

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672

5919 HOUSE LABOR & COMMERCE

323

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: CS HB 400

PUBLISH DATE: _____

FISCAL NOTE

REQUEST: _____

Revision Date: _____
Title: Civil penalties for failure to
obtain fisheries business license
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Revenue
BRU: Income & Excise Audit

Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	500.0	500.0	500.0	500.0	500.0	500.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel *Steven E. Kettel* Phone: (907) 465-2320
Division: Income and Excise Audit Date: March 6, 1990

Approved by Commissioner: Hugh Malone *Hugh Malone* Date: March 6, 1990
Agency: Department of Revenue *3/7/90*

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

CS HB 400
Prepared by:
Steven E. Kettel
Income and Excise Audit Division

Analysis

Failure to obtain a license prior to processing will trigger a monetary penalty scheme under the proposal. The penalties escalate as subsequent violations occur. The bill will create civil penalties for processing fish without a license. This will make it much easier for the Department to enforce the law, and will give the Department the leverage it needs to obtain fisheries business license applications and tax prepayments from fish processing companies.

This legislation was recommended by the legislative audit completed on June 9, 1989. Recommendation No. 5 stated that the Department of Revenue should seek legislation for more stringent penalties for operating a fisheries business without a fisheries business license.

This legislation is also supported by the Alaska Municipal League.

The committee substitute adds clarifying language to the definition of value. In several isolated instances, processors are categorizing part of the purchase price they pay to fishermen as a delivery fee, transportation charge or similar description. The Department has consistently held that for both the raw fish tax (AS43.75) and the salmon enhancement tax (AS43.76), taxable value includes the entire amount a processor pays to obtain unprocessed fish.

This legislation adds to the definition of value any part of the price paid for the fish characterized as "compensation for delivery". A letter of intent accompanying the legislation states that this amendment does not establish new policy. It is intended to lend support to existing department interpretation and authority.

Revenue Impact

We cannot anticipate the number of processors that will fail to obtain proper licensing and consequently be penalized. We do believe that voluntary compliance, especially among floating processors, will improve dramatically and increase tax collections by \$500,000 - \$1 million.

HB

401



HB 401

Shop: 2225 Van Horn Road
Telephone: 452-1831

WESTERN MECHANICAL, INC.

P.O. BOX 60067, AIRPORT ANNEX

FAIRBANKS, ALASKA 99706-0067

March 8, 1990

Representative Dave Donley
P.O. Box V
Juneau, AK 99811

Subject: House Bill 401 - An Act Establishing a Workplace Safety Education and Training Program

Dear Representative Donley,

We are appreciative that the House Labor and Commerce Committee has deleted the workers compensation insurance premium tax from House Bill 401.

The question that remains now is, "Do we need this proposed legislation at all?" Western Mechanical is a union employer performing construction work for various government entities. We already have in place a stringent Safety Program, as required by our federal contracts and our workers compensation insurance carrier.

We do not need more State bureaucracy. Instead, the Department of Labor and the workers' comp board should enforce (and strengthen if necessary) the insurers' safety program requirements. It appears that the mechanism for workplace safety education and training is already in place.

Yours truly,
WESTERN MECHANICAL, INC.

Mike Desmond
Michael C. Desmond
Vice President

KENT DAWSON
MINER'S / OPERATORS
Phil Holdsworth
586-1383
3/19/90

Re: House Bill No. 401, "An Act establishing a workplace safety education and training program...."

Sec. 18.60.071. add:

(d) Industries with existing federal or privately funded workplace safety education or training programs that meet the requirements of this section are exempted from the compensation insurance premium tax.

This AMENDMENT Deletes
The premium TAX SURCHARGE
for workers - compensation

go230hAa
Cramer

A M E N D M E N T

OFFERED IN THE HOUSE

TO: HB 401

Page 1, line 7, following "program;":

Delete "providing for funding the program through the workers'
compensation insurance premium tax;"

Page 2, line 15:

Delete "new sections"

Insert "a new section"

Page 2, line 23, after "Alaska", through line 24:

Delete all material except "."

Page 3, line 17 through page 4, line 19:

Delete all material.

Renumber the following bill section accordingly.

ORDER
IN
FINAL

go0230hE
Cramer
2/16/90

Original sponsor(s): Rules/Governor

1 IN THE HOUSE

BY THE LABOR & COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 401 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a workplace safety education and
7 training program; and providing for an effective
8 date."

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

10 * Section 1. POLICY AND FINDINGS. The legislature declares that it is
11 the public policy of this state to promote safe and healthful conditions in
12 the workplace. Further, it is the public policy of this state to encourage
13 voluntary compliance with safety and health regulations and to encourage
14 the prevention of illness and injury through education and training. The
15 legislature finds that this education and training policy is necessary
16 because

17 (1) Alaska's occupational safety and health injury and illness
18 incidence rate was 31 percent higher than the national average in 1987;

19 (2) eleven out of every 100 Alaska workers suffered a work-
20 related injury or illness in 1987;

21 (3) many of the injuries and illnesses suffered by the state's
22 workers have resulted in loss of time at work, as demonstrated by a time-
23 loss rate for Alaska that was 26 percent higher than the national average
24 in 1987;

25 (4) Alaska's proportion of injuries in high-risk industries is
26 greater than that of many of its sister states; for example, the Alaska
27 injury and illness rate for logging is 174 percent higher than the national
28 average; and

29 (5) in Alaska, the worker fatality rate during the period 1980 -

1 1984 was almost four times the national rate; the Alaska worker fatality
2 rate was 33.5 cases per 100,000 workers as compared to the national rate of
3 8.8 cases per 100,000 workers.

4 * Sec. 2. LEGISLATIVE INTENT. It is the intent of the legislature to
5 encourage the full benefits of illness and injury prevention measures by
6 creating an education and training program on workplace safety and health
7 which will operate in part through grants to public and private employers,
8 trade associations, nonprofit organizations, labor organizations or their
9 federations, and educational institutions, to provide education, training,
10 and other effective prevention measures. Furthermore, it is the intent of
11 the legislature to foster voluntary preventive activities on the part of
12 employers and employees through effective statewide education and training
13 on workplace safety and health.

14 * Sec. 3. AS 18.60 is amended by adding a new section to read:

15 Sec. 18.60.071. WORKPLACE SAFETY EDUCATION AND TRAINING PROGRAM.

16 (a) The department shall administer a workplace safety education and
17 training program. In administering the program, the department shall
18 award grants to public and private employers, trade associations,
19 nonprofit organizations, labor organizations or their federations, and
20 educational institutions to provide effective workplace safety educa-
21 tion and training and other illness and injury prevention measures in
22 the state.

23 (b) The functions of the workplace safety education and training
24 program are to

25 (1) develop and implement statewide workplace safety educa-
26 tion and training measures to familiarize employers, supervisors,
27 employees, and union leaders with techniques of accident prevention
28 and investigation;

29 (2) develop and implement consultative educational

1 techniques to achieve long-range solutions to workplace safety prob-
2 lems;

3 (3) acquire, develop, and distribute workplace safety
4 pamphlets, booklets, brochures, and other appropriate safety media
5 that might be useful in providing workplace safety education and
6 training;

7 (4) provide technical and educational assistance regarding
8 workplace safety to employers in the state, with special emphasis on
9 small business employers;

10 (5) educate and train department staff engaged in adminis-
11 tering the program; and

12 (6) conduct other activities necessary for the implementa-
13 tion of an effective program.

14 * Sec. 4. This Act takes effect July 1, 1990.
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FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
 Title: An Act est. a work place safety BRU: Insurance
ed. and training program; providing funding
 Sponsor: Rules Committee Components: Operations
 Requestor: House Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE	1,220.2	1,220.2	1,220.2	1,220.2	1,220.2	1,220.2
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) No fiscal impact in FY 90.

The 1988 direct written workers' compensation was \$162,693,000.
 $\$162,693,000 \times .0075 = \$1,220,197.$

Prepared by: Joan Brown, Administrative Officer Phone: 465-2597
 Division: Insurance Date: 2/27/90

Approved by Commissioner: Larry Merculieff Date: 5/7
 Agency: Department of Commerce & Economic Development

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

HOUSE COMMITTEE REPORT

(7)

Date Referred: January 8, 1990

FURTHER REFERRALS: FINANCE

Date of Committee Action: 3/20/90

The LABOR & COMMERCE Committee considered:

HB 401

HOUSE BILL NO. 401

WORKPLACE SAFETY

"An Act establishing a workplace safety education and training program; providing for funding the program through the workers' compensation insurance premium tax; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with CSHB 401 (L+C) the same title
 a new title
 have attached amendment(s)
 do pass
 do not pass
 no recommendation
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

fiscal impact _____

fiscal note(s) Labor 1/8/90

zero fiscal note _____

zero fiscal note(s) _____

zero with analysis admin

zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(check approp. column)

Do Not Pass No Rec Amery

David Donley Donley
Bob Boyer Boyer
David Finnelstein Finnelstein

SIGNING:	Do Not Pass	No Rec	Amery
<u>Tom Collins</u> Collins		<input checked="" type="checkbox"/>	

David Donley

Chairman's Signature

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: CSHB 401 (L&C)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
Title: "An Act establishing a workplace
safety education & training program..." BRU: Labor Standards & Safety
Sponsor: Rules Committee Components: _____
Requestor: House Labor & Commerce Occupational Safety & Health

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	262.4	262.4	262.4	262.4	262.4	262.4
TRAVEL	30.0	30.0	30.0	30.0	30.0	30.0
CONTRACTUAL	65.0	65.0	65.0	65.0	65.0	65.0
SUPPLIES	7.5	7.5	7.5	7.5	7.5	7.5
EQUIPMENT	10.0					
LAND&STRUCTURES						
GRANTS,CLAIMS	975.1	985.1	985.1	985.1	985.1	985.1
MISCELLANEOUS						
TOTAL OPERATING	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0
FEDERAL FUNDS						
OTHER						
TOTAL	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0

POSITIONS:

FULL-TIME	5.0	5.0	5.0	5.0	5.0	5.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

see attached

Prepared by: Tom Stuart, Director Phone: 465-2712
Division: Labor Standards & Safety Date: 3/21/90
Approved by Commissioner: Jim Sampson Date: 3/21/90
Agency: Department of Labor

Distribution (by preparer) :
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Fiscal Note Analysis for:

"An Act establishing a workplace safety education and training program..."

Expenditures:

In order to carry out the provisions of this bill the department would hire five new staff positions. These would be safety consultants in Anchorage & Fairbanks, an industrial health consultant in Juneau, a data processing clerk in Anchorage, and an assistant chief position in Anchorage. They would perform the following duties:

1. *Publicize the availability of grants.* This would be accomplished by mass mailing of informational materials, media advertisements including television and radio spots, and meeting with employer and employee organizations to inform them of the program and to offer assistance.
2. *Administration of grants.* This will require review and approval of grant requests and follow up as necessary to assure that the grant conditions are being followed.
3. *Review safety and health programs.* There will be a need for the department to determine with an on-site visit whether or not a program for which a grant is requested meets the department's guidelines.
4. *Assist employers on occupational safety and health matters.* There will be a need to provide occupational safety and health consultation and training to employers who may not be able to develop a program that would qualify for a grant but may want to improve work place safety for their employees.

Associated with these new positions would be travel of \$30.0 for travel to employer work sites, normal per employee contractual services, \$65.0, and commodities, \$7.5, and one time equipment expense of \$10.0. The amount available for grants is estimated to be \$975.1.

