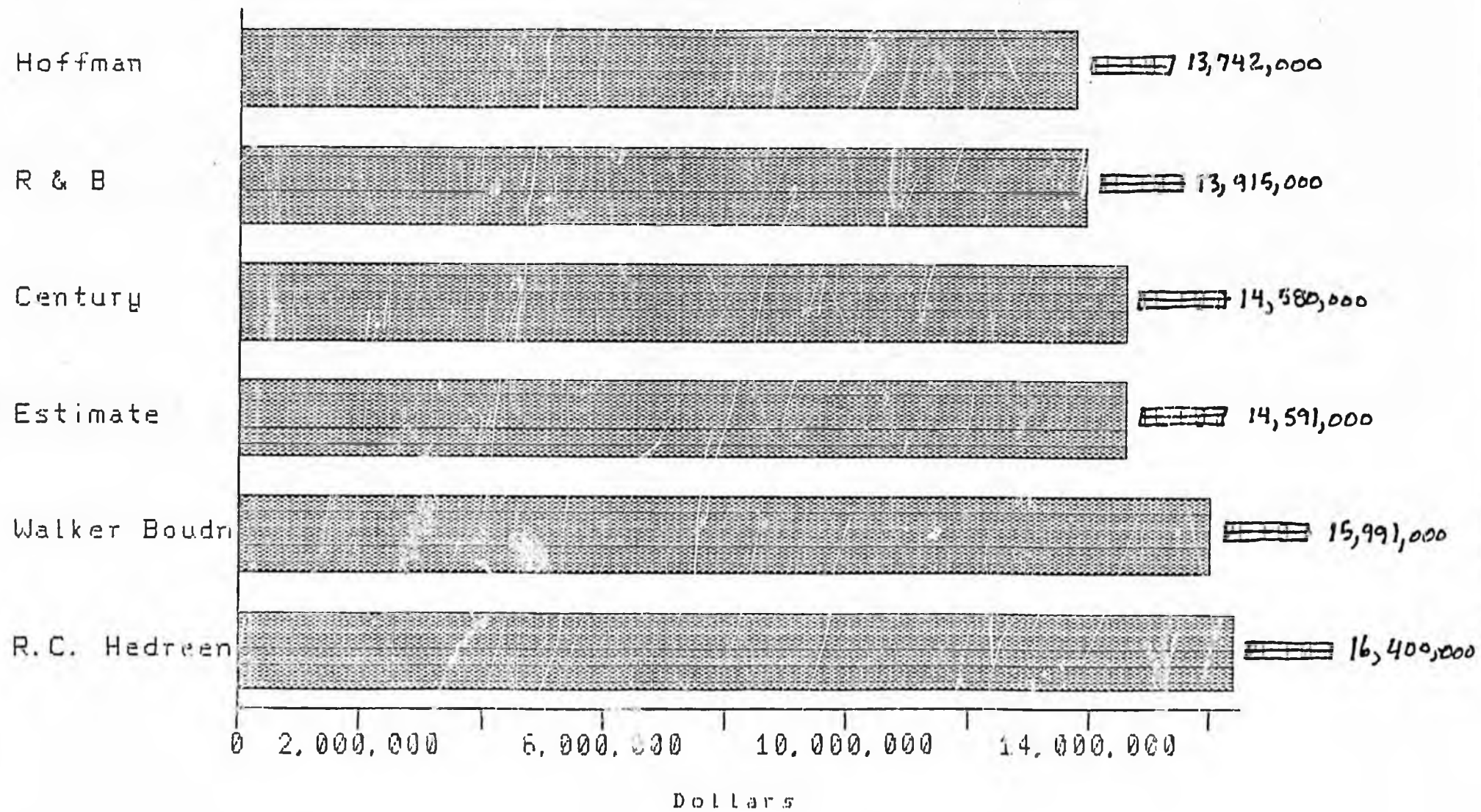


ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 00/2

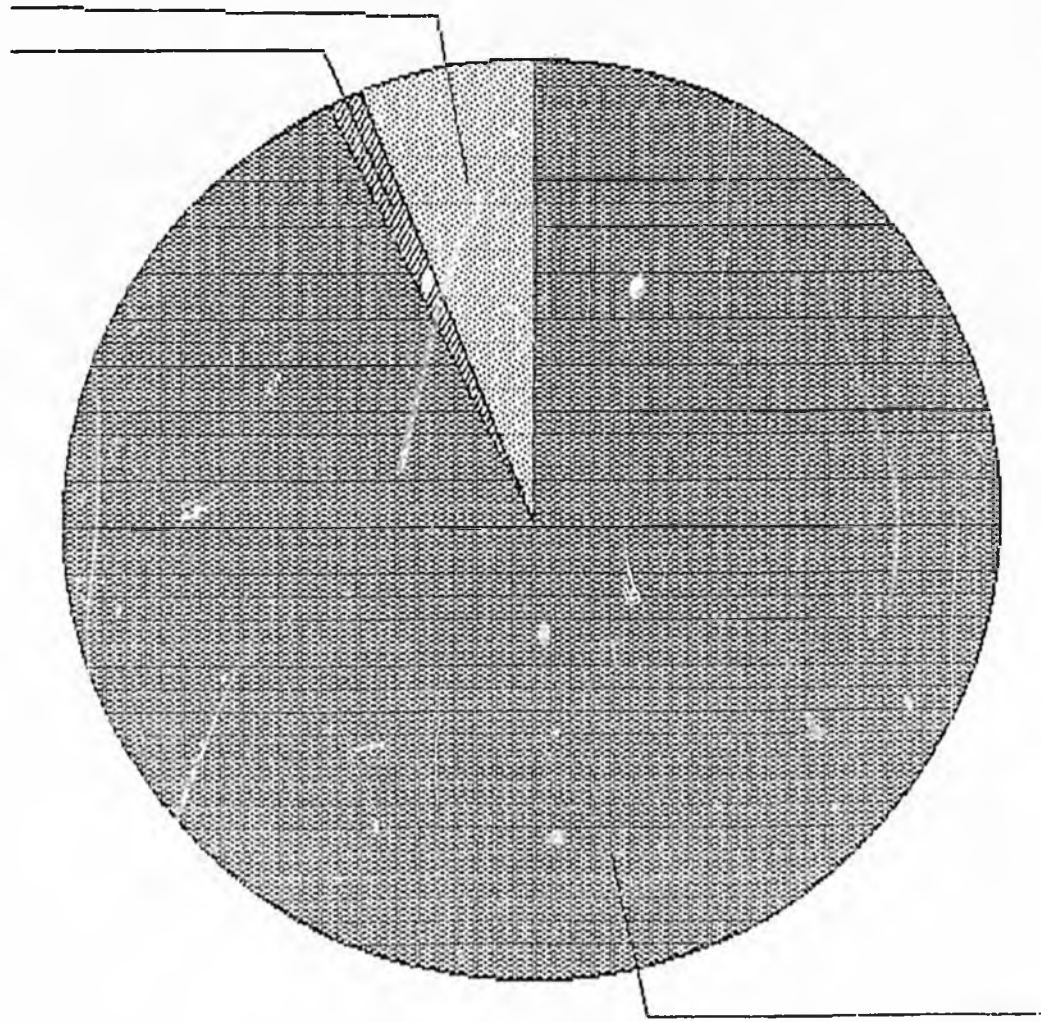
1754 HLC 3/31/82 APA RISK MANAGEMENT - 4/6/82 SB 746

Eagle River Chugiak Jr. High



Eagle River Chugiak Jr. High

6% Insurance
1% R & B



Hoffman

4-1-82

HB 722

H/B 757

HB 806

HOUSE LABOR & COMMERCE
STANDING COMMITTEE
April 1, 1982
1:11 p.m.

Members Present: Rep. Martin, Chairman
Rep. Bylsma, Vice Chairman
Rep. Rogers
Rep. Randolph

Members Absent: Rep. Gardiner

COMMITTEE CALENDAR

HB 722 An Act relating to landlord remedies.

HB 757 An Act relating to unemployment insurance;
and providing for an effective date.

HB 806 An Act relating to hazardous or toxic
substances.

WITNESS REGISTER

Representative Metcalfe
prime sponsor of HB 722
Alaska State Legislature
Pouch V
Juneau, Alaska 99811
465-4947

Position Statement: Supported passage of CSHB 722; reviewed
intent of bill.

Judy Knight
Department of Labor
Box 1149
Juneau, Alaska 99811
465-2700

Position Statement: Concurred with draft committee substitute
for HB 806, and presented Department's
position regarding HB 757.

Glenn Akins, Deputy Commissioner
Department of Environmental Conservation
Pouch O
Juneau, Alaska 99811
465-2600

Position Statement: Department fully endorsed CSHB 806 (L&C).

Art Zillig
Department of Labor
Box 3-7000

Juneau, Alaska 99811
465-2712

Position Statement: Assisted in presenting testimony and
answering questions about HB 757.

Garth Patterson
Department of Health & Social Services
423 Third Street
Juneau, Alaska 99811
465-3360

Position Statement: Requested changes to HB 757.

Gary Jenkins
National Federation of Independent Business
Box 194
Auke Bay, Alaska
586-4100

Position Statement: Felt HB 757 would add to costs of small
businessmen.

PREVIOUS ACTION

HB 722

See minutes of 3/1/82.

Statutory Reference: AS 34.03

Action Taken: Committee substitute adopted.
Bill reported out of committee.

HB 757

See minutes of 3/16/82 and 3/24/82.

Statutory Reference: AS 23.20

Action Taken: Bill was amended and
committee substitute adopted. Rep. Rogers
requested that bill come back before
committee, with amendments, before reporting
out of committee.

HB 806

See minutes of 3/17/82.

Statutory Reference: AS 18.60

Action Taken: Bill was amended; committee
substitute was adopted; bill was reported
out of committee.

ACTION NARRATIVE

Tape #51
Recording
Number 000

The meeting was called to order by Chairman

Martin at 1:11 p.m. Members present were: Representatives Bylsma, Martin, Randolph, and Rogers. Rep. Gardiner was absent. The first bill considered by the committee was HB 722.

Number 005

Rep. Metcalfe, prime sponsor of HB 722, reviewed the Labor & Commerce committee substitute. He said it was an excellent job of redrafting, and that the bill was watered down sufficiently to get past the House. As explanation of the intent of the bill, he said that if a tenant becomes rowdy or noisy or begins vandalizing property, or creates other circumstances which place an unreasonable burden on a landlord, under current law this can continue for an unreasonable amount of time. He illustrated a situation and explained how it could affect a landlord. Rep. Metcalfe said the bill solves this problem, and does not infringe on the landlord/tenant act. He said it applies only to an unreasonable tenant. He said the tenant has the ability to seek remedy, but the bill changes the burden of who is required to go to court to seek remedy.

Number 051

Rep. Rogers asked what the existing law is for a tenant who refuses to pay rent. Rep. Metcalfe says a landlord can give ten-day notice; then can go to small claims court; and can then seek eviction of the tenant. He said the total process takes upward of a month.

Number 068

Rep. Rogers described the process for resolving a willful damages dispute. He wondered how damages are ascertained. There was discussion of the process.

Number 095

Rep. Bylsma moved to adopt CS HB 722 (L&C). There being no objection, the motion passed.

Number 098

Rep. Bylsma moved to report CS HB 722 (L&C) out of committee. Rep. Rogers objected. On the question: for--Martin, Bylsma. Opposed--Rogers. Motion passed.

Number 106

HB 806 was brought before the committee. Jeff Barry, committee aide, presented an overview of HB 806 and the proposed committee substitute. He said that, in the previous hearing, valid points were raised

by industry, the Department of Labor, and the Department of Health & Social Services. He said the committee substitute addresses those concerns. Barry went over each change to the original bill.

Number 195

Rep. Rogers moved two amendments to the bill, the first to section 1, exempting certain products; the second making the effective date 1/1/83, to give the department time to prepare for implementation, and to reduce the fiscal note. The first amendment passed without objection. Rep. Rogers moved the second amendment, which also passed without objection.

Number 235

Judy Knight, Department of Labor, said she reviewed the draft committee substitute, and concurred with the changes. She said the fiscal note would need to be revised to reflect the changes. She said the amendments should cut the cost in half. Knight said it puts the burden on the department to identify substances and stay current. She felt the delayed effective date was good, as the department would need to recruit an industrial hygienist.

