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SJ

SB 293

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SB 310

MEMORANDUM

State of Alaska

TO: Honorable Robert Ziegler, Chairman
Senate Judiciary Committee

DATE: January 31, 1980

THRU: Kenneth C. Moore
Director

FILE NO:

TELEPHONE NO:

FROM: Donald P. Koch
Chief of Market Surveillance
Division of Insurance
Department of Commerce
and Economic Development

SUBJECT: Presumptive Death Certificates
Senate Bill 293

CPK
KCM

On January 29, 1980, I appeared before your committee concerning Senate Bill 293, an Act relating to presumptive death. After our testimony you requested that we provide information to you in memo form. The information follows.

The Division of Insurance is not opposed to this legislation, but we do have some concerns relating to the impact of a presumptive death certificate under AS 09.55.020-060.

The primary concern relates to the effect of a presumptive death certificate on the contractual obligation of a life insurer to discharge the coverage amount on its policy with the issue of a presumptive death certificate. AS 09.55.050 states, in part:

Upon the entry of the order and the recording and filing of the "presumptive death certificate" as herein provided, the missing person is presumed to be dead, and his estate may be administered in accordance with the then existing provisions of law applicable to the administration of the estates of deceased persons.

The phrase "may be administered" raises the question of whether an insurer must discharge its coverage amount in the absence of a phrase "shall be administered." We are not suggesting that this language change be made since there are other reasons for the use of that particular permissive language rather than mandatory language. The loophole created, however, for insurers is one that should be sealed.

We have no evidence that insurers are failing to respond upon issuance of a presumptive death certificate, but we are aware of at least one situation where an amount was paid which may not have been the correct amount, which brings us to our second concern. Some policies have a provision whereby the death benefit is doubled or tripled if the death is accidental. About eight years ago, a presumptive death certificate was issued when a fisherman was presumed dead after the wreckage of his fishing boat was found. No body was ever recovered. The insurer paid the face amount of its policy, \$10,000, but refused to consider the double indemnity provision even though the circumstances surrounding the issuance of the certificate suggests that the loss of life had to have been accidental.

Honorable Robert Ziegler

-2-

January 31, 1980

The proposed amendment is not disturbing to the division since there is the six year requirement. While it may be possible that the person presumed deceased is actually a deserter, that situation could exist under the present law and is not a real concern. In checking with the Bureau of Vital Statistics, the State Registrar, Joan Brooks, advises that there has never been a case in Alaska where a presumptive death certificate has been reversed because the person was later found to be alive.

We believe that some legislative clarification or statement of intent would be useful and an aid to the public. We appreciate your interest in this issue, and we will be happy to assist you in whatever way you feel would be helpful.

DPK/sa

SB

303

1411 2974 17.51 02/04/80 J601 0007 08.07 02/05/80

TO SEN. ZIEGLER

FROM JAM BARBER, LEGISLATIVE CHAIRMAN FOR INSURANCE WOMEN OF ANCHORAGE
P.O. BOX 4-1294, ANCHORAGE, AK 99509 276-5617

"THE INSURANCE WOMEN OF ANCHORAGE HEREBY REQUEST YOUR SUPPORT IN
BEHALF OF SB303 RELATING TO ARSON INFORMATION. WE FEEL THIS
LEGISLATION WOULD BE BENEFICIAL IN THE STRUGGLE TO CURB ARSON."

02031 ANCHORAGE ALASKA 17 02-24 1019A AST

PMS SEN ROBERT H ZIEGLER

JUNEAU AK 1608

THIS OFFICE SUPPORTS AND URGES THE PASSAGE OF SENATE BILL 303
AN ACT RELATING TO ARSON INFORMATION

GARY CROUSE, DEPUTY DIRECTOR

DIVISION OF FIRE PREVENTION, DEPT OF PUBLIC SAFETY

PO BOX 6188 ANNEX

ANCHORAGE AK 99502

SEN. ROBERT ZIEGLER

2/4/80
5:15 p.m.

MR WILLIAM CASLER
ALASKA ARSON AWARD FUND COORDINATOR
320 K STREET, SUITE 1100
ANCHORAGE, AK 99501 279-2422, X 214

PLEASE YOUR SUPPORT FOR SB 303 - AN ACT RELATING TO ARSON INFORMATION
AS INTRODUCED BY SEN. BRADLEY. THANK YOU.

SB 303
Testimony by the Division of Insurance
Before the Senate Judiciary Committee
February 5, 1980

The Division of Insurance is very much in favor of this bill. In view of the reports of high levels of arson in this State, this proposal is timely. Insurers often come upon information during their claims investigation suggesting that a fire on an insured property is suspect but are reluctant to share or pass on such information for fear that such action may result in a charge of libel. The bill, in effect, requires an exchange of information between insurers and "authorized agencies" in cases of suspect nonaccidental fire loss and provides insurers with the necessary protection for good faith provision of such data. This would be most useful in reducing arson cases in Alaska.

The one area where we would suggest an amendment is in Section 21.89.050(a), which would require that the fire marshal receive the required report in all cases, in addition to those provided to any other agency. Currently, the proposal offers an option which could tend to diffuse the potential effectiveness of the report by scattering it to various locations. The amendment we propose is to add language on line 12 between the word "agency" and the "." which will read "and the director of the Division of Fire Prevention, Department of Public Safety."

Recently, a computerized national interchange on arson information was created by a number of insurance companies, but information from that interchange is available only to subscribers and is limited to their use only, unless the law otherwise provides that that information be provided to law enforcement agencies in the particular jurisdiction. This bill would, therefore, enable access to that interchange by law enforcement agencies in Alaska through requests to insurance companies.

DPK/s120N

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

CRIMINAL DIVISION

POUCH KC - STATE CAPITOL
JUNEAU, ALASKA 99811

March 3, 1980

The Honorable Robert H. Ziegler, Sr.
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: SB 303
Our File No.

Dear Senator Ziegler:

You recently requested that the Department of Law draft a proposed committee substitute for SB 303, "An Act relating to arson information". Both SB 303 and the enclosed proposed committee substitute are based on the Model Arson Reporting Immunity Act which has been enacted in thirty six states.

The proposed committee substitute retains the central feature of the Model Act and SB 303: civil and criminal immunity is provided for insurers who provide information to law enforcement agencies regarding cases of suspected arson. However, the proposed committee substitute differs from SB 303 in two important ways:

1. While SB 303 requires that law enforcement agencies share information regarding suspected arson with an insurer, regardless of when that information is requested, the proposed committee substitute limits that duty to situations where release of the information would not compromise the success of an ongoing investigation or when the case has been closed by decision of the agency or through final criminal adjudication;

2. Whereas SB 303 provides criminal penalties for the failure to provide information required by the bill, the Department of Law has concluded that such sanctions are unnecessary to insure compliance and are inconsistent with the spirit of voluntary cooperation that the bill attempts to encourage.

To better help the Committee understand how the proposed committee substitute compares to SB 303, the Model Act and other state versions of the Model Act, we have included the enclosed chart comparing the various approaches to the seven central features of the Model Act.

If we can be of further assistance with regard to this bill, please contact us at your convenience.

Very truly yours,

AVRUM M. GROSS
ATTORNEY GENERAL

DANIEL W. HICKEY
CHIEF PROSECUTOR

By: 

Barry J. Stern
Assistant Attorney General

BJS:gm



Office: Business

Alaska State Legislature

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99811

Ladies and Gentlemen:

Please excuse the use of a form letter, but the Senate Judiciary Committee has received so many letters and telegrams relating to SB 303, Arson Information, that it is impossible to answer each message individually.

The Senate Judiciary Committee appreciates your comments relating to the bill. The committee feels that the concept of the bill is excellent; however, much technical work on the bill must be done. It is anticipated that the committee will have a committee substitute completed in the next three weeks or so.

Please be assured that an anti-arson bill will be reported out of this committee in time for early consideration.

Sincerely,

A handwritten signature in cursive script that reads "Guy A. Van Doren".

Guy A. Van Doren,
Administrative Assistant to
Senator Robert H. Ziegler, Sr.

GAVD:lk

611 2974 17.53 02/04/80 JA01 0007 08.07 02/05/80

TO SEN. ZIEGLER

FROM JAM BARBER, LEGISLATIVE CHAIRMAN FOR INSURANCE WOMEN OF ANCHORAGE
P.O. BOX 4-1294, ANCHORAGE, AK 99509 276-5417

"THE INSURANCE WOMEN OF ANCHORAGE HEREBY REQUEST YOUR SUPPORT IN
BEHALF OF SB303 RELATING TO ARSON INFORMATION. WE FEEL THIS
LEGISLATION WOULD BE BENEFICIAL IN THE STRUGGLE TO CURB ARSON."

02031 ANCHORAGE ALASKA 17 02-04 1019A AST

PMS SEN ROBERT H ZIEGLER

JUNEAU AK 1608

THIS OFFICE SUPPORTS AND URGES THE PASSAGE OF SENATE BILL 303

AN ACT RELATING TO ARSON INFORMATION

GARY CROUSE, DEPUTY DIRECTOR

DIVISION OF FIRE PREVENTION, DEPT OF PUBLIC SAFETY

PO BOX 6188 ANNEX

ANCHORAGE AK 99502

SEN. ROBERT ZIEGLER

2/4/80
5:15 p.m.

001 WILLIAM CASLER
ALASKA ARSON AWARD FUND COORDINATOR
340 K STREET, SUITE 1100
ANCHORAGE, AK 99501

279-2422, X 214

PLEASE YOUR SUPPORT FOR SB 303 - AN ACT RELATING TO ARSON INFORMATION
INTRODUCED BY SEN. BRADLEY. THANK YOU.

011 0174 17.51 02/04/80 JA01 0007 08.07 02/05/80

TO SEN. ZIEGLER

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P.O. BOX 4-1294, ANCHORAGE, AK 99509 276-5617

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PO BOX 6188 ANNEX

ANCHORAGE AK 99502

SEN. ROBERT ZIEGLER

2/4/80
5:15 p.m.

FROM WILLIAM CASLER
ALASKA ARSON AWARD FUND COORDINATOR
540 K STREET, SUITE 1100
ANCHORAGE, AK 99501 279-2422, X 214

REQUEST YOUR SUPPORT FOR SB 303 - AN ACT RELATING TO ARSON INFORMATION
AS INTRODUCED BY SEN. BRADLEY. THANK YOU.

ARSON BILL 303

SENATOR BRADLEY HAS ASKED ME TO TESTIFY ON HIS BEHALF REGARDING SFNATE BILL 303, THE ARSON INFORMATION ACT. IT HAD COME TO OUR ATTENTION LATE THIS FALL THAT ARSON IS THE FASTEST GROWING CRIME IN ALASKA. AND ONE OF THE MAJOR PROBLEMS THAT HAS FACED ARSON INVESTIGATORS AND CRIMINAL PROSECEUTORS IS THAT OF RECEIVING INFORMATION FROM THE FILES OF INSURANCE COMPANIES. THESE FILES USUALLY CONTAIN THE DATES AND AMOUNTS OF POLICY HOLDERS INSURANCE TRANSACTIONS AS WELL AS THE PREMIUM PAYMENT RECORDS OF THE INSURED. THE FILES MAY ALSO CONTAIN APPLICATIONS OR DECLARATIONS SIGNED BY THE INSURED AS WELL AS COPIES OF REPORTS MADE BY THE COMPANY INSPECTORS. THE FILE MAY ALSO CONTAIN THE HISTORY OF PRIOR CLAIMS MADE BY THE INSURED. THE FILE WILL CONTAIN IHE CLAIM ADJUSTER REPORT, STATEMENTS OF THE INSURED AND POSSIBLY OF THE WITNESSES. IT MAY CONTAIN PICTURES AND ANALYTICAL REPORTS PREPARED BY THE CONSULTANTS. BEFORE THE CLAIM IS PAID THE FILE WILL CONTAIN A PROOF OF LOSS, A LEGAL DOCUMENT PREPARED BY THE INSURED. ADDITIONAL INFORMATION DEVELOPED BY THE COMPANY USING THESE CONTRACTURAL RIGHTS COULD BE AVAILABLE TO LAW ENFORCEMENT AUTHORITIES IF STATE LAW WOULD PERMIT. SOME OF THIS INFORMATION MAY BE UNSUBSTANTAITED OR UNPROVEN, AND EVEN THE MOST COOPERATIVE COMPANY WOULD BE RELUCTANT TO PROVIDE THIS INFORMATION TO LAW ENFORCEMENT AUTHORITIES. IMPRUDENT DISCLOSURE OF THIS INFORMATION IN AN UNSECESSFUL CRIMINAL PROCEDURE COULD RESULT IN A CIVIL ACTION BEING FILED AGAINST THE INSURED FOR PUNITIVE DAMAGES. FEAR OF LEGAL REPRISIALS AND UNFOUNDED CHARGES OF PUNITIVE ACTION PRESENTLY CAUSE INSURERS TO RESIST THE FREE EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AUTHORITIES. THIS BILL AS WELL AS THOSE ENACTED IN 37 STATES HAVE BEEN STUDIED