Position Title Assistant Chief of Occupational Safety & Health			No. of Positions 1	Range/Step 20/A	Barg. Unit Supervisory
Time Status Full Time	Staff Months 12		Location Anchorage		Election District 8
Type of Expenditure			Justification		
		Amount	<p>This position will supervise the field personnel who will assist employers to develop safety programs and will review safety programs to determine if they qualify for a grant under this proposed legislation. The Assistant Chief will also be the grants administrator and make sure that the proper procedures are followed in awarding the grant and conduct any follow up necessary to assure that the terms of the grant are being kept by the grantee.</p> <p>Travel is to determine with on-site visits whether or not a program for which a grant is requested meets the Department's guidelines.</p> <p>Contractual is for indirect costs associated with the position, space, legal services with the Department of Law, printing and advertising, postage, and miscellaneous contractual services.</p> <p>Commodities are normal office supplies.</p>		
1	2	3			
Salary	\$43,100				
Benefits	\$14,200				
Premium Pay					
Other					
Total Personal Services		\$57,300			
Travel		\$3,900			
Contractual		\$22,900			
Commodities		\$1,500			
Equipment					
Other					
Total Cost		\$84,700			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	\$84,700			
GF Program Receipts	1005				
Other					

**Request For
New Position**

Agency Department of Labor
 BRU Labor Standards & Safety
 Component Occupational Safety & Health

Page 3 of 7
 Revised Date

FY 90

Position Title Occupational Safety Compliance Officer (Safety Consultant)			No. of Positions 1	Range/Step 50B	Barg. Unit I.TC	
Time Status Full Time	Staff Months 12	Location Anchorage		Election District 8		
Type of Expenditure			Justification			
			<p>This position will respond to requests for help in developing safety programs for organizations and employers which may qualify for grants.</p> <p>Travel is to determine with on-site visits whether or not a program for which a grant is requested meets the Departments guidelines.</p> <p>Contractual is for indirect costs associated with the position, space, postage, and miscellaneous contractual services.</p> <p>Commodities are normal office supplies.</p> <p>Equipment is office furniture and technical and scientific equipment required for conducting inspections, and is a one time item.</p>			
1		2				3
Salary		\$44,200				
Benefits		\$14,400				
Premium Pay						
Other						
Total Personal Services						\$58,600
Travel						\$9,000
Contractual						\$11,300
Commodities						\$1,500
Equipment						\$1,600
Other						
Total Cost						\$82,000
Funding Source for Total Cost						
Federal Receipts	1002					
G. F. Match	1003					
General Fund	1004		\$82,000			
GF Program Receipts	1005					
Other						

**Request For
New Position**

Agency Department of Labor
 BRU Labor Standards & Safety
 Component Occupational Safety & Health

Page 4 of 7

Revised Date

FY 90

Position Title Occupational Safety Compliance Officer (Safety Consultant)		No. of Positions 1	Range/Step 50B	Barg. Unit I,TC
Time Status Full Time	Staff Months 12	Location Fairbanks		Election District 16
Type of Expenditure		Amount		
1	2	3		
Salary	\$47,800			
Benefits	\$15,200			
Premium Pay				
Other				
Total Personal Services		\$63,000		
Travel		\$9,900		
Contractual		\$10,000		
Commodities		\$1,500		
Equipment		\$1,600		
Other				
Total Cost		\$85,100		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	\$85,100		
GP Program Receipts	1005			
Other				
<p>Justification</p> <p>This position will respond to requests for help in developing safety programs for organizations and employers which may qualify for grants.</p> <p>Travel is to determine with on-site visits whether or not a program for which a grant is requested meets the Departments guidelines.</p> <p>Contractual is for indirect costs associated with the position, space, postage, and miscellaneous contractual services.</p> <p>Commodities are normal office supplies.</p> <p>Equipment is office furniture and technical and scientific equipment required for conducting inspections, and is a one time item.</p>				

**Request For
New Position**

Agency Department of Labor
 BRU Labor Standards & Safety
 Component Occupational Safety & Health

Page 5 of 7

Revised Date

FY 90

Position Title Industrial Hygienist I (Industrial Health Consultant)			No. of Positions 1	Range/Step 19A	Barg. Unit GGU
Time Status Full Time	Staff Months 12		Location Juneau		Election District 4
Type of Expenditure			Amount		
1			2		3
Salary					\$40,000
Benefits					\$13,500
Premium Pay					
Other					
Total Personal Services					\$53,500
Travel					\$9,000
Contractual					\$12,000
Commodities					\$1,500
Equipment					\$1,600
Other					
Total Cost					\$77,600
Funding Source for Total Cost					
Federal Receipts	1002				
G. P. Match	1003				
General Fund	1004		\$77,600		
GP Program Receipts	1005				
Other					
Justification					
<p>This position will provide health consultation to employers and organizations in Southeast Alaska.</p> <p>Travel is to provide on-site health consultation services.</p> <p>Contractual is for indirect costs associated with the position, space, postage, and miscellaneous contractual services.</p> <p>Commodities are normal office supplies.</p> <p>Equipment is office furniture and technical and scientific equipment required to assist in health consultations, and is a one time item.</p>					

**Request For
New Position**

Agency Department of Labor
 BRU Labor Standards & Safety
 Component Occupational Safety & Health

Page 6 of 7

Revised Date

FY 90

Position Title Data Processing Clerk			No. of Positions 1	Range/Step 9A	Barg. Unit GGU
Time Status Full Time	Staff Months 12		Location Anchorage		Election District 8
Type of Expenditure			Amount		
1			2		3
Salary					\$20,800
Benefits					\$9,300
Premium Pay					
Other					
Total Personal Services					\$30,100
Travel					
Contractual					\$8,800
Commodities					\$1,500
Equipment					\$5,200
Other					
Total Cost					\$45,600
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004		\$45,600		
GF Program Receipts	1005				
Other					
Justification					
<p>This position will provide the clerical support for this program.</p> <p>Contractual is for indirect costs associated with the position, space, postage, and miscellaneous contractual services.</p> <p>Commodities are normal office supplies.</p> <p>Equipment includes office equipment and a personal computer, and is a one time item.</p>					

**Request For
New Position**

Agency Department of Labor
 BRU Labor Standards & Safety
 Component Occupational Safety & Health

Page 7 of 7
 Revised Date

FY 90

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act establishing a workplace BRU: Finance
safety education and training program.
 Sponsor: Rules Committee Components: _____
 Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

No additional appropriation for the Division of Finance is anticipated to be required. The only involvement of the Division of Finance is to establish the Workplace Safety Education and Training Account in the General Fund. Required reporting and administration of the fund will be under the control of the Department of Commerce and Economic Development.

Prepared by: Keith Busch, Director *Keith Busch* Phone: 465-2240
 Division: Finance Date: 2/16/90
 Approved by Commissioner: Frank S. Baxter *Frank S. Baxter* Date: 2/20/90
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 8, 1990

The Honorable Sam Cotten
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to establish a safety education and training program in the Department of Labor for the purpose of promoting safe and healthful conditions in the workplace.

Sections 1 and 2 of the bill set out legislative policy, findings, and intent. The public policy statement in sec. 1 establishes a commitment to encourage the prevention of workplace illness and injury through education and training. The findings set out a number of national statistics that demonstrate that Alaska needs this education and training because of the higher incidence of workplace illness and injury here than in most other states. The legislative intent section establishes that an education and training program is to be administered in part through grants to employers and other entities to provide the education and training and through other effective statewide workplace safety education and training.

Section 3 of the bill establishes the workplace safety education and training program, to be administered by the Department of Labor, outlines the specific functions of the program, and provides grant authority to the Department of Labor for the purpose of administering the grant program. Program functions include the development of statewide safety education and training measures, the development and use of long-range solutions, the development and compilation of reference materials for safety education programs, and the development of training designed for Alaskan employers and department staff. Proposed AS 18.60.071.

Section 3 also establishes a workplace safety education and training account in the general fund, to account for money collected from insurers as a surcharge on workers'

HB401

cc

HB401

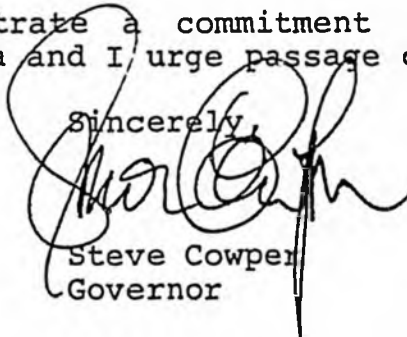
compensation insurance premiums. The Department of Administration will separately account for the .75 percent surcharge collected and the legislature may appropriate that money to the Department of Labor for the implementation of the program. Proposed AS 18.60.072.

Section 4 of the bill amends the insurance tax provisions in AS 21.09.210(b) to establish the .75 percent surcharge on workers' compensation premiums. As a result, the tax due on workers' compensation insurance premiums will be increased from 2.7 percent to 3.45 percent, to provide a funding source for the workplace safety education and training program.

Section 5 of the bill provides for an effective date of July 1, 1990, so that the necessary changes in accounting procedures will coincide with the beginning of a fiscal quarter.

This program will demonstrate a commitment to workplace safety and health in Alaska and I urge passage of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name below.

Steve Cowper
Governor

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: HB 401 No. 1
 PUBLISH DATE: HOUSE 1/8/90

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
 Title: "An Act establishing a workplace
safety education & training program..." BRU: Labor Standards & Safety
 Sponsor: Rules Committee Components: _____
 Requestor: Governor Occupational Safety & Health

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	262.4	262.4	262.4	262.4	262.4	262.4
TRAVEL	30.0	30.0	30.0	30.0	30.0	30.0
CONTRACTUAL	65.0	65.0	65.0	65.0	65.0	65.0
SUPPLIES	7.5	7.5	7.5	.5	7.5	7.5
EQUIPMENT	10.0					
LAND&STRUCTURES						
GRANTS,CLAIMS	975.1	985.1	985.1	985.1	985.1	985.1
MISCELLANEOUS						
TOTAL OPERATING	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0
---------	---------	---------	---------	---------	---------	---------

FUNDING: (Thousands of Dollars)

GENERAL FUND	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0
FEDERAL FUNDS						
OTHER						
TOTAL	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0	1,350.0

POSITIONS:

FULL-TIME	5.0	5.0	5.0	5.0	5.0	5.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

see attached

Prepared by: Tom Stuart, Director Phone: 465-2712
 Division: Labor Standards & Safety Date: 12/5/89

Approved by Commissioner: Jim Sampson Date: 12/5/89
 Agency: Department of Labor

Distribution (by preparer) :
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Fiscal Note Analysis for:

"An Act establishing a workplace safety education and training program..."

Expenditures:

In order to carry out the provisions of this bill the department would hire five new staff positions. These would be safety consultants in Anchorage & Fairbanks, an industrial health consultant in Juneau, a data processing clerk in Anchorage, and an assistant chief position in Anchorage. They would perform the following duties:

1. *Publicize the availability of grants.* This would be accomplished by mass mailing of informational materials, media advertisements including television and radio spots, and meeting with employer and employee organizations to inform them of the program and to offer assistance.
2. *Administration of grants.* This will require review and approval of grant requests and follow up as necessary to assure that the grant conditions are being followed.
3. *Review safety and health programs.* There will be a need for the department to determine with an on-site visit whether or not a program for which a grant is requested meets the department's guidelines.
4. *Assist employers on occupational safety and health matters.* There will be a need to provide occupational safety and health consultation and training to employers who may not be able to develop a program that would qualify for a grant but may want to improve work place safety for their employees.

Associated with these new positions would be travel of \$30.0 for travel to employer work sites, normal per employee contractual services, \$65.0, and commodities, \$7.5, and one time equipment expense of \$10.0. The amount available for grants is estimated to be \$975.1.

Revenue:

The bill provides for revenue to be placed in a workplace safety education and training account. The amount of revenue deposited to the account would be .75 percent of workers' compensation premiums paid on a yearly basis. Since the total annual workers' compensation premiums paid in the state is approximately \$180,000.0, the amount deposited each year would be approximately \$1,350.0 (.0075 x \$180,000.0).