Number 266

Rep. Rogers commented on the fiscal note. He said that the Municipality of Anchorage Health Commission had endorsed the bill.

Number 275

Glenn Akins, Deputy Commissioner of the Department of Environmental Conservation, said that Commissioner Mueller had reservations about the interpretation of toxic and hazardous substances, but the committee substitute addressed this concern. He said the Department fully endorses the bill.

Number 286

Rep. Rogers moved to report CSHB 806 (L&C) out of committee, as amended. There being no objection, the motion passed.

Number 293

The committee then took up HB 757.

Number 310

Judy Knight and Art Zillig, from the Department of Labor, came before the committee to testify. Knight said they had drafted language to address their concerns. She said it would be significantly more expensive than anticipated. She said that

if the recommendation was implemented, she would recommend that Section 353 on the last page of the draft be incorporated into the bill, and then another bill should be drafted making an appropriation. She said approximately 1,047 claimants would be affected by the bill. She passed out a sheet showing characteristics of claimants: percentage and location by area, sex, age, and industry breakdown (1981).

Number 359

Rep. Rogers asked the additional cost to the state of raising the top end of the schedule on pages 5-7 from \$150 to \$156. Zillig said it would cost about \$3.4-million (trust funds). Rep. Rogers pointed out that the percentages are higher in the bush than in the cities. He said a large percent of claimants are low income. By adding \$3.4-million at the high end of the scale, and saving \$1.1-million by cutting off people at the low end, he said we are wiping out the low income bush worker for the benefit of the high income worker, and large percentage of whom are from out of state. He asked the department to find a cutoff figure on the top end which would enable the low end to stay in place without affecting general fund money. ..

Number 415

Zillig said they follow the principle that it is an insurance program based on length of time worked and earnings. He said deviating from this becomes a welfare program, not insurance. He said the question is what direction does the legislature want to go--insurance or social welfare. Rep. Rogers said social welfare has nothing to do with this. He said the federal law has nothing to do with actuarial or social effects of the program. He was concerned with the status quo. He said if the federal government had not made changes, then the federal government and the state government would each pick up half the cost of extended benefits. He said that, as the federal government will no longer do this, these people are cut out. He said the state determines the high end of the scale. Rep. Rogers said it is his opinion that adoption of supplemental state benefits would allow the bush low income people collecting \$34-60 a week to remain whole. He felt, so as not to impact the general fund, that the top end

should be lowered.

Number 491

Knight said they could pay half the cost of benefits from the trust fund. She said the section eliminating those funds is a conformity issue, and that the state could not pay from the trust fund and stay in conformity with federal law. She was concerned that the federal government would declare the state out of conformity, which would penalize employees.

Number 525

Rep. Rogers asked which was more likely to cause problems with the federal government: the bill dying, or the bill passing with the new section. Zillig said he asked the federal government's opinion on trust funds. He said there was a possibility, if these are identified as supplemental benefits, that they could be paid out of trust funds. He said if the bill is not passed, they will be out of conformity. Rep. Martin asked when the bill is needed. Zillig said by September 26. Rep. Rogers pointed out that the bill needs to be in Rules Committee by Monday to pass this year. There was discussion of how to change the bill.

Number 682

Garth Patterson, Department of Health & Social Services, said, regarding Section 1, paragraphs (f) and (g), that the Department is facing a \$1.2-million sanction due to the high error rate for a six month period. He said further sanctions could be avoided with the U.S. Department of Agriculture plan. He said two-thirds of the errors are due to clients' failure to report or to report correctly. He said clients have been signing a release of information since April of 1980 to food stamps and the Child Support Enforcement Agency. He requested changes to the bill. Rep. Rogers asked the outcome if this were not passed. Rep. Martin had questions. There was discussion.

Side B, Number 015

Gary Jenkins, National Federation of Independent Business, said the changes in the bill will be borne by the employers. He said a Department of Labor analysis anticipates a 4-5% increase to the employers. He said the wage base also went up, for another 5-6% increase. He said small businesses are struggling, and the bill will add to their cost factors.

- Number 039 Rep. Rogers felt unemployment insurance was not a high cost to any business. He thought raising the top end caused most of the additional costs. Knight interjected that most of the costs came from adding weeks. Rep. Rogers said that, in the past, the longer unemployment is held down, the larger the jump is when it is increased. Jenkins said he basically agreed, but objected to another cost to small businesses. Knight spoke about costs to employers. There was discussions.
- Number 100 Rep. Rogers moved, page 1, line 18, after the word "wage", to insert "and employer". Motion passed without objection.
- Number 105 Rep. Rogers moved, page 4, lines 11-12, to delete "and other interested parties...of the department", and to insert "and all of the claimant's employers." There was discussion. He changed the motion to delete the underlined language on lines 11-13. Rep. Bylsma objected. There was discussion. Rep. Rogers changed the motion to: delete the underlined language on lines 11 and 12, and to insert, on line 13, after the word "parties", the language, "as defined by regulation of the Department". Motion passed without objection.
- Number 230 There was discussion of the proposed changes beginning on page 4, to sections 7 and 8, and the reasons for those changes. Zillig presented figures and explained them. There was discussion of the benefits schedule. Rep. Rogers asked which was a higher priority to the Unemployment Insurance Committee (composed of labor and management representatives): more weeks or a higher scale. Zillig said that no preference was expressed that he recalled. He thought probably the change to 18 weeks rather than 16 weeks was more important. There was discussion of alternate ways to address unemployment insurance claims.
- Number 435 Rep. Rogers moved, page 7, to delete lines 5-9, and on line 4, to delete the figure, "16,200". Motion passed without objection. (This motion made \$16,000 the top end of the scale being amended.)
- Number 442 Rep. Martin moved to delete Section 8; Rep.

Rogers objected. There was discussion of earnings ratio. On the question: for--Bylsma, Martin; opposed--Rogers. Motion passed.

Number 585

Rep. Rogers moved to put Section 8 back, change the number of weeks, and add a new earnings ratio of 3.5 at 26 weeks. Rep. Martin objected. On the question: for--Roger; opposed--Bylsma, Martin. Motion failed.

Number 620

Rep. Rogers moved to add a new Section 8, which was the amendment proposed by the Department of Labor entitled "Sec. 353. SUPPLEMENTAL STATE BENEFITS.", and to delete subsection (c) of that amendment. There was discussion. Motion passed without objection.

Number 714

Rep. Rogers moved to delete Section 14 on page 10. There was discussion. Rep. Rogers withdrew the motion.

Tape 52, Number 043

Rep. Rogers moved to delete Section 17. There was objection. Motion failed.

Number 047

Rep. Martin moved, on page 13, line 8, to change subsection (j) to subsection (l). (This was a housekeeping change suggested by the Department of Labor.) Motion passed without objection.

Rep. Martin moved to change, on line 12, page 13, the word "excluding" to "including". Rep. Rogers objected. On the question: for--Bylsma, Martin; opposed--Rogers. Motion passed.

Number 070

Rep. Rogers moved, page 16, line 27, to insert between the words "work," and "self employment", the word "or"; and to delete the comma after "self-employment", and to delete the words "labor or public service". Motion passed unanimously.

Number 084

Rep. Rogers moved, page 17, line 26, to delete the letter "s" on the word "Sections"; to delete "and 8"; and to change the word "apply" to "applies"; and on line 28, to delete the reference to Section 8; and on page 18, to insert "8, and" so that reference would read, "Sections 8, and 17 -- 25". Motion passed without objection.

Number 114

Rep. Rogers requested that a draft committee substitute be prepared and submitted to the committee.

Number 122

There being no further business to come before the committee, the meeting was adjourned at 2:52 p.m.

Absent:
Gardiner
Randolph

4/1/82

H. Labor & Commerce

Tape # 51

HB 722

HB 757

HB 806

1: 11

000
HB 722
005

Call to order

Metcalf, prime sponsor - read CS; excellent job of redrafting.
Watered it down sufficiently to get it past House.

In event tenant becomes rowdy or noisy or began
vandalizing property, or other circum of unreasonable
burden on landlord, under current law can continue
for unreasonable amt of time. Illustrated with a how
it affects landlord. Bill solves problem & doesn't
infringe on landlord/tenant act. Applies only to
unreasonable tenant. Tenant has ability to seek
remedy; bill just changes burden of who is req'd to
go to ct to seek remedy.

051 Rogers asked existing law if tenant ~~ref~~ refuses to pay rent.
Metcalf says can give 10-day notice; can then go to
small claims ct; then can seek eviction. Total
process takes upward of a month.

Rogers Clarified.

068 Rogers asked ~~about~~ ^{described process for} willful damage -- ~~give 24 hr eviction notice~~.
~~If tenant refuses~~ Wondered how damages are
ascertained. Discussion of process.

095 Bylsma moved to adopt CS HB 722. No obj, mo passed.

098 " " ^{report} bill; Rogers objected. Astn: for-Martin, Bylsma,
Opp d-Rogers. Passed.

HB 806
106

Jeff Barry - overview of HB 806 & CS.

in previous hrg, valid pts raised by industry, D. Labor,
& D.H.SS. CS addresses those concerns.

1st part allows dept to adopt regs defining hazardous &
toxic substances & excluding substances that don't
pose health risk.

P. 2, ~~Sec~~ l. 17 - changed wording to "wholesaler"
l. 12

P. 3, re info to employees - will be provided to new empes &
on request to other empes, rather than providing info
yrlly.

P. 4 - new sec (d) under reports to be filed w/department.
- other chng gives dept auth to adopt regs defining
hazardous & toxic substances.

195 Rogers ~~and he has~~ ^{moved} two amdmts; first to sec 1, exempting
certain products (fm Calif. law)
2d amt ED 1/1/83 to give dept time to prepare for
implemntn & cut FN in half.

224 1st amt passed w/o obj.

226 Rogers moved 2d amt - passed w/o obj.

HB 806

235 Judy Knight - rwd draft CS, concurs w/Chrg. ~~Final~~
Need to revise FN to reflect chngs; will cut cost
approx in half. Puts burden on dept to identify
substances & ~~to~~ stay current. Delayed ED is good,
as they'll need to recruit industrial hygienist.

266 Rogers commented on FN. Noted that MDA Health Comm.
endorsed bill.

275 ^{Akins} Glenn Akins, Dep. Comm., DEC - Mueller had reservation
abt interpretn of toxic & hazard substances; CS addresses
this. Dept fully endorses bill.

286 Rogers moved to report out ~~the~~ CS HB 806 L&C as amended.
No obj, no passed.

HB 757

293 Brought HB 757 before Comm.

310 Judy Knight + Art Billig came before comm.

Knight - drafted lang to address concerns. Signifly
more expensive than anticipated. If remain emp'd,
second sec 353 on last pg of draft be incl'd into bill;
then ^{draft} add another bill making appropn.

332

Approx 1,047 claimants wd be affected by bill.

Passed out sheet showing characteristics of clmts -
% & loc'n by area (1981); sex, age & industry
breakdown.

359

Rogers asked, new sched, p.5-7, asked add'l cost to state
of raising top end fm 150 to 156.

Zillig said by raising amt, wd increase by 4.1%; abt
\$3.4M trust funds.

Rogers said ~~sect~~ % ages higher in bush than in cities & ~~suburbs~~

(making benefit period lower). Large % of claimants
there are low income. ~~Putting~~ ^{Putting} \$3.4M at high end,
& saving \$1.1M by cutting off people at low end.

Wiping out low income bush worker for benefit of
high income wks, lge % of which are fm out of state.

Asked dept to fund cutoff on top end to enable low
end to stay in w/o affecting gen fund money.

415

Zillig said they follow principle that it's an insurance
pgm based on length of time worked & earnings.

Deviating fm this becomes welfare pgm, not insurance.

~~Ask~~ Ask us what direction do you want to go -
ins or social welfare.

446

R - has nothing to do with this. Fed law has nothing
to do w/actuarial or social effects of pgm.

He's concerned w/ status quo. If fed chng p.13, C 7-14
were not there, for extended benefits, st wd pick
up 1/2, feds wd pick up half. Feds won't do this now,
so these people are cut out. State determines high end.

