am reading this
into at the
hearing tonight
You may be interested
in part of page 2 -

Gateway

COMMUNITY MENTAL HEALTH CENTER

KETCHIKAN COMPREHENSIVE ALCOHOLISM PROGRAM

LaPrele S. Rasmussen, R.N., M.S.
Director

3134 Tongass Avenue
Ketchikan, Alaska 99901
Phone 225-4137
March 30, 1976

I am George Mundell and I am Coordinator of the local Ketchikan Alcoholism Program. Our Program is a department of the City of Ketchikan and is primarily funded by the Office of Alcoholism in the Department of Health and Social Services of the State of Alaska and by a federal agency, the National Institute of Alcohol Abuse and Alcoholism.

I would like to voice my opposition to the statement on page C-2 "The Division of Corrections should be eligible to receive grant-in-aid money from the Office of Alcoholism for these problems."

To me this would constitute a raid on what to date has been an insufficient funding source by a segment of or a special interest group in the field of alcoholism. Alcoholism is not just a criminal justice problem.

At the present time our Program is the only grantee of the Office of Alcoholism in this district. As the grantee for the Ketchikan area, we are charged with the responsibility of implementing the Uniform Alcoholism and Intoxication Treatment Act. According to the act, some of the services we are to provide include alcoholism information and referral, prevention, education, emergency treatment, inpatient treatment, intermediate treatment, outpatient treatment, and follow-up.

The amount of money granted our Program by the State Office of Alcoholism to deliver the previously mentioned services under the "act" was \$47,000 in FY75 and \$58,000 in FY76 with a \$17,000 Supplemental Grant in FY76. As you can readily see, this isn't much money for an area the size of Ketchikan to provide all of these types of services. Our Program's problem and the problem of other alcohol programs throughout the state along with the Office of Alcoholism has been lack of money to comply with a pretty good law - The Uniform Alcoholism and Intoxication Treatment Act. To allow the Division of Corrections access to this already inadequate supply of money would further dilute our efforts and probably create splintering and fragmentation of services at the local level - rather than to go into the alcoholism business as part of the "Draft" suggests, corrections would be wiser to increase their support of local alcoholism programs and increase their cooperation with these existing state funded agencies. Here in Ketchikan, our alcoholism program feel we have an excellent working relationship with all elements of the local Criminal Justice system. We should continue to be able to cooperate with these people versus compete with them for scarce available dollars. Personally, I also believe recovery rates for persons with alcohol problems are higher with community based programs such as our as opposed to institution based programs.

On another matter, the Preliminary Draft also suggests increased control over bar opening hours and perhaps State owned liquor stores. As an individual I am not real concerned on these issues because I do not drink, however, as a student of alcohol abuse and alcoholism, I am not convinced tighter controls will bring about a reduction of alcoholism or alcohol related crime. For one reason, more control over hours actually brings less control because bootleggers tend to flourish and usually they are less discriminate regarding who they sell - for instance youth. Secondly, tighter controls over hours encourages more "home" drinking, and it has been observed folks generally tend to over drink in this setting versus the bar setting.

In summary, I would like to compliment the Governor's Commission on the Administration of Justice and its task force for addressing the many issues contained in the Preliminary Draft. I am opposed to creating a super structure type of organization of Criminal Justice particularly as this function of government relates to health and social services. I would encourage instead increased cooperation among all agencies serving the human needs of the persons of Alaska

Thank you very much.

HB 792

"An Act relating to required benefits in individual, group, and blanket disability insurance policies."

COMMITTEE REPORT

HOUSE

2/17/76

Mr. Speaker:

Date 4/15/76

The Committee on COMMERCE has had HB 792

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)

(X) 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:

S. Roddy - No Pass _____

Joe McKinnon _____

Members NOT concurring in the Majority report:

Freeman recommends: No Pass

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

S. Roddy Chairman

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 19, 1976

SUBJECT: Changes made by Legislative Affairs Agency Staff
to CS HB 792

TO: House Commerce Committee

FROM: Joe Guthrie, Staff Attorney

Substantial Changes

The most substantial change was effected to Section 3 of the bill. The version of CS HB 792 approved by the committee reads as follows: (page 2, lines 24-29) "A medical or hospital service corporation which offers for sale contracts in the state which provide for a definite or determinable payment intended to recompense a person for costs that a person incurs should that person receive hospital services for more than seven consecutive days or which indemnifies a person against costs so incurred must also offer to its holders of such policies in the state the option to purchase at an additional premium supplemental benefits which provide payment for..." I understand the intent of the sponsor of this bill was to require entities which offer hospital services to also offer the consumer less costly alternatives to hospital care, i.e., nursing homes, etc. A hospital service corporation may offer its subscribers hospital services directly, under AS 21.87.130 in addition to indemnifying the subscriber against hospital costs incurred by the subscriber utilizing hospitals which have not entered into a hospital service agreement with the hospital service corporation (see AS 21.87.130(2)). The language of the version of the bill approved by the committee could be construed as requiring service corporations offering the services enumerated in AS 21.87.120(3) (indemnity for hospital services while under the care of a medical service corporation physician) and also under AS 21.87.130(2) (indemnity for hospital services provided the subscriber in non-participant hospitals) to also offer less costly alternatives to hospital care, but the language would seem to preclude an interpretation that hospital service corporations which only provide hospital services to subscribers through participant hospitals be required to offer the consumer less costly alternatives to hospital care.