Position Title Assistant Chief of Occupational Safety & Health		No. of Positions 1	Range/Step 20/A	Barg. Unit Supervisory
Time Status Full Time	Staff Months 12	Location Anchorage		Election District 8
Type of Expenditure		Justification		
1	2	3		
Salary	\$43,100	<p>This position will supervise the field personnel who will assist employers to develop safety programs and will review safety programs to determine if they qualify for a grant under this proposed legislation. The Assistant Chief will also be the grants administrator and make sure that the proper procedures are followed in awarding the grant and conduct any follow up necessary to assure that the terms of the grant are being kept by the grantee.</p> <p>Travel is to determine with on-site visits whether or not a program for which a grant is requested meets the Department's guidelines.</p> <p>Contractual is for indirect costs associated with the position, space, legal services with the Department of Law, printing and advertising, postage, and miscellaneous contractual services.</p> <p>Commodities are normal office supplies.</p>		
Benefits	\$14,200			
Premium Pay				
Other				
Total Personal Services	\$57,300			
Travel	\$3,000			
Contractual	\$22,900			
Commodities	\$1,500			
Equipment				
Other				
Total Cost	\$84,700			
Funding Source for Total Cost				
Federal Receipts	1002			
G. P. Match	1003			
General Fund	1004	\$84,700		
GF Program Receipts	1005			
Other				

**Request For
New Position**

Agency Department of Labor
 BRU Labor Standards & Safety
 Component Occupational Safety & Health

Page 3 of 7
 Revised Date

FY 90

Position Title Occupational Safety Compliance Officer (Safety Consultant)		No. of Positions 1	Range/Step 50B	Barg. Unit LTC
Time Status Full Time	Staff Months 12	Location Anchorage		Election District 8
Type of Expenditure		Justification		
1	2	3		
Salary	\$44,200	<p>This position will respond to requests for help in developing safety programs for organizations and employers which may qualify for grants.</p> <p>Travel is to determine with on-site visits whether or not a program for which a grant is requested meets the Departments guidelines.</p> <p>Contractual is for indirect costs associated with the position, space, postage, and miscellaneous contractual services.</p> <p>Commodities are normal office supplies.</p> <p>Equipment is office furniture and technical and scientific equipment required for conducting inspections, and is a one time item.</p>		
Benefits	\$14,400			
Premium Pay				
Other				
Total Personal Services		\$58,600		
Travel		\$9,000		
Contractual		\$11,300		
Commodities		\$1,500		
Equipment		\$1,600		
Other				
Total Cost		\$82,000		
Funding Source for Total Cost				
Federal Receipts	1002			
G. P. Match	1003			
General Fund	1004	\$82,000		
GP Program Receipts	1005			
Other				

**Request For
New Position**

Agency Department of Labor
 BRU Labor Standards & Safety
 Component Occupational Safety & Health

Page 4 of 7
 Revised Date _____

FY 90

HB 401
 HOUSE 1/8/90
 No. 1

Position Title Occupational Safety Compliance Officer (Safety Consultant)			No. of Positions 1	Range/Step 50B	Barg. Unit LTC
Time Status Full Time	Staff Months 12		Location Fairbanks		Election District 16
Type of Expenditure			Justification		
		Amount	<p>This position will respond to requests for help in developing safety programs for organizations and employers which may qualify for grants.</p> <p>Travel is to determine with on-site visits whether or not a program for which a grant is requested meets the Departments guidelines.</p> <p>Contractual is for indirect costs associated with the position, space, postage, and miscellaneous contractual services.</p> <p>Commodities are normal office supplies.</p> <p>Equipment is office furniture and technical and scientific equipment required for conducting inspections, and is a one time item.</p>		
1	2	3			
Salary	\$47,800				
Benefits	\$15,200				
Premium Pay					
Other					
Total Personal Services		\$63,000			
Travel		\$9,000			
Contractual		\$10,000			
Commodities		\$1,500			
Equipment		\$1,600			
Other					
Total Cost		\$85,100			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	\$85,100			
GP Program Reo	as 1005				
Other					

**Request For
New Position**

Agency Department of Labor
 BRU Labor Standards & Safety
 Component Occupational Safety & Health

Page 5 of 7
 Revised Date

FY 90

HB 401
 HOUSE 1/8/90
 No. 1

Position Title Industrial Hygienist 1 (Industrial Health Consultant)			No. of Positions 1	Range/Step 19A	Barg. Unit GGU
Time Status Full Time	Staff Months 12	Location Juneau		Election District 4	
Type of Expenditure			Justification		
		Amount			
1	2	3			
Salary	\$40,000			<p>This position will provide health consultation to employers and organizations in Southeast Alaska.</p> <p>Travel is to provide on-site health consultation services.</p> <p>Contractual is for indirect costs associated with the position, space, postage, and miscellaneous contractual services.</p> <p>Commodities are normal office supplies.</p> <p>Equipment is office furniture and technical and scientific equipment required to assist in health consultations, and is a one time item.</p>	
Benefits	\$13,500				
Premium Pay					
Other					
Total Personal Services		\$53,500			
Travel		\$9,000			
Contractual		\$12,000			
Commodities		\$1,500			
Equipment		\$1,600			
Other					
Total Con.		\$77,600			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	\$77,600			
GF Program Receipts	1005				
Other					

**Request For
New Position**

Agency Department of Labor
 BRU Labor Standards & Safety
 Component Occupational Safety & Health

Page 6 of 7
 Revised Date

FY 90

HB 401
 HOUSE 1/8/90
 No. 1

Position Title Data Processing Clerk		No. of Positions 1	Range/Step 9A	Barg. Unit GGU
Time Status Full Time	Staff Months 12	Location Anchorage		Election District 8
Type of Expenditure		Justification		
1	2	3		
Salary	\$20,800	<p>This position will provide the clerical support for this program.</p> <p>Contractual is for indirect costs associated with the position, space, postage, and miscellaneous contractual services.</p> <p>Commodities are normal office supplies.</p> <p>Equipment includes office equipment and a personal computer, and is a one time item.</p>		
Benefits	\$9,300			
Premium Pay				
Other				
Total Personal Services	\$30,100			
Travel				
Contractual		\$8,800		
Commodities		\$1,500		
Equipment		\$5,200		
Other				
Total Cost		\$45,600		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	\$45,600		
GF Program Receipts	1005			
Other				

**Request For
New Position**

Agency Department of Labor
 BRU Labor Standards & Safety
 : Occupational Safety & Health

Page 7 of 7
 Revised Date

FY 90

HB 401
 HOUSE 1/8/90
 No. 1

cc

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: An Act est. a workplace safety ed. & training program; providing funding
 Sponsor: Rules Committee
 Requestor: Governor
 Agency Affected: Commerce & Economic Dev.
 BRU: Insurance
 Components: Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL						
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REVENUE	1,220.2	1,220.2	1,220.2	1,220.2	1,220.2	1,220.2
---------	---------	---------	---------	---------	---------	---------

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The 1988 direct written workers' compensation was \$162,693,000.
 $\$162,693,000 \times .0075 = \$1,220,197.$

Prepared by: Joan Brown Phone: 465-2597
 Division: Insurance Date: 12/5/89

Approved by Commissioner: Larry Mercurieff *SM* Date: 12/6/89
 Agency Commerce & Economic Development

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

HB

404

HOUSE COMMITTEE REPORT

(7)

Date Referred: January 8, 1990

FURTHER REFERRALS: FINANCE

Date of Committee Action: 1/25/90

The LABOR & COMMERCE Committee considered:

HB 404

HOUSE BILL NO. 404

UNEMPLOYMENT INSURANCE BENEFITS

"An Act relating to the unemployment insurance benefit schedule; and providing for an effective date."

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
[] a new title
[] have attached amendment(s)
[] do pass
[] do not pass
[] no recommendation
[] individual recommendations
[] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS: _____ (Date/Dept)

- [] fiscal impact _____
[] zero fiscal note _____
[] zero with analysis _____

- [] fiscal note(s) _____
[] zero fiscal note(s) _____
[] zero fn/analysis _____

SIGNING DO PASS:

SIGNING:
(Check approp. column)

Do Not
Pass
No Rec
Amend

David Douley
Mark Boyer
Paul Holt
[Signature]
[Signature]

	Do Not Pass	No Rec	Amend

David Douley
Chairman's Signature

STEVE COWPER
GOVERNOR



cc
HB404

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 8, 1990

The Honorable Sam Cotten
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to establish an increase in the weekly unemployment benefits paid to workers during periods of temporary unemployment. The bill sets out a new benefits schedule intended to meet the national standards for adequate benefit payments.

In 1988, 51,000 Alaska workers received unemployment insurance benefits. Only 61 percent of these claimants received a benefit that provided a 50 percent wage replacement. In 1989, only 59.5 percent of all claimants received a 50 percent wage replacement. The national standard considers an unemployment insurance benefit system to be inadequate if it does not provide a 50 percent wage replacement to at least two-thirds of the applicants.

Section 1 repeals the current benefit schedule which provides a minimum benefit of \$38, with \$2 increments for each \$250 of base period wages, to a maximum of \$188. The proposed new schedule raises the minimum weekly benefit to \$44, again increased in \$2 increments, to a maximum of \$212 a week.

Section 2 provides for the effective date of October 1, 1990, which coincides with a benefit quarter that is a sufficient time after enactment to facilitate implementation of the new schedule.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper".

Steve Cowper
Governor

**STATE OF ALASKA
1990 LEGISLATIVE SESSION**

BILL VERSION: HB 404
PUBLISH DATE: HOUSE 1/8/90

No. 1

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: All
 Title: "An Act relating to Unemployment Insurance" BRU: All
 Sponsor: Rules Committee Components: All
 Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	390.5	490.4	514.4	549.0	584.3	620.2
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	390.5	490.4	514.4	549.0	584.3	620.2

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	273.5	343.3	360.1	384.3	409.0	434.2
FEDERAL FUNDS						
OTHER	117.0	147.1	154.3	164.7	175.3	186.0
TOTAL	390.5	490.4	514.4	549.0	584.3	620.2

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Judy Knight, Deputy Director Phone: 465-2712
 Division: Employment Security Division Date: 10/23/89
 Approved by Commissioner: Jim Sampson Date: 10/23/89
 Agency: Department of Labor

Distribution (by preparer) :
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

**Fiscal Note Analysis
for
"An Act relating to Unemployment Insurance"**

This bill provides for a revised schedule that would increase the amount of weekly unemployment insurance benefits paid to unemployed workers.

There would be a cost to the state for benefits paid to ex-state employees. The costs are based on forecasted benefits to be paid to ex-state workers. The fiscal note for FY 91 reflects the change for three-fourths of the year based on an effective date of October 1, 1990.

Approximately seventy percent of the state operating budget is general funds. Therefore, seventy percent of the increased cost of the benefits would come from the general fund. The remaining thirty percent would come from other funds such as federal funds, interagency receipts, and other funds.

Funds should be appropriated to the Department of Administration for deposit into the account that is used to reimburse the unemployment insurance system for the increased benefit costs.

DEPARTMENT OF LABOR

Proposed Legislation to Increase
Unemployment Insurance Benefits

Section-by-Section Analysis

Section 1:

This amendment to AS 23.20.350 provides for an increase in unemployment insurance weekly benefits. Nationally, an unemployment insurance benefit system is considered inadequate if it does not provide at least a 50 percent wage replacement for two-thirds of the claimants. In FY 89, Alaska's benefit schedule provided a 50 percent replacement to only 59.5 percent of the claimants. The proposed amendment, which would raise minimum weekly benefits to \$44 and maximum weekly benefits to \$212, would adjust the benefit schedule to meet the national standard.

Section 2:

This section provides for an effective date.