His opinion that adoption of suppl st benefits, w/ sec 18, allows (bush) low income people collecting \$34-60 wk ~~to con~~ keeps them whole. To not impact general fund, shd lower top end.

491 Knight said they cd pay 1/2 cost of benefs fm trust fnd; not eliminating those is a conformity issue. Can't pay fm trust fnd & stay in conformity. Concerned feds wd declare st out of conformity, which wd penalize empes.

525 ~~to~~ Rogers asked which was more likely to cause fed'l probs - bill dying or bill passing w/new sec.

Zellig said he asked ^{feds} ~~open~~ on trust fnds; possibility if these are identified as suppl bennies, cd be pd out of trust (unofficial opinion). If bill isn't passed, they will be out of conformity.

Martin asked when; ^{bill is needed;} Zellig said 7/26.

568 Rogers - bill needs to be in Rules by Mon to pass this yr.

Discussion of how to change bill.

600 Rogers had ~~get on the floor~~; asked who wd be notified p. 4, l. 8; clarified this w/Knight.

" p. 11, l. 20 - child support exempt - asked if this was conformity. Knight said ^{it was;} this was important to fed govt.

650 Rogers - p. 13, l. 12 - wanted clarification
Discussion

680 Garth Patterson, DH+SS - Sec 1, TP f & g - Dept
~~680~~ facing \$1.2M sanction due to high error rate for 6 mo.
period. Can avoid further sanctions w/ USDA g
plan. 2/3 of errors due to clients' failure to report,
& to report correctly. Clients have been signing release
of info since 4/80 to food stamps & CSEA.
Requested change.

Side B Rogers asked outcome if not passed. Martin had questions.
Discussion.

015 Gary Jenkins, Nat'l Fedn. ^{Independent} ~~Independent~~ Business -
change in bills are borne by emprs. ~~the~~ DOL analysis
anticipates 4-6% increase to emprs. Also, wage
base went up from 13.3 to 14.6, so another 5-6%
increase. Small businesses struggling; bill will
add to their cost factors.

039 Rogers felt unemp was not a high cost to any business.
Thought ~~possibly not~~ raising top end caused most
of add'l costs. Knight interjected that most come
from adding weeks. Rogers said, in past, longer
unemp is held down, but the jump is when it
is increased. Jenkins basically agreed; just
object to another cost to small businesses.

- 069 Knight said in 1980, said cost to empr wd vary yr to yr.
1981, av cost 3.3% per empe
1982^{7%} has dropped, but comes out to be same amt of \$ per
empe.
- 083 M - p. 16, l. 28 - asked clarification of "public svr".
- 094 R - felt saying "insured work or non-insured work or self-empmt"
wd cover all.
- 100 R - p. 1, l. 18, after "wage" insert "& empr".
Passed w/o obj.
- 105 R - p. 4, l. 11-12, delete " & other ult'd... dept" insert,
" + all of the claimants' emprs." Discussion.
Chngd mo to delete underlined lang, lines 11, 12, & 13.
Byisma objec'd. Discussion.
~~Chngd w/d new amend~~
Chngd l. 13 - after "parties"; l. 13, insert " as ^{defined} ~~determined~~ by
regulation of the Dept."
Motion passed w/o obj.

changes
beginning
230 Discussed, p. 4, Sec. 7 & 8 & reasons for change. Zellig
presented figures & explained them.
Discussion of benefits schedule. Rogers asked which
was higher priority, to ^{UI} labor mgmt comm - more weeks or
higher scale. Zellig said no pref expressed that he
recalled. Thought publy chng to 18 wks rather than
16 was more important. Discussion of alternate
ways to address UI claims

435 R moved p. 7 l 5-9 & l. 4 16,200 - delete.
no passed w/o obj.

442 M moved to delete sec. 8. ~~for~~ Rogers objected. Discussion
of earnings ratio.

for - Byers, Martin opp'd Rogers - passed

to add sec 8 back in;

565 Rogers moved, chng # weeks; add new section for 3.5 at d 6.
Martin objected; Astn M, Boppd, R-for. Failed.

See 353. proj'd by DOL

620 Rogers moved new sec. 8, suppl. stat benefits; delete (c). Discussion. Motion passed w/o obj.

714 R moved to delete Sec. 14, p. 10. Discussion. Rogers w/drew mo.

Tape 2

043 R moved to delete sec 17. Objection - mo failed.

047 ~~M~~ - sec. 18 l. 8 p. 13 chng (j) to (1) ^{no passed moved to} chng "excluding" to "including" l. 12; Rogers objected. Mo passed (for - B, M opp'd R)

070 R - p. 16, l. 27 non-insured work, insert "or" & delete "casual labor or part sec"; mo passed unan.

084 R - Se.

mo. passed

114 Rogers requested draft CS to come back to comm.

2:52

1st Adj.

Introduced: 2/11/82
Referred: Labor & Commerce and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 757

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to unemployment insurance; and provid-
7 ing for an effective date."

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

9 * Section 1. AS 23.20.110 is amended by adding new subsections to read:

10 (f) On request of the United States Department of Agriculture or
11 an agency of this or another state which administers the food stamp
12 program established by 7 U.S.C. secs. 2011 -- 2026, and if that agency
13 has agreed that information provided by the department will be used only
14 to determine an individual's eligibility for food stamp benefits or the
15 amount of the benefits, the department shall provide, for each indivi-
16 dual named by the requesting agency, any of the following information
17 contained in the records of the department:

- 18 (1) ^{and employer} wage information;
19 (2) the information specified in (c) of this section; and
20 (3) the amount of unemployment compensation, if any, to be
21 received.

22 (g) The requirements of this section concerning the confidential-
23 ity of information obtained in the course of administering this chapter
24 apply to officers and employees of a state or federal agency to whom
25 the department provides information as authorized by this section.

26 * Sec. 2. AS 23.20.115 is amended to read:

27 Sec. 23.20.115. UNAUTHORIZED DISCLOSURE OF INFORMATION. A member
28 of the department, an employee of the department, [OR] an agent of the
29 department, or an officer or employee of a state or federal agency which

1 has been provided with information by the department who, in violation
2 of AS 23.20.110, makes a disclosure of information obtained from an
3 employing unit or from an individual in the administration of AS 23.-
4 20.005 -- 23.20.535, or a person who has obtained a list of applicants
5 for work or of claimants or recipients of benefits under this chapter
6 and who uses or permits the use of the list for a purpose not authorized
7 by AS 23.20.110 is guilty of a class B misdemeanor.

8 * Sec. 3. AS 23.20.165(e) is amended to read:

9 (e) An employer shall maintain a record of the amount deducted
10 from the wages of each employee and shall furnish a statement of the
11 deductions to each employee at the times and in the manner the depart-
12 ment prescribes by regulation. No deduction may be made from those
13 wages paid to an employee during a calendar year which are in excess of
14 the wages subject to contributions under AS 23.20.175. If an employee
15 in the employ of two or more employers earns wages in one calendar year
16 totaling more than the wages subject to contributions or if an employer
17 through error makes a deduction and erroneously deducts contributions [OR
18 INTEREST] on wages of an employee in excess of the wages subject to
19 contributions during a calendar year, the amount of deductions in excess
20 of those required by AS 23.20.005 -- 23.20.535 [MAY BE REQUESTED BY THE
21 EMPLOYEE. EMPLOYEE DEDUCTIONS IN EXCESS OF THE WAGES SUBJECT TO CONTRI-
22 BUTIONS] shall be refunded to the employee by the department upon appli-
23 cation for them in accordance with regulations adopted by the depart-
24 ment. Application must be made during the calendar year after the
25 calendar year in which the deductions are made.

26 * Sec. 4. AS 23.20.290(c) is amended to read:

27 (c) Beginning January 1, 1981, the rate of contributions for each
28 employer is 82 percent of the average benefit cost rate multiplied by
29 the employer's experience factor set out in column C of the table in

1 this subsection opposite his applicable rate class set out in column A
 2 plus the fund solvency contribution required under (f) of this section.
 3 However, the rate of contributions for an employer may not be less than
 4 one percent or more than six and one-half percent. The rate of contri-
 5 butions for an employer must be rounded to the nearest one-hundredth of
 6 one percent.

7	COLUMN A	COLUMN B		COLUMN C
8	Rate Class	Cumulative		Experience
9		Ratable Payroll		
10		at least	but less than	
11		(percent)	(percent)	
12	1		5	.40
13	2	5	10	.45
14	3	10	15	.50
15	4	15	20	.55
16	5	20	25	.60
17	6	25	30	.65
18	7	30	35	.70
19	8	35	40	.80
20	9	40	45	.90
21	10	45	50	1.00
22	11	50	55	1.00
23	12	55	60	1.10
24	13	60	65	1.20
25	14	65	70	1.30
26	15	70	75	1.35
27	16	75	80	1.40
28	17	80	85	1.45
29	18	85	90	1.50

1	19	90	95	1.55
2	20	95	[100]	1.60

* Sec. 5. AS 23.20.340(d) is amended to read:

(d) Unless the claimant is determined to be disqualified for benefits under AS 23.20.360, 23.20.362, 23.20.375, 23.20.378 -- 23.20.387, or 23.20.505, benefits shall be promptly paid in accordance with the initial determination or subsequent redetermination.

* Sec. 6. AS 23.20.340(f) is amended to read:

(f) If a determination of disqualification under AS 23.20.360, 23.20.362, 23.20.375, 23.20.378 -- 23.20.387, or 23.20.505 is made, the claimant ~~and other interested parties, as defined by regulations of the department,~~ shall be promptly notified of the determination and the reasons for it. The claimant and other interested parties ^{as defined by regulation of the Department} may appeal the determination in the same manner prescribed in AS 23.20.005 -- 23.20.535 for appeals of initial determination and redeterminations. Benefits may not be paid while a determination is being appealed for any week for which the determination of disqualification was made. However, if a decision on the appeal allows benefits to the claimant, those benefits must be paid promptly.

* Sec. 7. AS 23.20.350(d) is repealed and reenacted to read:

(d) An individual who is eligible under (a) of this section is entitled to receive the weekly benefit amount set out in column (B) of the table in this subsection which is opposite the amount set out in column (A) of the individual's base period wages determined under (c) of this section:

(A)		(B)
Base Period Wages		Weekly Benefit Amount
At least:	But less than	
0	1,000	\$ 0

1	1,000	1,250	34
2	1,250	1,500	36
3	1,500	1,750	38
4	1,750	2,000	40
5	2,000	2,250	42
6	2,250	2,500	44
7	2,500	2,750	46
8	2,750	3,000	48
9	3,000	3,250	50
10	3,250	3,500	52
11	3,500	3,750	54
12	3,750	4,000	56
13	4,000	4,250	58
14	4,250	4,500	60
15	4,500	4,750	62
16	4,750	5,000	64
17	5,000	5,250	66
18	5,250	5,500	68
19	5,500	5,750	70
20	5,750	6,000	72
21	6,000	6,250	74
22	6,250	6,500	76
23	6,500	6,750	78
24	6,750	7,000	80
25	7,000	7,250	82
26	7,250	7,500	84
27	7,500	7,750	86
28	7,750	8,000	88
29	8,000	8,250	90

1	8,250	8,500	92
2	8,500	8,750	94
3	8,750	9,000	96
4	9,000	9,250	98
5	9,250	9,500	100
6	9,500	9,750	102
7	9,750	10,000	104
8	10,000	10,250	106
9	10,250	10,500	108
10	10,500	10,750	110
11	10,750	11,000	112
12	11,000	11,250	114
13	11,250	11,500	116
14	11,500	11,750	118
15	11,750	12,000	120
16	12,000	12,250	122
17	12,250	12,500	124
18	12,500	12,750	126
19	12,750	13,000	128
20	13,000	13,250	130
21	13,250	13,500	132
22	13,500	13,750	134
23	13,750	14,000	136
24	14,000	14,250	138
25	14,250	14,500	140
26	14,500	14,750	142
27	14,750	15,000	144
28	15,000	15,200	146
29	15,200	15,400	148

1	15,400	15,600	150
2	15,600	15,800	152
3	15,800	16,000	154
4	16,000	16,200	156
5	16,200	16,400	158
6	16,400	16,600	160
7	16,600	16,800	162
8	16,800	17,000	164
9	17,000		166

* ~~Sec. 8. AS 23.20.350(e)~~ is repealed and reenacted to read: ~~See attachment~~

(e) An individual who is eligible under (d) of this section is ^{new} entitled to receive a weekly benefit under AS 23.20.005 -- 23.20.535 for the number of weeks set out in column (B) of the table in this subsection opposite the applicable earnings ratio of the individual set out in column (A):

(A)		(B)
Earnings Ratio		Number of Weeks
At least	But less than	
	1.50	18 17
1.50	2.00	20 19
2.00	2.50	22 21
2.50	3.00	24 23
3.00	3.5	26 25
3.5		28 26

* Sec. 9. AS 23.20.360 is repealed and reenacted to read:

Sec. 23.20.360. EARNINGS DEDUCTED FROM WEEKLY BENEFIT AMOUNT. The amount of benefits, excluding the allowance for dependents, payable to an insured worker for a week of his unemployment shall be reduced by 75 percent of the wages payable to him for that week which are in excess of \$50. However, the amount of benefits may not be reduced below zero. If

1 the benefit is not a multiple of \$1, it is computed to the next higher
2 multiple of \$1. If the benefit is zero, no allowance for dependents is
3 payable.