AND REVIEWED BY THE ALLIANCE OF AMERICAN INSURERS. THE ~~PROBIL~~ BILL INCLUDES PROVISIONS FOUND TO BE NECESSARY IF THIS LAW IS TO BE EFFECTIVE. INSURERS MUST BE OBLIGATED TO REPORT SUSPICIOUS FIRES ONLY TO PROPER LAW ENFORCEMENT AUTHORITIES. ARSON MAY NOT BE EVIDENT AT THE TIME OF A FIRE AND MAY ESCAPE IDENTIFICATION BY FIRE FIGHTERS. THE POSSIBILITY OF ARSON MAY BECOME APPARANT WHEN THE CLAIMS ADJUSTER VIEWS THE DAMAGE, QUESTIONS THE INSURED, OR BEGINS AN INVENTORY OF THE PROPERTY. THIS BILL REQUIRES THAT INVESTIGATIVE AUTHORITIES BE INFORMED OF FIRES SUSPECTED OF RESULTING FROM OTHER THAN ACCIDENTAL CAUSES. TO ENCOURAGE THE FREE FLOW OF ALL INFORMATION THAT MAY BE RELEVANT TO THE INVESTIGATION, THE INSURER MUST BE PROTECTED FROM LEGAL ACTION OR HARASSMENT AND JUDGEMENTS FOR PUNITIVE DAMAGES. THE INSURER MUST BE PROVIDED IMMUNITY FROM CIVIL ACTION OR CRIMINAL PROSECUTION FRO ANY INFORMATION IT PROVIDES IN GOOD FAITH TO INVESTIGATIVE AUTHORITIES IF THE MUTUAL AID AND ASSISTANCE PROGRAM IS TO BE SUCESSFUL AND OPERATE IN THE CO-OPERATIVE SPIRIT INTENDED. WITHOUT IMMUNITY, HOWEVER, INSURERS WILL BE OBLIGATED TO WITHHOLD ALL BUT PROVEN FACTS AND DATA. BECAUSE OF THE SENSITIVE NATURE OF THE INFORMATION DEVELOPED DURING AN ARSON INVESTIGATION, IT IS NECESSARY THAT THE MATERIAL AND INFORMATION BE HELD CONFIDENTIAL UNTIL IT IS REQUIRED PURSU ...T TO A CRIMINAL OR CIVIL PROCEEDING. BOTH THE INVESTIGATIVE OR PROSECUTING AUTHORITIES AND INSURANCE COMPANY PERSONNEL MUST BE HELD ACCOUNTABLE FOR THE PREMATURE OR IMPROPER RELEASE OF THE CONFIDENTIAL INFORMATION. IF FRAUD ARSON AND ARSON-FOR-PROFIT SCHEMES ARE TO BE CURTAILED OR CONTROLLED, INSURERS AND LAW ENFORCEMENT OFFICIALS MUST BE LEGALLY

AUTHORIZED AND EMPOWERED TO MUTUALLY AID AND ASSIST ONE ANOTHER. ONLY WHEN THE FULL RESOURCES OF THE INVESTIGATIONS OF BOTH THE PRIVATE INSURANCE INDUSTRY AND THE LAW ENFORCEMENT AGENCIES ARE COMBINED IN A LEGALLY CONCERTED PROGRAM OF DETECTION AND PROSECUTION CAN WE HOPE TO REDUCE THE CRIME OF ARSON, AMERICA'S MILIGNANT CRIME.

IN OUR STUDIES WE WERE ABLE TO DISCERN THAT THERE WERE 28 ARSON ARRESTS IN ANCHORAGE FOR 1979. JOHN FULLENWIRE FROM THE ANCHORAGE FIRE INVESTIGATION UNIT ^{stated} THAT 3 OUT OF THE 5 FIRE RELATED DEALIS CAN BE TRACED TO ARSON. ADDITIONALLY, ARSON HAS COST CLOSE TO 2 MILLION DOLLARS IN 1979. THE RECENT FIRES IN ANCHORAGE AT BOBBY MCGEES WAS A GOOD EXAMPLE OF THE AFFECT OF THIS TYPE OF LEGISLATION. FIRE INVESTIGATORS ARE HAVING A DIFFICULT TIME GETTING INFORMATION FROM THE INSURANCE COMPANIES CONCERNED.

BILL ANALYSIS

ASSIGNMENT DATE 1-15-80

UNASSIGNED _____

DEPARTMENT Public Safety	SPONSOR (PRINCIPAL) Bradley By Request	BILL NO. SB 303
DEPARTMENT POSITION Support		
DIVISION DIRECTOR <i>Ronald A. Hendrie</i> Ronald A. Hendrie	DATE <i>1-22-80</i> 1-22-80	COMMISSIONER <i>William R. Nix</i> William R. Nix
GOVERNOR'S OFFICE USE		
<input type="checkbox"/> POSITION NOTED <input type="checkbox"/> POSITION APPROVED <input type="checkbox"/> POSITION DISAPPROVED		
BY: _____ DATE: _____		
SUMMARY		
(1) RELATED BILLS (SIMILAR OR CONFLICTING) (1) Unknown (2) OTHER AGENCIES AFFECTED BY BILL (2) Department of Law		
(2) a. ORGANIZATIONAL SUPPORT FOR BILL It is our understanding the Insurance industry supports this bill.		(2) b. ORGANIZATIONAL OPPOSITION TO BILL Unknown
(3) PROGRAM EFFECTS OF BILL Will enhance the investigative process by improving the mechanism for the exchange of necessary and vital information.		
(4) FISCAL IMPACT: <input checked="" type="checkbox"/> NONE <input type="checkbox"/> FISCAL ANALYSIS ATTACHED		
(5) AMENDMENTS PROPOSED: None		

(6) COMMENTS:

Often while conducting an arson investigation the motive or reason behind the incident is not readily known and it becomes necessary to delve into areas of the insureds financial background, insurance history including provisions of any insurance policies in effect, particularly of the proof of loss documents.

It is usually necessary, when working with an insurance and/or adjusting firm, to secure subpoenas or search warrants, prior to an exchange of information. Reasons by the insurance industry for not making the information requested readily available is the "Right To Privacy" and similar acts.

It is our understanding similar arson information acts have been enacted in 27 of the 50 states.

(Comments continued on back)

COMMENTS cont'd:

It is also our understanding this bill will be supported by the Department of Commerce and Economic Development and that they may propose an amendment which would require the property insurer to notify the State Fire Marshal in all cases when the fire may not have been of an accidental origin (sec. 21.89.050-a).

Our contact with the Department of Law indicates they see no problem with the proposed legislation.



Alliance of American Insurers
20 North Wacker Drive
Chicago, Illinois 60606
312:346:5190

MODEL ARSON REPORTING - IMMUNITY LAW

-- The Need and Purpose

With increasing frequency arson investigators and criminal prosecutors are recognizing the value of information contained in policy writing and claim files of insurers of property which appear to have been "torched." Failing to realize that there are legal and contractual constraints against companies freely releasing this information, investigators and prosecutors are complaining that insurers are being uncooperative or are refusing to share the information with authorities. Most insurers are eager to assist authorities but, for their protection and the protection of their innocent insureds, will release the needed information only under subpoena.

The insurance industry acknowledges the value of this information to law enforcement authorities. The files contain all the data needed to prepare the insurance policy, the dates and amounts of policyholder's insurance transactions as well as the premium payment record of the insured. The files may also contain applications or declarations signed by the insured, appraisals of the property as well as copies of reports made by the company inspectors. The file may also contain the history of prior claims made by the insured. The claim file will contain the claim adjuster's reports, statements of the insured and possibly statements of witnesses. It may contain pictures and analytical reports prepared by consultants. Before the claim is paid, the file will contain a Proof of Loss, a legal document signed by the insured, witnessed or notarized and which contains detailed data concerning the cause of loss, the value of the property destroyed and the amount of reimbursement claimed by the insured.

The New York Standard Fire Insurance Policy in use in most states affords insurers the right to examine the books and accounts of the insured and to examine the damaged property as often as may be reasonably required. The policy, also, requires the insured, as often as may be reasonably required to submit to examinations under oath by any person designated by the company. Additional information developed by the company using these contractual rights could be available to law enforcement authorities if state laws would permit.

Because some of the information in the company files may be unsubstantiated or unproven, even the most cooperative company will be reluctant to provide -- much less voluntarily pass -- this information to law enforcement authorities. Imprudent disclosure of the information or use of the information in an unsuccessful criminal proceeding could result in criminal charges being made against the insurer or, as is more often the case, a civil action being filed which seeks and can result in judgments against the insurer for punitive damages. Punitive damages awards are in addition to policy limits or claim payments and, though rare, have resulted in judgments against insurers. Fear of legal harassment and unfounded charges of punitive action cause insurers presently to resist the free exchange of information with law enforcement authorities.

The National Fire Prevention and Control Administration held leadership seminars for developing a coordinated attack on arson during January and February, 1976. The seminars were attended by thirty-six concerned citizens and experts in the field of arson and representing the many disciplines whose work and expertise bear on the total arson problem. The report of the seminar, "Arson: America's Malignant Crime." recommended a legal committee be formed and that "the first order of business -- developing recommended legislation for submission to states which would provide appropriate immunity to insurance companies which share arson-related information with public authorities."

The Ohio legislature enacted such legislation in 1976. During 1977, reporting immunity legislation was enacted in the states of Connecticut, Georgia, Illinois, New York, North Carolina and Texas. Similar legislation was considered but failed to be enacted in nine other states during the past two legislative years. Many of the bills failed because they were poorly conceived or drafted; others created jurisdictional problems among responsible agencies; while some would have increased the legal problems of the cooperating insurance companies.

These bills, as well as those already enacted, have been studied and reviewed by the Alliance and its affiliate the Property Loss Research Bureau. Procedures developed for implementing the laws that have been enacted and some of the unforeseen problems have also been scrutinized. The Alliance-PLRB model law includes the provisions found to be necessary ingredients in these laws if they are to be effective and avoid the problems which are now resulting from the first attempt at legislation in this area.

Insurers must be obliged to report suspicious fires only to the proper law enforcement authorities. Arson may not be evident at the time of the fire and escape identification by the fire fighters. The possibility of an incendiary fire may become evident only when the insurance claim adjuster views the damage, questions the insured or begins preparing the inventory of damaged property. The model law would require that the investigative authorities be informed of fires suspected of resulting from other than accidental causes.

If insurers are to resist fraud arson and to take the "profit out of arson" the insurer and arson investigating official must freely and without legal encumbrance exchange information developed during their separate investigations. Information developed by the law enforcement agencies should be available upon request to an insurance company investigating suspected arson. The model law would authorize access to and use of the information developed by the law enforcement agency and serve to increase the flow of vital investigative information between the insurer and a law enforcement agency, as well as between appropriate law enforcement agencies, themselves.

The testimony of the law enforcement or investigative officer is frequently necessary if an insurer is to successfully resist or deny fraudulent fire claims. The model law allows the insurer to call upon such officials for testimony.

In any criminal investigation it is vital that the investigators have access to any information that may be relevant to the case under investigation. Much of the information developed by insurance investigators and which is lodged in company claim files may be unproven and unsubstantiated, at least early in the investigation. It may, also, be exactly the information needed by authorities to develop leads and other incriminating evidence. This information may never reach the proper authorities because of legal problems if the insurers must first verify or substantiate the facts before providing the information to authorities.

To encourage the free flow of all information that may be relevant to the investigation, the insurer must be protected from legal action or harassment and judgments for punitive damages. The insurer must be provided immunity from civil action or criminal prosecution for any information it provides in good faith to investigative authorities if the mutual aid and assistance program is to be successful and operate in the cooperative spirit intended. Without immunity, however, insurers will be obligated to withhold all but proven facts and data.

Because of the sensitive nature of the information developed during an arson investigation, it is necessary that the material and information be held confidential until it is required pursuant to a criminal or civil proceeding. Both the investigative or prosecuting authorities and insurance company personnel must be held accountable for the premature or improper release of the confidential information.

If fraud arson and arson-for-profit schemes are to be curtailed or controlled, insurers and law enforcement officials must be legally authorized and empowered to mutually aid and assist one another. Only when the full resources of the investigations of both the private insurance industry and the law enforcement agencies are combined in a legally concerted program of detection and prosecution can we hope to reduce the crime of arson. America's Malignant Crime.

APPREHENSIONS AND DISPOSITIONS

1979

DATE	RUN NO.	TYPE	ARRESTED	DISPOSITION
1-22-79	79-0207	Apartment	1 F Adult	Deferred Prosecution
2-01-79	79-0434	School	1 M Juvenile	Referred to J. Warner
2-26-79	79-0660	Residence	1 M Juvenile	Referred to J. Warner
11-05-79	78-3775	Vehicle Garage	5 M Juveniles	Referred to J. Warner
Also closed by above arrests:				
11-26-78	PD78-61239	Street		
11-26-78	PD78-61378	Motor Home		
1-14-79	PD79-02599	Vehicle		
1-22-79	PD79-04207	Business-Vandalism		
1-24-79	PD79-04590	Residence-Property Damage		
1-28-79	PD79-05280	Business-Vandalism		
3-14-79	79-0821	School	1 M Juvenile	Referred to J. Warner
3-15-79	79-0834	False Alarm	1 M Adult	Referred to D.A.
3-30-79	79-0991	School	1 M Juvenile	Referred to J. Warner
4-19-79	79-1146	School	3 M Juveniles	Referred to J. Warner
4-25-79	79-1228	School	2 M Juvenile	Referred to J. Warner
4-23-79	79-1194	The Lodge	1 M Adult	Deferred Prosecution
4-30-79	79-1300	Boarding House	1 M Adult	Sentenced to 41 years
Also closed by above arrest:				
5-5-79	79-1368	Boarding House		
5-7-79	79-1401	Boarding House		
5-03-79	79-1345	False Alarm	1 F Juvenile	Referred to J. Warner (No action taken-Letter sent to mother)
5-30-79	79-1711	Warehouse	2 M Juveniles	Referred to J. Warner
6-20-79	79-2043	Residence	1 M Adult	Released to custody of A.P.I.
			1 M Juvenile	Referred to J. Warner
7-19-79	79-2366	Chalet	1 M Juvenile	Referred to J. Warner
8-26-79	79-2826	Massage Parlor	1 M Adult	Referred to D.A.-Pled Guilty
9-03-79	79-2922	Kit Kat	1 M Adult	Referred to D.A.-Pled No Contest
9-18-79	79-3078	Shed	1 M Juvenile	Referred to J. Warner
10-14-79	79-3332	Mobilehome	1 M Juvenile	Referred to J. Warner
10-24-79	79-3429	Residence	1 M Adult	Referred to D.A.

Total Apprehensions:

7 Male Adults, 1 Female Adult	8
20 M Juveniles, 1 F Juvenile	21
	<hr/> 29

Total Cases Closed by Apprehension: 28

Death by fire is probably man's greatest primeval fear, points out Alvin Rakoff, director of Avco Embassy's new disaster flick, *City on Fire*. This fact has not been lost on Hollywood, where major conflagrations have been staged almost since the medium began. Selznick put Atlanta to the torch in *Gone With the Wind*, Twentieth Century-Fox reduced the Windy City to ashes in *In Old Chicago*, MGM fiddled with Nero's Rome in *Quo Vadis*; and who can forget poor Bambi trying to escape from that terrifying forest fire?

In terms of special effects at least, *City on Fire* has outdone its predecessors by making its fire the star of the film and spending more money than anyone else. Budgeted at \$5.6 million, with \$1.5 going for the fire alone, the film was shot in Canada, where production costs are cheaper. The action takes place in a fictional Midwestern city, however, which is turned into an inferno by an arsonist, an accident and avaricious politicians.

To accomplish this extraordinary feat special effects director Cliff Wenger built a 500-foot-long street with nine buildings more than 60 feet high—the largest set ever built in Canada—on the site of Canada Cement Lafarge Ltd. Dubbed "Prince Street," the set required some 40,000 square feet of plywood, 400 gallons of

paint, 10,000 feet of electrical wiring, 16,000 feet of lumber and 500 units of scaffolding.

"The secret of a good film fire is total control," says Wenger, whose credits include *The Island of Dr. Moreau*, *The Day the Earth Moved* and *Hooper*. "The set was coated three times with fireproofing silicate soda. The flames were created with burning jets of propane piped throughout the set and controlled from a central point."

Three giant propane tanks were set up about 500 yards from the set which, of course, was not really burning. Lead pipes carried the gas to the wooden frames, and perforated copper tubings supplied the flames behind the false building fronts. Protected by the silicate and 10,000 square feet of asbestos, the city block was too expensive not to be saved for future use. At present the jets are shut off, waiting for the street's next cinematic conflagration.

Location of the set at the cement plant was particularly convenient for other special effects. Not only was it close by a refinery—blown up by an arsonist in the film—it was also near a huge gravel pit, which serves a rescue camp for the cast. The plant's self-filling water shelf further reduced costs by providing the required 200,000 gallons of water needed for the climatic water

tunnel sequence, instead of having it brought in by a tanker.

Wenger's stuntmen rehearsed for hours, choreographing movements through the flames and falls from glazing windows. "All the money in the world doesn't pay for a life," he says. "If anyone is in danger, do it over. Film is cheap. There's a shot of an old monument we left in the film, which says 'Safety Through Wisdom.' That was our motto."

Arson is ostensibly the theme of *City on Fire*, which places it squarely in today's headlines. The fastest growing crime in America, arson was responsible for more than \$2 billion in property destroyed, over 1,000 deaths and at least 10,000 injuries. The cheapest and easiest crime to commit, it is also one of the most difficult to detect. Usually it is committed for profit, anger, or even thrills. The going rate for a professional "torch" or pyromaniac is, according to one convicted arsonist, "10 per cent of the insurance money, half in advance, half the day after the fire."

The latest fire-fighting equipment is shown in the film, including a hydrocarbon reader—a new device that absorbs vapors at the scene of a fire and tells the operator what kind of liquids were used to set it. Dedication of the film is "to fire fighters throughout the world." ★



Firemen work in vain, trying to put out special effects fire of propane gas—turned off at end of day's shooting. Shelley Winters, fresh from recent disaster in *Beyond the Poseidon Adventure* appears as hard-working, overweight hospital nurse.

photos © Avco Embassy

UPDATE

Arsonists Drawing IRS Attention

Louis J. Schroeder
Internal Revenue Service

the possible risks inherent in the two-way exchange provisions are outweighed by the benefits.

Beyond that, the immunity granted by these bills is not absolute. The model law grants only limited immunity to insurers, which is to say that an insurance company could be held liable if the claimant can prove that the company acted with malice. In short, the model law encourages insurers to treat information on private individuals judiciously.

A detailed monograph on the various aspects of immunity legislation is available for distribution by writing Illinois Advisory Committee on Arson Prevention, Allstate Plaza F-3, Northbrook, IL 60062

Legislative work needed now

It must be said that this legislation is only one part of the package needed if a unified front is to be presented to the arsonist.

The fact that 36 states now have this legislation is encouraging. The fact that only minimal protection is offered by some of the bills is not.

Each state, including Illinois, should move in the next legislative session to ensure that its immunity bill complies with the model legislation. Further, each state should also review the model arson penal code to determine needed improvements in the state codes.

Legislation should be drafted now and sponsors sought. If this is done before the end of the year, the proposed legislation can be considered early in the next session.

Law enforcement agencies of the federal government are showing an increased interest in arson and arson-related crimes.

Encouraged by the development of information that certain violations of Internal Revenue Service laws evolve from arson-for-profit schemes, the Criminal Investigation Division (CID) of the IRS is looking at the possibility of their involvement.

CID would not investigate arson as such, but they would investigate the financial crimes associated with arson as they affect income tax. The Criminal Investigation Division is interested in income tax related information unearthed by other criminal investigators or insurance company personnel during their investigation of arson or other fraudulent claims.

Certain types of information, sometimes called "badges of fraud," should alert investigators of the possibility of an income tax law violation. These include, but are not limited to, the following:

- 1) Maintaining two sets of books or no books;
- 2) Hidden or undisclosed bank accounts held in other banks, other cities or in other names;
- 3) Failure to file a tax return although substantial amounts of taxable income were received;
- 4) Destruction or concealment of records or refusal to make certain

records available;

5) False returns admitted, but attributed to another motive, constitutes excellent evidence of income tax fraud;

6) Business loss claims not commensurate with claimant's tax return income;

7) Any other pattern of conduct likely to mislead or to conceal pertinent tax related information.

The existence of any one or a combination of the "badges of fraud" or the knowledge of other circumstances which would result in an understatement of income or cause false information to be recorded on any income tax return would be of interest to the IRS.

In addition to the criminal statutes, the Internal Revenue Code has statutory provisions for civil violations of income tax laws. Civil provisions are the responsibility of the Examination Division of the IRS.

The technical aspect of income tax information submitted by taxpayers is audited by revenue agents of the Examination Division to test compliance with the civil provisions. Civil provisions can be enforced independently or in conjunction with criminal aspects.

For additional information, contact Special Agent Louis J. Schroeder (CID:21), Internal Revenue Service, Criminal Investigation Division, P.O. Box 1101, Chicago, IL 60690. The telephone number is 312/886-4526.

Aetna Announces Anti-Arson Battle Plan

Aetna Life and Casualty has kicked off a major anti-arson campaign and hired a nationally known arson expert to guide their efforts.

John Barracato, the recently retired deputy fire marshal of New York City, is directly involved in planning and executing Aetna's anti-arson strategies. And although the partnership between Aetna and Barracato may be unusual at this stage of the insurance industry's battle against the arsonist, it appears to be a logical step.

Two of the principal elements of Aetna's campaign are under way.

Last April, Aetna announced that a grant for \$97,500 had been awarded to the New Haven, CT Arson Task Force for the development of their Arson Warning and Prevention Strategy (AWPS) program.

AWPS originated two years ago and

was based on the premise that intentional fire setting can be anticipated and predicted through the combined presence of certain key variables. The goal is to establish a practical arson predictability system which can identify specific buildings at risk to arson.

The company is also offering the city of New Haven the expertise of their technical arson control consultants in support of AWPS.

Across the continent, the California District Attorneys Association has received a \$140,000 grant from Aetna to finish preparation and publication of arson investigation and trial practice manuals. The manuals will be distributed to all 50 states, and Jim Rushford of the California District Attorneys Association indicates they may be ready as early as mid-December.



One of these men had a business that went into a slump, into the red and up in smoke.

Affordable insurance is our business...and yours.

UPDATE

LEAA Awards First Grants in Arson Fight

The Law Enforcement Assistance Administration is making available more than four million dollars for arson control projects at the state and local levels through its recently announced Arson Control Assistance Program.

Up to four grants will be awarded to support efforts at the state level, six will go to jurisdictions with populations of 100,000 or more and five will be made to jurisdictions with populations of 100,000 or less.

According to LEAA, "It has been determined that a coordinated effort among police, fire and prosecutorial agencies . . . is required to successfully combat the crime. Funds will be available to support programs constituting such an integrated approach."

Cooperation and coordination are central to the program. LEAA is asking for letters of commitment and memoranda of agreement indicating involvement and participation on the part of all agencies connected with the overall arson control effort within a specific jurisdiction.

Each of the grants will be awarded for a period of 18 months with consideration for a second cycle based upon the results of an LEAA review and

the availability of funds.

The cash match requirements for these grants will be ten percent. If second cycle funding is awarded, a 20 percent cash match is required.

USFA Receives \$500,000 Grant

In a related development, LEAA also announced that a grant of \$500,000 has been awarded to the U.S. Fire Administration to expand and develop a national attack on arson. Transfer of funds occurred on June 1 and the grant marks the first time the USFA has received this type of assistance.

The funding will allow for the training of 700 additional arson investigators, the exposure of approximately 3,000 municipal fire and police officials to the new arson task force concept, and the availability of 3,000 student arson workbooks for state training officials to use to instruct the fire fighters.

"Quite obviously this will be a major national undertaking," said USFA Administrator Gordon Vickery. "The end product of this agreement will be more effective aid to state and local governments in their fight to control and reduce arson incidents."

Citing growing evidence that arson is not only an urban problem, but rural and suburban as well, Vickery said, "Small communities served by volunteer fire agencies have requested aid in determining the best arson prevention and control strategies . . . and we're happy to be able to respond to this request." USFA plans to use a portion of the funds to develop and implement an arson program guide for volunteer fire fighters.

The development of national arson

task force seminars, presented to appropriate agencies and to municipal policy makers upon request, is another area of USFA interest.

"This is an excellent example of law enforcement and fire agencies working together at a federal level," Vickery concluded. "Arson is a major crime problem in the nation and if we are to be successful in showing a substantial reduction, there must be complete cooperation."

The action by LEAA in funding programs of this type is encouraging, but it is only a beginning. The success of renewed efforts against the arsonist will depend to a great degree on the quality and quantity of support at many levels, and LEAA's role is important.

IACAP Announces Publication Distribution Policy

Past issues of Update have described a number of films and pamphlets on the subjects of arson and arson investigation.

Because of their limited supply, it will not be possible for the IACAP to accommodate film requests for use outside Illinois.

Small quantities of the written material may be obtained free from IACAP. Information on how to acquire quantities is available by writing the committee at

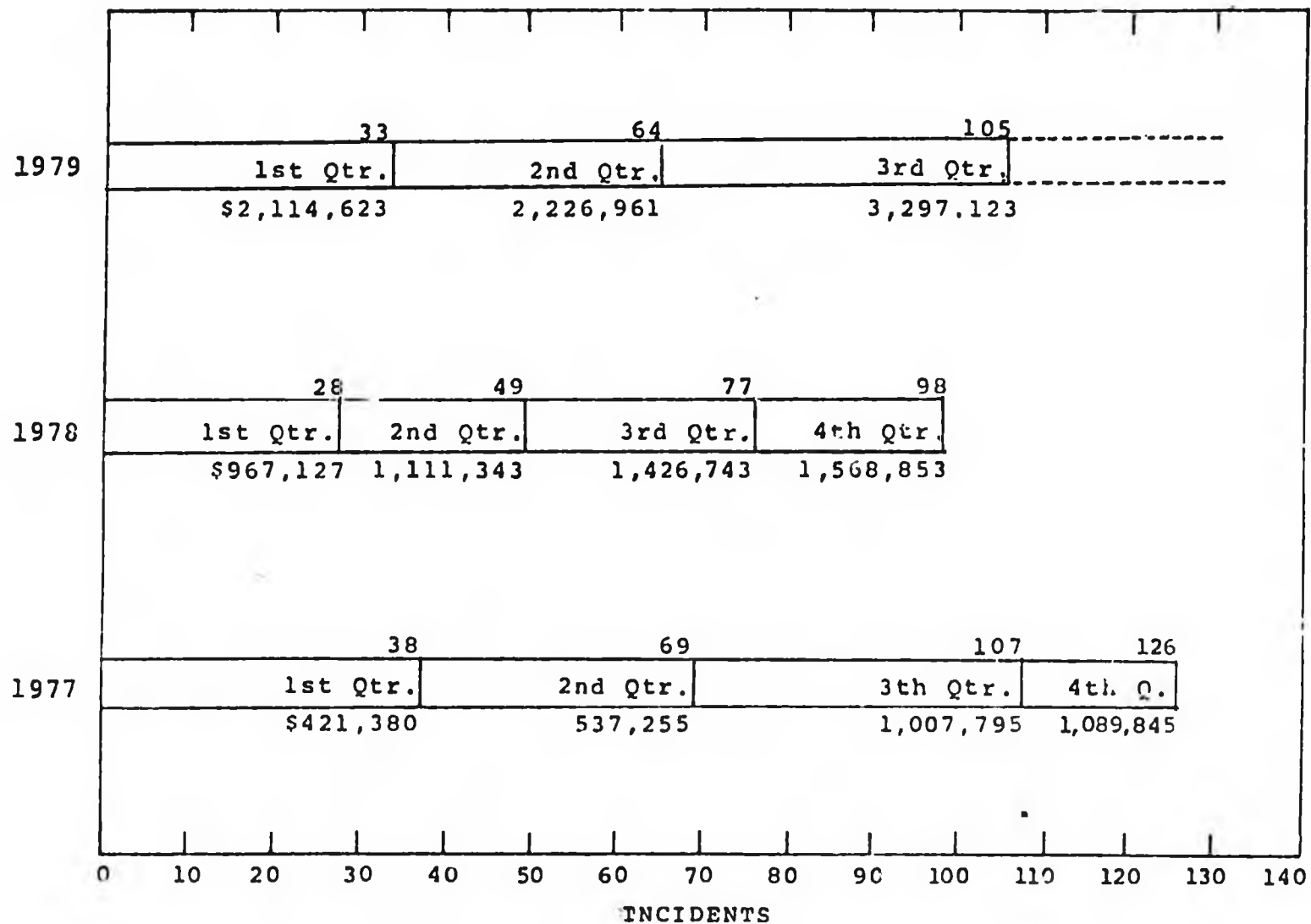
P.O. Box 614
Bloomington, Illinois 61701

L1458 Printed in USA

ILLINOIS ADVISORY COMMITTEE ON ARSON PREVENTION
ATTN: R.J. JACKSON F-3
ALLE STATE PLAZA
NORTHBROOK, IL 60062

FIRST CLASS
PERMIT No. 158
NORTHBROOK
ILLINOIS

FIRST CLASS MAIL



INVESTIGATED INCENDIARY FIRES

Incidents and Estimated Loss

RECENT LEGISLATION OF INTEREST (continued)

COLORADO

Concerning the Exchange of Arson-Related Information Between Insurance Companies and Authorized Agencies

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Article 4 of title 10, Colorado Revised Statutes 1973, as amended, is amended BY THE ADDITION OF A NEW PART to read:

PART 10

ARSON INFORMATION REPORTING ACT

10-4-1001. Short title. This part 10 shall be known and may be cited as the "Arson Information Reporting Act".