Unemployment Insurance at a Glance

To be eligible

- * A person must have been paid at least \$1000**
- * These wages must have been paid in at least 2 calendar quarters.**
- * At least \$100 must be paid outside the quarter of highest wages.**
- * Must be physically able to work**
- * Available for work**
- * Registered for employment**

Benefits

- * Currently, weekly UI benefits range from \$38.00 with a high of \$188.00 depending on the amount of wages**
- * Eligible for 16-26 weeks depending on length of employment**

Maximum Weekly UI Benefits, Selected States

State	Minimum WBA	Maximum WBA
-------	----------------	----------------

PACIFIC NORTHWEST:

California	\$40	\$190*
Alaska	38	188
Idaho	44	188
Washington	57	209
Oregon	53	229

HIGHEST STATES:

Pennsylvania	35	266
District of Columbia	13	283

LOWEST STATES:

Indiana	40	96
Nebraska	20	134

***Increases to \$210 in 1991, \$230 in 1992**

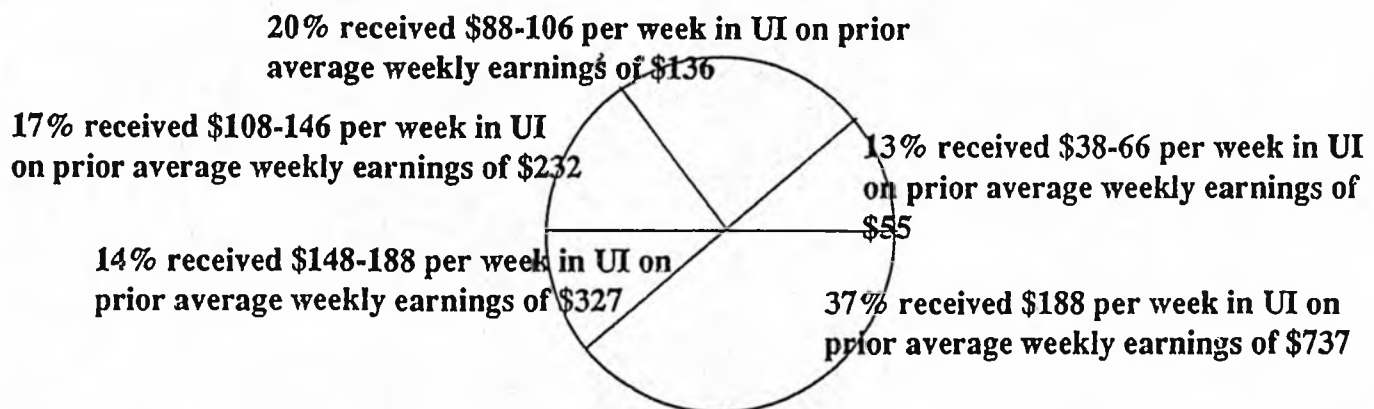
Where the money goes

UI payments reach almost every community in Alaska from Barrow to Ketchikan. The table below gives a regional perspective.

UI Benefits Paid within Alaska by Area, 1988

Anchorage / Mat-Su.....	\$37,065,299
Gulf Coast.....	10,509,401
Interior.....	15,183,125
Northern.....	2,439,763
Southeast.....	9,109,344
Southwest.....	2,540,267
Total Benefits Paid	
In Alaska in 1988...\$76,847,199	

This chart categorizes the the amount of benefits based on earnings.



Number of UI claimants; and UI Benefits Paid within Alaska by Area, and outside Alaska, Calendar Year 1989

	<u>Claimants</u>	<u>Payments</u>
Aleutian Islands Census Area	76	\$95,745
Anchorage Borough	11,247	20,788,574
Bethel Census Area	517	840,819
Bristol Bay Borough	46	78,916
Dillingham Census Area	221	362,742
Fairbanks North Star Borough	5,264	9,620,322
Haines Borough	193	327,995
Juneau Borough	1,594	2,858,590
Kenai Peninsula Borough	3,837	6,563,086
Ketchikan Gateway Borough	1,223	1,876,373
Kobuk Census Area	406	763,660
Kodiak Island Borough	894	1,393,057
Matanuska-Susitna Borough	3,570	7,056,198
Nome Census Area	574	1,080,072
North Slope Borough	233	491,801
Prince of Wales-Outer Ketchikan C.A.	746	1,368,925
Sitka Borough	541	863,098
Skagway-Yakutat-Angoon Census Area	547	900,285
Southeast Fairbanks Census Area	427	843,503
Valdez-Cordova Census Area	769	1,227,213
Wade Hampton Census Area	264	453,622
Wrangell-Petersburg Census Area	767	1,401,231
Yukon-Koyukuk Census Area	774	1,446,542
Total In-State	34,730	62,702,419
Out-of-State	10,128	19,120,952
Total	44,858	\$81,823,371

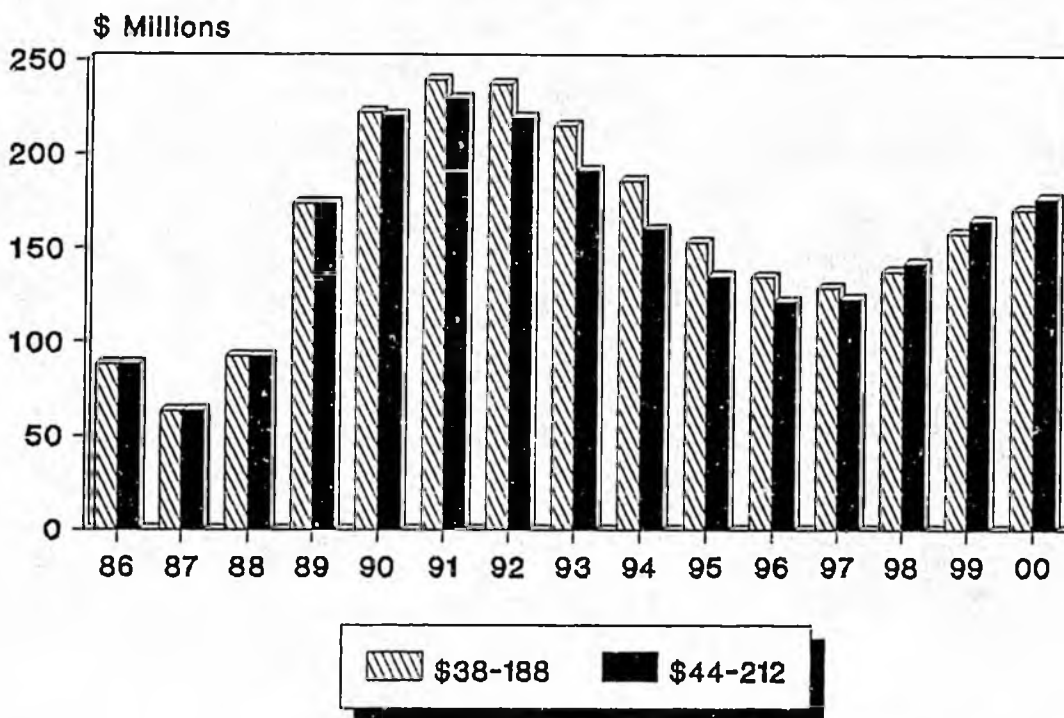
Amount of UI Benefit Payments by Census Area, 1985-1988

Census Areas and Subareas	1985 Total	1986 Total	1987 Total	1988 Total	Four Year Total
ALEUTIAN ISLANDS CA	\$188,249	312,908	305,427	288,631	1,093,215
ANCHORAGE BOROUGH	38,085,716	49,326,123	39,676,035	28,816,040	155,903,914
BETHEL CA	1,772,090	1,758,390	1,397,121	1,003,968	5,931,569
BRISTOL BAY BOROUGH	136,991	139,983	156,308	153,593	586,875
DILLINGHAM CA	552,863	662,038	646,392	447,749	2,309,042
FAIRBANKS NORTH STAR BOR.	17,119,979	22,634,341	17,263,988	12,428,406	69,446,714
HAINES BOROUGH	552,607	600,271	439,658	312,946	1,905,482
JUNEAU BOROUGH	4,551,809	5,902,455	4,049,062	2,754,550	17,257,886
KENAI PENNINSULA BOROUGH	8,995,851	14,083,740	10,923,305	8,007,491	42,010,387
KETCHIKAN GATEWAY BOROUGH	2,870,598	3,224,334	2,231,366	1,662,535	9,988,833
KOBUK CA	1,122,230	1,408,402	1,103,933	882,906	4,517,471
KODIAK ISLAND BOROUGH	2,065,156	1,717,931	1,157,092	998,352	5,938,531
MATANUSKA-SUSITNA BOROUGH	11,462,190	14,332,553	11,291,922	8,249,259	45,335,924
NOME CA	1,445,223	1,864,877	1,458,209	1,066,666	5,874,995
NORTH SLOPE BOROUGH	1,145,355	870,852	537,536	470,171	3,023,914
PRINCE OF WALES-OUTER KETCH.	1,524,987	1,735,893	1,546,602	1,252,326	6,058,808
SITKA BOROUGH	1,606,353	2,050,324	1,526,976	935,318	6,118,971
SKAGWAY-YAKUTAT-ANGOON CA	1,142,012	1,181,664	1,049,472	1,000,969	4,374,117
SOUTHEAST FAIRBANKS CA	1,301,719	1,700,595	1,309,799	1,066,402	5,370,515
VALDEZ-CORDOVA CA	1,776,382	2,042,788	1,688,151	1,503,558	7,010,879
WADE HAMPTON CA	741,681	781,280	659,487	648,326	2,830,774
WRANGELL-PETERSBURG CA	1,797,515	1,899,664	1,789,619	1,190,700	6,677,498
YUKON-KOYUKUK CA	2,272,033	2,349,612	2,143,570	1,688,317	8,453,532
AREA UNKNOWN	6,059,855	4,924,796	2,076,159	1,780,202	14,841,012
IN-STATE TOTALS	110,289,444	137,542,796	106,426,209	78,627,401	432,865,850
INTERSTATE TOTALS	29,505,972	34,504,509	32,761,726	22,841,870	119,614,077
TOTALS ALL AREAS	\$139,795,416	172,047,305	139,187,935	101,469,271	552,499,927

Effects of Proposed Benefit Increase on the UI Trust Fund

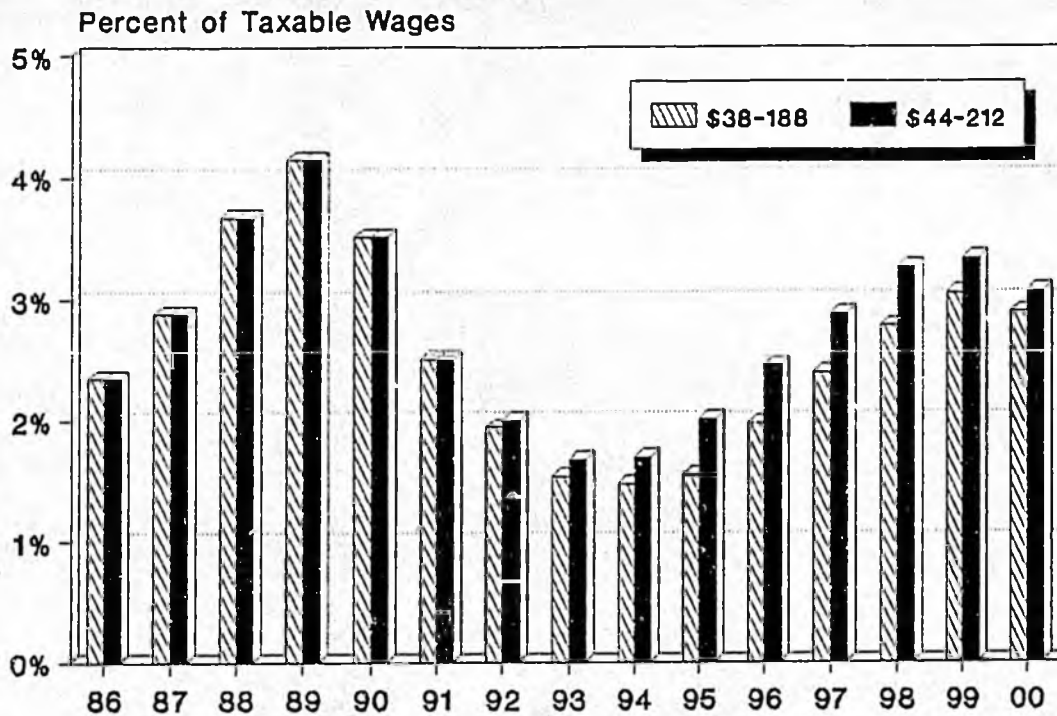
The following graph is a projection of the UI trust fund with and without the change in the schedule. Notice that the fund balance is lower with the change in the near-term, but by the end of the decade the fund balance is actually higher than it would be without the changes.