4 * Sec. 10. AS 23.20.375(a) is amended to read:

5 (a) An insured worker is entitled to receive waiting-week credit
6 or benefits for a week of unemployment for which he has not been disqual-
7 ified under AS 23.20.360, 23.20.362, 23.20.378 -- 23.20.387, or 23.20.-
8 505 if, in accordance with regulations adopted by the department, he has

9 (1) made an initial claim for benefits; and

10 (2) for that week, certified for waiting-week credit or made
11 a claim for benefits.

12 * Sec. 11. AS 23.20.378(a) is amended to read:

13 (a) An insured worker is entitled to receive waiting-week credit
14 or benefits for a week of his unemployment if for that week he is able
15 to work and available for suitable work. An insured worker is not con-
16 sidered available for work unless he is registered for work in accor-
17 dance with regulations adopted by the department. An insured worker may
18 not be disqualified for failure to comply with this subsection if

19 (1) he is not available for work because

20 (A) he is ill or disabled;

21 (B) [(2) HE IS NOT AVAILABLE FOR WORK BECAUSE] he is
22 traveling to obtain medical services which are not available in the
23 area in which he resides, or if a physician determines it is neces-
24 sary, he is accompanying [NOT AVAILABLE FOR WORK BECAUSE HE MUST
25 ACCOMPANY] a spouse or dependent who is traveling to obtain medical
26 services;

27 (C) [(3)] he resides in the state and is noncommercially
28 [NOT AVAILABLE FOR WORK BECAUSE OF HIS NONCOMMERCIAL] hunting or
29 fishing [NECESSARY] for his survival or the survival of his de-

1 pendants; or

2 (D) [(4) HE IS NOT AVAILABLE FOR WORK BECAUSE] he is
3 serving as a prospective or impaneled juror in a court; and [OR]

4 (2) [(5)] a condition described in (1)(A) -- (C) [, (2), OR
5 (3)] of this subsection occurs during an uninterrupted period of unem-
6 ployment immediately following a week for which he has filed a compen-
7 sable claim, and work has not been offered to him which would have been
8 suitable for him before the illness, disability, hunting, fishing or
9 medical travel.

10 * Sec. 12. AS 23.20.381 is amended by adding a new subsection to read:

11 (g) An individual may not receive benefits under this chapter in
12 two successive benefit years unless

13 (1) he has performed services, whether or not in "employment"
14 as defined in AS 23.20.525, after the beginning of the first benefit
15 year; and

16 (2) he has earned wages for those services equal to at least
17 eight times his weekly benefit amount, excluding an allowance for depen-
18 dents.

19 * Sec. 13. AS 23.20.382 is amended to read:

20 Sec. 23.20.382. BENEFITS WHILE ATTENDING APPROVED VOCATIONAL
21 TRAINING COURSE. (a) Benefits or waiting-week credit for any week
22 shall not be denied an otherwise eligible individual because he is
23 attending a vocational training or retraining course with the approval
24 of the director of the employment security division or because, while
25 attending the course, he is not available for work or refuses an offer
26 of work.

27 (b) An otherwise eligible individual shall not be denied bene-
28 fits or waiting-week credit for any week because

29 (1) he is in training approved under Section 236(a)(1) of

1 the Trade Act of 1974;

2 (2) he left work which was not suitable employment to enter
3 the training; or

4 (3) while attending the training, he is not available for
5 work, fails to seek work, or refuses work.

6 (c) For purposes of (b)(2) of this section, "suitable employment"
7 means work which

8 (1) pays at least 80 percent of the individual's average
9 weekly wage, as determined for the purposes of the Trade Act of 1974;
10 and

11 (2) is at least equal in skill level to the individual's
12 past adversely affected employment, as defined for purposes of the
13 Trade Act of 1974.

14 * Sec. 14. AS 23.20.383(b) is amended to read:

15 (b) This section does not apply if the department finds that

16 (1) the [AN] insured worker was not participating in or
17 directly interested in the labor dispute which caused his unemploy-
18 ment, and [;(2)] he did not belong to a grade or class of workers which,
19 immediately before the commencement of the dispute, had members employed
20 at the premises at which the labor dispute occurred who were participat-
21 ing in or directly interested in the labor dispute; or [AND]

22 (2) [(3)] the labor dispute is caused by the failure or re-
23 fusal of the employer to comply with an agreement or contract between
24 the employer and the insured worker, or a state or federal law per-
25 taining to hours, wages or other conditions of work.

26 * Sec. 15. AS 23.20.390(e) is amended to read:

27 (e) An appeal from the determination of liability under this
28 section may be made in the same manner and to the same extent as pro-
29 vided by AS 23.20.340 and 23.20.410 -- 23.20.470 for an appeal relating

1 to a determination in respect to a claim for benefits. If no appeal is
2 taken to the appeal tribunal by the individual within 15 [10] days of
3 the delivery of the notice of determination of liability, or within 15
4 [10] days of the mailing of the notice of determination, whichever is
5 earlier, the determination of liability is final and the court shall,
6 upon application of the department, enter a judgment in the amount
7 provided by the notice of determination. The judgment has the same
8 effect as a judgment entered in a civil action.

9 * Sec. 16. AS 23.20 is amended by adding a new section to read:

10 Sec. 23.20.392. DEDUCTIONS FROM BACK PAY AWARDS. An employer who
11 makes a deduction from a back pay award to an insured worker because of
12 the insured worker's receipt of benefits under AS 23.20.005 -- 23.20.535
13 for which he is ineligible by reason of the back pay award, shall pay
14 into the unemployment trust fund an amount equal to the amount of the
15 deduction. If an employer making a payment under this section has
16 already reimbursed the department for the benefits under AS 23.20.276 --
17 23.20.277, his account shall be properly credited. The insured worker's
18 liability under AS 23.20.390 shall be reduced by the amount paid by his
19 employer under this section.

20 * Sec. 17. AS 23.20 is amended by adding a new section to read:

21 Sec. 23.20.401. CHILD SUPPORT INTERCEPTION. (a) Notwithstanding
22 any other provision of AS 23.20.005 -- 23.20.535, an individual filing a
23 new claim for unemployment compensation must disclose whether he owes
24 child support obligations as defined in (g) of this section. If the
25 individual discloses that he owes child support obligations and is
26 determined to be eligible for unemployment compensation, the department
27 shall notify the child support enforcement agency of the Alaska Depart-
28 ment of Revenue that the individual has been determined to be eligible
29 for unemployment compensation.

1 (b) The department shall deduct and withhold from unemployment com-
2 pensation payable to an individual who owes child support obligations as
3 defined in (g) of this section

4 (1) the amount specified by the individual to the department
5 to be deducted and withheld under this subsection, if neither (2) nor
6 (3) of this subsection is applicable;

7 (2) the amount specified in an agreement submitted to the de-
8 partment under section 454(20)(B)(i) of the Social Security Act (42 -
9 U.S.C. sec. 654(20)(B)(i)) by the child support enforcement agency of the
10 Alaska Department of Revenue, unless (3) of this subsection is applica-
11 ble; or

12 (3) any amount required to be deducted and withheld through
13 legal process, as defined in section 462(e) of the Social Security Act
14 (42 U.S.C. sec. 662(e)), properly served upon the department.

15 (c) The department shall pay an amount deducted and withheld under
16 (b) of this section to the child support enforcement agency of the
17 Alaska Department of Revenue.

18 (d) An amount deducted and withheld under (b) of this section
19 shall for all purposes be treated as if it were paid to the individual
20 as unemployment compensation and paid by that individual to the child
21 support enforcement agency of the Alaska Department of Revenue in satis-
22 faction of the individual's child support obligations.

23 (e) In (a) -- (d) of this section, "unemployment compensation"
24 means compensation payable under AS 23.20.005 -- 23.20.535, including
25 amounts payable under an agreement under a federal law providing for
26 compensation, assistance, or allowances with respect to unemployment.

27 (f) This section applies only if appropriate arrangements have
28 been made for reimbursement by the child support enforcement agency of
29 the Alaska Department of Revenue for the administrative costs incurred

1 by the department under this section.

2 (g) In this section, "child support obligations" includes only
3 obligations which are being enforced under a plan, described in section
4 454 of the Social Security Act, (42 U.S.C. sec. 654) which has been
5 approved by the United States Secretary of Health and Human Services
6 under Part D of Title IV of the Social Security Act.

7 * Sec. 18. AS 23.20.406 is amended by adding a new subsection to read:

8 (j) Notwithstanding (a) and (b) of this section, an individual is
9 not eligible for extended benefits unless, in the base period determined
10 with respect to his applicable benefit year, the individual has been
11 paid, for employment covered by AS 23.20.005 -- 23.20.535, total wages
12 which equal or exceed 40 times the weekly benefit amount, ^{including} ~~excluding~~ any
13 allowance for dependents, which is payable to him during his applicable
14 benefit year.

15 * Sec. 19. AS 23.20.407 is amended by adding a new subsection to read:

16 (c) Notwithstanding any other provision of AS 23.20.005 -- 23.-
17 20.535, if the benefit year of an individual ends within an extended
18 benefit period, the remaining balance of extended benefits which the
19 individual would, but for this section, be entitled to receive in the
20 extended benefit period, with respect to weeks of unemployment beginning
21 after the end of the benefit year, shall be reduced by the number of
22 weeks for which the individual received an amount as a trade readjust-
23 ment allowance within the benefit year multiplied by the individual's
24 weekly benefit amount for extended benefits. However, the extended
25 benefits may not be reduced below zero.

26 * Sec. 20. AS 23.20.408(a) is amended to read:

27 (a) When an extended benefit period is to become effective in this
28 state as a result of a state [OR NATIONAL] "on" indicator, or an extend-
29 ed benefit period is to be terminated in this state as a result of

1 [EITHER] a state "off" indicator [OR A NATIONAL "OFF" INDICATOR], the
2 department shall make an appropriate public announcement.

3 * Sec. 21. AS 23.20.408(f) is amended to read:

4 (f) There is a state "on" indicator for a week if the rate of in-
5 sured unemployment under AS 23.20.005 -- 23.20.535 for the period con-
6 sisting of that week and the immediately preceding 12 weeks either:

7 (1) equaled or exceeded 120 percent of the average rate of in-
8 sured unemployment for the corresponding 13-week period in each of the pre-
9 ceding two calendar years and equaled or exceeded five [FOUR] percent; or

10 (2) equaled or exceeded six [FIVE] percent.

11 * Sec. 22. AS 23.20.408(g) is amended to read:

12 (g) There is a state "off" indicator for a week if, for that week
13 and the immediately preceding 12 weeks, the rate of insured unemployment
14 was either: (1) less than five [FOUR] percent; or (2) less than six
15 [FIVE] percent and was less than 120 percent of the average of the rates
16 of insured unemployment for the corresponding 13-week period in each of
17 the preceding two calendar years.