House Commerce Committee
April 19, 1976
Page #2

Due to the aforementioned problems, the bill as rewritten makes specific reference to the powers of the service corporations to provide or indemnify the provision of hospital services (AS 21.87.120(3) and AS 21.87.130(1) and (2)) and specifies that when those powers are exercised, the service corporation must offer less costly alternatives of hospital care to the consumer. Section 4 adds to the powers of the service corporations the power to indemnify the consumer against costs incurred by the receipt of less costly alternatives to hospital care, specified in Section 135(a)(1) and (2) in the bill.

Non-substantial Changes

The following changes were made in the interest of form and clarity. It is not thought that they are of a substantial nature. Lines 13 through 21 on page 1 are deleted for the reason that they would have no effect in the real world. The title is changed in line 23 on page 1 and line 24 on page 2 to read REQUIRED OFFERINGS, since the bill is not requiring that certain benefits be furnished to consumers if any benefits at all are to be furnished to consumers. On lines 5 and 10, page 2, and on lines 6 and 11 on page 3, "and if the services are in response to the same illness or injury which cause the confinement in the hospital" is substituted for "for the same condition" in the interests of clarity. On page 1, line 25, the words "recompense a person for" has been removed and "pay" substituted in the interests of clarity.

JG:smh

cc: Terry Burman

Brian - you

MEMORANDUM

February 27, 1976

SUBJECT: Analysis of HB 792 (W.O. #1691)

TO: Honorable Kathryn Ostrosky

FROM: Brian Saylor
Research Analyst
(Dictated but not read)

The Long Term Care Task Force recommended that health insurance contracts written within the state should offer coverage for less costly alternatives to institutional health care. Mentioned within the recommendation were home health care and outpatient long term care services (see LTC recommendation #15.). This concept is called "progressive patient care" in the literature. If, for example, a patient no longer requires the intensity of care offered in an acute care institution, skilled nursing services might be both more appropriate and less costly. (The cost of one acute care patient day is about \$130 while the cost per day of skilled care is approximately half that amount.) Similar savings could be realized by offering home health care as a substitute for skilled nursing care. The progressive patient care concept can be seen graphically in Figure 1.

HB 792 attempts to address this problem. The bill requires most health insurance carriers within the state to offer a variety of benefits to policy holders which would allow reimbursement for services other than those provided by an institution. Medical service corporations and hospital service corporations such as Blue Cross and Blue Shield, were omitted, probably by oversight.

Section 1 requires that all companies writing disability policies include less costly alternatives to hospital care in the benefit package. Section 2 does the same with group policies. Under the bill as now written, no company would be able to offer anything less than a comprehensive benefit package to subscribers.

This requirement is not acceptable to either the director of Insurance or the representative for the Life Insurance Association (LIAA). Both can suggest a better approach would be to require companies to offer the coverage to those who want to buy it, but not make such comprehensive

February 27, 1976

benefits a mandatory component of every policy sold in the state. This position is taken for two reasons:

1. the cost of the policy might become prohibitively high and may have the effect of driving some insurance companies out of the state.
2. a mandatory benefit package does not allow for individual freedom of choice in purchasing policies.

Language which would be close to accomplishing the intended objective of encouraging progressive patient care might be:

Section 21.51.335. REQUIRED BENEFITS. (a) A disability insurance carrier which offers for sale policies within the state which provide for a definite payment to recompense a person for costs incurred should that person be hospitalized for more than seven consecutive days or which indemnified a person against costs so incurred must also offer for sale within that state insurance favorable to the person insured which recompense or indemnify that person against costs incurred by less costly alternatives to care in a hospital, skilled nursing home, or other type of health care facility, including outpatient long-term care services and home care services.

The language for Section 2 addressing group policies would be similar.

It was noted that the definitions section also needs some work to separate out the various types of facilities and services required of health insurance policies. The specific language is currently being considered by the LIAA representative.

An additional consideration suggested by the LIAA representative was the requirement for admitting physicians to place patients in less costly types of health care whenever medically appropriate. He said that it would be a very tricky piece of drafting.

The suggestion was also made to include hospital and medical service corporations (AS 21.87.) in this bill.

More information regarding the actuarial data and suggested substitute language are being developed by the LIAA representative and the director of insurance:

Mr. Mike Thomas, Attorney
Representative for LIAA
586-3340

Mr. Richard Block
Director of Insurance
465-2515

There should be more information on this soon. As it becomes available I'll pass it on to you.

BS:jm
Attachment