Year-end Balances Current and Proposed Benefit Schedules



The increase in the benefit schedule proposed in House Bill 404 will have only a small immediate impact on the trust fund, reducing the balance by about \$10-13 million over the next five years. It will have no impact over the long run, however, as Alaska's benefit financing system is self-adjusting and will always seek a fund balance at about 3% of Alaska payroll. At the end of 1989, Alaska's UI trust fund stood at a healthy \$173 million. Oil spill employment had a significant effect in replenishing the trust fund so quickly after the 1986 recession. However, the fund balance will continue its normal seasonal decline until its yearly increase in the Spring.

Average Employer Tax Rates Current and Proposed Benefit Schedules



Changes in Average Employer Tax Rates Due to Proposed Increase in Benefit Schedule

Year	Current Schedule \$38-188	Proposed Schedule \$44-212	Increase in Tax Rates
1991	2.50%	2.50%	0.00%
1992	1.94%	2.00%	0.06%
1993	1.53%	1.67%	0.14%
1994	1.47%	1.69%	0.22%
1995	1.54%	2.01%	0.47%
1996	1.97%	2.45%	0.48%
1997	2.39%	2.88%	0.49%
1998	2.78%	3.26%	0.48%
1999	3.05%	3.33%	0.28%
2000	2.89%	3.06%	0.17%
Avg. 1991-2000	2.21%	2.49%	0.28%

THE FOLLOWING DOCUMENT HAS
NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL
FILE

**UNEMPLOYMENT
INSURANCE
ACTUARIAL
and FINANCIAL
HANDBOOK**



Calendar Year 1988

ALASKA DEPARTMENT OF LABOR STEVE COWPER, GOVERNOR

HB

406

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STEVE COWPER, GOVERNOR

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600

January 29, 1990

The Honorable Sam Cotten
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: HB 406

Dear Representative Cotten:

Recent meetings with the Department of Labor inspection staff and telephone discussions with Underwriters Laboratory staff lead me to suggest some minor revisions to HB 406.

We agree with the Department of Labor that "offer to sell" should be added to Sec. 45.45.910(a). This change would greatly simplify the enforcement of this statute. This same section should be revised by changing "approved testing laboratory" to "approved third-party product certifier." This change is close to the change suggested by "UL" but uses language consistent with that used by "The American National Standards Institute."

We suggest that AS 45.45.910 be changed from "maintain a list of approved testing laboratories" to "review and approve third party certification programs that substantially comply with AS 45.45.910(d)." This change allows for more consistent language and clarifies responsibility of the Department of Law.

We agree with Underwriters Laboratories that the reference to ASTM E994 be deleted and in its place "ANSI Z34-1987, American National Standard for Certification - Third-Party Certification Program," published by the American National Standard Institute. The reference to ASTM was inappropriate, The ANSI standard is the appropriate recognized national standard. We also substantially agree with Underwriters Laboratories that AS 45.45.910(d)(2)(B) be changed from "for which an approved testing laboratory exists" to "for which listing or labeling by an approved third-party product certifier is available." This change allows for language consistent with ANSI guidelines.

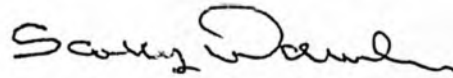
Representative Sam Cotten
Alaska State Legislature
HB 406

January 29, 1990
Page 2

These changes clean up and clarify the bill but do not substantially change the bill. Hopefully, few other changes will be necessary.

Sincerely,

DOUGLAS B. BAILY
ATTORNEY GENERAL



By:

Scotty Dawkins
Investigator
Consumer Protection

SD:nb

ALASKA STATE LEGISLATURE

P. O. Box 770296
Eagle River, Alaska 99577
(907) 694-6683



P. O. Box V
Juneau, Alaska 99811
(907) 465-3720

SAM COTTEN
SPEAKER OF THE HOUSE

Memorandum

TO: Representative Dave Donley
Chairman, House Labor & Commerce Committee

FROM: Representative Sam Cotten *SC*
Speaker of the House

DATE: January 26, 1990

RE: Hearing on House Bill 406

=====

For your planning purposes, the following individuals will be in town next Tuesday to testify regarding House Bill 406:

1. Mr. Robert Pollock
Senior Staff Engineer
Underwriters Laboratories, Inc.
Santa Clara, California
2. Mr. Wes Christiansen
Service Consultant
Underwriters Laboratories, Inc.
Edmonds, Washington
3. Mr. Ronald M. "Scotty" Dawkins
Investigator
Consumer Protection Section
Alaska Department of Law
Anchorage, Alaska

I would appreciate it if you could accommodate these witnesses at this hearing as they will be traveling to Juneau specifically for this hearing. If you have any questions, please do not hesitate to contact me. Your cooperation is appreciated.



International Association of Electrical Inspectors



The Alaskan Chapter of the International Association of Electrical Inspectors supports House Bill No. 406. This bill follows our associations major objectives in formulating standards for safe installation and use of electrical materials, devices and appliances. Product manufacturers have the responsibility to supply products that are safe and suitable for the purpose. Listing and labeling of an electrical product assures the consumer that the product manufacturer has met basic fire and life safety tests conducted by an unbiased approved testing laboratory.

Gil Chambers
Sec/Tres AK Chapter IAEI
13811 Savage Drive, Box 110
Eagle River, Alaska 99577

International Brotherhood of Electrical Workers

Local 1547

2702 DENALI STREET
ANCHORAGE, ALASKA 99503-2779

TELEPHONE
(907) 272-6571

DISPATCH
(907) 276-1547

GARY BROOKS
BUSINESS MANAGER • FINANCIAL SECRETARY

JOSEPH HODGE
PRESIDENT

January 25, 1990



Rep. Dave Donley, Chairman
Labor and Commerce Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Re: House Bill 406

Dear Representative Donley:

In light of the tragic incident that inspired this legislation, the International Brotherhood of Electrical Workers Local Union 1547 would like to go on record as supporting this legislation. We have a longstanding tradition of supporting consumer as well as workplace safety, and legislation such as this will go far in ensuring a higher degree of safety in both areas.

Very Truly Yours,
IBEW LOCAL UNION 1547

Gary Brooks
Business Manager

GB:sb

Faxed P. 20
1/26/89 Pages
3:57 PM

IN THE HOUSE

HOUSE BILL NO. 406
IN THE LEGISLATURE OF THE STATE OF ALASKA
SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the sale, gift, or transfer for value of electrical products."

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

* Section 1. AS 45.45 is amended by adding a new section to read:

Sec. 45.45.910. SALE OR OTHER DISPOSAL OF ELECTRICAL PRODUCTS.

(a) A person may not, in the course of the person's business OFFER TO SELL, sell, give away, or exchange for value an electrical product unless the electrical product is labeled or listed by an approved THIRD PARTY CERTIFICATION PROGRAM [testing laboratory] in accordance with the minimum electrical standards established by AS 18.60.580.

(b) The consumer protection section of the Department of Law shall [maintain a list of approved testing laboratories] REVIEW AND APPROVE THIRD PARTY CERTIFICATION PROGRAMS THAT SUBSTANTIALLY COMPLY WITH 45.45.910(d).

(c) A person who violates (a) of this section is guilty of a violation.

(d) In this section,

DRAFT

DR



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: HB 406

APPROVED: 

TITLE: An Act relating to sale of electrical products.

DATE: January 30, 1990

The department supports the intent of this bill -- the elimination of dangerous consumer electrical products. However we are concerned that this bill could significantly raise costs on certain types of construction which involve electrical products not intended for the consumer market and which are not routinely tested by an approved laboratory. For example airport navigation lights and some traffic signal products are not tested by an approved testing laboratory.

While these and similar non-consumer electrical products do not meet the testing criteria established in this bill, they are normally required to meet standards established by funding agencies (Federal Aviation Administration and Federal Highway Administration) and the registered engineers who design and observe the construction.

The requirement for the testing of non-consumer electrical products with a limited market could result in the full cost of a test being borne by the purchaser. Just recently, a sheet metal enclosure on a highway traffic signal power center was mandated to have an approved label by a local inspector. At an expense of \$15,000 a UL inspector visited the site and reported that the enclosure was "galvanized sheet metal and water tight".

We recommend that provisions be made in Sec. 45.45.910 (a) to accept products specified by a person who is a registered electrical engineer, licensed to practice in the State of Alaska.

**International Brotherhood of Electrical Workers
Local 1547**

2702 DENALI STREET
ANCHORAGE, ALASKA 99503-2779

TELEPHONE
(907) 272-8571

DISPATCH
(907) 276-1547

GARY BROOKS
BUSINESS MANAGER • FINANCIAL SECRETARY

JOSEPH HODGE
PRESIDENT



January 29, 1990

The International Brotherhood of Electrical Workers, Local 1547 ("IBEW") supports House Bill No. 406. This bill follows our Local's major objective in formulating standards for safe installation and use of electrical materials, devices and appliances. Product manufacturers have the responsibility to supply products that are safe and suitable for the purpose. Listing and labeling of an electrical product assures the consumer that the product manufacturer has met basic fire and life safety tests conducted by an unbiased approved testing laboratory.

IBEW LOCAL UNION 1547

Gary Brooks
Business Manager

GB/cfd

Post-It™ brand fax transmittal memo 7671		# of pages >	1
To	Janet		
From	Gary Brooks		
Co.	Sanku Cotton's Office		
Co.	IBEW Local 1547		
Dept.	N		
Phone #	272-6571		
Fax #	465-9565		
Fax #	276-1963		

HOUSE COMMITTEE REPORT

(7)

Date Referred: January 8, 1990

FURTHER REFERRALS: FINANCE

Date of Committee Action:

2/15/90

The LABOR & COMMERCE Committee considered:

HB 406

HOUSE BILL NO. 406

SALE OF ELECTRICAL PRODUCTS

"An Act relating to the sale, gift, or transfer for value of electrical products."

RECOMMENDATIONS:

- [] be replaced with CS HB406 (LHC) [] the same title
[] a new title
- [] have attached amendment(s)
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:
(Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [] fiscal note(s) _____
- [] zero fiscal note(s) _____
- [] zero fn/analysis _____

SIGNING DO PASS:

David Douley

Mark Boyer

[Signature]

Mr. Stuenkel

Dr. A. J. [Signature]

SIGNING: (Check appropr. column)

	Do Not Pass	No Rec	Amend
<u>[Signature]</u>		<input checked="" type="checkbox"/>	

David Douley
Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to the sale, gift, or transfer for value of electrical products."
Sponsor: Repr. Cotten
Requestor: Repr. Cotten

Agency Affected: Department of Law
BRU: Consumer Protection
Components: Consumer Protection

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

Prepared by: Richard I. Pegues Director Phone: 465-3672
Division: Administrative Services Date: January 30, 1990
Approved by Commissioner: Douglas B. Bailly Attorney General Date: January 30, 1990
Agency: Department of Law

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

This bill amends AS 45.45 by adding a new section (AS 45.45.910) that provides that a person may not, in the course of the person's business, sell, give away, or exchange for value an electrical product unless the electrical product is labeled or listed by an approved testing laboratory, in accordance with the minimum electrical standards established by AS 18.60.550.

The bill also provides that the consumer protection section of the Department of Law shall maintain a list of approved testing laboratories. Approved testing laboratory is defined as a laboratory that meets the requirements of the 1984 Standard Guide for Laboratory Accreditation Systems, ASTM E-944, published by the American Society for Testing and Materials.

A previous attempt by the U.S. Department of Labor, to adopt the ASTM E-944 standards, resulted in a lawsuit requiring the Department of Labor to certify 900+ testing laboratories, including many offshore testing firms. Because of the number of potential testing firms that could be certified under ASTM E-944 is so great, it would be nearly impossible for the consumer protection section to maintain a list of approved testing laboratories. The department believes that substitution of ANSI Z-34.1-1987, the American National Standard for Certification - Third Party Certification Program, published by the American National Standards Institute, in place of the ASTM E-944 standards, may eliminate most of this problem. Otherwise, it appears that simply keeping-up with the paperwork for the large number of potential approved testing laboratories could be extremely time consuming and expensive, without any real assurance that a product has been properly tested.