18 * Sec. 23. AS 23.20.408(h) is amended to read:

19 (h) In (f) and (g) of this section, "rate of insured unemployment"
20 means the percentage derived by dividing (1) the average weekly number
21 of individuals filing claims for regular compensation in this state for
22 weeks of unemployment with respect to the most recent 13 consecutive
23 week period, as determined by the department on the basis of its reports
24 to the United States Secretary of Labor, by (2) the average monthly
25 employment covered under AS 23.20.005 -- 23.20.535 for the first four of
26 the most recent six completed calendar quarters ending before the close
27 of that 13-week period. Computations required by this subsection shall
28 be made by the department in accordance with regulations prescribed by
29 the United States Secretary of Labor.

1 * Sec. 24. AS 23.20.409(1) is amended to read:

2 (1) "extended benefit period" means a period which

3 (A) begins with the third week after [WHICHEVER OF THE
4 FOLLOWING WEEKS OCCURS FIRST:

5 (i) A WEEK FOR WHICH THERE IS A NATIONAL "ON"
6 INDICATOR, OR

7 (ii) a week for which there is a state "on" in-
8 dicator; and

9 (B) ends with either of the following weeks, whichever
10 occurs later:

11 (i) the third week after the first week for which
12 there is [BOTH A NATIONAL "OFF" INDICATOR AND] a state "off"
13 indicator; or

14 (ii) the 13th consecutive week of that period;

15 * Sec. 25. AS 23.20.409 is amended by adding a new paragraph to read:

16 (6) "applicable benefit year" means, with respect to an
17 individual, the current benefit year if, at the time an initial claim
18 for extended benefits is filed, the individual has an unexpired benefit
19 year on¹; in the state against which the claim is filed, or, in any
20 other case, the individual's most recent benefit year; the most recent
21 benefit year, for an individual who has unexpired benefit years in more
22 than one state when the initial claim for extended benefits is filed, is
23 the benefit year with the latest ending date or, if the benefit years
24 have the same ending date, the benefit year in which the latest contin-
25 ued claim for regular compensation was filed; no extended benefits are
26 payable under this section unless the "applicable benefit year" was a
27 benefit year established under AS 23.20.005 -- 23.20.535.

28 * Sec. 26. AS 23.20.505(a) is amended to read:

29 (a) An individual is considered "unemployed" in a week during

1 which he performs no services and for which no wages are [REMUNERATION
2 IS] payable to him, or in a week of less than full-time work if the
3 wages [REMUNERATION] payable to him for the week are less [IS NOT MORE]
4 than one and one-third times his weekly benefit amount, excluding the
5 allowance for dependents, plus \$50.

6 * Sec. 27. AS 23.20.520(26) is amended to read:

7 (26) "vocational training or retraining course" means a
8 course of vocational or technical training or retraining in schools or
9 classes, including but not limited to, field or laboratory work and
10 related remedial or academic instruction, which is conducted as a pro-
11 gram designed to prepare individuals for [ENTRY LEVEL] employment in
12 trades, skills or crafts; the term "vocational training or retraining
13 course" does not include a program of instruction for an individual,
14 including a transfer credit program of instruction given at a community
15 college, which is intended as credit for a degree from an institution of
16 higher education;

17 * Sec. 28. AS 23.20.520(24)(B) is amended to read:

18 (B) is legally authorized in the [THIS] state in which
19 it is located to provide a program of education beyond high school,
20 and

21 * Sec. 29. AS 23.20.526(a) is amended by adding a new paragraph to read:

22 (21) service performed as a prospective or impaneled juror in
23 a court.

24 * Sec. 30. AS 23.20.530(a) is amended to read:

25 (a) In this chapter, [UNLESS THE CONTEXT OTHERWISE REQUIRES,]
26 "wages" means all remuneration for service from whatever source, includ-
27 ing, but not limited to, insured work, noninsured work, ^{or} self-employment,
28 ~~casual labor or public service~~, commissions, [AND] bonuses, back pay and
29 the cash value of all remuneration in a medium other than cash shall be

1 treated as wages; gratuities customarily received by an individual in
2 the course of his service from persons other than his employing unit may
3 be treated as wages received from [FOR] his employing unit only to the
4 extent the individual reports the gratuities to his employing unit [;
5 BACK PAY AWARDED UNDER A STATUTE OF THIS STATE OR THE UNITED STATES
6 SHALL BE TREATED AS WAGES]. The reasonable cash value of remuneration
7 in a medium other than cash, and the reasonable amount of gratuities,
8 shall be estimated and determined in accordance with regulations pre-
9 scribed by the department; notwithstanding AS 23.20.350(a), [FOR THE
10 PURPOSE OF AN INITIAL DETERMINATION ONLY,] back-pay awards shall be
11 allocated to the weeks or quarters with respect to which the pay was
12 earned. If the remuneration of an individual is not based upon a fixed
13 period [OF DURATION] of time or if his wages are paid in irregular
14 intervals or in a manner which does not extend regularly over the period
15 of employment, [FOR THE PURPOSE OF AN INITIAL DETERMINATION ONLY,] the
16 wages shall be allocated to weeks or quarters [QUARTER] in accordance
17 with regulations prescribed by the department. The regulations shall,
18 so far as possible, produce results reasonably similar to those which
19 would prevail if the individual were paid his wages at regular inter-
20 vals.

21 * Sec. 31. AS 23.20.530(b) is amended by adding a new paragraph to read:
22 (13) compensation received for inactive service performed by
23 a member of the Alaska National Guard or Naval Militia.

24 * Sec. 32. AS 23.20.350(b), 23.20.408(d), 23.20.408(e), 23.20.505(b),
25 23.20.505(c), 23.20.530(b)(11), and 23.20.530(b)(12) are repealed.

26 * Sec. 33. Section ~~7~~ ~~and 8~~ of this Act applies to insured workers who
27 establish benefit years after December 31, 1982.

28 * Sec. 34. Sections 1, 2, 7, ~~8~~ and 33 of this Act take effect January 1,
29 1983.

DRAFT

New Sec. 8

Sec. 353. SUPPLEMENTAL STATE BENEFITS. (a) An individual is eligible to receive supplemental state benefits for a week in which

(1) he is an "exhaustee" as defined in AS 23.20.409(5);

(2) he has otherwise satisfied the requirements of AS 23.20.005--23.20.535 for the receipt of regular benefits; and

(3) he is ineligible for extended benefits solely because of the provisions of AS 23.20.406(1).

(b) Supplemental state benefits are paid in the same amounts, for the same periods, and under the same conditions as extended benefits under AS 23.20.406(a)--(k) and AS 23.20.407--23.20.409.

~~(c) Supplemental state benefits are payable to the extent that money is appropriated from the general fund for that purpose.~~

LABOR & COMMERCE COMMITTEE
DAILY COMMITTEE HEARING

Date: 4/1/82

Place: _____

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	_____ ✓ _____	_____	1:07	_____
Rep. D. Randolph	_____	_____	_____	_____
Rep. B. Rogers	_____ ✓ _____	_____	1:07	_____
Rep. T. Gardiner	_____	_____ ✓ _____	_____	_____
Rep. T. Martin, Chair	_____ ✓ _____	_____	1:05	_____

Subject Matter:

House Bill No. 722 757 806 _____

Senate Bill No. _____

Special Orders:

Draft CS for HB 806 (L&C)

Sectional Analysis

HB 806 was drafted to conform with model "right-to-know" legislation from other states. The basis for the legislation is that Alaskan workers have the right to know about hazardous or toxic substances with which they work and that it is an employer's responsibility to supply that information.

18.60.051 requires an in-state manufacturer of a hazardous or toxic substance to make available certain information including the name of the substance, its hazards, proper handling procedures, and health risks.

18.60.052 requires a seller of a hazardous or toxic substance to provide the same information.

18.60.071 requires an employer to post in the workplace where a hazardous or toxic substance is present the same information, and to provide training at his own expense about the potential hazards and proper handling of the substances.

18.60.072 requires manufacturers, sellers, and employers to file annual reports with the Department of Labor. Trade secrets are protected.

18.60.073 allows past, present, and future employees access to reports filed with the department and to exposure measurements. The department may require employees to furnish health and exposure records pertinent to an investigation. Regulations shall be adopted to ensure that an employee has ready access to all relevant information about hazards and exposure.

18.60.074 allows for the department to disclose to the public information about hazardous and toxic substances and the circumstances under which the public might be affected.

Section 2 provides definitions.

4-2-82

5B831

(LAC)

(RE APOC)

HOUSE LABOR & COMMERCE
STANDING COMMITTEE
April 2, 1982
12:58 p.m.

Members Present: Rep. Martin, Chairman
Rep. Bylsma, Vice Chairman
Rep. Rogers
Rep. Randolph

Members Absent: Rep. Gardiner

COMMITTEE CALENDAR

SB 831 An Act relating to insurance; and providing
for an effective date.

PREVIOUS ACTION

SB 831 Senate Action: First reading 3/4/82.
Reported from Labor & Commerce 3/18/82.
Reported from Rules 3/22/82; taken up
immediately. Passed second reading 3/22/82;
advanced to third reading by unanimous
consent. Passed Senate 3/22/82.

House Action: First reading 3/22/82.
Referred to Labor & Commerce.

Statutory Reference: AS 21.09.260. After
adoption of committee substitute by House
Labor & Commerce, statutory reference also
includes AS 36.94.010.

Action Taken: Committee substitute adopted;
bill reported out.

ACTION NARRATIVE

Tape #53
Recording
Number 000

The meeting was called to order by Chairman
Martin at 12:58 p.m. Members present were:
Representatives Martin, Bylsma, Randolph,
and Rogers. Rep. Gardiner was absent.

Rep. Martin brought SB 831 before the
committee, and presented HCS SB
832 (L&C) to the committee. He then read
the following statement of the committee's
position regarding wrap-up insurance

policies:

"It is the committee's feeling at this time that the current policy of Alaska Power Authority pertaining to the sole contracting of wrap-up insurance coverage for hydroelectric projects is not in the best interests of the state. We feel that the intent of many regulations and the normal procedures have been circumvented to establish the sole contract wrap-up insurance program as it is known today. We wish that Alaska Power Authority and the Division of Insurance do more in-depth studies before entering into sole contracts, and bring their documented information to the legislative body before entering into any more such contracts. We therefore ask Alaska Power Authority and the Risk Management Insurance Division to make null and void its current contract and to reestablish its previous policy for construction bids. I have asked the committee to look at SB 831, in which we have two new sections which prohibit such contracts."

Number 027

Rep. Rogers then moved that the committee adopt HCS SB 831 (L&C) and report the bill out of committee. There was discussion. There being no objection, the motion passed.

Number 038

As there was no further business to come before the committee, the meeting was adjourned at 1:02 p.m.

HOUSE LABOR & COMMERCE
STANDING COMMITTEE
March 31, 1982
1:07 p.m.

Members Present: Rep. Martin, Chairman
Rep. Bylsma, Vice Chairman
Rep. Rogers
Rep. Gardiner

Members Absent: Rep. Randolph

COMMITTEE CALENDAR

General meeting with Alaska Power Authority and Division of Risk Management regarding insurance practices.

WITNESS REGISTER

Dick Pettinger
Alaska Chapter, Associated General Contractors
Box 4-2500
Anchorage, Alaska
276-5354
Position Statement: Opposed APA wrap-up insurance program (APCOP).

Eric Yould, Director
Alaska Power Authority
334 West Fifth
Anchorage, Alaska 99501
277-7641
Position Statement: Explained why APA opted to use net of insurance.

John Haywood, Director
Division of Risk Management
Department of Administration
Pouch C
Juneau, Alaska 99811
465-2180
Position Statement: Explained why Division of Risk Management supported use of net of insurance by APA.

Daryl A. Cody
Daryl A. Cody Company
201 Danner Street
Anchorage, Alaska 99502
Position Statement: Opposed to APA's use of net of insurance.

Representative Sutcliffe
Alaska State Legislature

Pouch V
Juneau, Alaska 99811
465-3715
Position Statement: Asked questions of witnesses.

Don Koch, Director
Market Surveillance Section
Division of Insurance
Pouch D
Juneau, Alaska 99811
465-2577
Position Statement: Explained his division's involvement in
APA's selection of method of insuring.