10-4-1002. Definitions. As used in this part 10, unless the context otherwise requires:

(1) "Authorized agencies" means:

(a) Fire departments and local law enforcement agencies authorized or charged with the investigation of fires within the jurisdiction where the fire occurred;

(b) The Colorado Bureau of Investigation;

(c) The district attorney or county attorney and their representatives who are responsible for prosecution in the county or city and county where the fire occurred.

(2) "Notice" or "notify" means the notification in writing to an authorized agency by an insurance company of a fire loss.

(3) "Person" means every natural person, firm, partnership, association, or corporation.

(4) "Relevant" means information having any tendency to make the existence of any fact that is of consequence to the investigation or determination of the issue more probable or less probable than it would be without the evidence.

10-4-1003. Disclosure of information. (1) When an insurance company has reason to believe that a fire loss in which it has an interest may have been caused by other than accidental means, then the company shall notify an authorized agency for the purpose of having such fire loss investigated.

(2) Any authorized agency may, in writing, require the insurance company having an interest in a fire loss to release to the authorized agency specific, relevant information or evidence deemed important by the authorized agency which the insurance companies have in the possession and which relates to the fire loss in question. Relevant information may include, but shall not be limited to:



RECENT LEGISLATION OF INTEREST (continued)

COLORADO

(a) Insurance policy information pertaining to a fire loss under investigation and any application for such a policy;

(b) Policy premium payment records;

(c) History of previous claims made by the insured; and

(d) Any other material relating to the investigation of the loss, including statements of any person who may have information about the loss and any proof of such loss.

(3) Nothing in subsection (1) of this section shall abrogate or impair the rights or powers created under subsection (2) of this section.

(4) Any authorized agency, provided with relevant information or evidence pursuant to subsection (1) or (2) of this section may release such information to any other authorized agency.

10-4-1004. Evidence - confidential nature thereof. (1) Any authorized agency or insurance company which receives any information furnished pursuant to this part 10 shall hold the information in confidence except as provided in section 10-4-1003 (4) or until such time as its release is required pursuant to a civil or criminal proceeding.

(2) Any authorized agency or its agents or employees may be required to testify in any civil or criminal proceeding in which the insurance company at interest is named as a party.

10-4-1005. Immunity. In the absence of actual malice, there shall be no liability on the part of, and no cause of action shall rise against, any authorized agency or insurance company or their authorized representatives, agents, or employees for furnishing information or taking other action pursuant to the provisions of this part 10.

10-4-1006. Enforcement. (1) No person, authorized agency, or insurance company shall:

(a) Intentionally or knowingly refuse to release any information requested pursuant to section 10-4-1003 (2);

(b) Intentionally or knowingly fail to provide authorized agencies with relevant information pursuant to section 10-4-1003 (1); or

(c) Fail to hold in confidence information required to be held in confidence pursuant to section 10-4-1004 (1).

10-4-1007. Penalty. Any person who violates any of the provisions of this part 10 is guilty of a class 2 misdemeanor and shall be punished as provided in section 18-1-106, C.R.S. 1973.

10-4-1008. Municipal ordinances - concurrent jurisdiction - common law.

(1) The provisions of this part 10 shall not be construed to affect, supercede, or repeal any ordinance of any municipality relating to fire prevention or control of arson.

RECENT LEGISLATION OF INTEREST (continued)COLORADO

(2) The Colorado Bureau of Investigation shall have investigative authority concurrent with that of county or municipal authorities when the county or municipality in which investigation of a fire loss is taking place requires the assistance of said bureau.

(3) With the exception of section 10-4-1005, the provisions of this part 10 shall not be construed to impair any existing statutory or common law rights or powers.

WEST VIRGINIAVolunteer Fire Department Monies

Governor John D. Rockefeller of West Virginia proposed a grant program for volunteer fire departments this year. Accordingly, the West Virginia Legislature appropriated 1 million dollars for the grant program. The program will be administered through the Office of Economic and Community Development via the Community Partnership Grant Program. The funds will be available for purchase of firefighting equipment. The volunteer fire department must provide 50-50 matching monies for purchase of fire apparatus and 90 (state) - 10 (local) matching monies for other types of firefighting equipment. A review board consisting of five volunteer fire chiefs and the State Fire Marshal will review the applications for determination of eligibility for approval of grant monies.

Any interested individuals desiring to obtain information regarding this program may contact: Walter Smittle, State Fire Marshal, 2000 Quarrier Street, State Capitol, Charleston, West Virginia 25305.

SOUTH CAROLINASouth Carolina State Fire Commission

Be it enacted by the General Assembly of the State of South Carolina:

Section 1. There is hereby created the South Carolina State Fire Commission to be composed of nineteen residents of the State, eighteen of whom shall be appointed by the Governor upon the advice and consent of the Senate as follows: two members shall be appointed from each congressional district with one from each district being a volunteer fireman and one from each district being a full-time professional fireman but in no event shall the two from each district be appointed from the same county; one shall be a registered architect; one shall be a local government building official; one shall be an electrical inspector; one shall be a licensed contractor; one shall be a fire protection engineer and one shall be a consumer. The other member shall be a fire chief elected from the State at large by the General Assembly and shall serve as chairman.

The terms of the members shall be four years and until their successors are appointed and qualify, except that of those first appointed the consumer, the electrical inspector and the architect shall serve for one year; the building official, the contractor and the fire protection engineer shall serve for two years and the fire service members from congressional districts one, two and three shall serve for three years. Vacancies shall be filled in the manner of the original appointments or election for the unexpired portion of the term only.

Arson

FEDERAL EMERGENCY MANAGEMENT AGENCY

U.S. Fire Administration
Office of Planning and Education
Washington, D.C. 20472

Resource BULLETIN



OCT 24 1979

DIRECTOR'S OFFICE
DIVISION OF FIRE PREVENTION
ANCHORAGE, ALASKA

USFA ARSON NEWS

Arson Control a Top Priority,
Vickery Says

MANAGEMENT

Arson Task Force Assistance
Forthcoming

INVESTIGATION/PROSECUTION

Ten Additional Arson Training
Courses Planned

ECONOMICS

National Association of
Insurance Commissioners
Establishes an Arson Task Force

BEHAVIOR

L.A. County Firesetters'
Counseling Program on Prime Time T.V.

FEATURE ARTICLE

How to Fight Arson with Public
Education

USFA ARSON NEWS

ARSON CONTROL A TOP PRIORITY, VICKERY SAYS

Arson remains the fastest growing crime in America. The national direct loss due to arson is estimated at \$1.3 billion per year, a figure that is comparable to losses due to other major crimes such as larceny-theft (\$1.1 billion) or burglary (\$1.4 billion). In the United States more people die in arson fires annually than in all natural disasters combined.

In a recent interview, Gordon Vickery, Administrator, United States Fire Administration, stressed the need for a positive, effective national effort to counteract these staggering statistics.

"When I assumed the leadership of the Fire Administration, I put the responsibility of coordinating efforts to prevent and control arson as one of my top priorities," Vickery emphasized.

"While the problem is fairly well identified, I do not believe the situation has peaked--either in the magnitude of the number of lives lost or the total property damage.

"We're still fairly new in this field, but I believe we are beginning to develop some fairly sophisticated techniques--a predictive system--which will assist local authorities in preventing arson fires before they happen," he said.

"Our report to Congress on a Federal strategy to combat arson is in the final review process and should be distributed in the near future. We've also entered into an agreement with the Law Enforcement Assistance Administration (LEAA) to accept \$500,000 to expand our training programs in detection, investigation, and the development of task forces.

"I contend the arson problem can be controlled," Vickery concluded. "It will take a coordinated effort of all those concerned at each level of government. We are concerned and pledge to work expeditiously and cooperatively with others in achieving the desired end."

USFA AND LEAA COOPERATION VIEWED AS BENEFICIAL

Two high-level officials of the Law Enforcement Assistance Administration and the United States Fire Administration agree that the joining of hands by the two agencies to fight arson can only have positive effects.

"Arson is both a fire and a crime," said Robert Grimes, head of the Office of Criminal Justice Programs at LEAA, "and because of this unique characteristic there has been some confusion in the field as to how it should be handled."

"In our minds, it is not a matter of turf, but rather an understanding that to fight arson effectively, the fire service and police must work together," added Richard Strother, Associate Administrator of USFA, who is responsible for the coordination of USFA arson initia-

tives. "This is why we drew up an agreement in March between our two agencies, delineating areas of responsibility and cooperation at the Federal Level."

"One major benefit of our agencies working together is that we can encourage cooperation at the state and local level," added Grimes. "In early June, LEAA transferred to USFA a half million dollars, part of which is to be used in the next year to motivate and train people in the task force concept."

"A number of objectives will be completed with the transfer of funds," stated Strother. "One task, in fact, has already been accomplished--the pilot testing of the National Fire Academy and National College of District Attorneys seminar on arson for prosecutors. The monies will also be used to teach 10 additional Academy detection and arson investigation courses and to hand off number of student detection handbooks to state training directors for use by volunteer departments. Approximately half of the funds, however, will be devoted over the next 12 months to help states coordinate their resources and develop strategies to meet the arson threat, and to provide motivational workshops and technical assistance to municipalities that wish to start arson task forces."

"We expect to be working together on this issue for quite some time," concluded Grimes. "Cooperation is the only sensible way to deal with the arson problem."

USFA ARSON REPORT TO CONGRESS CONTAINS 70 RECOMMENDATIONS

In an effort to address the Nation's arson problem, the 95th Congress in October, 1978 called upon the United States Fire Administration to study and report on what the Federal role should be in assisting state and local governments in arson prevention and control.

The USFA report entitled Arson: The Federal Role is based on an intensive national survey, examination, and analysis of existing arson research, studies, and programs. The report is organized into five chapters on: Federal Programs for Reducing Arson; State and Federal Arson Laws; Recommendations for Combatting the Nation's Arson Problem; and an Arson Cost-Benefit Model.

By far the largest section is Chapter IV, containing 70 recommendations for Federal support of state and local arson prevention and control efforts. These recommendations are organized into four sections: Management; Investigation/Prosecution; Economic Incentives; and the Psychology and Behavior of Firesetters.

Input for the report was solicited from every state, and extensive reviews of the recommendations were made by state and local officials, the Joint Council of Fire Service Organizations, various Federal agencies, and a number of public information groups.

It is expected that copies of the

USFA ARSON NEWS

Executive Summary of the Report
will be available in November from:

Office of Planning and Education
Room 610
United States Fire Administration
Federal Emergency Management
Agency
Washington, D.C. 20472

The full report will be available
later in the year from the
Government Printing Office.

BULLETIN NEEDS YOUR HELP

This is the first issue of the
Arson Resource Bulletin. For it
to grow and prosper it needs your
help. For it to truly be useful
to the field--and the field in-
cludes arson investigators, public
fire education specialists, prose-
cutors, police, insurance repre-
sentatives, arson task forces and
advisory committees to name a few--
we need to hear what you are doing.
If you have programs, ideas,
resources, successes, failures,
announcements you want to share,
please let us know. We want this
bulletin to serve as an exchange
of information between all parties
concerned with arson prevention
and control.

A word concerning our format: it
basically emulates the structure
of the USFA report to Congress on
arson. We see that arson must be
attacked on four fronts: manage-
ment, investigation and prosecu-
tion, economic, and behavioral.
News related to task forces, data
collection and analysis, arson
awareness programs, early warning
systems and community arson initia-
tives we view as management issues.
Investigation and Prosecution is
self-explanatory and includes

training and technological news.
The Economics section deals with
insurance, housing and banking
efforts to reduce arson, particu-
larly arson for profit. The
Behavior section looks at the
psychological motives, especially
efforts to combat juvenile fire-
setting.

The structure is not hard and fast
and overlap will occur, but it
does provide an organizational
approach in looking at the arson
issue. We are open to suggestions
for new columns, special features,
and new ideas.

This bulletin will be published
seven times a year. The next
issue will be mailed in November.

All comments and suggestions
regarding the Bulletin should be
directed to:

Dr. Herman Weisman
Arson Resource Center
United States Fire Administration
Federal Emergency Management
Agency
Washington, D.C. 20472

ARSON IS THEME OF USFA FIFTH ANNUAL CONFERENCE

Arson will be the focus of the
Fifth Annual Conference of the
United States Fire Administration
scheduled for January 21-23, 1980,
in New Orleans, Louisiana.

"It is time to halt the growth of
this crime," said Gordon Vickery,
USFA Administrator, "which is why
USFA is increasing its efforts to
work with Federal, state and
local organizations as well as

the private sector in attacking the problem. It is also why we have decided to bring our conference resources to bear on the problem by bringing arson experts from different disciplines together at our annual conference to discuss not only the arson situation in the United States, but to identify and help implement solutions to this menace."

When he was Fire Chief of the Seattle Fire Department, Mr. Vickery initiated that Department's Arson Unit which resulted in the Seattle Arson Task Force that is today a good example of what can be done to combat arson and turn its growth around. The Seattle Task Force will be discussed at the annual conference, along with other successful arson-fighting programs, including those in San Francisco, Dallas, Los Angeles County, and New Haven.

Implementation packets for these programs will be available so that conference attendees can take the applicable information home for use in designing and operating an arson program tailored to the requirements of the community.

Other features of the 1980 Conference will include:

- innovative presentations involving role-playing, debates, mock court trials, round-table discussions;
- extensive attendee participation through group question/comment periods and one-on-one discussions with speakers;
- "hands-on" demonstrations of effective arson programs and a live vehicle arson fire;
- displays of incendiary devices, forensic laboratory and detec-

tion instruments, and an arson mobile van;

- review of current USFA and other Federal arson initiatives.

Since arson control is an aspect of fire protection which involves a significant number of disciplines, the program for the 1980 Conference has been designed to include participation by representatives of criminal justice, government administration, banking, and the insurance industry as well as members of the fire service.

The Conference will be hosted by the New Orleans Fire Department under the direction of Chief William McCrossen at the New Orleans Hilton Hotel.

Agenda details and registration information may be obtained by calling Mary Underwood at 202/634-7654 or by writing to:

National Fire Conference
United States Fire Administration
Federal Emergency Management
Agency
Washington, D.C. 20472

USFA ARSON RESOURCE

CENTER ESTABLISHED

Under the direction of Dr. Herman Weisman of the Office of Planning and Education, an Arson Resource Center has been established at the United States Fire Administration.

The major purpose of the Center is to act as a clearinghouse for arson information. Dr. Weisman will solicit material from the field and in turn, disseminate it through this bulletin, and through prepared papers, brochures, and letters in re-

sponse to requests for information.

Recently, the Center has been updating and expanding the USFA collection of 800 documents, films, slide sets, case histories, and other items related to arson first compiled in 1977.

If you have a question or need

certain information about arson, the Center will try to help you. Please write:

Dr. Herman Weisman
Arson Resource Center
United States Fire Administration
Federal Emergency Management
Agency
Washington, D.C. 20472

MANAGEMENT

ARSON TASK FORCE ASSISTANCE FORTHCOMING

As part of an interagency agreement, monies have been transferred to USFA from LEAA to provide technical assistance to states and municipalities on how to implement arson task forces.

Arson task forces are based on the concept that coordinating and pooling the talents and resources of agencies concerned with arson prevention and control is one of the most effective ways to deal with the crime.

Directed by John Lynch of the Office of Planning and Education, the technical assistance program will have two phases. In the first phase, beginning in September, Lynch will provide technical advice to state officials wishing to employ the task force concept in developing

a statewide arson strategy.

"Starting in February, we will provide workshops for interested cities on how to set up arson task forces and discuss the advantages and problems experienced by other cities in implementing the concept," said Lynch in a recent interview.

"If a city decides to start a task force and runs into difficulty on how to proceed with a specific issue (e.g., training, data collection, arson public education campaigns), we will send to that city personnel with experience in dealing with these program areas in their own communities.

"I should make it clear that we will be offering technical assistance,

upon request, not financial assistance. We will do our very best to help people establish task forces within their jurisdictions," concluded Lynch.

For information or assistance in starting a task force, please write:

John Lynch
Office of Planning and Education
United States Fire Administration
Federal Emergency Management
Agency
Washington, D.C. 20472

NEW JERSEY DEVELOPS ARSON STRATEGY

In the early months of 1979, New Jersey suffered a high number of fatalities which were reportedly due to arson and suspicious fires. In response to these tragedies, Governor Brendan T. Byrne organized an arson task force and charged the group with the responsibility to study the nature and magnitude of the arson problem in New Jersey, to identify causal factors associated with the problem, to assess the State's response to the crime of arson and finally to explore avenues for the development of an effective and comprehensive statewide strategy for arson prevention and control.

The 16 member task force, organized under the Department of Law and Public Safety, is comprised of fire and police personnel, prosecutors, insurance, and housing authorities. John Lynch from the United States Fire Administration provided technical assistance to the task force.

The task force made recommendations

in the areas of data and information, training, investigation and enforcement, housing, insurance, public awareness, and agency coordination. The task force's report is now complete and single copies can be obtained free from:

Lawrence Welle
Deputy Attorney General
New Jersey Division of Criminal
Justice
13 Roszell Road
Princeton, New Jersey 08540

AIMS CONFERENCE HELD

USFA sponsored an invitational Arson Information Management Systems (AIMS) Conference May 3-5, 1979, in Airlie, Virginia.

The purpose of the conference was to exchange information about systems designed to collect, analyze, and manage data that can assist in predicting and investigating arson. Speakers informed the audience, comprised of fire chiefs, investigators, prosecutors, and representatives from the insurance industry and various Federal agencies, about the efforts of Boston, New Haven, Ohio State Fire Marshal's Office, Law Enforcement Assistance Administration, American Insurance Association and Battelle-Seattle Research Center in developing and/or utilizing information management systems. At the conclusion of the conference, participants were asked to make recommendations regarding future directions for AIMS.

Proceedings of the conference are now available. While the supply lasts, single free copies can be

MANAGEMENT

obtained by writing:

Nancy Stone
Office of Planning and Education
United States Fire Administration
Federal Emergency Management
Agency
Washington, D.C. 20472

"WINNING THE WAR ON ARSON"

A NEW FILM

This 15:30 minute color film, produced by Aetna Life and Casualty, explores the dimensions of the country's fastest growing crime, and focuses on how two communities, Seattle and New Haven, are managing their resources to deal with arson. Geared for general audiences, the film includes interviews with arson investigators, prosecutors, fire and city officials, and insurance representatives.

Appropriate for arson public education campaigns, the film is available for free loan either in 16 mm film or 3/4" video tape cassette. Brochures on the Seattle and New Haven programs are included.

Please write:

Film Librarian
Aetna Life and Casualty
151 Farmington Avenue
Hartford, Connecticut 06156

ICMA BOOK COULD BE USEFUL

The International City Management Association has recently published Managing Fire Services (1979) as one book in their Municipal Management Series.

For fire chiefs going to their city managers to argue for a coordinated effort among city agencies to combat arson, the ICMA book could prove useful. One chapter written by Bob Carter of the National Fire Protection Association, called "Managing Fire and Arson Investigation," speaks to the issue of coordination and successfully makes the case for the formation of arson task forces. Showing a city manager that his/her own association thinks task forces are an example of good management, could be convincing.

Check your library for the book, or purchase it for \$27.50 from:

Order Department
International City Management
Association
1140 Connecticut Avenue, N.W.
Washington, D.C. 20036

INVESTIGATION/PROSECUTION

TEN ADDITIONAL ARSON TRAINING COURSES PLANNED

The National Fire Academy will be offering ten additional detection and investigation courses in the field course the next 12 months due to a transfer of funds from LEAA to USFA.

The Academy's arson offerings have been highly acclaimed by over 1,000 students who have taken the courses. The 3-day detection course trains fire personnel in identifying fire causes and detection of arson, securing the fire scene, identifying and preserving evidence, and reporting of incidents. The 10-day investigation course for fire and law enforcement personnel includes the same topics as the detection course, but also covers the most current and effective techniques of fire/arson investigation, motivation of the firesetter, witness interrogation, case preparation, and presentation.

"We will be offering the courses in each of the ten Federal regions, but in states in those regions where we have not taught the courses before," states Victor Palumbo, manager of the Academy's arson programs. "We conducted our first LEAA sponsored course in Region 9 in July. Our next offerings will be in Region 5 (Ohio) September 17-28, Region 4 (North Carolina) October 15-26, and Region 3 (Maryland) in November. Other regions will be covered starting February of next

year.

"A 30 percent stipend is provided to participants of the LEAA sponsored courses," continued Palumbo. "The Academy arson courses are always oversubscribed, therefore we must be very restrictive as to who fills the 35 slots available for each offering. Generally, only cities with over 200,000 population receive invitations since they often have the most severe arson problems."

The arson courses will also be taught at the National Fire Academy site in Emmitsburg, Maryland beginning in January. If you would like further information about the courses, please contact:

Victor Palumbo, Arson Manager
National Fire Academy
United States Fire Administration
Route 1, Box 10A
Emmitsburg, Maryland 21727

ARSON AID FOR VOLUNTEERS

Within the next six months, volunteer fire departments can expect help in their efforts to fight arson from the United States Fire Administration.

Supported by monies from LEAA, aid to volunteers will come by three avenues. One, volunteers will be encouraged to attend the 3-day detection course soon to be taught in each of the ten Federal regions (see previous article). Two, approximately 4,000 copies of the student handbook for the detection course will be distributed free to state training directors for use by volunteer departments. Three, a handbook will be prepared on how volunteers can best meet the arson

INVESTIGATION/PROSECUTION

problem within their communities. Model volunteer programs will be described in the booklet.

For further information about the detection course, please contact Victor Palumbo as noted above. For information about either of the handbooks, please contact your state training director in March, 1980. If you feel your volunteer department has an effective program to reduce arson, please describe your efforts in a letter and send it to:

Nancy Stone
Office of Planning and Education
United States Fire Administration
Federal Emergency Management
Agency
Washington, D.C. 20472

PROSECUTORS' SEMINAR

PILOT TESTED

A seminar for prosecutors on arson investigation and prosecution, planned and presented by the USFA National Fire Academy and the National College of District Attorneys, was held in Alexandria, Virginia, on June 3-6, 1979.

Supported by monies from LEAA and the insurance industry, the seminar received a high rating from the 65 prosecutors in attendance. Seminar topics covered by noted experts were: general nature and behavior of fire, incendiary fire detection, evidence preservation and laboratory analysis, inter-agency investigatory cooperation, insurance industry assistance, preparation of case, presentation of the state's case, and how to meet common arson defenses. In addition, workshops were held on the techni-

cal aspects of arson and the prosecutorial aspects of the arson case.

Within the next five months, the seminar is scheduled to be taught again in the following locations: Chicago (September 16-19), Denver (November 28-December 1), and Atlanta (January 20-23). For more details, please write:

Kathryn Gentilezza
National College of District
Attorneys
College of Law
University of Houston
Houston, Texas 77004

One inch video tapes of the seminar are available on free loan to selected organizations and agencies. For further information, please contact:

Tom Gavey
Audio-Visual Communications
Division
Law Enforcement Assistance
Administration
633 Indiana Avenue, N.W.
Washington, D.C. 20531

ARSON HAS DOUBLED,

ARRESTS/CONVICTIONS UP

According to a just released study by the National Institute of Law Enforcement and Criminal Justice, arson fires per capita almost doubled between 1971 and 1977, from 55 per 100,000 to 98 per 100,000. On a more encouraging note, arrests increased slightly over a 1976 survey, from 9 percent to 11 percent. Nearly half of those arrested (5.4 percent) were convicted.

Other highlights of the study

entitled A Survey of Arson and Arson Response Capabilities in Selected Jurisdictions, include:

- Fire departments that investigate a high percentage of all fires uncover relatively more arson fires and make relatively more arrests than those departments investigating a lower percentage of fires. This is particularly true of those fire departments that investigate more fires than the firefighters at the scene suspect to be arson.
- On the average, fire departments assign only one staff member to their arson unit for every \$2.5 million in the department's budget.
- Many cities, particularly those with a high incidence of arson, have implemented task forces to coordinate city resources against arson.

Free single copies of the study, based on a survey of 174 fire departments in cities with a population of 50,000 or more, can be obtained by writing:

National Criminal Justice
Reference Service
P.O. Box 6000
Rockville, Maryland 20850

NFPA TRAINING UNIT

AVAILABLE

The National Fire Protection Association has produced the first unit of a series of twelve slide/tape training packages on arson investigation. The twelve part series will instruct firefighters,

fire investigators, police, and insurance investigators in recognizing signs of arson. The first unit, entitled "Fire Fighter Responsibility in Arson Detection," is geared specifically to the firefighter.

The training package, order No. SL-37, Unit 1, is comprised of approximately 50 color slides (35 mm), cassette tape, and instructor's manual. Cost is \$40.00 per set and may be ordered from:

Publication Sales Department
National Fire Protection
Association
470 Atlantic Avenue
Boston, Massachusetts 02210

The second and third units of the series, entitled "Determining Origin and Cause" are expected to be available sometime in September.

NATB AUTO ARSON

BOOK REISSUED

Manual For the Investigation of Automobile Fires, published by the National Automobile Theft Bureau, has been re-released, and copies are available for fire investigators and others concerned with auto arson. Given the energy crunch and the resulting increase in theft and torching of gas guzzling cars, the reissuing of this manual is opportune.

The 50-page book details the investigative contribution that can be made by insurance adjusters, police, fire personnel, and mechanics.

To obtain free copies of the book, please write:

Richard Wedekind
National Automobile Theft Bureau
9730 South Western Avenue
Chicago, Illinois 60642

"ANATOMY OF AN ARSON"

A TRAINING FILM

The Insurance Crime Prevention Institute has recently produced a film, "Anatomy of an Arson," designed for insurance adjusters and appraisers, and those at the introductory level of arson investigation. The 32-minute film provides instruction on basic skills for approaching a fire scene,

including the determination of point of origin, cause, common incendiary devices, and common techniques for fire acceleration.

The 16 mm color film may be borrowed (for approximately 2 weeks) or purchased for \$125 from:

James Ahern, Director
Insurance Crime Prevention
Institute
15 Franklin Street
Westport, Connecticut 06880

The ICPI is a national non-profit trade organization funded by the insurance industry to investigate fraudulent casualty and property insurance claims.

ECONOMICS

NATIONAL ASSOCIATION OF INSURANCE

COMMISSIONERS ESTABLISHES AN

ARSON TASK FORCE

The growing national arson problem has been of concern to the National Association of Insurance Commissioners. Deciding that state insurance commissioners can play an influential role in helping to curb arson, the NAIC established in June, 1979 an arson task force to study the problem and offer

recommendations for possible action by individual state commissioners. Scope of action will not be limited to concerns with new legislation, but could include new approaches to statewide arson measures.

Members of the NAIC Arson Task Force are:

Harvey Bartle, III, Commissioner of Insurance, State of Pennsylvania, Chairman;
Albert B. Lewis, Superintendent of Insurance, State of New York;
David Elliot, Insurance Commissioner, State of Delaware;
Richard L. Mathias, Director of Insurance, State of Illinois.

A first meeting of the NAIC Arson Task Force was scheduled for September 7, 1979, in Philadelphia.

ARSON CONTROL DIRECTORY PUBLISHED

The Public Relations Committee of the Insurance All-Industry Committee for Arson Control released copies of its Arson Control Directory in August. The directory, a key resource, will be helpful to public and private organizations concerned with arson prevention and control.

The main focus of the directory is a state by state listing of key persons, groups, and organizations involved in combatting arson. Regional offices of Federal agencies, such as the FBI, ATF, Forest Service, and IRS, are listed. The state fire marshal, attorney general, insurance commissioner, and state chairman of the International Association of Arson Investigators are also noted. If a state has an arson advisory committee, hotline or tipster program, contacts are listed.

The directory also includes a copy of Target: Arson, the official guiding document of the All-Industry Committee, a sample speech

text on arson which can serve as the basis for articles on arson, and a listing of national organizations which are concerned with the crime.

Copies are available for \$15 each from:

Lawrence C. Christopher, Chairman
Public Relations Subcommittee
IAICAC
20 North Wacker Drive, Suite 2132
Chicago, Illinois 60606

THIRTY-FIVE STATES ADOPT IMMUNITY LAW

As of July, 1979, 35 states have enacted immunity laws protecting insurance companies from suits when they share arson-related information with law enforcement officials. The first such law was enacted in Ohio in 1976.

In 1977, the Alliance of American Insurers and its affiliate, the Property Loss Research Bureau, drafted model legislation entitled, "Arson Reporting-Immunity Bill." The Alliance and other insurance associations believe that immunity laws are needed if insurance executives are to report suspected arson cases to law enforcement authorities without fear of libel or slander suits by clients. They feel that a two-way flow of information between insurers and law enforcement agencies is necessary to effectively combat arson. Although the model bill provides for a two-way exchange of information, most state immunity laws only require a one-way exchange, from insurance companies to law enforcement authorities.

States which have not enacted an immunity law to date are: Alabama, Alaska, Arkansas, Delaware, Idaho, Kentucky, Mississippi, Missouri, Nevada, New Jersey, Oregon, Pennsylvania, South Carolina, Vermont, and Wyoming. In these States, the results of investigations conducted by insurance companies are usually shared with police and fire investigators only

after a subpoena is issued. For copies of the model bill, please write:

Kenneth H. Nail
Chairman, Subcommittee on
Legislature
Insurance All-Industry Committee
for Arson Control
20 North Wacker Street
Chicago, Illinois 60606

BEHAVIOR

L.A. COUNTY FIRESETTERS' COUNSELING PROGRAM ON PRIME TIME T.V.

Juvenile firesetting and the Los Angeles County Fire Department's program for counseling firesetters were featured on NBC's "Prime Time" August 5, 1979. The documentary pointed out that firesetting by juveniles is a growing and serious problem in the United States. Captain Joe Day and other southern California fire personnel began working closely with mental health professionals three years ago to develop techniques for identifying and helping these youthful firesetters. The program they developed seems to work. It is credited for being a major factor in reducing the incidence of juvenile firesetting in Los Angeles County from 169 to 20, within a one year period. A manual entitled

"Interviewing and Counseling Juvenile Firesetters" resulted from their work and will soon be available through the United States Fire Administration to fire departments nationwide.

Fire department personnel are often the first community resource people to come in contact with the juvenile firesetter. In investigating intentionally set fires, department personnel often interview suspected juvenile firesetters and/or provide advice to distraught parents of young firesetters. In the past, fire personnel had to rely on their own experience and intuition to handle these situations. The new manual provides information and a format to help the fire community

deal more effectively with the juvenile firesetter.

The first volume of the manual, scheduled for publication this fall, focuses on the child under seven. A supplement for older juveniles is being prepared and will be available in the summer of 1980.

The first volume of the manual includes:

- Basic information on causes of firesetting behavior in children.
- Strategies and techniques for interviewing children and parents to determine cause of firesetting behavior.
- A guide for using interview information to determine if the child will respond to an educational program or needs professional help.
- Resources for helping the child and family including: educational programs for the curiosity firesetter and mental health resources for the disturbed child or family.

A workshop to provide fire personnel with training in using approaches discussed in the manual has been developed and is presently being field tested. A video tape entitled "Interviewing Juvenile Firesetters" was produced for the workshop by the Fire Services and Arson Prevention Committee of the California State Psychological Association under a grant from USFA. The Committee is made up of both psychologists and fire service personnel.

Early response to the workshop from the field has been positive. "The workshop was so well received here," stated John Anderson,

Supervisor, Washington State Fire Service Training, Olympia, Washington, "that we plan to include the topic in our Arson Investigation and Detection series." Workshops are scheduled in the near future in Georgia, Montana, California, and Connecticut. For more information about the manual and/or workshop, please contact:

Jim Smalley
Office of Planning and Education
United States Fire Administration
Federal Emergency Management
Agency
Washington, D.C. 20472

FIRESETTING REVIEW

COMPLETED

The Center for Fire Research, National Bureau of Standards, recently released The Psychology of Firesetting: A Review and Appraisal, a study conducted by the Department of Psychology at the University of North Carolina.

The paper is a review of the literature of firesetting and describes a preliminary conceptualization of how firesetters should be classified. Among other topics, the paper covers firesetting behavior, consequences of firesetting (i.e. those factors which reinforce the act of firesetting) and intervention strategies.

This study should prove useful to researchers and those involved in the prevention and treatment of firesetting.

Copies of the paper may be purchased for \$5.25 from:

National Technical Information Service (NTIS)
5285 Port Royal Road
Springfield, Virginia 22151
Order No.: PB290821

FEATURE ARTICLE

HOW TO FIGHT ARSON WITH PUBLIC EDUCATION

Local public arson education campaigns have proven to be effective tools in the fight against arson. After eight months of "Burn the Arsonist for Cold Cash" campaign in Dallas, there was a 26 percent decrease in arson fires compared to the same eight month period the year before. In Seattle, the monthly dollar loss dropped from \$410,000 to \$192,000 after an intensive public education campaign.

Campaigns do two things: (1) they inform the public about the seriousness of arson in their community and (2) they solicit the help of the public to combat the crime. Although these two elements are not mutually exclusive and are often accomplished at the same time, they will be covered separately here.

Informing the Public about the Seriousness of the Arson Problem

The campaign centers around the media. The media must be fed the information. Fire is news and arson is better news. Often the media will support efforts to educate the public.

The strategy that Chief Andy Casper uses in San Francisco is to call a news conference each time there is a major arson fire. He makes a point to explain to the newspaper, radio, and T.V. reporters the property loss and human suffering which resulted from an arson fire. Be it the fire chief, the head of an arson task force, or the mayor, having a recognized community leader point out the harm that arson causes is important.

To support a chief's news conference, fire department press releases can center on the number of arson incidents to date, the dollar loss, the injury and death rate, the loss of taxes, jobs, and how these factors affect the public as a whole. In Seattle, the offices of Fire Chief Frank Hanson and Mayor Al Uhlman issued a joint release proclaiming "Arson Awareness Week" further drawing attention to the problem.

Once stimulated, the news media will generally pursue the issue on its own. Local television stations in Los Angeles, Dallas, and Seattle have all produced week long in-depth

series on arson in their respective cities. In one such series, the television reporter and camera crew accompanied the arson investigator investigating a fire. The series was called "Arson for Hire" and concluded with an interview, arranged by investigators, with an arsonist. Another series concentrated on the fear people feel when arson is a common occurrence in their neighborhood.

Newspapers will also run special series on the crime. Articles that concentrate on how arson infringes on the public's pocket-book, like increased insurance rates, are particularly effective.

Lectures to civic groups, school assemblies, and community organizations are another avenue for getting the message out. The Seattle Fire Department managed to secure the services of professional athletes to speak to students during and after school about arson, which proved to have an impact on the rate of juvenile initiated fires.

Soliciting the Help of the Public

Help can take many forms. One form is encouraging the public to lobby for more staff, better training, or improved laws. Another form is asking various civic groups to contribute to the purchase of required equipment, like an accelerant detector.

More commonly, however, the public is asked to provide investigative leads to solve a particular arson case. This is achieved primarily through a tipster/hotline program. This program consists of a telephone number, most often 24 hour lines, which citizens can call

with information pertaining to arson-related fires. In connection with the majority of tipster/hotline programs is a reward fund, usually financed by the insurance industry. Rewards range from small amounts for useful tips to larger sums for information which leads directly to the arrest of a firesetter. In Michigan where they have had an operational hotline since 1975, 51 people have been arrested and 33 rewards totalling \$12,400 have been distributed. Most of the tipster/hotline programs are statewide, but local organizations have begun to initiate their own programs. Before starting a local program, it would be beneficial for a municipal officer to check with the state fire marshal's office in case a toll-free number exists within the state.

Once a tipster/hotline program has been established, the development of a catchy slogan helps push the public arson education campaign forward. Slogans such as "Arrest Arson," "Put the Heat on Arson," "Stomp Out the Arson Bug," and "Burn an Arsonist for Cold Cash" provide a central theme for the public to rally around.

A symbol, to accompany the slogan, further identifies the campaign in the eyes of the public. In Seattle, a rat symbolizes the arsonist in their "Arson Alarm" campaign. An interesting side-note is that a contest was held to name the "arson rat" and the name chosen was "Sinder Sid." After the contest was completed, "Stop Sinder Sid" t-shirts were printed and sold. This contest not only resulted in an identifiable symbol and slogan, but also served as a mechanism to reach a large portion of the juvenile population that was not aware of the arson problem.

FEATURE ARTICLE

There are several methods by which to advertise tipster/hotline programs.

Seattle developed four television spot announcements. One announcement begins with a hand igniting a match, then slowly moving toward a pile of combustibles. As the match reaches the pile of combustibles, the wrist is handcuffed. The accompanying message is "Arrest Arson. If you have information about a fire, be a hero and call this number."

Other methods of advertisement are equally as effective. These include: billboards placed throughout the city, signs mounted on the inside and rear of public buses, bumper stickers, and newspaper and magazine ads. These ads usually contain the campaign slogan, symbol, reward amount, and tipster/hotline telephone number. The investigators in one city hand out calling cards to spectators at a fire scene where arson is suspected, post a sign on the burned building announcing a reward for information and distribute a flyer to residents within a six block radius of the fire which describes how to contact the fire department if they have leads which will help solve the crime.

Summary

A public arson education campaign involves informing the public

of the seriousness of the crime and soliciting their involvement.

Methods of educating the public which have proven to be successful include:

- News conferences held by a recognized city leader
- The issuing of press releases
- Newspaper articles and continued coverage
- Arson specials on T.V.
- Lectures to civic, school, and community groups

To involve the public, a tipster/hotline program with a reward fund is most commonly used. The program and identifiable slogan and symbol are advertised through:

- T.V. and radio public service announcements
- Billboards
- Public transportation signs
- Bumper stickers
- Newspaper and magazine ads
- Reward signs at suspected arson sites
- Flyers

If you would like a list where public arson education campaigns are being conducted, with contact names and addresses, please write:

Dr. Herman Weisman
Arson Resource Center
United States Fire Administration
Federal Emergency Management
Agency
Washington, D.C. 20472

KNOWN INCENDIARY STRUCTURE FIRES

August 1 - November 13, 1979

ADDRESS	DATE	STRUCTURE TYPE	DAMAGE ESTIMATE	MOTIVE	RESPONSIBLE PERSON(S)
1213 E. 8th	8/11/79	S&S Apt.	800	UNK	UNK
1250 E. 8th	8/14/79	S&S Apt.	26,000	UNK	UNK
7001 Jewel Lake Rd.	8/15/79	Ulmer Rexall	550,000	UNK	UNK
206 B McCarey	8/5/79	Condominium	300	UNK	UNK
237 Friendly Place	8/22/79	Dwelling	200	UNK	UNK
3800 Lois Dr.	8/26/79	Aloha Massage	50	Dissatisfied Customer or Competition	Adult
Carrs Shopping Center, E.R.	8/11/79	Restaurant	300	UNK	UNK
3500 Mt.View Dr., Sp. 18	8/24/79	Mobilehome	4,000	UNK	UNK
160 N. Klevin, Sp. 18	9/8/79	Mobilehome	10,000	UNK	UNK
Kit Kat Club	9/2/79	Bar	-0-	Alcohol Related	Adult
2833 E. 72nd Ave.	9/17/79	Storage Shed	3,000	UNK	UNK
7508 Arctic Blvd.	9/26/79	Dwelling	30,000	UNK	UNK
13031 Bates Circle	9/19/79	Dwelling	100	UNK	UNK
741 E. Tudor	10/1/79	Restaurant/ Disco	5,000	UNK	UNK
4330 Northwood	10/3/79	Dwelling (6-Plex)	200	Cover for Child Stealing	Adult
5001 Eagle	10/6/79	Offices	50,000	UNK	UNK
741 E. Tudor	10/15/79	Restaurant/ Disco	3,500,000	UNK	UNK
6941 Weimer, Apt. 4	10/12/79	Dwelling(6-Plex)	30,000	UNK	UNK
125 N. Bliss	10/24/79	Dwelling	5,000	Mental/Alcohol	Adult
4231 Laural St.	10/27/79	Apartment	50	UNK	UNK
140 E. 4th	11/4/79	Bar (Moby Dick)	225,000	UNK	UNK
945 Juneau	11/4/79	Duplex	1,000	UNK	UNK
945 E. 11th	11/4/79	Apartment	500	UNK	UNK
945 E. 11th	11/4/79	Apartment	1,000	UNK	UNK
		TOTAL	4,442,500		

*Kit Kat Club 9/3/79 Bar 125,000 UNK UNK

*Cause of this fire is Undetermined.

STATE OF ALASKA
Inter-Department Route Slip

TO:
MAIL STATION NUMBER _____

DEPARTMENT Judiciary

ATTENTION B. Ziegler

- | | |
|--|--|
| <input type="checkbox"/> Approval | <input type="checkbox"/> Note & Return |
| <input type="checkbox"/> Signature | <input type="checkbox"/> Initial & Return |
| <input type="checkbox"/> Comment | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information |

Remarks:

Room 107 - Capitol

FROM:
MAIL STATION NUMBER 1200

DEPARTMENT Public Safety

BY _____ DATE 5-21-80

BILL ANALYSIS

ASSIGNMENT DATE 5-16-80

UNASSIGNED _____

DEPARTMENT Public Safety	SPONSOR (PRINCIPAL) Original Sponsor: Bradley by Request Judiciary Committee	BILL NO. HCS for CS SB 303
DEPARTMENT POSITION Support		
DIVISION DIRECTOR <i>Ronald A. Hendrie</i> Ronald A. Hendrie	DATE 5-20-80	COMMISSIONER <i>William R. Nix</i> William R. Nix
DATE 5/20/80		
GOVERNOR'S OFFICE USE		
<input type="checkbox"/> POSITION NOTED <input type="checkbox"/> POSITION APPROVED <input type="checkbox"/> POSITION DISAPPROVED		
BY: _____ DATE: _____		
SUMMARY		
(1) RELATED BILLS (SIMILAR OR CONFLICTING) (1) None - To our knowledge (2) OTHER AGENCIES AFFECTED BY BILL (2) Department of Law		
(2) a. ORGANIZATIONAL SUPPORT FOR BILL Alaska State Firefighters Association Alaska Fire Chiefs Association Insurance Industry		(2) b. ORGANIZATIONAL OPPOSITION TO BILL None - To our knowledge
(3) PROGRAM EFFECTS OF BILL		
Will enhance the investigative process by improving the mechanism for the exchange of necessary and vital information.		
(4) FISCAL IMPACT: <input checked="" type="checkbox"/> NONE <input type="checkbox"/> FISCAL ANALYSIS ATTACHED		
(5) AMENDMENTS PROPOSED:		
None		

(6) COMMENTS:

Same general comments as stated for the original bill. Refer to our analysis of SB 303 dated 1-22-80.

The language in CS for SB 303, which was drafted by Barry Stern, Department of Law, is considered far superior to that of the original bill.

HCS for CS SB 303 changes line 3 on p.2 (CS SB 303) deleting the word "agency" and inserting "Department of Law". We have no objection to this change and so testified during the House Judiciary Committee hearing on CS SB 303, 5-12-80.

SB

3088



Alaska State Legislature

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

February 1, 1980

Clem V. Tillion,
President of the Senate
Room 101 Capital Building
Juneau, Alaska

Re: SB 293.

Dear Mr. President:

When the Senate Judiciary Committee considered the captioned bill at its regularly scheduled hearing on January 29, 1980, Donald P. Koch of the Division of Insurance testified before us, advising us that the Division was not opposed to the legislation.

However, Mr. Koch stated that there had been an occasion when a life insurance company, notwithstanding the double indemnity provision for accidental death contained in its policy, had paid the beneficiary only the face amount of the policy.

It is the intent of the Senate Judiciary Committee that a presumptive death certificate shall have the same force and effect as a regularly issued death certificate insofar as ascertaining the amount of insurance proceeds payable is concerned.

Respectfully submitted,



SENATOR ZIEGLER, CHAIRMAN

SENATOR MELAND, MEMBER

SENATOR BENNETT, MEMBER

SENATOR DANKWORTH, MEMBER

SENATOR RAY, MEMBER

DARRY DONNELLAN
Attorney at Law

P.O. Box 73795 • Fairbanks • Alaska • 99707 • (907) 456-2309

February 8, 1980

The Honorable Robert H. Ziegler, Sr.
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: Senate Bills 340 and 355

Dear Senator Ziegler:

This office represents many mining claim holders throughout most of Alaska. This affords me an excellent opportunity to gauge the mood of a large segment of our population.

I can assure you, Senator Ziegler, that the question of regulations is foremost in the minds of my clients. A major flaw in our system of government is the fact that the regulations are promulgated by bureaucrats insensitive to and immune from the will of the electorate.

It is my impression that if the power to promulgate regulations is not rescinded and vested in those responsive to the will of the electorate, it is only a matter of time until the people of Alaska will take the law into their own hands. With a view to averting such a catastrophe, it is hereby suggested that you utilize the full power of your office to expedite passage of Senate Bills 340 and 355.

Many thanks for your attention to this very important matter.

Sincerely yours,



Barry Donnellan

Copy: Senators Fahrenkamp and Sumner

(b) Only this section and § 180 of this chapter apply to

(1) a regulation which prescribes the organization or procedure of an agency, or

(2) Repealed by § 4 ch 45 SLA 1969. (§ 2(1) art IV (ch 1) ch 143 SLA 1959; am § 17 ch 143 SLA 1968; am § 8 ch 40 SLA 1969; am § 4 ch 45 SLA 1969)

Legislative committee report. — For report on ch. 45, SLA 1969 (HB 20 am S), see 1969 House Journal, p. 414.

Am. Jur. reference. — 42 Am. Jur., Public Administrative Law, §§ 26, 27.

Article 5. Judicial Review.

Section

300. Court review

Sec. 44.62.300. Court review. An interested person may get a judicial declaration on the validity of a regulation by bringing an action for declaratory relief in the superior court. In addition to any other ground the court may declare the regulation invalid (1) for a substantial failure to comply with §§ 10 — 320 of this chapter, or (2) in the case of an emergency regulation or order of repeal, upon the ground that the facts recited in the statement do not constitute an emergency under § 250 of this chapter. (§ 1 art V (ch 1) ch 143 SLA 1959)

Judicial review from nonadjudicatory legislative action is provided in the Administrative Procedure Act under this section, which section specifically provides for declaratory relief, but not for a statute of limitations on actions. *Moore v. State*, Sup. Ct. Op. No. 1284 (File Nos. 2551, 2587), 553 P.2d 8 (1976).

In the past the supreme court has departed from a restrictive interpretation of the standing requirement. *Coghill v. Boucher*, Sup. Ct. Op. No. 900 (File No. 1798), 511 P.2d 1297 (1973).

Standing may be allowed one without direct interest in outcome. — The need for review in certain cases may make it desirable to allow standing to one whose primary interest is not in the direct outcome of the administrative action, but in its competitive effect on his economic interest. *Coghill v. Boucher*, Sup. Ct. Op. No. 900 (File No. 1798), 511 P.2d 1297 (1973).

Registered voters held "interested persons" to challenge election regulations. — Residents and registered voters held to possess standing as "interested persons" under the Administrative Procedure Act (AS 44.62) to challenge the regulations promulgated by the lieutenant governor under AS

15.15.330, dealing with early counting of election votes. *Coghill v. Boucher*, Sup. Ct. Op. No. 900 (File No. 1798), 511 P.2d 1297 (1973).

Denial of standing to registered voters would have the effect of unduly limiting the possibility of a popular check upon executive control of the election process. *Coghill v. Boucher*, Sup. Ct. Op. No. 900 (File No. 1798), 511 P.2d 1297 (1973).

The distinction between legislative and interpretative rule making is a helpful one when reviewing regulations adopted by state administrative agencies. *Kelly v. Zamarello*, Sup. Ct. Op. No. 705 (File Nos. 1255, 1256), 486 P.2d 906 (1971).

The difference in judicial attitude toward certain administrative rules has been characterized as a distinction between "legislative regulations" and "interpretative regulations." "Legislative rule" has been defined as "the product of an exercise of legislative power by an administrative agency, pursuant to a grant of legislative power, the legislative body." "Interpretative rules" are rules which do not rest upon a legislative grant of power (whether explicit or implicit) to the agency to make law. The distinction is not always easy to draw, since interpretative

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Two distinct types of administrative decisions, etc.

The supreme court has distinguished between two types of questions which may confront a court in judicial review of administrative action. Where the agency decision involves the formulation of fundamental policy or the particularized expertise and experience of administrative personnel, the court will defer to the administrative decision, inquiring only whether it has a reasonable basis. On the other hand, where the issues to be resolved turn on statutory interpretation, the knowledge and expertise of the agency is not conclusive of the intent of the legislature in passing a statute. Statutory interpretation is within the scope of the court's special competency, and it is the court's duty to consider the statute independently. *Hood v. State*, Sup. Ct. Op. No. 1559 (File No. 3289), 574 P.2d 811 (1978).

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(a) The legislature, by a concurrent resolution adopted by a vote of both houses, may annul a regulation of an agency or department.

(b) At the same time a regulation is filed by the lieutenant governor, the lieutenant governor shall submit the regulation to the chairman of the Administrative Regulation Review Committee for review under AS 24.20.400 — 24.20.460. (§ 1 art VII (ch 1) ch 143 SLA 1959; am § 3 ch 149 SLA 1962; am § 2 ch 72 SLA 1963; am § 2 ch 27 SLA 1975; am § 5 ch 64 SLA 1978)

- (b) Only this section and § 180 of this chapter apply to
- (1) a regulation which prescribes the organization or procedure of an agency, or
 - (2) Repealed by § 4 ch 45 SLA 1969. (§ 2(1) art IV (ch 1) ch 143 SLA 1959; am § 17 ch 143 SLA 1968; am § 8 ch 40 SLA 1969; am § 4 ch 45 SLA 1969)

Legislative committee report. — For report on ch. 45, SLA 1969 (HB 20 am S), see 1969 House Journal, p. 414.

Am. Jur. reference. — 42 Am. Jur., Public Administrative Law, §§ 26, 27.

Article 5. Judicial Review.

Section

300. Court review

Sec. 44.62.300. Court review. An interested person may get a judicial declaration on the validity of a regulation by bringing an action for declaratory relief in the superior court. In addition to any other ground the court may declare the regulation invalid (1) for a substantial failure to comply with §§ 10 — 320 of this chapter, or (2) in the case of an emergency regulation, or order of repeal, upon the ground that the facts recited in the statement do not constitute an emergency under § 250 of this chapter. (§ 1 art V (ch 1) ch 143 SLA 1959)

Judicial review from nonadjudicatory legislative action is provided in the Administrative Procedure Act under this section, which section specifically provides for declaratory relief, but not for a statute of limitations on actions. *Moore v. State*, Sup. Ct. Op. No. 1284 (File Nos. 2551, 2587), 553 P.2d 8 (1976).

In the past the supreme court has departed from a restrictive interpretation of the standing requirement. *Coghill v. Boucher*, Sup. Ct. Op. No. 900 (File No. 1798), 511 P.2d 1297 (1973).

Standing may be allowed one without direct interest in outcome. — The need for review in certain cases may make it desirable to allow standing to one whose primary interest is not in the direct outcome of the administrative action, but in its competitive effect on his economic interest. *Coghill v. Boucher*, Sup. Ct. Op. No. 900 (File No. 1798), 511 P.2d 1297 (1973).

Registered voters held "interested persons" to challenge election regulations. — Residents and registered voters held to possess standing as "interested persons" under the Administrative Procedure Act (AS 44.62) to challenge the regulations promulgated by the lieutenant governor under AS

15.15.330, dealing with early counting of election votes. *Coghill v. Boucher*, Sup. Ct. Op. No. 900 (File No. 1798), 511 P.2d 1297 (1973).

Denial of standing to registered voters would have the effect of unduly limiting the possibility of a popular check upon executive control of the election process. *Coghill v. Boucher*, Sup. Ct. Op. No. 900 (File No. 1798), 511 P.2d 1297 (1973).

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February 14, 1980

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SENATE JUDICIARY COMMITTEE

The Senate Judiciary Committee, in reporting out SB 308, "Relating to the Validity of Regulations", feels that various state agencies and departments from time to time promulgate regulations which are totally out of line and beyond the pale of reason.

The bureaucrats of the state are running roughshod over the people and do not seem to understand the ever-increasing public resentment for which the regulations are directly responsible. The public is sick unto death of the amount of unprovoked good that is being done for them.

It is the unanimous opinion of the committee that by compelling the state to uphold the validity of regulations when they are challenged that, although it may be true that the agencies and departments involved may become swamped with litigation and challenges, much better the onus on their backs to justify the validity of regulations than on the backs of the 400,000 some-odd citizens of the state to have the regulations adjudicated invalid.

Strong letter follows!

Respectfully submitted,



Senator Ziegler, Chairman



Senator Meland, Member



Senator Ray, Member



Senator Dankworth, Member



Senator Bennett, Member



Official Business

Alaska State Legislature

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99811

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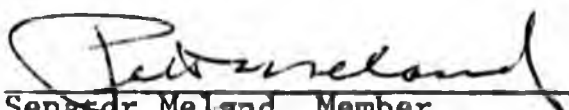
Senator Ziegler, Chairman



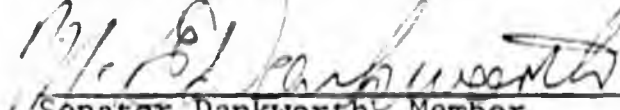
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STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

SB 308
JAY S. HAMMOND, GOVERNOR

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

February 26, 1980

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature

The Honorable Samuel Cotten
Chairman
Rules Committee
House of Representatives

The Honorable Charles Parr
Chairman
Judiciary Committee
House of Representatives

The Honorable Mike Miller
Chairman
State Affairs Committee
House of Representatives

Re: SB 308 (burden of proving
validity of regulations)

Gentlemen:

This bill passed the Senate by a substantial vote. (1980 S.J., p. 359) If enacted into law, it will create extremely serious problems. A floor amendment which would have alleviated some of those problems was offered yesterday and then withdrawn. I am writing in the hope that you will consider these problems before any definitive House action on the subject. I understand that the Senate recognizes that there are serious problems in this bill and anticipates substantial amendment in the House.

This bill would require that, when an administrative regulation is challenged under AS 44.62.300, the state bear the burden of "proving" it valid. There are two areas of difficulty: (1) the basic policy the bill reflects, and (2) more-or-less technical, legal difficulties. I am convinced that this bill would be inimical to the interests of the State of Alaska, not just of the executive branch.

The Honorable Terry Gardiner
The Honorable Samuel Cotten
The Honorable Charles Parr
The Honorable Mike Miller

February 26, 1980

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In reversing the presumption of validity of administrative regulations, the bill destroys the presumption heretofore applicable to statutes, regulations, and other governmental actions. Singling out regulations for a presumption of invalidity attacks an essential means of assuring governmental fairness in dealing with all people. Administrative regulations serve two fundamental governmental functions: (1) since statutes must speak in more-or-less general terms, regulations provide the details necessary to deal with the complexities of a highly technical, highly populous twentieth century society; and (2) they establish a standard for people in dealing with their government and with each other, to avoid their being subjected to possible arbitrary, ad hoc decision making by that government.

Numerous statutes expressly require the adoption of administrative regulations, and numerous statutes expressly authorize the adoption of others. In addition, several supreme court decisions have indicated that agency action taken in the absence of administrative regulations is invalid. Even the ombudsman has filed complaints about the absence of regulations. Administrative agencies thus required to adopt regulations would be unable to execute the statutes for which they are responsible if the regulations necessary to implement those statutory functions do not have the benefit of the presumption of validity.

A bill such as this, essentially stating that administrative regulations are presumed invalid, invites challenges. A complaint need not even be well founded in order to force the state through the hoops of "proving" validity. The attendant expense of such a proposal is difficult to predict precisely, but it is evident that it would be substantial. With the great number of challenges certain to be inspired by this bill if it passes, the witness fees, attorney fees, and related litigation costs would require greatly expanded agency budgets. In addition, the already crowded court dockets would become even more unmanageable. Thus the bill would increase the court overload, increase the cost to the state, and provide a windfall to lawyers.

The Honorable Terry Gardiner
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February 26, 1980

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While there is certainly a popular sentiment against government regulation, it appears most logical to deal with regulations in a way that allows one to distinguish between good ones and bad ones. This bill, in a wholesale fashion, would establish a presumption applicable to all regulations -- from fish and game season opening dates to oil and gas lease provisions to rules of the road to public assistance application procedures, etc.

Many people have in mind a favorite example of a regulation that appears unnecessary or unwise, but the literally thousands of regulations which are essential to the functioning of statutorily created programs, and which raise little if any controversy, would be as affected by this bill as the controversial or questionable ones.

It has been said in support of the bill that one of its purposes is to avoid having people "presumed guilty" under some regulation and to enable them to enjoy the traditional presumption of innocence until proven guilty. But most regulations do not deal with a question of guilt or innocence. They establish procedures, set standards, set prerequisites for application for some state benefit, regulate relationships among people, and do many things unrelated to a presumption of guilt or innocence.

Moreover, the bill creates internal conflicts within the Administrative Procedure Act. The presumption of invalidity is established by this bill in AS 44.62.300. But the bill does not amend AS 44.62.100 which embodies a presumption of validity. There is thus a conflict between the bill and the existing statute in that a presumption of validity is not operable if, in fact, the agency has the burden of proving that the plaintiff's alleged facts are untrue or that if true are not sufficient grounds for invalidating the regulation.

In addition, it is not really clear what the bill means by the "burden of proving." The general concept of "burden of proof" has two essential parts: the burden of "going forward" and the burden of "persuasion." In traditional legal concepts, a presumption, such as the presumption of invalidity established by this bill, would operate only on the burden of going forward. But it is not clear whether that is what the bill means.

The Honorable Terry Gardiner
The Honorable Samuel Cotten
The Honorable Charles Parr
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February 26, 1980

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Another point left unclear by the bill is the standard for "proving" the regulation's validity. In reviewing various kinds of administrative actions, the courts have developed four standards. The one applicable to administrative regulations is known as the "reasonable and not arbitrary" test. But that goes to the substance of a regulation rather than to the procedure followed in adopting it. The bill leaves the point untouched.

It has also been asserted in support of this bill that it will make agencies more concerned about citizens' rights. It has been my experience through many years of dealing with state agencies that a concern for citizens and their rights is directly related to the quality of people working for the agency, and would have no relation whatsoever to statutes establishing burden of proof tests in future lawsuits. Of course, the mere fact that an agency reaches a policy decision different from the one some individual citizen or some legislator might make does not mean that the agency is not concerned about citizens' rights or that it is disregarding opinions that were expressed during the regulations-adoption process. Obviously, both houses of the legislature often have quite different opinions of what their respective constituencies require but that does not mean that either house is disregarding the needs of the people.

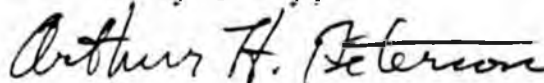
It has been suggested that this bill would provide a means that would be more expeditious and less expensive for individuals to relieve themselves of the requirements of regulations they do not like (whether or not thousands of other people, as well as the agency involved and perhaps a majority of the legislators, think that the regulation is wise and generally beneficial). The other avenues of protest open to an individual are AS 44.62.210's opportunity to comment; AS 44.62.230's procedure for petitioning for the adoption, amendment or repeal of a regulation; AS 44.62.060's legal review by the Department of Law; AS 44.62.300's opportunity for declaratory relief; and, of course, working with the legislature for enactment of a statute that would supersede the regulation. None of these methods is necessarily time-consuming or expensive to the individual, and they have the advantage of not interfering with the regular performance of functions by various administrative agencies. This bill, on the other hand, would be a serious disruption to the very programs mandated by the legislature and would be very expensive to the taxpayers of the state.

The Honorable Terry Gardiner
The Honorable Samuel Cotten
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February 26, 1980
- 5 -

There is certainly a good deal of sentiment today against the multitude of regulations that affect our lives. However, before taking drastic action to respond to that sentiment, it is well to reflect on the fact that most, if not all, of these regulations, have been adopted because the legislature directed the agencies to do so. There are other ways to deal with the problem, and I would be happy to discuss them with you, but this approach would create many more serious problems that it would solve.

Yours very truly,



for Avrum M. Gross
Attorney General

AMG:md

cc: The Honorable Clem V. Tillion
President
Alaska State Senate

The Honorable Robert H. Ziegler, Sr.
Alaska State Senate

The Honorable Glenn Hackney
Alaska State Senate

Keith Specking
Legislative Assistant
Office of the Governor

Don Koch
Division of Insurance
Department of Commerce & Economic
Development

Karen Bernstein
Department of Fish & Game

B

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S

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Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

May 1, 1980

To: Senator Ziegler, Chairman, Senate Judiciary Committee
and all members of the Committee

From: Ginny Chitwood, Executive Director
Alaska Municipal League

Re: SB 309 and CSSB 309

State mandates tend to impose state priorities on local governments. Many mandates require local governments to make organizational changes, provide more services, tell them how to relate to other local governments, or to their own personnel. While they sometimes create a benefit for the local government, more often mandates impose additional costs, especially when they are not accompanied by adequate state financial assistance.

Therefore, the Alaska Municipal League supports SB 309 and CS for SB 309, local government fiscal impact statements. Such statements would estimate the effect on the expenditures or revenues of a local government of implementing or complying with a proposed state regulation. They can provide information for both legislators and local representatives on the effect of state regulation on localities.

The Advisory Commission on Intergovernmental Relations, recognizing some of the difficulties inherent in state mandating of local expenditures, has recommended that states define and catalog state-initiated mandates, and that they provide reimbursement for mandates which require local governments to provide additional services, exempt property from the tax base, or impose unnecessarily costly personnel requirements. In addition, the Commission has recommended that state legislation and proposed administrative regulations contain an explicit "fiscal note" setting out any financial cost impact on local governments.

We urge the Committee to look favorably on this piece of legislation and thank you for your courteous consideration.

We also wish to call to your attention SB 292 am which has passed both houses and is now Chapter 16, SLA 1980. This law calls for fiscal notes on the impact of proposed regulations on the state. You may wish to amend SB 309 or CSSB 309 in order that the provisions of SB 292 am will not be abrogated.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 309

Title An Act requiring the preparation of a local government impact statement.

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		95.5	103.2	111.4	120.3	129.9
200 TRAVEL		2.0	2.2	2.3	2.5	2.7
300 CONTRACTUAL		4.9	5.3	5.7	6.2	6.7
400 COMMODITIES						
500 EQUIPMENT		1.5	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		103.9	110.7	119.4	129.0	139.3

FUNDING (Thousands of Dollars)

GENERAL FUND		103.9	110.7	119.4	129.0	139.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

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

- The personal services cost is based on the addition of three staff members (a Local Government Specialist IV - Range 19, a Local Government Specialist III - Range 17 and a Clerk Typist III - Range 8) to handle the additional work.
- Benefits are included in the personal services cost. These are figured at 28% of salary per year.
- Travel costs are figured at \$2,000 a year. Preparation of the required fiscal notes would require dealing with agencies throughout the state and phone calls would not always be adequate to resolve the issues.
- Contractual costs are to cover long distance telephone tolls and telephone base rate for 3 persons (1.5), typewriter rental (2.7), and rent for an additional 450 sq. ft. of floor space (.7).

- Continued

IV. DATE 3-25-80 PREPARED BY McKie Campbell

AGENCY Community & Regional Affairs

Original: Legislative Finance

PHONE 465-4735

cc: Budget and Management

Prime Sponsor (First Legislator Named)

4/12

5. All the above costs are increased at 8% a year for inflation.
6. The one time equipment cost is for desks, office equipment, etc. for three persons.

SB

310

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

1/14/80

Date: _____

Mr. President:

The Committee on JUDICIARY has had SB 310
exempting interest earned from certain financial institutions from the Alaska
net income tax

under consideration and (a majority of the committee) (the committee)
reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

December 3, 1979


The Honorable Tim Kelly
283 Muldoon Road
Station Box 76
Anchorage, AK 99504

Dear Tim:

I read with interest your letter indicating your intention to introduce legislation relieving banks from taxation on interest. I have asked Bill Green, our Sr. Vice President who also serves on the Governing Council of the American Bankers Association, to develop material to submit to you for your perusal.

Heartiest best wishes for a Happy Holiday Season.

Sincerely,


Frank H. Murkowski
President

FHM:js

cc: Bill Green

THE B.M.



BEHRENS BANK

P. O. BOX 1367 JUNEAU, ALASKA 99802
(907) 586-6800

REMINGTON LOW
PRESIDENT & CHAIRMAN OF THE BOARD

December 6, 1979

Honorable Tim Kelly
State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Senator Kelly:

Thank you for your letter of November 21, 1979 regarding income tax exemption for interest earned in Alaska financial institutions.

I personally believe your proposed bill will be beneficial to the people of Alaska as well as to Alaskan financial institutions.

It gives a needed tax break to all investors, but it especially helps small savers who are not able to buy \$10,000 money market certificates or \$100,000 certificates of deposit. The Congress of the United States has been talking about helping the small savers for a long time, but has never been able to get around to it.

It will also, as you state, encourage capital formation within Alaska which is beneficial to business as well as to the economy of the state in general.

Banks need increased deposits so they will have money to lend to Alaskans. All too often under our present way of handling state money the state's resources go outside the state to the big banks in the lower forty-eight who are able to outbid the much smaller Alaskan banks.

Another thing your bill would accomplish is to make Alaskan financial institutions more competitive with the large insurance companies and brokerage firms who are aggressively selling money market funds, which money then immediately leaves the state.

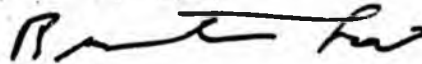
Oldest Bank in Alaska

I discussed your letter with the other directors of the Alaskan Bankers Association at a meeting in Anchorage yesterday, and they were heartily in favor of it.

I would suggest you talk your bill over with Wes Coyner whom I am sure you know to see if he can be of any assistance to you. He represents the A. B. A. in the legislature, and is very knowledgeable about banking matters.

If I can be of any assistance please let me know. I would be happy to meet with you at your convenience.

Sincerely,



Remington Low
President & Chairman
of the Board

RL/jr

NORTHERN SCHOOLS FEDERAL CREDIT UNION

Constitution Hall • University of Alaska Fairbanks, Alaska 99701 • Phone 907/479-4209

TO Senator Tim Kelly
Pouch V
Juneau, Alaska 99811

DATE November 28, 1979

SUBJECT Exempt Interest

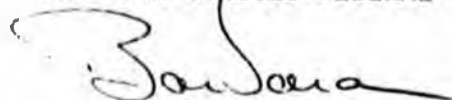
Dear Tim,

Read your letter and the draft of the proposed bill. I heartily agree with the idea. Lets keep Alaska's money in Alaska and with the people. It might also prove an incentive for people to start saving more. A lot of complaints that are heard referes to the fact "why earn interest, the government will just take it away".

Keep up the good work and keep us informed.

Thank you.

NORTHERN SCHOOLS FEDERAL CREDIT UNION



Barbara B. Brallier, General Manager



Alaska Pacific Bank

December 4, 1979

The Honorable Tim Kelly
Alaska State Senate
283 Muldoon Road
Station Box 76
Anchorage, Alaska 99504

Dear Tim:

Your proposed legislation exempting interest earned in Alaska financial institutions from taxation is great!

In addition to encouraging greater savings on the part of Alaskans by generating a higher return for them, this will also have the effect of stemming the outflow of money. Rates on certificates of deposit of over \$100,000 are negotiable. Because of the rather unusual money market conditions, Alaska banks have presently been unable to compete with banks in the "lower 48" which are paying extremely high rates. As a result there has been somewhat of an outflow of funds from Alaska. If interest on Alaska CD's were exempt from state taxation, the effective yield on Alaska CD's would be considerably higher and the outward flow of funds would cease.

If there is any way in which I can assist you further on this matter, I would be most pleased to do so.

Cordially,

Robert R. Richards
President

RRR/ph



**FEDALASKA
FEDERAL
CREDIT
UNION**

December 6, 1979

The Honorable Tim Kelly
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Kelly:

Thank you for your correspondence of November 23 with the outline of your proposed legislation exempting interest earned in Alaska financial institutions.

We in FedAlaska would be interested in and give very heavy support of legislation as you have outlined.

Savings in financial institutions is the primary source of capital for mortgage loans and consumer lending and we feel this would be one of the best things that could be done for future development in the State of Alaska.

Sincerely,

W. E. Samples
General Manager

WES/sps

ANCHORAGE

Pouch 7-505
Anchorage, Alaska 99510

W.E. SAMPLES
General Manager

R.N. RICHARDSON
Manager

MARSHALL ELLISON
Assistant Manager

(907) 276-1011

FAIRBANKS

Box 670
Fairbanks, Alaska 99707

P.J. SCHULER Manager
(907) 466-2362

KODIAK

P.O. Box 109
Kodiak, Alaska 99815

J.T. JOHNSON Manager
(907) 487-5340

JUNEAU

Box 1307
Juneau, Alaska 99802

R.W. COOPER Manager
(907) 789-2128