Lastly, the bill amends AS 45.50.471 by providing that violation of proposed AS 45.45.910 is an unlawful act under the state's Unfair Trade Practices and Consumer Protection Act. Approval of this provision will increase the number of unlawful acts specified under AS 45.50.471 from 28 to 29. The consumer protection section currently consists of one attorney, two paraprofessionals, and one and one-half secretaries, in sharp contrast to the three attorneys, seven paraprofessionals, and five secretaries who staffed the section prior to the FY87 budget crisis. Consequently, the section can only handle the most serious violations. The department therefore recommends adoption of the ANSI Z-34.1-1987 certification standards, in order to provide for a workable method of records-keeping and in order to avoid unnecessary cost.

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: HB 406
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
Title: "An Act relating to the sale, gift,
or transfer for value of electrical products." BRU: Labor Standards & Safety
Sponsor: Cotten Components: Mechanical Inspection
Requestor: House Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Note: there is no fiscal impact in FY 90

Prepared by: Tom Stuart, Director Phone: 465-2712
Division: Labor Standards & Safety Date: 1/25/90
Approved by Commissioner: Jim Sampson Date: 1/25/90
Agency: Department of Labor

Distribution (by preparer) :

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

BY REP. COTTEN

1 IN THE HOUSE

2

HOUSE BILL NO. 406

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the sale, gift, or transfer for
7 value of electrical products."

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

* Section 1. AS 45.45 is amended by adding a new section to read:

Sec. 45.45.910. SALE OR OTHER DISPOSAL OF ELECTRICAL PRODUCTS.

9
10
11

(a) A person may not, in the course of the person's business, sell,
12 give away, or exchange for value an electrical product unless the
13 electrical product is labeled or listed by an approved testing labora-
14 tory in accordance with the minimum electrical standards established
15 by AS 18.60.580.

16

(b) The consumer protection section of the Department of Law
17 shall maintain a list of approved testing laboratories.

18

(c) A person who violates (a) of this section is guilty of a
19 violation.

20

(d) In this section,

21

(1) "approved testing laboratory" means a laboratory that
22 meets the requirements of the 1984 Standard Guide for Laboratory
23 Accreditation Systems, ASTM E-994, published by the American Society
24 for Testing and Materials;

25

(2) "electrical product" means material, a device, or
26 another item

27

(A) that can be operated by electrical current or that
28 is used to convey electrical current; and

29

(B) for which an approved testing laboratory exists.

*new featured
after act*

1 * Sec. 2. AS 45.50.471(b) is amended by adding a new paragraph to read:
2 (29) violating AS 45.45.910(a).

Researchers identify flaw in lamp that caused electrocution

By JOSEPH DITS
Times Writer

Investigators have discovered the flaw that caused a brass lamp to fatally electrocute an 11-month-old girl in Eagle River last week.

Screws holding the lamp's three legs to the base slowly dug their way through an electrical cord and exposed the bare wire, according to Scotty Dawkins, investigator with the state attorney general's office.

The lamp electrocuted Crystal Thaysse on Dec. 3, after she grasped the lamp's base and a hot-water baseboard heater simultaneously in her parents' living room.

Two sets of screws keep the electrical cord sandwiched in the middle of the hollow brass column, Dawkins said. The screws are long enough that they actually squeezed the cord, he said.

Over the course of the two years the Thaysse

family owned the lamp, the plastic coating around the cord's wire gave way to the screws, Dawkins said.

The lamp was turned off when it sent 110 volts through the Crystal Thaysse's body, he said. When she touched the heater, she allowed the electrical current to complete a circuit from the exposed wire and through the metal base.

Dawkins said he and two other researchers sawed open the lamp on Monday. Inside, they found the screws' indentations in the cord.

Dawkins later checked a similar lamp turned in from an Anchorage home. He found the same design, but no exposed wires.

His investigation has found the electrical system at the Thaysse home to be safe. He also ruled out an earlier theory that the polarity of the lamp's plug might be involved.

The Consumer Protection Section, in which

Dawkins works, issued another warning Wednesday on the lamp and the 11 others reportedly sold by Liquidation Sales, an Anchorage discount store.

Owners had turned in two similar lamps after an initial alert, one in Anchorage and one in Fairbanks. Dawkins urged the owners of the other nine lamps to call his office, 276-3550.

None of the lamps were certified by Underwriters Laboratories, an industry-supported testing lab, although the socket bore the U.L. label, Dawkins said.

Some states have laws that prohibit sales of electrical appliances without by U.L. or an equivalent lab's certification, Dawkins said.

Alaska is one state without such a law, but Rep. Sam Cotten, D-Eagle River, said he plans to change that.

Although it's not written, Cotten said his proposal would require that stores in Alaska only sell

appliances with the U.L. or equivalent label.

"It appears legislation is necessary, and I'd be happy to introduce it," he said. "It's hard to believe we have products that are killing people."

Cotten said he is researching laws of other states and intends to introduce his bill early when the state legislature begins its session in January.

A spokeswoman for U.L. said such legislation is unfortunately necessary to protect the public.

"When you have an (electrocution) death, especially a small child, it wakes everyone up and puts the wheels in motion," said Sharon Dalton, media relations supervisor at the firm's headquarters near Chicago.

Markings on some parts of the lamps indicate it was manufactured in Taiwan, Dawkins said.

Dalton said place of origin should not lessen a product's chance for safety.

Dec 14, 1989 Times

Underwriters Laboratories Inc.

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Santa Clara, California 95050-4169
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MCI Mail No. 259-3283
Cable ULINC SANTA CLARA CA
Telex No. (TRT) 184-219

January 24, 1990

Representative Sam Cotten
Speaker of the House
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Dear Mr. Cotten:

Your letter of January 10 to our Mr. Wes Christensen, together with the copy of House Bill 406, has been referred to me for review.

We note that Section 45.45.910(d)(1) states that an approved testing laboratory means a laboratory that meets the requirements of ASTM E994-84, Standard Guide for Laboratory Accreditation Systems. We believe it inappropriate to reference ASTM E994 in this context since it does not include criteria that a laboratory must meet in order to be accredited.

ASTM E994 identifies the important features that operators of laboratory accreditation systems should adhere to in their accreditation procedures and practices. It provides guidelines for the qualifications and selection of assessors, the conduct of on-site assessments, the implementation of proficiency testing and the evaluation of laboratories leading to accreditation. In other words, ASTM E994 applies to the accreditor of a laboratory, and not the laboratory.

The title of E994 is "Standard Guide for Laboratory Accreditation Systems." Further, the introduction concludes with the sentence "Laboratory accreditation systems should not be confused with product certification systems." We are enclosing a copy of ASTM E994 for your reference.

If the bill remains essentially in its present form, then we recommend the following changes:

Sec. 45.45.910(a) - Change "...labeled or listed by an approved testing laboratory..." to "... listed or labeled by an approved third-party product safety certifier..."

An independent,
not-for-profit organization
testing for public safety

January 24, 1990
Page 2

Sec. 45.45.910(d)(1) - Delete the reference to ASTM E994 and include in its place "ANSI Z34.1-1987, American National Standard for Certification - Third-Party Certification Program, published by the American National Standards Institute." ANSI Z34.1 is a reasonably complete standard for third-party product safety certifiers and includes most, by not all, of the criteria UL recommends for valid third-party product safety certification programs.

Sec. 45.45.910(d)(2)(B) - Change "for which an approved testing laboratory exists" to "for which listing or labeling by an approved third-party product safety certifier is available."

It is important to recognize the significant difference between "laboratory accreditation" and "product certification."

"Laboratory accreditation" is a formal recognition that a testing laboratory is competent to carry out specific tests or types of tests. Laboratory accreditation is directed toward and limited to assessing testing competence. The adequacy of personnel, laboratory facilities and equipment are determined. At best, testing competence should be considered as only one of several elements of a product safety certification system.

"Product certification" includes testing, but, in addition, involves a number of other elements. An over-simplified visual comparison of the two systems might look as follows:

MAIN ELEMENTS OF SYSTEMS	
<u>PRODUCT CERTIFICATION</u>	<u>LABORATORY ACCREDITATION</u>
Product standard	
Product testing	Product testing
Product assurance (Follow-up production inspection)	
Certification Mark	

Laboratory accreditation does not include supervision of the use of a certification mark by which the government authorities and the public can identify products produced in accordance with a certification program.

January 24, 1990

Page 3

Laboratory accreditation does not include a product follow-up program to assure that factory production continues to comply with minimum safety requirements.

It does not have provision for recall and removal of certification marks from noncomplying products, response to field problems and a host of other elements essential to a product certification system.

The only element of a product certification system that is addressed by laboratory accreditation is testing competence. Without the other elements of a product certification system, accreditation of testing competence is meaningless to the role of protecting the public from unsafe electrical products and installations.

The term "Testing laboratory accreditation" or the equivalent is commonly used in laws and regulations, probably because the organizations involved often have the word "laboratory" in their names and testing is one element of the process. In reality, "product safety certification system" is the subject.

The prevailing view of product safety certification is that it is an activity involving laboratory testing to determine compliance with a standard. Testing is only one of many essential elements in a product safety certification system, however.

"Product certification" is the action of certifying, generally by a registered mark, that a product is in conformity with specific standards, in this case American National Standards for safety, or equivalent. Since product certification is directed to product conformance vis-a-vis testing competence, it is also concerned with conflict of interests, independence, use of United States codes and standards, a production inspection program, contractual provisions for testing and follow-up, and provisions for removal of the certifier's mark from noncomplying products.

There are relatively few organizations (laboratories) operating product safety certification systems. On the other hand, there are thousands of testing laboratories doing commercial testing.

January 24, 1990

Page 4

Commercial testing laboratories perform a variety of tests in fields such as metallurgical, chemical and physical analysis, radiological analysis, air and water quality, concrete, soil and weld analysis, and on and on. The list is almost endless. Often, a laboratory is organized to do only one type of analytical testing, such as concrete.

The testing performed by commercial testing laboratories is usually on a lot-by-lot, project-by-project, one-of-a-kind, or similar basis. That is one time testing, as opposed to continuous product testing of mass produced products upon which the public depends for product safety. Potential customers may be interested in knowing that a laboratory has been judged by an independent organization to be capable of performing specific analytical tests. This would motivate a laboratory to seek accreditation of some form.

Accreditation would involve an evaluation of laboratory personnel, test equipment and facilities with respect to performance of specific tests or groups of tests not necessarily to a specific standard nor to all the requirements of the standard.

Product testing is one of many elements of a product certification program. The operator of a certification program, such as UL, conceivably could contract to have testing performed by an outside laboratory. Laboratory accreditation could provide a useful mechanism in assessing the technical competence of a testing laboratory. This is another illustration of how a testing laboratory and laboratory accreditation might serve a useful purpose as one element in a certification system. Laboratory accreditation could never be a substitute for product certification, however.

Historically, the regulatory authority exercising legal jurisdiction over electrical installations has been charged with the responsibility to assure that the health, safety, and property of the people of a state, county or city are reasonably protected.

Requirements for the safe installation of electrical products have been available in the National Electrical Code since 1897, but this Code does not cover the safety of the

January 24, 1990

Page 5

products themselves. Most regulatory authorities have not had a staff with technical expertise to devote to the evaluation of product safety, the laboratory facilities in which to conduct such evaluations, the funds to do so, the ability to conduct factory production inspections nor the other necessities to conduct an adequate product certification system.

As a result, those responsible have looked for assistance to organizations specifically established to conduct product safety certification systems. The National Electrical Code makes such a recommendation in the first paragraph of Section 90-6. Up until recently, a statement appeared in a state regulation to the effect that "electrical equipment shall be listed by Underwriters Laboratories." With the advent of competitive certification programs in recent years, reference to "electrical equipment listed by Underwriters Laboratories or by a testing agency approved by the department" has been substituted.

As concern for public safety has increased, so has the number of laboratories claiming to conduct product safety certification programs. Regulatory authorities in general were ill equipped to evaluate the qualifications of laboratories. There were no guidelines, insufficient funds, no spare time and little expertise. Unfortunately, many regulatory authorities were placed in a position of having to recognize laboratories without adequate evaluation.

The result was that products began to appear which some electrical authorities believed did not comply with minimum safety requirements. Accidents and fires were reported, allegedly involving electrical equipment certified by a laboratory whose product certification system was recognized. Concerned authorities decided that it was time that stringent guidelines be established with which to evaluate product safety certification systems.