Kenneth Moore, Director
Division of Insurance
Pouch D
Juneau, Alaska 99811
465-2515
Position Statement: Testified with Koch regarding division's
involvement in APA's selection of method of
insuring.

Ken Vassar
Department of Law
Pouch K
Juneau, Alaska 99811
465-3600
Position Statement: Explained his role in providing legal advice
to APA.

Commissioner Ernst W. Mueller
Department of Environmental Conservation
and
Vice Chairman, Board of Directors
Alaska Power Authority
Pouch O
Juneau, Alaska 99811
465-2600
Position Statement: Defended Board's decision to use net of
insurance.

PREVIOUS ACTION

There were no bills before the committee. This was an
informational meeting.

ACTION NARRATIVE

Tape #49
Recording
Number 000

The meeting was called to order by Chairman

Martin at 1:07 p.m. Members present were: Representatives Martin, Bylsma, Gardiner, and Rogers. Rep. Randolph was absent. Representatives Cotten, Sutcliffe, Grussendorf, and Haugen also attended the meeting. Rep. Martin explained the purpose of the meeting, which was to explore policy decisions regarding sole contract of insurance by the Alaska Power Authority.

Number 015

Dick Pettinger, Alaska Chapter, Associated General Contractors, said his association represented 675 construction-related firms. He said the Chapter opposes the Alaska Power Authority wrap-up insurance program known as APCOP. Pettinger said that, nationally, the association has been opposed to this type of insurance program for years. He described stands taken by the AGC in the past.

Number 040

Pettinger asked why regulation or statute permitted a wrap-up insurance program. He asked why APA instituted the program. He said that all bids on the Tyee project included insurance costs, and asked why APA did not notify the public of their intent before imposing the program on the project. He said APA said this program would be cost saving to the rate payer.

Number 054

Pettinger said one of the contractor's tools is removed by this type of insurance program. He explained how safety factors affect the cost of insurance. He said a company with a better safety factor would normally submit a lower bid. Pettinger said APCOP penalizes the safety-conscious contractor. He said that APA assuming insurance means the contractor would not be held responsible for claims. He questioned the ability of APA to ensure proper safety procedures. He questioned the savings as a result. (Pettinger promised to provide the committee with a copy of his written testimony.)

Number 084

Pettinger said major disadvantages are that owner controlled programs are disliked by most contractors. He said administration is a disadvantage due to the length of the project and turnover of personnel. He felt insurance company agents' interests may be diverse, hence there could be a conflict of interest with one company serving all

parties. He felt this could lead to claims control problems and legal difficulties, as well. He spoke about consolidating policies. Pettinger said the true cost of insurance is often not determined for 5-7 years after completion of a project. Pettinger felt with wrap-up insurance, the owner often becomes involved in many insurance disputes that normally take place between the general contractor and the subcontractor.

Number 123

Pettinger said the best incentive for risk control lies with self insurance programs. He felt APCOP would result in the opposite. He objected to government intervention into the private sector. He requested immediate elimination of APCOP.

Number 135

Rep. Martin asked when the situation first came to his attention; Pettinger responded that it was early in November, and added that the contract was let in August. There was discussion.

Number 165

Eric Yould, Director of Alaska Power Authority, and John Haywood, Director of the Division of Risk Management, then came before the committee. Yould said that APA had two options with respect to insurance: 1) bidding under normal procedures, with the contractor providing his own insurance; or, 2) bidding net of insurance (also referred to as a wrap-up program). Yould said the Division of Risk Management provided information that indicated benefits to APA in keeping the cost of insurance premiums down if they provided their own insurance. He said it is their intent to proceed with an owner-insured program. He said the Division of Risk Management used the state's present insurance brokers to provide coverage; AGC then objected to the program.

Number 216

Yould said at the last board meeting on March 21, the issue was reviewed. Division of Risk Management came before the board and indicated advantages to the state to take part in the program. The AGC opposed this, and Jeff Barry, Labor & Commerce committee aide, posed questions. He said many of the questions presented by Barry on behalf of the Committee should have been addressed to Risk Management, and said that Risk

Management had assisted in answering the questions.

Number 238

Yould said the next project is Terror Lake. He said bid opening is planned for April 26. He said APA would request two bids from each contractor--one reflecting costs with net of insurance, and one with the owner providing his own insurance. He said the board would then decide which type of insurance to use.

Number 250

Rep. Rogers asked when bid opening for Tye Lake occurred; Yould responded it was September 25, and that the board met on October 2. Rep. Rogers asked if the bids were for net of insurance or if they included costs of insurance; Yould responded the bids included insurance, and that they subsequently requested the winning contractor to remove insurance costs from his bid. Rep. Rogers asked if the other bidders had an opportunity to respond to the bid as modified; Yould said they did not. Rep. Rogers suggested this might have created a different lowest responding bidder. Yould said there was litigation against the bid award for another reason, and that no one else litigated. He said the board went forward with the bid on October 2, but did not sign the agreement until December 2. There was discussion to clarify the dates. Haywood said the program was in place at the time the bidder was asked to back out his insurance costs. He said the contractor voluntarily agreed to back out insurance costs. After that, at Risk Management's recommendation, they felt it would make sense to draft a memorandum of agreement, but the program was in effect at that time.

Number 219

Rep. Rogers said that the state is managing the contractor's risks. Haywood said they were talking about a situation where the state has a joint interest in workers compensation, general liability, and builders risk. He said the workers compensation statute has proven that state entities are liable in the event of a claim without adequate insurance. He said that since World War II, most major public construction authority programs have been handled by wrap-up programs. Rep. Rogers referred to the statute which requires a

contractor to submit proof of workers compensation insurance at the time of bid.

Number 360

Rep. Martin said Harrison Western was the fourth lowest bidder, and that they did not comply with the law in submitting proof of insurance. Haywood said he wasn't involved in opening of the bids, but he understood that Harrison Western was the second lowest bidder. He said at the time the insurance certificates came in, the decision had been made to go with the APCOP program. Yould said he understood Harrison Western did have insurance at the time of the bid. Rep. Rogers asked if they required notice of current coverage of workers compensation prior to awarding bids. Yould wasn't certain.

Number 402

Rep. Rogers was concerned about a couple issues where APA appeared to be circumventing or violating law. He asked if interim financing had been arranged for both Swan Lake and Tyee. Yould said it was. Rep. Rogers asked what would happen if revenue bonds could not be sold and the legislature did not make an appropriation. Yould said advisors and underwriters advised that long term bonds could be issued if necessary. Rep. Rogers asked what the obligation of the state would be if bonds went to 0%. Yould said APA is liable, but that the state would not let its credit be impaired. Rep. Rogers was concerned about an agency of the state making obligations on behalf of the legislature. He asked if there would be a capital reserve account. Yould said there would be, with bond proceeds. Rep. Rogers asked if Swan Lake had received complete legislative authorization. Yould said it had. Rep. Rogers asked if it was the same interim financing issue. Yould said there was a straight bank loan. Rep. Rogers said the Authority said it wouldn't incur debt service that would make the power provided more expensive than diesel. He asked how the APA could ensure this. Yould said the legislature could change the program.

Number 480

Rep. Rogers said current law speaks to a uniform power rate. He asked, if the rate goes above the ceiling, how both the law and the contractual obligation could be met.

Yould said it was not the intent of the legislature to increase the cost of power. Rep. Rogers said the legislature required 10% of the capital costs annually unless there was \$5-billion appropriated. Yould said the cost would still be lower than the cost of diesel. He said this was analyzed, and they do not foresee a situation where the cap will come into play. He said people will always have to remain in the system to pay their share of the debt service. Rep. Rogers asked if Yould was agreeing there is a ceiling. Yould said at least on their portion of the debt service. Rep. Rogers requested clarification. Yould responded that in the event the bond market goes, up, it is questionable whether revenue bonds could be sold to cover the program.

Number 554

Rep. Rogers asked if APA has an attorney. Yould responded that Ken Vassar, Department of Law, did legal work for them. He said Vassar doesn't review all the contracts, that they have other attorneys. He said the contract was reviewed by the Department of Law under the Transportation Section, but was primarily reviewed by private counsel.

Number 575

Rep. Martin asked if Division of Insurance had been consulted. Haywood said yes. He said owner wrap-up is a common way of handling major construction projects all over the country for the past 25 years. He said Alyeska was an owner wrap-up program. He said they met with the Division of Insurance several times before going into the program. Haywood said there had been a question of whether special regulations would need to be adopted, and that it had been decided they were not. He said they set the cutoff at \$50-million projects for a wrap-up program.

Number 614

Rep. Martin asked if Commissioner Hudson had given permission for a wrap-up program. Haywood said the risks of the state of Alaska would tap a majority of the world-wide marketplace capacity. He said the contract was on the basis of professional services, and would be kept in effect for 3-5 years. He said this was done early in 1981, and that Marsh & McLennan and Coroon & Black/Dawson were selected.

Number 654

Rep. Martin asked why these companies should get paid for an insurance program when the memorandum of agreement was dated three months after the insurance coverage went into effect. Haywood said the insurance was there by October 15. Rep. Martin asked if that was when they decided Harrison Western did not have coverage. Haywood responded that their lack of insurance was not an issue, and that they did not meet other specifications. Rep. Martin asked at what time the Commissioner signed the sole source contract. Haywood said the contract was put together for Tye Lake insurance. He said insurance is a contract of "utmost good faith". He compared it to car or homeowner's insurance that is ordered by telephone. He said this was the same situation--the coverage was put into place as of 10/1, contracts followed. He said this is standard practice.

Number 734

Rep. Martin said he understood the contractor could not get insurance because they were a high insurance risk. He pointed out, in addition, that it was not a \$50-million contract. Haywood said it would be a \$90- to \$100-million contract when it was done. He said Terror Lake, with one prime contract for a \$175-million project, was a better example than Tye, which was bid in three phases.

Side B, Number 005

Rep. Rogers asked if Coroon & Black would then get the insurance contract on Tye, Terror Lake, and Susitna. Haywood said they didn't have a contract like that. Rep Rogers asked if they could extend the contract to all projects. Haywood said it was part of the selection process.

Number 027

Haywood said they need four to five months lead time to give the broker time to put together the program needed. He said they now have two projects on-line: Terror Lake and Tye. He said this is a Risk Management service, it is not separate.

Number 042

Rep. Rogers asked, since the contractor bears no cost of insurance, what is the incentive for a good safety program. Haywood says statistics show they run safer jobs. He said they build safety specs into the project, centralize safety coordinating

and facilities on the job, and report losses to the National Safety Council, so insurance modification factors continue to run. There was discussion of incentive for a good safety program.

Number 076

Haywood said the state isn't forcing safety on the contractor. He said statistics show these jobs are run safely. He said Rep. Rogers was missing the humanism. He said there are so many hidden costs related to an injury that no well-managed contractor would risk that. Rep. Rogers pointed out that a poorly-managed contractor might.

Number 111

Rep. Martin asked what public entities use wrap-up programs. He noted that it seems that private agencies are moving away from it. Haywood said wrap-ups are going as strong now as ever. He said the cutback in federal funds is slowing down major wrap-up programs. He passed out a partial list of owner-controlled programs and documented savings. (This list is available for inspection from the committee.)

Number 130

Rep. Martin asked if Commissioner Hudson signed a document to authorize this. Haywood said it went through contract review in the Department of Administration. Rep. Martin said the insurance was done after the fact. He said that, by regulation, the company selected was not qualified as it had no insurance included in the bid. Haywood said insurance was included in the bid.

Number 148

Rep. Bylsma said, in the contract with the insurance company, they provide APA and prime contractors with a safety incentive formula prior to conception. He asked how they could do this if the job was contracted before the insurance was in force. Haywood said the intention of the agreement is that language for policy be in the contract. He said it is designed for a project where language is included in the bid specification. Rep. Bylsma asked what the safety incentive formula is. Haywood responded that APA got a return of \$100,000 to use on other projects, and \$200,000 to use as incentive programs with contractors on the basis of good performance. Rep. Bylsma asked if the contractor and APA split that money. Haywood said the incentive is

based on losses.

Number 195

Rep. Bylsma said that, on 10/2, premium return was mentioned. He said he was led to believe it would come back to the state, not the contractor.