The states of Texas, North Carolina, Oregon and Washington adopted completely new regulations. Other jurisdictions upgraded their existing requirements. Today, as a result, product safety certification systems and the laboratories operating them are receiving more scrutiny than ever before.

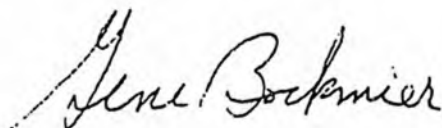
Underwriters Laboratories supports independent third-party product safety certification systems and we support efforts to

January 24, 1990
Page 6

develop more stringent criteria for the evaluation of such certification systems. We believe the certifying organizations seeking recognition should be willing to reimburse the state for the cost involved, so that the program will be essentially self-supporting.

We are enclosing a copy of the ANSI Z34.1-1987 document we referenced in our suggested changes. Also, enclosed is a copy of the Washington State product certification rule that may be of interest to you. It is more complete than ANSI Z34.1-1987.

I understand that our Messrs. Bob Pollock and Wes Christensen expect to meet with you February 2. They will be prepared to discuss this matter. In the meantime, if we can be of help, please let us know.



GENE BOCKMIER
Vice President

c: Bob Pollock)
Wes Christensen) with enclosures

R. W. Miller - letter only

American National Standard

for certification –
third-party certification program

ANSI Z39.1-1967



american national standards institute inc.
1430 broadway, new york, new york 10018

(NBK TRC COPY)

ANSI®
Z34.1-1987
Revision of
ANSI Z34.1-1982

**American National Standard
for Certification –
Third-Party Certification Program**

Secretariat

American Council of Independent Laboratories

Approved June 4, 1987

American National Standards Institute, Inc

American National Standard

Approval of an American National Standard requires verification by ANSI that the requirements for due process, consensus, and other criteria for approval have been met by the standards developer.

Consensus is established when, in the judgment of the ANSI Board of Standards Review, substantial agreement has been reached by directly and materially affected interests. Substantial agreement means much more than a simple majority, but not necessarily unanimity. Consensus requires that all views and objections be considered, and that a concerted effort be made toward their resolution.

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1430 Broadway, New York, New York 10018**

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Foreword (This Foreword is not part of American National Standard Z34.1-1987.)

The proximate reason for developing and issuing this revised American National Standard for Certification – Third-Party Certification Program, ANSI Z34.1-1987, was the publication in 1984 of Guidelines for Federal Agency Use of Private Sector Third-Party Certification Programs by the Office of Product Standards Policy, National Bureau of Standards of the United States Department of Commerce. Although that publication drew heavily on the content and philosophical underpinnings of American National Standard for Certification – Third-Party Certification Program, ANSI Z34.1-1982, the Guidelines differed substantially from the standard in their textual organization and in choice of language. Moreover, the development and publication of the Guidelines represented a response by the United States Government to certain obligations it undertook in adhering to the Agreement on Technical Barriers to Trade administered under the Secretariat of the General Agreement on Tariffs and Trade (GATT), popularly known as the "GATT Standards Code." Accordingly, various paragraphs of the Guidelines contain nonspecific references to guides published by nontreaty international standards organizations, which guides, in turn, reference without specificity still other documents of those organizations.

In its deliberations on this revised standard, the Task Group of Accredited Standards Committee on Principles Underlying Valid Certification and Labeling of Products and Services, Z34, chose to harmonize, wherever practicable, the standard's textual organization and language with that of the Guidelines. The premise for that decision has been the belief that users of this standard, whether in government or the private sector, are better served when potential conflict and confusion between two documents directed to the same or similar purposes are minimized. The Task Group determined, however, that incorporation by nonspecific reference of provisions in international documents would be inappropriate to an American standard. The Task Group did consult and take account of the relevant ISO and IEC Guides on questions of substance. Thus, although this and previous revisions of this standard do in fact contain numerous similar and identical provisions in common with those to be found in international guides, those provisions here are set forth explicitly and never by reference.

Suggestions for improvement of this standard will be welcome. They should be sent to the American Council of Independent Laboratories, Inc, 1725 K Street, NW, Washington, DC 20006.

This standard was processed and approved for submittal to ANSI by Accredited Standards Committee on Principles Underlying Valid Certification and Labeling of Products and Services, Z34. Committee approval of the standard does not necessarily imply that all committee members voted for its approval. At the time it approved this standard, the Z34 Committee had the following members:

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American National Standard for Certification -

Third-Party Certification Program

1. Scope and Purpose

1.1 This American National Standard sets forth generic criteria for third-party certification programs under which a producer is authorized by a third party to use the program's mark (certification mark) or a certificate of conformity to indicate that a product or service is in compliance with applicable standards or specifications.

1.2 The application and utilization of this standard shall not contravene any federal, state, or local statutory requirements.

1.3 This American National Standard shall be open to voluntary adoption and compliance by a certification body under whose authority a certification program is developed and financed, and under whose name the program is identified. When conformance to this standard is claimed, it shall pertain to the provisions of all criteria set forth in this standard.

2. Standards

2.1 A certification program shall be based upon and shall utilize all applicable portions and contents of the standards or specifications, or both, to which conformity is certified. In instances in which deviations from or exclusions of certain portions of a standard are permissible, the certification program shall require that full disclosure of such deviation or exclusion shall be made on the mark, label, or certificate of conformity. Where such a means of disclosure is not practicable, the program's operating procedures shall provide a precise method whereby users shall be advised that the standard has not been utilized in its entirety.

2.2 This document is applicable to certification programs concerned with conformity to available standards and specifications with a broad level of recognized acceptance, selected from any of, or any combination of, the following:

- (1) An American National Standard
- (2) A standard or specification published by a qualified technical society, trade association, agency, society, or other organization of national or international scope or recognition
- (3) A standard or specification published by the federal, state, or local government

3. Definitions

3.1 **Certification.** The procedure by which written assurance is given that a product or service conforms to a standard or specification.

3.2 **Third-Party Certification.** A form of certification in which the producer's claim of conformity is validated, as part of a third-party certification program, by a technically and otherwise competent body other than one controlled by the producer or the buyer.

3.3 **Producer.** The manufacturer, distributor, supplier, or other party providing the product or service who is responsible for assuring conformity with all requirements of the referenced standards or specifications.

3.4 **Third-Party Certification Program.** An organized system (1) under which similar products or services of any number of producers may be certified as conforming to the referenced standards or specifications on a uniform and equitable basis, (2) which uses or is operated by a third-party inspection/testing body, and (3) which authorizes the use of controlled certification marks or certificates of conformity as evidence of conformity.

3.5 **Mark of Conformity (Certification Mark).** The sign or symbol owned or controlled by the certification body that is used exclusively by the third-party certification program to identify products or services as being certified and is registered as a certification mark with the U.S. Patent Office under the Trade Mark Act of 1946.

3.6 Certificate of Conformity. A tag, label, nameplate, or document of specified form and content, affixed or otherwise directly associated with a product or service on delivery to the buyer, attesting that the product or service is in conformity with the referenced standards or specifications.

3.7 Certification Body. An impartial body possessing the necessary competence and other qualifications to sponsor and operate a certification program. A certification body is that organization under whose authority a certification program is developed, promulgated, operated, and financed, and with whose name the certification program is identified.

3.8 Third-Party Testing/Inspection Body. An organization that possesses the necessary technical competence and that is other than one operated or controlled by a manufacturer, supplier, or buyer of a certified product or service in that it has no organizational, financial, or commercial involvements with the producer or buyer that might pose a potential conflict of interest.

3.9 Standard. A prescribed set of conditions and requirements, established by authority or agreement, for continuous application. A standard takes the form of a document containing a set of conditions to be fulfilled, or an object of comparison. For the purposes of this document, the provisions of a standard as defined and utilized in this standard shall be such as to be suitable to and capable of certification.

3.10 Specification. A concise statement of requirements to be satisfied by a product, material, service, or process indicating, whenever appropriate, the procedure by which it may be determined whether the requirements given are satisfied. Insofar as is practicable, the requirements of a specification are to be expressed in exact numerical terms describing applicable limits.

4. Certification Body

4.1 The certification body whose name is identified with the program shall be one of the following:

- (1) A trade association
- (2) A professional or technical society
- (3) An organization of producers or service-rendering entities
- (4) An organization oriented to consumers or users of the product or service
- (5) A third-party testing/inspection organization

4.2 The certification body shall be responsible for and qualified to sponsor and operate a program to ensure uniform compliance with the provisions contained in this standard for use of a mark or certificate of conformity. A certification body may delegate certain elements but not the entire operation and administration of a certification program to another party, providing that such a designated party satisfies the requirements for competence and other qualifications within the area of delegation, as set forth in this standard.

4.3 The procedures under which the body operates shall be administered in a nondiscriminatory manner. The body shall make participation in the certification program available to any applicant and shall not require membership as a condition of participation.

4.4 It shall be the responsibility of the certification body to:

(1) Adopt, keep current, and make available on request a systematic set of general and specific rules governing the organizational and administrative structures, operational policies and practices, extents and limitations of authority, appeals and dispute settlement mechanisms, and amendment of the rules for the certification program.

(2) Organize and make available full operating procedures. An application procedure shall be included, with provisions for identifying the applicable standards or specifications, products or services covered, and their places of origin. Procedures shall also be specified for determination of conformity and issuance of authorization to use the mark or certificate of conformity; conditions shall be identified for the appropriateness of a subsequent extension of such authorities; and terms shall be detailed for suspension and subsequent restoration or termination of authorization.

(3) Designate the standards and specifications that shall serve as the basis of the certification program and notify participants of the effective dates of modifications of each.

(4) Provide a system of validation (see Section 7) to determine that products or services bearing the mark or certificate of conformity comply with the applicable standard and other requirements of the program. The certification body may conduct its own validation activities or exercise oversight of these activities carried out on its behalf by other organizations.

(5) Effect the provisions of due process, providing an appeals mechanism for resolving disputes that arise under the program.

(6) Maintain adequate communication with all participating parties in order to assure relevancy, acceptability, and continuity of the program.

(7) Make available and maintain in writing the following:

(a) General information covering the procedures and operations of the program, a description of the mark of conformity, the referenced standards or specifications, and identification of the certification body and other parties to the program in a form that discloses their relationship to participating producers.

(b) A program directory that includes a list of participants and their products or services, or both, authorized to bear the mark or certificate of conformity, identification of the specific referenced standards or specifications; a description of the mark of conformity; and identification of the certification body and other parties to the program in a form that discloses their relationships to the participating producers.

(8) Maintain the confidentiality of proprietary information, access to which results from contacts with participants in the program.

(9) Provide for the operation of the program on a continuing basis. The certification body may itself administer the program's activities or shall oversee the administration carried out on its behalf by another organization meeting the requirements applicable to the functions performed.

(10) Safeguard the use of the mark or certificate of conformity. Procedures shall be established and used to detect incorrect citations of authorization or misleading use of the mark or certificate of conformity. When warranted, corrective action shall be taken. The basis for suspension or cancellation of authorization and procedures for its withdrawal shall be established with respect to participating producers, together with conditions for reinstating authorization. There shall be conditions for advising the user community of withdrawals of authorization, as well as reinstatement of authorization, and of unauthorized use of the mark or certificate of conformity under circumstances in which public notice is issued.

(11) Implement a uniform, legally binding agreement (contract) between the certification body and the program participants to provide for proper use and control of the mark or certificate of conformity and other key operational elements of the certification program.

NOTE: In circumstances when an organization other than the certification body carries out actual functions respecting participants in the certification program, the certification body shall have given its prior approval to the form and general content of agreements entered into on its behalf by such organization.

5. Quality Assurance

5.1 The producer shall establish, maintain, and use a system that will assure compliance with the requirements of the referenced standards or specifications. The system shall include the methods, procedures, controls, records, and maintenance of the system to provide continuing assurance of compliance with the referenced standards or specifications. The extent of this system will be dependent on the characteristics of the products or services and the requirements of the standards or specifications.

5.2 The producer shall conduct or contract for all necessary inspection and testing. Where appropriate, sampling and the frequency of sampling should be conducted in accordance with accepted quality-control practice. Testing shall be performed by a competent laboratory, properly equipped and with trained personnel.

5.3 The producer shall inform the certification body of any intended modifications in the product, manufacturing process, or quality-assurance system that may affect conformance to standards or specifications covered by the applicable authorization. In such cases, the producer shall not be allowed to release certified products from such modification until the certification body has notified the producer accordingly.

5.4 When the assurance of conformity is provided by a supplier who is not the basic producer, the supplier shall account for these actions of the producer.

5.5 The system shall be documented by the producer to permit review and evaluation by the certification body. The documentation shall include a record of all complaints received relative to conformity, as well as their resolution.

6. Methods of Indicating Conformity

6.1 The program mark of conformity (certification mark) or, when permitted, a certificate of conformity issued under the authority of the certification body shall be used to indicate that the product or service has been found to conform to all requirements for third-party certification.

6.2 The mark of conformity (certification mark) shall be designed and coded to aid the detection of counterfeiting or other forms of misuse and, when practicable, shall be in the form of a nontransferable label or mark

on the product; otherwise, the mark or label shall be on the package or container of the product. Certificates of conformity, as in the case of services and other permissible situations, shall be included with other appropriate documents. The information appearing with the mark or on the certificate of conformity shall identify:

- (1) The producer of the product or service.
- (2) The product or service: name, type or model number, and supplementary information providing traceability.
- (3) The applicable standards or specifications. However, when this is impracticable, the applicable standard or specification shall be disclosed by other means, such as the product directory.
- (4) The certification body (and the testing/inspection organization, if different) in a form that discloses any organizational relationship to the producer. When the name of an association or organization describes the relationship between the association or organization and the program participants, such name fulfills this requirement.

(5) In the case of certificates of conformity, the following information shall be added:

- (a) Lot, batch, or other identifying source of the product or service covered by the certificate.
- (b) Date of issue of the certificate.
- (c) Signature and title of the authorized officer or other evidence of company authorization.

6.3 Use of and conformance with these procedures shall in no way authorize, imply, or require the use of any mark or certificate of conformity, except as authorized by the certification body.

6.4 The certification mark authorized and used shall be owned and controlled by the certification body and shall be registered as a certification mark under the Trade Mark Act of 1946.

6.5 As permitted by the certification body, the certification mark may be used in advertising, publicity, or promotions.

6.6 The use of marks or certificates of conformity and other public declarations shall be unambiguous and provide no basis for misinterpretation. The marks, certificates, and declarations shall be clearly distinguished from any other claims, markings, or labels not related to the authorized use of the mark or certificate of conformity. They shall clearly state:

- (1) What products are covered
- (2) What characteristics are covered by the certificate or declaration

7. Validation

7.1 The certification program shall provide for a system of both initial and continuing validation to determine that products or services conform to the standards or specifications and other program requirements. The certification body shall prescribe detailed requirements for the system and be responsible for its operation by itself performing required inspections, surveillance, and testing, or by overseeing these activities carried out on its behalf by other bodies.

7.2 The validation function shall be performed by a third-party testing and inspection agency. The general requirements for the testing and inspection body shall be as described in Section 8.

7.3 The process of validation shall consist of the following actions on the part of those responsible for its conduct:

(1) Determination that the producer has the necessary facilities, test equipment, and control procedures to ascertain whether the product or service complies with the program requirements and, as applicable, to review and determine action of the suitability of the quality-assurance system. Such action will include review of the system and essential program records and, as applicable, witnessing inspections and tests required by the system.

(2) Initial determination by uniform procedures that representative samples of products or services comply before such products or services are authorized to bear the mark of conformity under the follow-up provisions of the certification program.

(3) Periodic, systematic inspections and tests at a frequency necessary to determine that the producer's program is functioning properly; also, unannounced inspection and testing of the products or services, including: (a) monitoring of the quality-assurance program of the producer, when applicable, and (b) more frequent or otherwise reinforced inspections when a need for additional follow-up is indicated.

(4) Inspection and audit of the quality-assurance program of the producer when such program is utilized as part of the validation system.

7.4 The information required to perform these actions shall be specifically set forth so that consistent rulings will result. Likewise, where testing is required, information covering testing protocol requirements and other criteria shall be specifically set forth and available in advance to participants in the program.

8. General Requirements for Testing/ Inspection Bodies

8.1 Organization. Whether it is itself the program's certification body or has been appointed to carry out the testing/inspection function by the certification body, a testing/inspection body in a third-party certification program shall:

- (1) Be legally identifiable
- (2) Have an organization structure, including an appropriate quality system, adequate facilities, appropriate equipment, and competent personnel, whereby it can maintain the capability to perform satisfactorily the technical functions for which it has been assigned operational responsibility
- (3) Have a technical manager, however named, who is qualified in the operation and who has responsibility for ensuring that the specified criteria are met
- (4) Provide procedures for clear demarcation between testing/inspection activities conducted as part of the third-party certification program and any auxiliary or unrelated activities
- (5) Ensure that testing/inspection procedures are continuously coordinated with the administrative and other operating functions of the certification body
- (6) Have adequate security rules and measures for the protection of proprietary rights and confidential information
- (7) Place any part of the work to be subcontracted with an organization complying with these requirements

8.2 Records and Reports. As provided by the rules and procedures of the certification program, a testing/inspection body shall establish and maintain a record system in accordance with the requirements of the program. The body shall retain on record for an appropriate period all original observations, calculations and derived data, calibration records, and final reports. Records for each test shall contain sufficient information to permit satisfactory repetition of the test.

8.2.1 Reports on validation and audit testing and inspection carried out in respect to participants in the certification program shall include at least the following information:

- (1) Unique identification of the report (such as date or serial number), and a page number for each page of the report
- (2) Name and address of the participant under inspection or testing, or both
- (3) Identification and description of the test items
- (4) Identification and description of the participant's facilities, as applicable

(5) Identification of the test specifications, methods, and procedure

(6) Description of the sampling procedure, where relevant

(7) Any deviations, additions to, or exclusions from the test specification or inspection procedures, and any other information relevant to a specific test or inspection

(8) Measurements, examinations, and derived results, supported by tables, graphs, sketches, and photographs, as appropriate

(9) Names and titles of the persons having technical responsibility for the report, and the date of issue

8.2.2 The inspection/testing body shall afford the participants reasonable cooperation to enable them to monitor the performance of the inspection or test in relation to their contract.

8.3 Calibration

8.3.1 Measuring and testing equipment shall be calibrated, where appropriate, before being put into service, and thereafter according to an established program.

8.3.2 Where relevant, in-service testing equipment shall be subjected to checks between regular calibrations.

8.3.3 The testing/inspection body's program for calibrating its equipment shall be designed and operated so as to ensure that its measurements are traceable, where the concept is applicable, to the national standards of measurement maintained by the National Bureau of Standards and, where appropriate, to international standards of measurement specified by the International Committee of Weights and Measures. When the certification program does not require traceability to national or international standards, the testing/inspection body can be required to provide evidence of the correlation or accuracy of its test results.

8.3.4 Reference standards of measurement held by a testing/inspection body shall be used for calibration only.

8.3.5 Reference standards for measurements shall be calibrated by a competent organization that can provide traceability to a national or international standard of measurement.

8.3.6 Reference materials shall be traceable to national or international standard reference materials where possible.

8.4 Quality System

8.4.1 The testing laboratory shall operate an internal quality-assurance program appropriate to the type, range, and volume of work performed. The quality-assurance program shall be documented in a quality manual that is available for use by the laboratory staff. The quality manual shall be maintained by a respon-

sible member of the laboratory staff in such manner as to be both relevant and current.

8.4.2 A person or persons having responsibility for quality assurance within the laboratory shall be designated by the laboratory management and have direct access to top management of the laboratory.

8.4.3 The quality manual shall contain the following information:

- (1) Structure of the laboratory, which should be illustrated by organization charts, where appropriate
- (2) Operational and functional duties and services pertaining to quality, so that each person concerned will know the extent and the limits of her or his responsibility
- (3) General quality-assurance procedures
- (4) Quality-assurance procedures specific for each test, as appropriate
- (5) Proficiency testing, use of reference materials, and any other information that establishes the quality system, where appropriate
- (6) Satisfactory arrangements for feedback and corrective action whenever testing discrepancies are detected
- (7) Procedure for dealing with technical complaints

8.4.4 The quality system shall be systematically and periodically reviewed by or on behalf of management in order to assure the continued effectiveness of the arrangements, and corrective action initiated. Such reviews shall be recorded, together with details of any corrective action taken.

8.5 Staff

8.5.1 There shall be a job description for each technical position category that includes the necessary education, training, technical knowledge, and experience.

8.5.2 Information on the relevant qualifications, training, and experience of the technical staff shall be maintained by the laboratory.

8.5.3 Staff having responsibility for making initial recommendations for acceptance of producers' quality-assurance systems on products shall be qualified in the appropriate disciplines. Staff having responsibility for subsequent monitoring of a producer's quality control, if not professionally qualified, shall be supervised by qualified staff as a condition that such monitoring will have been properly conducted.

8.6 Testing and Measuring Equipment

8.6.1 The testing laboratory shall be furnished with or have access to all items of equipment required for correct performance of tests and measurements for which it is responsible.

8.6.2 All equipment shall be properly maintained to ensure protection from corrosion and other causes of deterioration. Instruction for a proper maintenance

procedure for those items of equipment that require periodic maintenance shall be available.

8.6.3 Any item of equipment that has been subjected to overloading or mishandling, that gives suspect results, or that has been shown by calibration or otherwise to be defective shall be taken out of service and clearly labeled until it has been shown by test or calibration to be performing its function satisfactorily.

8.6.4 Records shall be maintained for each major item of equipment.

8.6.4.1 Each record shall include the following information:

- (1) Name of the item of equipment
- (2) Manufacturer's name, type identification, and serial number
- (3) Date received and date placed in service
- (4) Current location, where appropriate
- (5) Details of maintenance

8.6.4.2 In the case of measuring equipment, the record shall also include the following:

- (1) Date of last calibration, and calibration reports
- (2) Maximum period of time between successful calibrations

8.6.5 A label or tag indicating the date of the last calibration and the due date of the next calibration should be attached to equipment requiring calibration.

8.7 Test Methods and Procedures

8.7.1 The testing laboratory shall have adequate documented instructions on the use and operation of all relevant equipment, on the handling and preparation of test items (where applicable), and on standard testing techniques, where the absence of such instructions could jeopardize the efficacy of the testing process. All instructions, standards, manuals, and reference data relevant to the work of the testing laboratory shall be maintained up-to-date and be readily available to the staff.

8.7.2 The testing laboratory shall use methods and procedures required by the specification against which the test items are to be tested. The specification shall be available to staff performing the test.

8.7.3 All manual calculation and data transfers shall be subject to appropriate checks.

8.7.4 When these results are derived by electronic data-processing techniques, the stability of the system shall be such that the accuracy of the results is not affected. This generally implies an ability to detect malfunctions in the hardware during program execution and to take appropriate action.

8.8 Environment

8.8.1 The environment in which the tests are undertaken shall not invalidate the test results or adversely affect the required accuracy of measurement. The

test premises shall be protected as required from excessive conditions, such as excessive temperature, dust, moisture, steam, vibration, electromagnetic disturbance, or interference, and shall be maintained accordingly. The premises shall have the equipment and energy sources needed for the testing. When the testing so requires, they shall be equipped with devices to monitor the environmental conditions.

8.8.2 Adequate measures shall be taken to ensure good housekeeping in the test laboratory.

8.9 Handling of Items to Be Tested

8.9.1 A system for identifying the samples or items

to be tested or calibrated shall be applied, either through documents or through marking to ensure that there can be no confusion regarding the identity of the samples or test items and the results of the measurements made.

8.9.2 At all stages of storage, handling and preparation for test, precautions shall be taken to prevent damage to the items (such as contamination, corrosion, or the application of stresses), any of which would invalidate the results. Any relevant instructions provided with the items shall be observed.

8.9.3 There shall be clear rules for the receipt, retention, and disposal of samples.

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American National Standards

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