Number 215

Daryl Cody, president of Daryl A. Cody Company, a business consulting firm with offices in Anchorage and Washington state, said one of his specialties is assisting contractors in the acquisition of surety bonds and construction insurance. He listed his qualifications.

Number 250

Cody described wrap-up programs that were attempted to be instituted in Washington state in the 1960s that were stopped because what they suggested as savings was over anything they could justify. He said he has been injured by the action of APA, as they took insurance out of one of his clients' hands. He said he is co-chairman of the Insurance Taxing and Bonding Committee of the Alaska Chapter of AGC, and that he holds an office in the national AGC.

Number 280

Cody said he favors the free enterprise system. He is opposed to anything unnecessary, which is his first reason for opposing APCOP. He said it takes the normal insurance buying process away from the contractor. He said cost of insurance is a major consideration in putting bids together.

Number 297

Cody was opposed to government involvement in business where no need or purpose is served, as in this case. He said the state and the APA are in the private sector, where they aren't wanted or needed. Cody said in APA's public relations program, they said they would save money. He saw no way they could save money over the way general contractors buy their own insurance. He commented on the document which was passed out to justify use of a wrap-up plan. He said they went back 25 years to find 25 projects. He referred to one project showing a 38% savings. He said these savings have no credibility, as the base used to show savings was subject to question. He did not feel the statistics were credible. He said wrap-ups don't save

money; he believed it would cost more.

Number 360

Cody referred to APA's inference that money would stay in Alaska. He said they hired two of the largest brokers in the world, and that all the effort has been centered around the Seattle offices of those firms. Cody felt these firms could be considered non-Alaskan firms. Cody said the net of insurance does not save costs; it interferes with contractors' normal insurance buying processes; that contractual liability becomes confused because of the grey areas created by the net of insurance. He said the state is exposing itself beyond the protection of insurance, which is an additional cost.

Number 409

Rep. Sutcliffe asked if the state has liability by providing the wrap-up. Cody said they assumed a risk greater than they were insuring. There was discussion. Rep. Rogers asked if the builders risk could be larger than the state is insured for. Cody said, if for any reason coverage is denied by the carrier, the state is liable. He said the state is acting as an insurance intermediary. Rep. Bylsma asked if that would be different if the general contractor had private insurance. Cody said yes, the contract specifies the contractor is liable.

Number 470

Cody referred to exhibits attached to his prepared testimony.

Number 500

Rep. Rogers tried to clarify the order of events. Cody said the tone of the message to the contractor regarding the change order (after the court battle) was: "Here is the contract. We'll sign it if you sign the change order."

Number 550

Rep. Bylsma asked what law Washington had passed regarding wrap-up insurance. Cody said the committee has a copy of the law on file. The law prohibits an agency of state or local government in directing the purchase of surety bonds on a state or local project. He said the law was passed in 1967 or 1968.

Number 584

Rep. Sutcliffe asked, if the state of Washington had built and owned projects as Alaska will, if there was a wrap-up

insurance program and if the state couldn't totally fund the project, would there be any implication that the insurance companies would pay out so much it would reflect back on the state? Cody could not think of a situation where overall financial feasibility of projects could be affected. He believed brokers and Risk Management people capable of handling risk and risk management. He questioned their right to involve state government in private business, and the right of the contractor to protect himself as he wishes to be protected.

Number 625

Rep. Martin asked who paid for the public relations firm hired, and asked if there was any relationship between any of the board members of APA and the public relations firm hired. Cody assumed APA paid for the services. He said that, as of ten days ago, the firm was still working on the project.

Number 642

Rep. Martin announced that the hearing would be continued on Friday, when a bill or resolution might be introduced.

Number 645

Dor. Koch, Chief of Market Surveillance, Division of Insurance, and Ken Moore, Director of the Division of Insurance, came to testify before the committee. Moore said formal hearings were held in 1971 regarding the pipeline. Two years ago, when the pipeline was out and running, private enterprise approached them about having a wrap-up. As of August 26, the Division had published a worksheet of guidelines.

Tape 50, Number 003

Koch said he contacted other states to find out their attitudes toward wrap-up programs. He got very little response, and said that some did not know what it was. He commenced work last summer because of a potential wrap-up on the pipeline and on other projects. Rep. Martin said he understood there was a wrap-up on the marine ferries. Koch said there had been only one that he was aware of: the Alyeska pipeline, a private project.

Number 030

Rep. Martin asked Koch what advice he had given Risk Management and APA. Koch recalled discussions of self-insurance and wrap-up insurance. He said the discussion

was fairly general, and that he had given no advice.

Number 044 Rep. Martin asked if Koch foresaw the state being solely responsible for paying workers compensation claims. Koch was not sure. He believed that should be considered.

Number 058 Rep. Martin asked if the Division of Insurance had any overview responsibility, or if Risk Management was independent. Moore said Division of Insurance had no responsibility at all over Risk Management. Koch said they regulate provider coverage.

Number 071 Rep. Martin asked if they had evaluated the program. Koch said they had not. He said if they were directed to look at it, all they would be required to say is whether or not it covers workers. He said they don't have the expertise to say if it is an appropriate program for those circumstances; that this is not one of the Division's roles.

Number 093 Rep. Bylsma asked what effect elimination of wrap-up would have on workers compensation (he used Washington state as an example). Moore said it could have an effect. Koch said that whether compensation was a prime consideration when the legislation was created would be a factor.

Number 110 Rep. Martin asked if the Division could evaluate the policy--percentage of risk and true value to the state. Koch said they did not have the expertise, and that they would have to contract that out if they were requested to provide such an evaluation.

Number 125 Ken Vassar, attorney in the Department of Law, came before the committee. Rep. Rogers asked if he had reviewed the power sale agreement. Vassar had not. He responded to Rep. Rogers that he had not reviewed the interim financing agreement, either. Vassar said the APA has outside counsel, and he believed they had reviewed the documents in question. Rep. Rogers asked if Vassar had reviewed any of the insurance issues discussed. Vassar said he had. Rep. Rogers went over the occurrence of events:

07/27 APA met with Marsh & McLennan

08/06 Response of Marsh & McLennan with details
08/11 Bids come in
Aug/Sep APA chooses bidder
10/02 APA board meets & approves concept of APCOP
10/06 Change order issued
11/09 Press release regarding APCOP
11/23 and 12/02--sign memorandum of agreement

Vassar said this was not standard procedure. He was not familiar with the timeline. He said the decision to use the program was entered after the bid. He said this constitutes a change of circumstances. Vassar said the details came to the attention of the executive director after the bids were opened. There was discussion. Rep. Rogers asked if they were planning to review the sales agreement with Ketchikan and the interim financing agreement. Vassar said yes.

Number 190

Commissioner Ernst Mueller, vice chairman of the Board of Directors of Alaska Power Authority, said APA is a business in competition with private facilities. He feels it is his responsibility to investigate cost-cutting avenues. He said the only way to keep a cap on costs is to hire experts. Risk Management is one of their agencies used. He said decisions are rightfully in the hands of the Board. Mueller said that, at the meeting, there was sufficient justification to approve this approach. He said information to date has not changed his mind. He said the disadvantages of wrap-up insurance to general contractors are the same in the entire field of wrap-up programs, public and private. He said any decisions made about wrap-up programs should cover public and private contracts. Mueller said information to date indicates it is a good program.

Number 242

Rep. Rogers said, looking over the partial transcript of an APA board meeting, that Commissioner Webber had asked questions about board action and legislative approval, and that others had asked questions about liability, safety incentive, higher policy cost, and workers compensation; but that the Board had taken no action on these questions. Mueller said the Board could have delved more deeply into legal ramifications, and that there was no doubt

that this was an unusual procedure. He said it should have gone to bid differently, but the Attorney General did not seem to think it illegal. There was discussion.

Number 288

Rep. Rogers asked, regarding interim financing, if Mueller had ever seen the same situation (of the legislature being in a position to allow APA to default on interim financing, or approving funds to cover the financing). Mueller said he had not seen the same form. He said those building projects can't wait for a favorable bond market to do work. He said the Department of Revenue gives them money out of the general fund. He said one would have to speak to the APA Bond Council as to the processes involved. There was discussion of bonding. Rep. Rogers pointed out that there has been no legislative oversight of this project. Mueller agreed.

Number 358

Rep. Rogers asked if there were any inconsistencies in the Ketchikan power sales agreement in the ceiling versus statewide wholesale power cost rate. Mueller said they had asked Vassar to look at that to see if it conflicts with law.

Number 374

Rep. Bylsma said that, in the transcript of the 10/2 meeting, Slagle and Webber were talking about insurance when the Commissioner asked if the legislation was there. Slagle said he could not answer, "but we do it". Bylsma asked Mueller if he had questioned that. Mueller said they relied on the attorneys. There was discussion.

Number 400

Rep. Martin asked who was attending the 10/2 board meeting. Yould said he could provide a list of those attending.

Number 417

Rep. Martin noted, regarding a \$9-million contract to a Japanese firm, that \$570,000 was in advance. He asked if these monies had been authorized yet. Yould responded that they received bids to put in the submarine cable portion of Tyee. The Japanese firm was the lowest bidder. Insurance premiums have been provided for this portion of the program. Martin said this goes against the advertisement about keeping money in Alaska. He questioned

APA's procedure of insuring leased equipment but not insuring owned equipment, which would ensure that APA would get outside contractors because Alaskan contractors would own their equipment. Yould said this was to ensure that leased equipment would be insured. He said owned vehicles are already insured by the owner. Haywood said it was to insure items the owner has the greatest interest in. He said that owned equipment, vehicles, and aircraft are the contractor's responsibility. Martin said that was true, unless the contractor leases it. Haywood said to look at Tyee; they were concerned about someone grabbing a private plane or boat, crashing, and having no insurance. He said this could come back to the owner. Rep. Rogers said then it would make sense to rent or lease equipment, and that this would have an impact on future bids. He said there would be no reason to use one's own equipment, because the bid would be higher because of insurance on the equipment. Mueller disagreed, saying it would depend on the individual situation. Haywood said Tyee was not handled like a normal project. He said there was perhaps a valid concern regarding the conflict with competitive bid contracts. He referred to a companion program in place for contractors to use if they wished; the attorneys were not sure if insurance would affect low bids, so they elected to include subcontractors. He said they are not including aviation and watercraft coverage on future projects. There was discussion.

Number 597

Rep. Martin asked if the Japanese firm owned its equipment for cable laying. Haywood said it was leased on a time charter. Rep. Martin asked if the insurance covered them to and from the job. Haywood said it would cover marine exposure while bringing the cable to the jobsite.

Number 619

Rep. Bylsma questioned the length of the insurance contract. Haywood said there was no date because they were not sure when the exposure would end. Rep. Bylsma asked if they were insuring for the length of the program. Haywood said yes, that it was the same situation as when asking for a fixed price bid. He said change orders could increase or decrease the costs.

Number 654

Rep. Rogers said, regarding bids on various projects, that the difference between leased or owned equipment could make a difference in lowest bidder.

Number 678

Rep. Martin asked Mueller and Yould to clarify what legislation is needed to clarify this situation and make it legal. He said committee staff would prepare the opposite point of view. Yould said nothing precludes entering this type of program in Alaska. Vassar said the authority is broad enough under present law. Rep. Martin requested citation of specific authority. Vassar said nothing in the law expressly authorizes it; that it is general authority. There was discussion. Mueller said they asked many questions, wanting to clarify in their minds and ascertain if they had authority. There was more discussion.

Side B, Number 008

As Rep. Martin had announced that the hearing would be continued on Friday, April 2, and as there were no further witnesses wishing to testify, the meeting was adjourned at 3:35 p.m.

Absent:
Hardiner

4/2/82

Tape #

Mtg w/ APA + Dwr. Risk Mgmt

12:58

000

Call to order. M said had opp to evaluate problem.

Read stmt of committee's ~~to~~ ^{position} & presented CSSB 831,
with addn making wrap up pgms illegal. Requested
AAA

027

Rogers moved to report CSSB 831 out. Discussion.

No obj, motion passed.

038

1:02

Adjourned.

LABOR & COMMERCE COMMITTEE
DAILY COMMITTEE HEARING

Date: 4/2/82

Place: _____

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	_____ ✓ _____	_____	12:55	
Rep. D. Randolph	_____ ✓ _____	_____	12:56	
Rep. B. Rogers	_____ ✓ _____	_____	12:55	
Rep. T. Gardiner	_____ _____	_____ ✓ _____		
Rep. T. Martin, Chair	_____ ✓ _____	_____	12:55	

Subject Matter:

House Bill No. _____

Senate Bill No. _____

Special Orders:

SB 831 SENATE ACTION
DATE SEQ PAGE

03/04/82 01 0454
03/18/82 02 0605
03/22/82 03 0638

03/22/82 04 0643
03/22/82 05 0643
03/22/82 06 0643
03/22/82 07 0643

**** ** **

SB 831 HOUSE ACTION
DATE SEQ PAGE

03/22/82 08 0885
04/02/82 09 1048
04/02/82 10 1048

**** ** **

12:24 4/03/82 PAGE 2 OF 3
LEGISLATIVE ACTION

FIRST READING -- COMMITTEE REPORTS

LAC -- DP04

RLS -- OTHER03

TAKEN UP IMMEDIATELY

SECOND READING

ADVANCED TO 3RD READING BY UNAN CONSENT

THIRD READING

PASSED BY DIV 16-00-04

*** ** *

12:24 4/03/82 PAGE 3 OF 3
LEGISLATIVE ACTION

FIRST READING -- COMMITTEE REPORTS

LAC -- DP04

F/NOTE EQUALS ZERO

RULES

RULES

*** ** *

4 - 5 - 82

H B 6 9 8

H B 7 0 5

H B 7 5 7

S B 5 3 5

Absent:
Rogers
Harden

4/5/82

H. Labor & Commerce

Tape # 53

HB 698 SB 535
HB 705
HB 757

1: 39

000
HB 757
010

Call to order

Randolph moved CSHB 757 L&C out of comm. and rec
passed w/o obj.

HB SB 535
025

Martin
into bill; explained background

037

Gordon Evans, Ely Bress & Rudd; represent Multivisions, Inc —
requested bill be held until Thursday so Bob Gould
of multivisions cd testify.

Said HB 553 (S) + SB 535 began as identical bills
In Ariz area, abt 4,000 illegal antennas; Multivisions
losing ~\$40,000/month. Handed out ^{stms of} Visions position
abt bill. After the person who sells illegal antennas.
Cited ltr for a man in AZ to man in Ariz offering
to sell antenna as example.

Explained how antennas work. Explained that they
aren't after ^{prosecuting} the people using illegal antennas, but
those selling antennas. Pointed out that DA wd make
decision abt that, though. Noted that it cd be up
to a Class B felony to buy ~~pirate~~ pirate antenna.
Said purchaser is committing theft of svcs, a misdemeanor.
Again requested bill be held until Thurs. for Gould's
testimony.

155

Discussion of bill.

178

JH Barry p^d ented analysis — this is already a crime, just
won't set out explicitly. Suggested ~~a~~ amendments to clarify
law & address concerns.

225 Martin said Judiciary requested bill. ~~Said if it was the~~
Discussion of how to address provisions in bill.

CS SB 535 am

242 Randolph moved bill be reported out w/ und' recommend.

No objections, mo passed.

~~265~~ Brought HB 698 & HB 795 before Comm for taking testimony.

HB 698 & HB 795

270 Paul Arnoldt, Dir, Div Retirement & Benefits

Explained that each bill addresses. Gave background
on how bills came abt, ^{bill} history. Discussion of bills,
Other legislation dealing w/ same areas, & fiscal notes.

Arnoldt felt CS ^{SB} 813 was better bill than the rest.

365 Discussion of arrearages, ^{& funding} of retirement system. Approx 80%
funded; 20% unfunded is amortized over 20 yrs.

395 Bylsma suggested holding bills over until HB 813 is in committee.

403 Bob Cooksey, NEA Alaska - encouraged taking body of ^{SB} ~~HB~~ 813
& incorporating it into a CS for one of the other bills.

Explained ^{SB} ~~HB~~ 813 is left out of bill. Encouraged moving
bill.

445 Arnoldt offered Comm sectional analysis of bills.

452 Bob Greene, Ak School Bds Assoc - tends to agree w/ prin
testimony that emphasis shd be on ^{SB} ~~HB~~ 813; explained
his reasoning. School Bds concern is primarily w/ fiscal
impact. Prefer to see bill that includes employee
contin & phase in of benefits over period of time.

495 Martin commented on fiscal notes. Greene made recommenda
on manner of pymt. Wanted consideration for future
yr funding. Suggested 2 plans.

555

Tended to favor 3-way variable equal split of costs, based on actuarial need in order to keep demands on system down. Greene agreed. Cooksey felt there was a need to deal w/ cost, but felt it wd ~~not~~ be dealt w/ at bargaining table.

605

Martia said he'd speak w/ other members & staff, & wd combine bills; also, that he'd request unan. referral of ~~the~~ ^{SB} 813 to HESS, rather than to L+C.

Discussion.

2:20

641

Adjourned

SB 535 TITLE & SPONSOR SUMMARY 09:19 4/06/82 PAGE 1 OF 3
 AMENDED TITLE: CSSB 535(JUD)AM
 AN ACT RELATING TO THE CRIMINAL LAWS OF THE STATE

PRIME SPONSOR: SENATE RULES COMMITTEE.
 CO-SPONSORS:
 CURRENT STATUS: 3/29/82 IN (H) LABOR & COM REFERRAL: JUDICIARY
 SB 535 SENATE ACTION 09:19 4/06/82 PAGE 2 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
05/01/81	01	0929	FIRST READING -- COMMITTEE REPORTS
05/01/81	02	0929	GOV TRANSMITTAL LETTER
05/01/81	03	0929	GOV ZERO F/NOTE
03/17/82	04	0590	JUD -- CS01, NR03
03/25/82	05	0682	CLS -- OTHER03 TAKEN UP IMMEDIATELY
03/25/82	06	0683	POSTPONED UNTIL 03/26/82 BY UNAN CONSENT
03/31/82	17	1006	LAC CMTE REFERRAL ADDED
03/26/82	07	0697	SECOND READING
03/26/82	08	0697	JUD CS ADOPTED BY UNAN CONSENT
03/26/82	09	0697	POSTPONED UNTIL 03/29/82 BY UNAN CONSENT
03/29/82	10	0715	AM01 WITHDRAWN
03/29/82	11	0715	AM02 ADOPTED BY UNAN CONSENT
03/29/82	12	0716	AM03 ADOPTED BY UNAN CONSENT
03/29/82	13	0716	ADVANCED TO 3RD READING BY UNAN CONSENT
03/29/82	14	0716	THIRD READING
03/29/82	15	0716	PASSED BY DIV 12-03-03
****	**	**	*** ** *

SB 535 HOUSE ACTION 09:19 4/06/82 PAGE 3 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/29/82	16	0959	FIRST READING -- COMMITTEE REPORTS
03/31/82	18	1006	LAC CMTE REFERRAL ADDED LABOR & COMMERCE JUDICIARY RULES

**** ** ** ** **

LABOR & COMMERCE COMMITTEE
DAILY COMMITTEE HEARING

Date: 4/5/82

Place: _____

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	_____ ✓	_____	1:38	_____
Rep. D. Randolph	_____ ✓	_____	1:34	2:00
Rep. E. Rogers	_____	_____	_____	_____
Rep. T. Gardiner	_____	_____	_____	_____
Rep. T. Martin, Chair	_____ ✓	_____	1:37	_____

Subject Matter:

House Bill No. 698 705 _____

Senate Bill No. 535 _____

Special Orders:

4-6-82

H B 703

H B 831

S B 746

Alaska State Legislature



MEMBERS:
TERRY MARTIN, CHAIRMAN
BERNARD BYLSMA, VICE CHAIRMAN
RICHARD RANDOLPH
TERRY GARDINER
BRIAN ROGERS

POUCH V
STATE CAPITOL
JUNEAU, AK 99811
PHONE (907) 465-3783

OFFICIAL BUSINESS

House of Representatives LABOR AND COMMERCE COMMITTEE

To: All Interested Parties
From: Terry Martin, Chairman
House Labor & Commerce Committee
Date: March 18, 1982
Subject: HB 703

As I trust you are interested in legislation which will impact the communications media in the state of Alaska, I want you to be aware that HB 703, which deals with the use of communications media under the Administrative Procedure Act, will be heard by this committee on April 6 at 1:00 p.m. PST.

I have enclosed a copy of the workdraft committee substitute for HB 703 for your review. If you wish to comment, please send your testimony to the House Labor & Commerce Committee at Pouch V, Juneau 99811. You may also testify in person, if you so desire. (This hearing will not be teleconferenced.)

If you have questions or would like further information, don't hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Terry Martin".

Terry Martin, Chairman
House Labor & Commerce Committee

jfm

Absent:
Rogers.
Hardiner

4/6/82

HB ~~831~~ 703
HB 831

SB 746

Tape # ~~55~~
55

1:05

000

Call to order

SB 746

010 ~~655~~

Martin
explained bill

CS SB 746 (Fin)

020 ~~655~~

Randolph moved to report bill out; no obj, no passed.

HB 703

026 ~~667~~

Martin
explained bill

032 ~~667~~

Stewart
Stewart Brown, pres, Telelink - supported CS HB 703.

They have been promoting teleconf's as alternative to mtgs. HB 703 will clarify when teleconf & mtg is legal for commns, bds, & state agencies.

049 ~~667~~

Jeanne
Jan Clark, Dept H+SS - Dept has put out post paper on orig bill - strongly support bill & CS. Feel it will allow them to hold mtgs in more effective & cost efficient way.

063 ~~667~~

Bylsma moved to report out.

HB 831

068 ~~667~~

Stewart ~~by~~ brought bill before committee. Discussion of bill. Northrup presented copy of his prev testimony.
A- 1) inappropriate to combine pub bdesty
2) ^{action} might be premature when EO 50 less than yr old.

Plummer agreed.

104 ~~667~~

Randolph moved bill not be reported out. No action taken.

109 ~~667~~

Adjourned 1:14

	661	684	698	703
645 = 000	<u>635</u>	<u>635</u>	<u>635</u>	<u>635</u>
	26	49	63	68

739
<u>635</u>
104

Charlie
Norris
& vint Plummer

SB 746 SENATE ACTION
DATE SEQ PAGE

08:49 4/14/82 PAGE 2 OF 3

LEGISLATIVE ACTION

02/11/82 01 0267
03/02/82 02 0421
03/11/82 03 0529
03/12/82 04 0555

03/12/82 05 0557
03/12/82 06 0557
03/12/82 07 0558
03/12/82 08 0558
03/12/82 09 0558
03/12/82 10 0558

FIRST READING -- COMMITTEE REPORTS

L&C -- DP03

FIN -- CS05

RLS -- OTHER03

TAKEN UP IMMEDIATELY

SECOND READING

FIN CS ADOPTED BY UNAN CONSENT

ADVANCED TO 3RD READING BY UNAN CONSENT

THIRD READING

PASSED BY DIV 16-01-03

EFFECTIVE DATE VOTE SAME AS PASSAGE

**** ** **

*** *** **

SB 746 HOUSE ACTION
DATE SEQ PAGE

08:49 4/14/82 PAGE 3 OF 3

LEGISLATIVE ACTION

03/15/82 11 0793
04/06/82 12 1125
04/06/82 13 1125

FIRST READING -- COMMITTEE REPORTS

L&C -- DP01, NR02

F/NOTE HSE SUPPL #37

FINANCE

RULES

**** ** **

*** *** **

LABOR & COMMERCE COMMITTEE
DAILY COMMITTEE HEARING

Date: 4/6/82

Place: _____

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	_____ ✓	_____	1:04	
Rep. D. Randolph	_____ ✓	_____	1:05	
Rep. B. Rogers	_____	_____ ✓		
Rep. T. Gardiner	_____	_____ ✓		
Rep. T. Martin, Chair	_____ ✓	_____	12:55	

Subject Matter:

House Bill No. 703 831 _____

Senate Bill No. 746 _____

Special Order: s: