

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672

5931 HOUSE LABOR & COMMERCE

335

1 Domestic tourism marketing program 12,000,000

2 Winter tourism marketing program 350,000

3 * Sec. 3. This Act takes effect July 1, 1990.
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HOUSE COMMITTEE REPORT

4/25

Rules

(7)
Date Referred: April 4, 1990

FURTHER REFERRALS:

Date of Committee Action: 4/24/90

The LABOR & COMMERCE Committee considered:

HB 557

HOUSE BILL NO. 557

TELEPHONE SERVICES FOR HEARING IMPAIRED

"An Act relating to telephone services for the hearing impaired."

RECOMMENDATIONS:

- [] be replaced with CS HB557 (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) _____
- [] zero fiscal note _____ [] zero fiscal note(s) H.S.A
- [] zero with analysis _____ [] zero fn/analysis _____

SIGNING DO PASS:

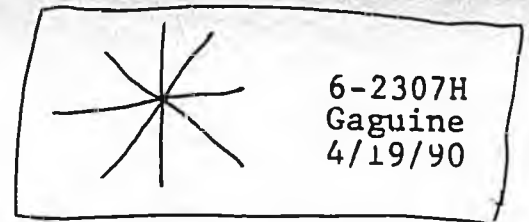
SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

<u>David Douley</u>	<u>James A. Swan</u>	<input checked="" type="checkbox"/>		
<u>Max Bayer</u>	<u>Collins</u>	<input checked="" type="checkbox"/>		
<u>Finkestein</u>				
<u>P. G. Parker</u>				
<u>Members</u>				

David Douley
Chairman's Signature



Original sponsor(s): Labor & Commerce Committee

1 IN THE HOUSE

BY THE LABOR & COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 587 (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 moratorium on the use of
7 broadcasting to promote or conduct charitable gaming
8 activity; establishing exceptions to the moratorium;
9 requiring the Department of Commerce and Economic
10 Development to hold hearings on promoting and con-
11 ducting charitable gaming activity over broadcasting
12 outlets and to make recommendations to the legisla-
13 ture; and providing for an effective date."

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

15 * Section 1. Until July 1, 1991, a person may not use broadcasting to
16 promote or conduct charitable gaming activity under this chapter. In this
17 section, "broadcasting" includes television and radio transmission by 2,500
18 megahertz, microwave video and audio programming, slow-scan television
19 programming, and programming via satellite, cable, teletype, or facsimile
20 transmission and distribution methods.

21 * Sec. 2. Notwithstanding sec. 1 of this Act, a person may use broad-
22 casting to promote fish derbies, and the Department of Commerce and Econom-
23 ic Development may authorize a noncommercial broadcasting station ^(or network of station) to broad-
24 cast the conducting of an activity under AS 05.15 on the station ^(or network) under a
25 permit held by the station ^(or network). In this section "noncommercial broadcasting
26 station" means a radio or television station that is licensed by the Feder-
27 al Communications Commission to a governmental entity or to an entity that
28 is exempt from federal taxation under 26 U.S.C. 501(c)(3) (Internal Revenue
29 Code).

1 * Sec. 3. The Department of Commerce and Economic Development shall
2 hold hearings around the state, with at least one hearing in each judicial
3 district, for the purpose of formulating a policy concerning the promoting
4 and conducting of charitable gaming activity over broadcasting outlets.
5 The department shall present its policy recommendations to the legislature
6 no later than January 31, 1991.

7 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).
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Original sponsor(s): REP. BOUCHER, Collins, Gruenberg

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 557 ()
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 telephone services for the deaf
7 and hard of hearing."

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

9 * Section 1. AS 42.05 is amended by adding a new section to read:

10 Sec. 42.05.296. TELEPHONE SERVICES FOR DEAF AND HARD OF HEARING
11 SUBSCRIBERS. (a) The commission shall adopt regulations to require
12 telephone utilities to provide service to deaf and hard of hearing
13 subscribers that permits the subscriber to communicate by telephone
14 with persons of normal hearing and that makes available reasonable
15 access of all phases of public telephone service to deaf or hard of
16 hearing telephone subscribers. The regulations must provide for cost
17 recovery through surcharges added to the basic exchange and inter-
18 exchange rates. The commission shall hold hearings to determine the
19 most cost-effective method of providing this service.

20 (b) A telephone subscriber is eligible for the service required
21 by (a) of this section if the subscriber is certified as deaf or hard
22 of hearing by a licensed physician, audiologist, or the Department of
23 Health and Social Services or if the subscriber is an organization
24 representing the deaf or hard of hearing as determined by the commis-
25 sion.

26 * Sec. 2. The Alaska Public Utilities Commission shall adopt the regu-
27 lations required by AS 42.05.296, enacted by sec. 1 of this Act, on or
28 before July 1, 1991.

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 12, 1990

FURTHER REFERRALS:

LABOR & COMMERCE

Date of Committee Action: _____

The STATE AFFAIRS Committee considered:

HB 557

HOUSE BILL NO. 557

TELEPHONE SERVICES FOR HEARING IMPAIRED

"An Act relating to telephone services for the hearing impaired."

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
[] have attached amendment(s) [] a new title
[X] 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) _____

[X] zero fiscal note HSA

[] zero fiscal note(s) _____

[] zero with analysis _____

[] zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not-
Pass
No Rec
Amend

George Kowles
Sam M...
Jim...
Pat...

	Do Not- Pass	No Rec	Amend

[Signature]
Acting Chairman's Signature

Item 2

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: HB 557
PUBLISH DATE: 4/2/90

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Telephone Service for the
Hearing Impaired
Sponsor: H.A. "Red" Boucher
Requestor: _____

Agency Affected: APUC
BRU: _____
Components: _____

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	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No fiscal impact.

Prepared by: House State Affairs
Division: _____
Approved by Commissioner: H. A. "Red" Boucher
Agency: _____

Phone: 465-4963
Date: 4/2/90
Date: 4/2/90

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

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
HB 557

Telephone Services for Hearing Impaired

Received February 12, 1990
by Rep. Boucher, Collins, Gruenberg

Heard April 3, 1990

Passed Out of Committee April 3, 1990
4 Do Pass

STATE OF ALASKA

STEVE COWPER, GOVERNOR

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

420 "L" STREET
SUITE 100
ANCHORAGE, ALASKA 99501
(907) 276-6222

December 1, 1989

Representative H. A. "Red" Boucher
3111 C Street
Suite 445
Anchorage, Alaska 99503

Dear Representative Boucher:

Thank you for the opportunity to offer some preliminary comments on the draft bill entitled, "An Act relating to telephone services for the hearing impaired."

The Commission supports the intent of this legislation to make available to the hearing impaired reasonable access to the telephone network. The Commission believes that the bill should also apply to the speech impaired and recommends that the titles of the bill and Section 1 be changed accordingly.

However, the Commission does have a couple of legal concerns and requests for clarification. First, the Commission's existing statute contains a prohibition against undue discrimination in rates at AS 42.05.391. The Commission recommends that a legal analysis be made to be sure that it has the authority to carry out the intent of the bill, i.e. to require that any additional costs of giving hearing and speech impaired subscribers reasonable access to all phases of public telephone service be borne by all other subscribers, without "granting an unreasonable preference or advantage to any of its customers."

Second, the Commission notes that the bill states that the intended service is to be provided as part of the basic exchange rate. However, it also requires that "all phases of public telephone service" be provided. If this language was intended to include both local exchange service and toll service, it is not clear how this would be done through the basic exchange rate since these services are provided by different companies under different rate arrangements. The Commission assumes that intra-state toll services for the hearing and speech impaired would be charged at the tariffed toll rates for those services, and the basic exchange rate would cover local exchange costs. If this assumption is correct, then service would be provided both through the "basic exchange rate" and through applicable toll rates.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
HB 557

Telephone Services for Hearing Impaired

Received February 12, 1990
by Rep. Boucher, Collins, Gruenberg

Heard April 3, 1990

Passed Out of Committee April 3, 1990
4 Do Pass

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HB 557: Telephone Services for Hearing Impaired

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- Item 5: Letter from Anchorage Telephone Utility, March 5, 1990
- Item 6: National Association of Regulatory Utility Commissioners Bulletin Article

STATE OF ALASKA

STEVE COWPER, GOVERNOR

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

420 "L" STREET
SUITE 1001
ANCHORAGE, ALASKA 99501
(907) 276-6222

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3111 C Street
Suite 445
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However, the Commission does have a couple of legal concerns and requests for clarification. First, the Commission's existing statute contains a prohibition against undue discrimination in rates at AS 42.05.391. The Commission recommends that a legal analysis be made to be sure that it has the authority to carry out the intent of the bill, i.e. to require that any additional costs of giving hearing and speech impaired subscribers reasonable access to all phases of public telephone service be borne by all other subscribers, without "granting an unreasonable preference or advantage to any of its customers."

Second, the Commission notes that the bill states that the intended service is to be provided as part of the basic exchange rate. However, it also requires that "all phases of public telephone service" be provided. If this language was intended to include both local exchange service and toll service, it is not clear how this would be done through the basic exchange rate since these services are provided by different companies under different rate arrangements. The Commission assumes that intra-state toll services for the hearing and speech impaired would be charged at the tariffed toll rates for those services, and the basic exchange rate would cover local exchange costs. If this assumption is correct, then service would be provided both through the "basic exchange rate" and through applicable toll rates.

Representative H. A. "Red" Boucher
December 1, 1989
Page 2 of 2

The Commission does not currently anticipate any fiscal impact to carry out the responsibilities contemplated under this bill that can not otherwise be handled at its current budget level.

I hope that this input is useful to you in finalizing the bill that will be introduced. Please let me know if we can be of further assistance.

Sincerely yours,

Peter Sokolov

Peter Sokolov
Chairman

Enclosure

Item 5



Anchorage Telephone Utility

600 TELEPHONE AVENUE, ANCHORAGE, ALASKA 99503-6091
TELEPHONE (907) 561-3000
Telex 090-26-532
Facsimile (907) 561-1703



Owned by the
Municipality
of Anchorage

Tom Fink,
Mayor

March 5, 1990

Mr. Albert Burke
Alaska Association for the Deaf
1345 Rudakof Circle
Anchorage, AK 99508

MAR 08 1990

Dear Mr. Burke:

Mr. Burke, as a representative for the ALASKA ASSOCIATION for the DEAF (AAD), you have expressed a concern about the operations of the crisis center that is currently providing voice relay service for the deaf. You indicated that the crisis center presently provides limited relay service between a hearing impaired person and a hearing person. The crisis center is staffed primarily by volunteers and high turnover and insufficient training have resulted in less than satisfactory service.

Anchorage Telephone Utility (ATU) Switching Services has researched the feasibility of providing relay type service for the hearing impaired throughout the ATU service area. To provide this type of service would require the following items:

- o Auxiliary operator positions equipped to provide calling number display;
- o ports for teletype devices compatible with devices used by the deaf or hearing impaired persons;
- o recording capabilities for long distance call records.

You stated that relay service should be provided for the deaf and/or hearing impaired at no extra charge, as it is in other states. To provide this service ATU would have to make a substantial capital investment and incur additional annual operating expenses. A mechanism to recover these costs would have to be identified. Equipment costs to provide this service are estimated at \$1.5 million for software and \$25,000 for each operator position. Staffing requirements sufficient to monitor the hearing impaired positions on a 24 hour, 7 day per week basis are estimated at \$1,380,000 annually. Training costs are estimated at \$40,000 annually.

The software has been included in the 1991 Capital Budget as part of a plan to replace the existing Directory Assistance system. The plan has not been subjected to economic analysis nor has it received approval at any level. If the software is installed primarily for Directory Assistance, the costs to be recovered for

Mr. Albert Burke
March 5, 1990
Page Two

the portion allocated to providing relay service would be significantly reduced.

Some states have established legislation requiring a monthly surcharge be added to each telephone customer's billing. The revenues generated from the surcharge are used to compensate the various state programs established for the hearing impaired. It should be noted that those states that have adopted legislation have done so on a statewide basis. This allows the surcharge to be applied to a larger customer base, increasing the amount of money collected while minimizing the cost per customer. Should ATU be ordered to provide this service within its service area, and possibly Eagle River-Chugiak, and further be allowed to collect a surcharge, the rate per ATU/Eagle River-Chugiak customer would be higher than the rate charged to customers in states that have implemented the surcharge on a statewide basis.

ATU has some operational concerns around the suggestion that lines assigned to the hearing impaired be class marked so that 911 calls are routed to the TDD printer at the 911 Emergency Center. It is not extremely costly and would remove the requirement for hearing impaired customers to dial a special 7-digit number for emergency services, but it may cause some confusion because the TDD's are portable and can be used on any telephone line. The special routing for 911 calls would only work on lines class marked accordingly. If the TDD user attempted a 911 call from a regular line (neighbor's house or coin phone), the user would be connected to a live 911 operator in lieu of the 911 TDD printer. Another potential problem would be the case where a hearing person attempted to call 911 from the specially class marked line. That person would be connected to a printer and unable to communicate. We would speculate that, more often than not, households are shared among hearing and hearing impaired people.

In the case where the relay center is handling medical emergencies, liability may be an issue. It is possible that critical information be misinterpreted or erroneously relayed. Would the provider of the relay service be liable? What about personal liability on the part of the operator? These are questions that would have to be addressed.

At this point, ATU is waiting to see what the regulatory or legislative bodies mandate and what vehicles for cost recovery will be made available to the provider of the service. If the service is to be provided on a statewide or an interstate basis, it is quite possible that the Interexchange Carriers will be the ones required to provide the service.

Mr. Albert Burke
March 5, 1990
Page Three

In the meantime, we can appreciate your concerns and involvement in the matter. I understand my Executive Assistant, Linda Kross, is making arrangements for you to give a presentation to the Telephone Commission at our next meeting. Please feel free to contact this office if we can assist further.

Sincerely,

ANCHORAGE TELEPHONE UTILITY

A handwritten signature in cursive script, appearing to read "Dale R. Merrell".

Dale R. Merrell
General Manager

dc/lk/drm/dcs

Alaska
Association of the
Deaf

Item 4

RECEIVED
1345 Rudakof Circle, Suite 107
Anchorage, Alaska 99508
907-333-7545 (TTY)

March 15, 1990

Rhonda
c/o Red Boucher's office
P.O. Box V (MS 3100)
Juneau, Alaska 99811

Dear Rhonda:

Enclosed is a copy of a bill recently passed in the Senate of Mississippi and relating to the relay service of the deaf. We are forwarding it to you in regard to the H.B. 557 now in our House.

We appreciate any assistance you can give us in this matter and sincerely hope that a relay service in the best of everyone's interest can be established statewide.

Best regards,
Al Berke
Al Berke, President

DUAL PARTY RELAY SERVICE ACT

SENATE BILL NO. 2331

If you are a person who is deaf or have a hearing or speech impairment, making a telephone call for even simple everyday needs - such as making a doctor's appointment, calling a friend, ordering a pizza and a thousand other purposes - can be difficult and, oftentimes, impossible. If you are a hearing person, calling friends and loved ones who are deaf or otherwise communication impaired is equally impossible without expensive telecommunication devices at both ends of the telephone line.

However, with passage of the Dual Party Relay Service Act (S.B. 2331) - which is now pending before the Mississippi Legislature - that situation will change drastically.

The Dual-Party Relay Act would establish a new telephone service that lets persons who are deaf or who have other communication problems, "talk" to anyone, anytime, anywhere in Mississippi. Using the system will be as easy as picking up the telephone and dialing a toll-free number.

This "miracle" for literally thousands of people in Mississippi will be accomplished by way of routing calls through a center staffed by specially trained communications assistants. These staff would take calls on the toll-free line from persons who are deaf or otherwise communication impaired and relay them to whomever necessary.

This will be a simple process. The communications assistant would receive a call from a person with a communication impairment over the toll-free line and would then call the requested party. The assistant would then simultaneously receive messages from the caller, either verbally or through use of a telecommunication device for the deaf, and read the message aloud to the hearing person at the other end of the line. The assistant would then relay the hearing person's message back to the caller - once again, either verbally or by way of a telecommunication device. Of course, the system is equally effective when a hearing person calls a person with a communication problem. (All calls handled by this system will be in the strictest confidence.)

This system would entail no additional charge to the caller. The caller would only be responsible for the regular long distance charges, if any, to communicate with the intended party. All costs for this system would be absorbed by the State's entire telephone system. In other states, this has resulted in an additional monthly charge of ten to twenty cents per telephone - a small price to pay to allow a group of individuals an opportunity to use a system that most people take for granted.

*Dual Party Relay Bill passed. Now
goes to Governor Mabus for Approval*

Alaska
Association of the
Deaf

HB557

4241 B Street, Suite 201
Anchorage, Alaska 99503
907-563-4713 (V/TTY)

March 7, 1990

Dave Donley, Chairman
Labor & Commerce
Room 17, Capitol
Juneau, Alaska 99811

Re: House Bill No. 557

Dear Chairman Donley:

We received a copy of House Bill No. 557, which was introduced on February 12, 1990, and we have some comments concerning it.

First, we believe that the wording should be changed to "Deaf and hard of hearing" instead of "hearing impaired."

Secondly, the proposed legislation does not indicate the method by which telephone service will be made accessible. We believe that, if relay services are chosen, then the legislation should ensure that such service: (1) is available 24 hours each day, 7 days each week; (2) permits simultaneous or real-time conversations between TDD users and voice telephone users (as compared with the relaying of consecutive messages); (3) imposes no restrictions on the number of calls, the length of calls, and the type of calls that may be relayed; (4) insures confidentiality of the conversations relayed; (5) is funded through the general ratebase, and not only by Deaf and hard of hearing subscribers.


Thirdly, we think is the second paragraph is somewhat confusing. Any service which is intended to enable Deaf people to communicate with hearing people by telephone should necessarily be available to those hearing people. Yet, Section (b) of the Bill states that a telephone subscriber is eligible for the service required by the legislation (again, presumably, this is relay service) only if the subscriber is certified as Deaf or hard of hearing, or is an organization representing Deaf and hard of hearing persons. Were this to be the criteria for using the accessible services, then hearing individuals would never be able to call their Deaf friends and colleagues through the relay service. Unless there is another reason for this Section, we believe it should be deleted in its entirety.

House Bill 557
March 7, 1990
Page 2

Thank you for your time and attention to this matter.

Sincerely,

ALASKA ASSOCIATION OF THE DEAF


Albert Berke, President

AB/jt
Enclosure



National Association of Regulatory Utility Commissioners

1102 Interstate Commerce Commission Building
P.O. Box 684, Washington, D.C. 20064
Telephone 202-898-2300



BULLETIN

RECEIVED
JAN 22 1990

NARUC No. 4-1990

ARTICLES IN THIS BULLETIN

January 22, 1990

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The commission said publishing of directories is a necessary part of adequate phone service, and that revenues from the directories help keep local phone rates affordable. Data considered in the investigation of U S West's rates showed that in 1985 the contribution from directory advertising to local rates was \$40.20 per customer per year.

"PNB's plan to eliminate the contribution to local telephone service from directory advertising contravenes state policy" of making phone service available to as many people as possible at affordable rates, the commission said.

The commission said U S West Communications' Oregon revenue requirement must include approximately \$29 million in profits from directory advertising, which eliminates the need to collect that money from customers. In essence, the commission's action captures profits that should have been used to benefit customers instead of stockholders.

At the same time, the commission ordered adjustments in U S West's revenue requirement related to other issues and a settlement between the company and the PUC staff. For example, the commission allowed U S West to recover in rates approximately \$6.5 million for research and development supplied by Bellcore, another U S West affiliated interest company.

The company's capital structure and rate of return were settled through negotiations between U S West and the PUC staff. The commission accepted the negotiated settlements.

The net effect of the Commission's actions will be a rate reduction of \$24,057,000 for U S West Oregon residential and business customers.

The investigation into U S West's earnings began in December 1988. At that time the PUC staff estimated that the company was exceeding its authorized rate of return by approximately \$65 million a

year. The staff modified its position after more detailed study during the investigation. At the beginning of the investigation, U S West indicated it was entitled to a rate increase of approximately \$24 million. (Case No. UT 85, Order No. 89-1807)

TEXAS PUC ACTS TO GIVE HEARING/SPEECH-IMPAIRED EQUAL ACCESS TO PHONE NETWORK

Hearing-impaired and speech-impaired customers could receive the benefits of, a new statewide telephone service as early as September 1990, the Public Utility Commission of Texas (PUC) has announced.

Rules and procedures approved by the Commission last week will result in the establishment of a dual-party relay service. The rules implement provisions of H.B. 174, which was enacted earlier this year by the Texas Legislature. The dual-party relay service enables individuals who must use special devices to communicate by telephone with individuals who use conventional telephones.

A \$1 million pilot relay system -- ordered by the PUC in the last GTE Southwest rate case -- is already serving thousands of hearing- and speech-impaired customers in the Dallas/Fort Worth/Denton area. The PUC and its advisory committee will use findings from this test project to implement the statewide service.

"We are proud to be a leader in giving hearing- and speech-impaired customers equal access to the telephone network," said PUC Chairman Paul Meek. "The relay system will enable hearing-impaired and speech-impaired customers to have access to all other telephone subscribers, and likewise other telephone customers will have access to the hearing-impaired and speech-impaired."

The dual-party relay service consists of specially trained operators and electronic equipment that allow a hearing- or speech-impaired customer to communicate with anyone else through a computer or a telecommunications device for the deaf (TDD). The TDD resembles a typewriter with a telephone receiver resting in a cradle on the top.

A customer will be able to make a call on the relay system by typing a message on the TDD or Computer and transmitting it to an operator with similar equipment. The operator receiving the electronic message then communicates the message verbally to the person being called.

Likewise, individuals without TDDs will be able to dial the dual-party relay center to call a hearing- or speech-impaired customer. The relay operator would transmit the caller's message electronically to the customer's TDD or computer.

In addition to adopting rules and procedures, the Commission also voted to solicit proposals from telecommunications carriers interested in providing the service. Proposals must be received at the Commission by February 15, 1990, and the relay service carrier will be selected no later than April 1, 1990. Additional information about the service may be obtained from Ms. Elaine Powell of the PUC Telephone Division.

Assisting the PUC staff has been a 13-member advisory committee established by the Legislature to ensure that the relay system meets user needs. Specific committee concerns include adequate operator training and public education on how to properly use the system. Chairman Meek believes the advisory committee will provide valuable information while the dual-party relay service is being developed.

The creation of an advisory committee prior to development and implementation will help ensure that our

relay service truly meets user needs," Chairman Meek said.

The advisory committee includes 11 representatives of various consumer advocacy organizations and two representatives of telephone utilities. In addition, two utility representatives assist the committee.

PG&E RATES INCREASED JANUARY 1 IN CALIFORNIA

The California Public Utilities Commission (PUC) has concluded the general rate case for Pacific Gas & Electric Company (PG&E). Combined with the Commission's December 4th decision on PG&E's energy cost adjustment clause proceeding and other recent Commission decisions, PG&E's net revenue requirement has been increased by \$433.4 million. This is the amount of additional revenue the Commission estimates PG&E requires in 1990 to provide safe and reliable service at the lowest reasonable cost. The increase to a typical residential customer's combined monthly bill for gas and electricity beginning January 1, 1990 will be 5.5 percent or \$4.46 from \$80.86 to \$85.32.

About two-thirds of the amount of the rate increase is due to the higher costs PG&E has had to pay for fuel used to produce electricity. Utilities are allowed to recover their fuel costs in rates. In its December 4, 1989 decision in PG&E's energy cost adjustment proceeding (the proceeding used to determine PG&E's fuel costs) the Commission allowed increased revenue of \$613.8 million for 1990 to cover those costs, and consolidated that with an increase in the annual energy rate revenue requirement of \$26.4 million and a decrease in the electric revenue adjustment mechanism of \$368.2 million. The effect of combining these revenue adjustments is to allow PG&E a net increase in annual revenue requirement of \$272 million for

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HOUSE COMMITTEE REPORT

(7)

Date Referred: March 21, 1990

FURTHER REFERRALS:

FINANCE

Date of Committee Action: 4/10/90

The LABOR & COMMERCE Committee considered:

HB 560

HOUSE BILL NO. 560

APPROP: TOURISM MARKETING

"An Act making a special appropriation to the Department of Commerce and Economic Development, division of tourism, to expand the domestic and international tourism marketing programs; 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): _____ APPROVES PREVIOUS: _____
 (Dept) (Date/Dept)

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

SIGNING DO PASS:

SIGNING:
 (Check approp. column)

Do Not
Pass No Rec Amend

<u>David Souley</u>	<u>Mark Boyer</u>			X
<u>Joseph J. ...</u>	<u>amend funding source</u>			
<u>...</u>	<u>Andrew D. Roman Lemau</u>			X
<u>...</u>	<u>(needs different funding source)</u>			
<u>...</u>	<u>Eric McColhis Collins</u>			
<u>...</u>	<u>Identify other funding source</u>			X
<u> </u>	<u> </u>			
<u> </u>	<u> </u>			
<u> </u>	<u> </u>			
<u> </u>	<u> </u>			

David Souley
 Chairman's Signature



SPECIAL COMMITTEE ON TOURISM


House of Representatives
Alaska State Legislature

P.O. Box V, Juneau, Alaska 99811
465-2435 • FAX (907) 465-2718

Rep. David Finkelstein, Chair
Rep. Johnny Ellis
Rep. Richard Foster
Rep. Curt Menard
Rep. Richard Shultz
Rep. Fran Ulmer
Rep. Jim Zawacki

March 30, 1990

To: Representative Dave Donley
Chair, Labor and Commerce Committee

From: David Finkelstein 

Re: House Bill 560

I would like to request that you hear HB 560 at your earliest convenience.

This bill makes a special appropriation to the Alaska Division of Tourism to expand the domestic and international tourism marketing programs over the next four years.

My motivation for this bill stems from the belief that a strong multi-year commitment by the state to the marketing of tourism is needed to reverse the decline in Alaska's share of the marketplace.

Thanks for your consideration.

DURING INTERIM:

3111 C Street, Anchorage, Alaska 99503
(907) 561-7626 • FAX (907) 562-4376

H B

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HOUSE COMMITTEE REPORT

(7)

Date Referred: March 21, 1990

FURTHER REFERRALS:

Date of Committee Action: 4/24/90

H 25
Rules

The LABOR & COMMERCE Committee considered:

HB 587

HOUSE BILL NO. 587

BAN ELECTRONIC MEDIA ADS FOR GAMBLING

"An Act prohibiting the use of broadcasting to promote or conduct charitable gaming activity; and creating exceptions to the prohibition."

RECOMMENDATIONS:

- be replaced with CSHB 587 (L+C) the same title
- have attached amendment(s) a new title
- 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 L+ED
- zero with analysis _____
- fiscal note(s) _____
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approv. column)

David Donley
~~_____~~
Mark Boyer Boyer

	Do Not Pass	No Rec	Amend
<u>David Donley</u> Finkelstein	X		
<u>Mark Boyer</u> Boyer	X		
<u>Mark Boyer</u> Greenberg			X

David Donley

Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
 Title: Imposing a moratorium on the use of broadcasting to promote or conduct charitable gaming activity, etc. BRU: Occupational Licensing
 Sponsor: House Labor & Commerce Committee Components: Games of Chance & Contests
 Requestor: House Labor & Commerce Committee of Skill

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	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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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 for FY 90.

Prepared by: Randall P. Burns, Director *PBS*
 Division: Occupational Licensing

Phone: 465-2534
 Date: 4/17/90

Approved by Commissioner: Larry Mercurieff *L.M.*
 Agency: Department of Commerce & Economic Development

Date: 4/24/90

Distribution (by preparer):

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

1 IN THE HOUSE

BY THE LABOR & COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 587 (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 moratorium on the use of
7 broadcasting to promote or conduct charitable gaming
8 activity; establishing exceptions to the moratorium;
9 requiring the Department of Commerce and Economic
10 Development to hold hearings on the adoption of
11 regulations concerning the promoting and conducting
12 of charitable gaming activity over broadcasting
13 outlets; and providing for an effective date."

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

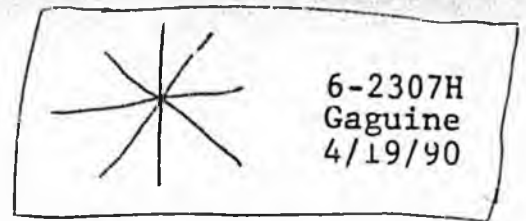
15 * Section 1. Until October 1, 1990, a person may not use broadcasting
16 to promote or conduct charitable gaming activity under this chapter. In
17 this section, "broadcasting" includes television and radio transmission by
18 2,500 megahertz, microwave video and audio programming, slow-scan tele-
19 vision programming, and programming via satellite, cable, teletype, or
20 facsimile transmission and distribution methods.

21 * Sec. 2. Notwithstanding sec. 1 of this Act, a person may use broad-
22 casting to promote fish derbies, and the Department of Commerce and Econom-
23 ic Development may authorize a noncommercial broadcasting station or net-
24 work of stations to broadcast the conducting of an activity under AS 05.15
25 on the station or network under a permit held by the station or network.
26 In this section "noncommercial broadcasting station" means a radio or
27 television station that is licensed by the Federal Communications Com-
28 mission to a governmental entity or to an entity that is exempt from fed-
29 eral taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code).

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* Sec. 3. The Department of Commerce and Economic Development shall hold hearings around the state, with at least one hearing in each judicial district, for the purpose of adopting necessary regulations concerning the promoting and conducting of charitable gaming activity over broadcasting outlets.

* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).



Original sponsor(s): Labor & Commerce Committee

1 IN THE HOUSE

BY THE LABOR & COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 587 (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 moratorium on the use of
7 broadcasting to promote or conduct charitable gaming
8 activity; establishing exceptions to the moratorium;
9 requiring the Department of Commerce and Economic
10 Development to hold hearings on promoting and con-
11 ducting charitable gaming activity over broadcasting
12 outlets and to make recommendations to the legisla-
13 ture; and providing for an effective date."

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

15 * Section 1. Until July 1, 1991, a person may not use broadcasting to
16 promote or conduct charitable gaming activity under this chapter. In this
17 section, "broadcasting" includes television and radio transmission by 2,500
18 megahertz, microwave video and audio programming, slow-scan television
19 programming, and programming via satellite, cable, teletype, or facsimile
20 transmission and distribution methods.

21 * Sec. 2. Notwithstanding sec. 1 of this Act, a person may use broad-
22 casting to promote fish derbies, and the Department of Commerce and Econom-
23 ic Development may authorize a noncommercial broadcasting station ^(or network of stations) to broad-
24 cast the conducting of an activity under AS 05.15 on the station ^(or network) under a
25 permit held by the station ^(or network). In this section "noncommercial broadcasting
26 station" means a radio or television station that is licensed by the Feder-
27 al Communications Commission to a governmental entity or to an entity that
28 is exempt from federal taxation under 26 U.S.C. 501(c)(3) (Internal Revenue
29 Code).

1 * Sec. 3. The Department of Commerce and Economic Development shall
2 hold hearings around the state, with at least one hearing in each judicial
3 district, for the purpose of formulating a policy concerning the promoting
4 and conducting of charitable gaming activity over broadcasting outlets.
5 The department shall present its policy recommendations to the legislature
6 no later than January 31, 1991.

7 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).
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6-2307H
Gaguine
4/19/90

Original sponsor(s): Labor & Commerce Committee

1 IN THE HOUSE BY THE LABOR & COMMERCE COMMITTEE
 2 CS FOR HOUSE BILL NO. 587 (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 moratorium on the use of
 7 broadcasting to promote or conduct charitable gaming
 8 activity; establishing exceptions to the moratorium;
 9 requiring the Department of Commerce and Economic
 10 Development to hold hearings on promoting and con-
 11 ducting charitable gaming activity over broadcasting
 12 outlets and to make recommendations to the legisla-
 13 ture; and providing for an effective date."

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

15 * Section 1. Until July 1, 1991, a person may not use broadcasting to
 16 promote or conduct charitable gaming activity under this chapter. In this
 17 section, "broadcasting" includes television and radio transmission by 2,500
 18 megahertz, microwave video and audio programming, slow-scan television
 19 programming, and programming via satellite, cable, teletype, or facsimile
 20 transmission and distribution methods.

21 * Sec. 2. Notwithstanding sec. 1 of this Ac., a person may use broad-
 22 casting to promote fish derbies, and the Department of Commerce and Econom-
 23 ic Development may authorize a noncommercial broadcasting station to broad-
 24 cast the conducting of an activity under AS 05.15 on the station under a
 25 permit held by the station. In this section "noncommercial broadcasting
 26 station" means a radio or television station that is licensed by the Feder-
 27 al Communications Commission to a governmental entity or to an entity that
 28 is exempt from federal taxation under 26 U.S.C. 501(c)(3) (Internal Revenue
 29 Code).

1 * Sec. 3. The Department of Commerce and Economic Development shall
2 hold hearings around the state, with at least one hearing in each judicial
3 district, for the purpose of formulating a policy concerning the promoting
4 and conducting of charitable gaming activity over broadcasting outlets.
5 The department shall present its policy recommendations to the legislature
6 no later than January 31, 1991.

7 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).
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o-2307E
Gaguine
3/28/90

Original sponsor(s): Labor & Commerce Committee

1 IN THE HOUSE

BY THE LABOR & COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 587 (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 relating to authorized expenditures for
7 charitable gaming activity; prohibiting the use of
8 broadcasting to conduct charitable gaming activity;
9 and creating exceptions to the prohibition "

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

11 * Section 4. AS 05.15.160(a) is amended to read:

12 (a) The only expenses that may be incurred or paid in connection
13 with the operation of an activity under a permit issued under this
14 chapter are bona fide expenses reasonably necessary for

15 (1) goods, wares, and merchandise necessary for the opera-
16 tion of the activity;

17 (2) personal services involved with the operation of the
18 activity, including those performed by

19 (A) an employee of the permittee; [OR]

20 (B) an operator hired by the permittee to conduct the
21 activity if the compensation is not related to the receipts from
22 the activity;

23 (3) promotion of the activity, except that expenditures by
24 or on behalf of a permittee for advertising in the print or electronic
25 media, other than expenditures for program sponsorship authorized by
26 (4) of this subsection, may not exceed \$1,000 per year per permit; and

27 (4) sponsorship by a permittee or operator of a program on
28 a nonprofit radio or television station provided that the station
29 announces the sponsorship in the same manner as it announces other

sponsors of programs.

* Sec. 2. AS 05.15.180 is amended by adding a new subsection to read:

(h) A person may not use broadcasting to conduct charitable gaming activity under this chapter. In this subsection, "broadcasting" includes television and radio transmission by 2,500 megahertz, microwave video and audio programming, slow-scan television programming, and programming via satellite, cable, teletype, or facsimile transmission and distribution methods.

* Sec. 3. Notwithstanding AS 05.15.180(h), as enacted by sec. 2 of this Act, a noncommercial broadcasting station may conduct charitable gaming activity on the station for a period of three years beginning January 1, 1991, under a permit issued under AS 05.15.100(a) or (b) to the station, to another noncommercial broadcasting station, or to a network of noncommercial broadcasting stations. A permittee whose charitable gaming activity is conducted under this section shall deposit at least 50 percent of the net proceeds of the activity into a permanent endowment fund for the network and its member stations, if the endowment fund exists. In this section "noncommercial broadcasting station" means a radio or television station that is licensed by the Federal Communications Commission to a governmental entity or to an entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code).

ROBERT C. BYRD, WEST VIRGINIA, CHAIRMAN

DANIEL K. INOUE, HAWAII
ERNEST F. HOLLINGS, SOUTH CAROLINA
J. BENNETT JOHNSTON, LOUISIANA
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DON NICKLES, OKLAHOMA
PHIL GRAMM, TEXAS

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

JAMES H. ENGLISH, STAFF DIRECTOR
J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

March 28, 1990

Diane Kaplan
Alaska Public Radio Network
4640 Old Seward Highway
Suite 202
Anchorage, Alaska 99503

APR - 3

Dear Diane:

I understand that the Alaska Public Radio Network has submitted a permit application to conduct a broadcast lottery game in Alaska. Public broadcasting deserves more support and needs additional funding.

Fundraising activities have the potential to help APRN establish an endowment to support public broadcasting over the long term. Such an endowment will assure improved access to public broadcasting services for years to come -- and at no additional public expense.

The importance of public broadcasting to Alaska can't be understated. Public broadcasting needs support from many sources, and this includes innovative approaches to fundraising.

With best wishes,

Cordially,


TED STEVENS

LAW OFFICES
GOLDBERG & SPECTOR
1229 NINETEENTH STREET, N.W.
WASHINGTON, D.C. 20036

HENRY GOLDBERG
PHILLIP L. SPECTOR
JEFFREY H. OLSON
JOSEPH A. GODLES
JONATHAN L. WIENER
HENRIETTA WRIGHT

(202) 429-4900
TELECOPIER:
(202) 429-4918
TELEX:
092320

January 13, 1989

BY TELECOPIER

Ms. Diane Kaplan
General Manager
Alaska Public Radio Network
4640 Old Seward Highway
Suite 202
Anchorage, Alaska 99503

Re: Amendments to Federal Statutes Regulating
the Broadcast of Lottery Information

Dear Diane:

At your request, I am writing to confirm our previous discussions regarding the impact of the 1988 amendments to Sections 1304 and 1307 of the Federal Criminal Code, 18 U.S.C. §§ 1304, 1307. As you know, those provisions prohibited the broadcast of any information promoting lotteries (or other forms of gambling) save for certain narrow exceptions. The 1988 amendments substantially expanded on those exceptions in a way that should enable APRN to conduct certain over-the-air lotteries for fund-raising purposes.

As is germane to APRN, the amended statute permits the broadcast of information promoting a lottery which is conducted in accordance with state law (or is not otherwise prohibited by state law) so long as the lottery is being conducted by (and the proceeds are for the benefit of) a non-profit organization, the non-profit status of which is recognized by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code. Assuming that APRN qualifies for such non-profit status and, further, that its conduct complies with relevant state law, APRN should be able to engage in the sort of over-the-air fund-raising activity that I understand is being contemplated: i.e., selling "game cards" (possibly bingo or some other type of lottery game) at retail outlets (the proceeds from such sales going to APRN) which listeners will then use to play periodic (e.g., once per week) games that will be broadcast live over the network, with some accurate and secure method of ensuring that there is only

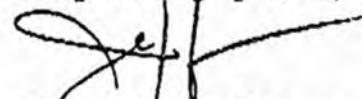
Ms. Diane Kaplan
January 13, 1989
Page 2

one winner per game and that such winner can be readily identified.

One caveat must be mentioned regarding the above. The relevant amendments do not become effective until the spring of 1990, eighteen months after the legislation adopting the amendment in question was signed by the President. Thus, APRN must wait until then before initiating this service.

If you need anything further, please call.

Very truly yours,


Jeffrey H. Olson

100TH CONGRESS
2D SESSION

H. R. 3146

IN THE SENATE OF THE UNITED STATES

MAY 26 (legislative day, MAY 18), 1988

Received; read twice and referred to the Committee on the Judiciary

AN ACT

To clarify certain restrictions on distribution of advertisements and other information concerning lotteries and similar activities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the "Lottery Advertising Clar-
5 ification Act of 1988".

TITLE 18—CRIMES AND CRIMINAL PROCEDURE

PART I—CRIMES

CHAPTER 61—LOTTERIES

(§§ 1301-1307)

Sec.

1304. Broadcasting lottery information.

1307. State-conducted lotteries.

§ 1304. Broadcasting lottery information

Whoever broadcasts by means of any radio station for which a license is required by any law of the United States, or whoever, operating any such station, knowingly permits the broadcasting of, any advertisement of or information concerning any lottery, gift, enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance, or any list of the prizes drawn or awarded by means of any such lottery, gift, enterprise, or scheme, whether said list contains any part or all of such prizes, shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

Each day's broadcasting shall constitute a separate offense.³

§ 1307. State-conducted lotteries

(a) The provisions of sections 1301, 1302, 1303, and 1304 shall not apply to an advertisement, list of prizes, or information concerning a lottery conducted by a State acting under the authority of State law—

(1) contained in a newspaper published in that State, or

(2) broadcast by a radio or television station licensed to a location in that State or an adjacent State which conducts such a lottery.

(b) The provisions of sections 1301, 1302, and 1303 shall not apply to the transportation or mailing—

(1) to addresses within a State of equipment, tickets, or material concerning a lottery which is conducted by that State acting under the authority of State law; or

(2) to an addressee within a foreign country of equipment, tickets, or material designed to be used within that foreign country in a lottery which is authorized by the law of that foreign country.⁴

(c) For the purposes of this section (1) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States; and (2) "foreign country" means any empire, country, dominion,

³ June 25, 1948, ch. 545, 62 Stat. 762.

⁴ Section 1307(b) was amended by Public Law 96-90, 93 Stat. 698, Oct. 23, 1979. The subsection formerly read as follows:

(b) The provisions of sections 1301, 1302, and 1303 shall not apply to the transportation or mailing to addresses within a State of tickets and other material concerning a lottery conducted by that State acting under authority of State law.

colony, or protectorate, or any subdivision thereof (other than the United States, its territories or possessions).⁵

(d) For the purposes of this section "lottery" means the pooling of proceeds derived from the sale of tickets or chances and allotting those proceeds or parts thereof by chance to one or more chance takers or tickets purchasers. "Lottery" does not include the placing or accepting of bets or wagers on sporting events or contests.⁶

CHAPTER 63—MAIL FRAUD

(§§ 1841-1848)

Sec.

1843. Fraud by wire, radio, or television.

§ 1843. Fraud by wire, radio, or television⁷

Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be fined not more than \$1,000 or imprisoned not more than five years, or both.

SEC. 362. INTERFERENCE WITH THE OPERATION OF A SATELLITE.¹⁰

(a) OFFENSE.—Chapter 65 of title 18, United States Code, is amended by inserting at the end the following:

"§ 1367. Interference with the operation of a satellite

"(a) Whoever, without the authority of the satellite operator, intentionally or maliciously interferes with the authorized operation of a communications or weather satellite or obstructs or hinders any satellite transmission shall be fined in accordance with this title or imprisoned not more than ten years or both.

"(b) This section does not prohibit any lawfully authorized investigative, protective, or intelligence activity of a law enforcement agency or of an intelligence agency of the United States."

CHAPTER 71—OBSCENITY

(§§ 1461-1465)

Sec.

1464. Broadcast obscene language.

⁵ Section 1307(c) was amended by Public Law 95-90, 98 Stat. 698, Oct. 23, 1979. The subsection formerly read as follows:

(c) For the purposes of this section "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

⁶ Added Jan. 2, 1975, 88 Stat. 916.

⁷ Added July 16, 1952, Ch. 879, sec. 18(a), 66 Stat. 722, and amended July 11, 1956, Ch. 561, 70

-1 SEC. 2. AMENDMENTS RELATING TO IMPORTATION, TRANS-
2 PORTATION, MAILING, AND BROADCAST OF AD-
3 VERTISEMENTS FOR LEGAL LOTTERIES AND
4 SIMILAR ENTERPRISES OFFERING PRIZES DE-
5 PENDENT ON CHANCE.

6 (a) AMENDMENT TO TITLE 18, UNITED STATES
7 CODE.—Subsection (a) of section 1307 of title 18, United
8 States Code, is amended by striking out “conducted by” and
9 all that follows through the end of the subsection and insert-
10 ing in lieu thereof “, gift enterprise, or similar scheme offer-
11 ing prizes dependent in whole or in part upon lot or chance, if .
12 the lottery, gift enterprise, or similar scheme is authorized or
13 not otherwise prohibited by the State in which it is conduct-
14 ed. In a case in which such a prohibition by a State would
15 not apply to Indian country located in that State, the provi-
16 sions of section 1304 of this title shall apply with respect to
17 such Indian country. This subsection shall not apply with re-
18 spect to any casino gambling game conducted or operated by
19 a gambling establishment. For purposes of the preceding sen-
20 tence—

21 “(1) the term ‘casino gambling game’ means rou-
22 lette, blackjack, craps, slot machines, and any similar
23 game of chance or device which is played for money or
24 other thing of value; and

25 “(2) the term ‘gambling establishment’ means an
26 establishment which is engaged in for profit and is op-

1 - erated primarily for the purpose of gaming or gam-
2 bling, including accepting, recording, or registering
3 bets for money or other thing of value.”.

4 (b) AMENDMENT TO TITLE 39, UNITED STATES
5 CODE.—Section 3005(d) of title 39, United States Code, is
6 amended—

7 (1) in clause (1) by striking out “a newspaper”
8 and all that follows through “such a lottery,” and in-
9 serting in lieu thereof “(A) an advertisement, list of
10 prizes, or information concerning a lottery, gift enter-
11 prise, or scheme for the distribution of money or of real
12 or personal property, by lottery, chance, or drawing of
13 any kind, if the lottery, gift enterprise, or scheme is
14 authorized or not otherwise prohibited by the State in
15 which it is conducted, except that this subparagraph
16 shall not apply with respect to any casino gambling
17 game conducted or operated by a gambling establish-
18 ment, or (B) a newspaper of general circulation con-
19 taining an advertisement, list of prizes, or information
20 referred to in subparagraph (A),”; and

21 (2) by adding at the end thereof the following:
22 “For purposes of paragraph (1)(A), the term ‘casino
23 gambling game’ means roulette, blackjack, craps, slot
24 machines, and any similar game of chance or device
25 which is played for money or other thing of value, and

1 the term 'gambling establishment' means an establish-
2 ment which is engaged in for profit and is operated pri-
3 marily for the purpose of gaming or gambling, includ-
4 ing accepting, recording, or registering bets for money
5 or other thing of value."

6 **SEC. 3. TECHNICAL AMENDMENTS.**

7 (a) **AMENDMENTS TO TITLE 18, UNITED STATES**
8 **CODE.**—Chapter 61 of title 18, United States Code, is
9 amended as follows:

10 (1) The section heading of section 1307 is amend-
11 ed to read as follows:

12 "§ 1307. Exceptions relating to certain advertisements and
13 other information and to State-conducted lot-
14 teries".

15 (2) The item relating to section 1307 in the table
16 of sections at the beginning of chapter 61 is amended
17 to read as follows:

"Sec. 1307. Exceptions relating to certain advertisements and other information and
to State-conducted lotteries."

18 (3) Subsection (d) of section 1307 is amended by
19 inserting after "purposes of" the following: "subsection
20 (b) of".

21 (4) The first sentence of section 1304 is amended
22 by inserting after "radio" the following: "or televi-
23 sion".

1 (b) AMENDMENT TO TITLE 39, UNITED STATES
2 CODE.—Subsection (d)(2) of section 3005 of title 39, United
3 States Code, is amended by striking out “such a lottery” and
4 inserting in lieu thereof “a lottery conducted by a State
5 acting under authority of State law.”.

6 SEC. 4. SEVERABILITY.

7 If any provision of this Act or the amendments made by
8 this Act, or the application of such provision to any person or
9 circumstance, is held invalid, the remainder of this Act and
10 the amendments made by this Act, and the application of
11 such provision to other persons not similarly situated or to
12 other circumstances, shall not be affected by such invali-
13 dation.

14 SEC. 5. EFFECTIVE DATE.

15 The amendments made by this Act shall take effect 18
16 months after the date of the enactment of this Act.

Passed the House of Representatives May 25, 1988.

Attest: DONNARD K. ANDERSON,
Clerk.

RESOLUTION OF THE
ALASKA BROADCASTERS ASSOCIATION

Whereas, the Alaska Broadcasters Association was founded in 1964 to promote broadcasting and related endeavors in the public interest, convenience, and necessity; and

Whereas, the membership of the Alaska Broadcasters Association includes both Commercial and Public Broadcast Stations; and

Whereas, H.B. 587 has been introduced in the second session of the sixteenth Alaska Legislature to prohibit the use of broadcasting to promote or conduct charitable gaming activity and create exceptions to the prohibition.

Now, therefore, be it resolved by the Board of Directors of the Alaska Broadcasters Association as follows:

1. That the Alaska Broadcasters Association is opposed to H.B. 587 as written because it is inappropriate and unfair to prohibit or restrict the opportunity of commerce for any portion of our membership

2. That the Alaska Broadcasters Association endorses the concept of charitable gaming activity to benefit the operation of Public Broadcasting Stations in Alaska.

3. That the Alaska Broadcasters Association respectfully suggest the following changes in the language of H.B. 587:

a. Deletion of Section 1(h)

b. Deletion of the word "promote" where it appears in Section 2.

4. That the Alaska Broadcasters Association endorses the concept of free enterprise as developed and practiced in America, including the use of promotion and advertising as an efficient method of assisting business and governmental entities in the dissemination of information about legal and ethical products, services, and other items of interest, and warns that any move to weaken that concept represents unwarranted and unnecessary legislative interference in a process that has worked and continues to work well in the public interest.

PASSED AND APPROVED THIS _____ DAY OF MARCH, 1990

J. PETER VAN NORT
President, ABA

COMMENTS ON CSHB 587

BY

CHARLES M. NORTHRIP, EXECUTIVE DIRECTOR
ALASKA PUBLIC BROADCASTING COMMISSION

MARCH 29, 1990

I regret not being able to appear before the committee in person to testify on this important legislation. Unfortunately, the Alaska Public Broadcasting Commission is holding its quarterly meeting in Juneau at exactly the time of this hearing making it impossible for me to attend this session.

The Alaska Public Broadcasting Commission, the state agency charged with encouraging and developing an integrated system of public broadcasting for the State of Alaska has, on numerous occasions, encouraged its grantee stations to diversify their sources of financial support, so as to lessen system dependence on state funding alone. The 26% loss of State funding over the last four years makes finding new public broadcasting funding sources a critical task. HB 587 offers the possibility of a significant new source of financial support for the system. I'm pleased to state my support for Section 3 of the bill, which would permit the conduct of charitable gaming activity on public broadcasting stations. I'm also pleased to support the concept of permanent endowments for public stations which could be created as a result of this legislation.

Unfortunately I must state my opposition to Section 1 of the bill. The deletion of Section 1 would allow public broadcasters to buy necessary commercial time on for-profit stations to advertise any games they might conduct on their own stations. Such promotion would be a vital and necessary part of the successful conduct of any such games. Section 1, as it is proposed, would unfairly curtail such advertising expenditures and severely limit the potential proceeds from the gaming activity.

I hope the committee will make the necessary amendments to CSHB 587 and recommend its passage to the full House.

APRN

VOICES OF ALASKA

Alaska Public Radio Network ★ 4640 Old Seward Highway ★ Suite 202 ★ Anchorage, Alaska 99503 ★ (907) 563-7733

March 6, 1990

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

Dear Rep. Donley:

It was good to see you again in Juneau. Ashley and I were very encouraged by the enthusiasm other legislators had for your idea.

A bill limiting broadcast games to public radio/tv seems to have few, if any, detractors.

I will be in touch with you soon to learn of any progress on the draft.

I'm also enclosing a copy of the APRN capital request. Representative Gruenberg and Senator Rodey are extremely supportive. Senator Pearce's aide was also enthusiastic.

Representative Hoffman indicated that, if the district could come up with part of the money, he thinks that the rest could be funded with 99 - statewide funds.

Thanks in advance for your support of both of these important issues.

With best regards,


Diane S. Kaplan
Executive Director

APRN

VOICES OF ALASKA

Alaska Public Radio Network ★ 4640 Old Seward Highway ★ Suite 202 ★ Anchorage, Alaska 99503 ★ (907) 563-7733

ALASKA PUBLIC RADIO NETWORK Capital Request

The Alaska Public Radio Network is the coordinating organization for the state's 24 public radio stations. APRN produces "Alaska News Nightly", "National Native News", "Alaska Morning News", "AlaskanArts", "The Governor's Call-in", and special programming, and distributes "Alaska Fisheries Report", "Southeast Native Radio", "We Like Kids" and "The Iditarod". Besides programming, APRN provides training, national representation and technical assistance to Alaska public radio stations. APRN RECEIVES NO GENERAL OPERATING SUPPORT FROM THE STATE OF ALASKA.

Our critical needs are 1) relocation/expansion of the APRN facility (\$350,000) and; 2) critical equipment needs, especially a phone system and work stations (\$48,400).

APRN's current lease will expire in 2 years. It is not clear that we will be able to expand in the current facility. Our space shortage is currently critical. A visit to the Network would, I think, convince you of this. Second, we have long outgrown our current phone system, purchased in 1983. We now have staff members sharing telephones, and no phones in several critical areas. The phone system is no longer made, and not expandable. The work station situation is similarly critical. There is inadequate equipment available for our reporters and producers to effectively do their jobs.

Summaries of our capital items which were submitted through the Alaska Public Broadcasting Commission are attached.

PLEASE NOTE, APRN HAS RECEIVED NO STATE CAPITAL FUNDS SINCE 1981 WHEN THE SATELLITE UPLINK WAS PURCHASED TO DISTRIBUTE OUR STATEWIDE PROGRAMMING AND CONNECT ALASKA TO THE NATIONAL PUBLIC RADIO SATELLITE SYSTEM.

Thank you for your support of this request. Please call Diane Kaplan, Executive Director, at 563-7733 for additional information.

APRN VOICES OF ALASKA

Alaska Public Radio Network ★ 4640 Old Seward Highway ★ Suite 202 ★ Anchorage, Alaska 99503 ★ (907) 563-7703

RESOLUTION 88-5

RESOLUTION OF INTENT REGARDING DEDICATION OF RADIO GAMES REVENUE TO AN APRN ENDOWMENT

WHEREAS, the member stations of APRN are desirous of establishing a permanent, lasting endowment for the benefit of all Alaska public radio stations; and

WHEREAS, there is a possibility that the stations may establish a statewide radio game enterprise as a revenue-generating source,

NOW THEREFORE BE IT RESOLVED, that it is the desire of the member stations that a significant portion of the revenue from the statewide radio game be designated for such a fund.

Approved by the APRN membership and signed this Friday, September 23, 1988.



Bill Legere
Secretary, APRN

A non-profit corporation funded by these APRN Member Stations:

- KSKA-FM Anchorage • KBRW-AM Barrow • KYUK-AM Bethel • KDIQ-AM Dillingham • KUCY-FM Eads • KINN-FM Haines
- KBBB-AM Homer • KTOO-FM Juneau • KRBH-FM Kotzebue • KMIN-FM Kodiak • KOYZ-AM Kotzebue • KSKO-AM McGrath
- KFSK-FM Petersburg • KCAW-FM Seward • KCHU-AM Seward • KSTK-FM Wrangell



Alaska Juneau
Communications, Inc.

HB587

April 19, 1990

Honorable Dave Donley, Chair
Labor and Commerce Committee
House of Representatives
P.O. Box V
Juneau, Alaska 99811

Dear Representative Donley:

Enclosed is a letter I recently wrote to members of my Juneau Delegation regarding my firm's opposition to HB 587 relating to charitable gaming activity.

I have also attached a copy of a response from Senator Jim Duncan regarding my letter.

I wanted to let members of the Labor and Commerce Committee know of the opposition of commercial broadcasters in Alaska to provisions contained in this proposed legislation.

It has now been brought to my attention that your committee may consider another committee substitute to place a moratorium on provisions contained in the Federal Charity Games Advertising Clarification Act of 1988 which becomes effective May 7, 1990. Let me assure you the overwhelming majority of Alaska's commercial broadcasters will vigorously oppose this amendment as well.

For decades, Alaska broadcasters have worked for exemptions to the US Code and FCC regulations that would allow us to more fairly compete with our media counterparts. We do not need a hastily written law at the State level that eliminates our endeavors.

It is time the issue of a statewide permit for charitable games advertising for public stations be separated from the local issue of commercial broadcasters desiring to comply with the new Federal legislation taking effect in May.

If you have questions or comments concerning views, I will be more than pleased to discuss them with you at your convenience.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dennis W. Egan', written in a cursive style.

Dennis W. Egan
President & GM



Alaska Juneau
Communications, Inc.

April 19, 1990

Honorable Jim Duncan
State Senator
P.O. Box V
Juneau, Alaska 99811

Jim
Dear Senator Duncan:

I am writing to express my opposition to House Bill No. 587 (L&C) relating to charitable gaming activity.

As background, Congress passed the Charity Games Advertising Clarification Act of 1988 which is due to take effect May 7, 1990 that will allow broadcasters to have essentially the same opportunities afforded the print media as it pertains to advertising lotteries and other games of chance such as the Golden North Salmon Derby.

Congress recognized the unfair nature of the ban on charitable gaming through the electronic media and changed the law. Now the Alaska Legislature is threatening to impose restrictions that will essentially do away with the Federal legislation.

To pass this proposed legislation at the State level will effectively kill any opportunities gained by passage of the Federal legislation and eliminate new business opportunities for commercial broadcasters.

As stated earlier in my letter our Washington counsel advises that as drafted, we may possibly be prevented from broadcasting Juneau's Golden North Salmon Derby. The "derby" is the largest single event in this community and broadcasters play a vital role in making it the event it is. We have been able to broadcast this community function in the past through a special Federal exemption gained for us by our congressional delegation in 1981.

We have never been able to advertise or even air public service announcements for organizations that are conducting raffles or games of chance for needy causes due to the Federal prohibition. Just in the past few months we have had to refuse requests from groups such as the Mountain View Senior Citizen Center, the Juneau Volunteer Fire Department, the American Cancer Society and the Glacier Valley Rotary Club. We believe Section 2 will continue to prohibit this. Not only does it prohibit us from being able to

disseminate information by advertising legal products, services and other items of interest, it also prohibits us from even assisting as a public service. With the implementation of the new Federal law we would have been allowed to start doing this May 7th.


I am not opposed to requests by the Alaska Public Radio Network and other public broadcast stations to do charitable gaming for fund raising activities, but I believe this legislation is both unnecessary and has gone a step too far by restricting commercial broadcasters.

I would like to see the committee or the legislature use its time and energies not on restricting how I may compete for advertising dollars (that is how I make my living), but to figure out how the electronic media may be placed on equal footing with the all powerful print media when competing for Public Notice advertising dollars spent by the State of Alaska. Newspapers from around the state currently garner substantial revenues by charging very high rates for publishing public notices required by State law. Broadcasters are not included when it comes to how State agencies are allowed to place this Public Notice advertising, however, most think broadcasters will just run these notices at no charge. Some think we are required to run them as a public service. This is not the case. Broadcasters are not required to run any public service announcements but do so because of a commitment we have made to the communities we serve.

My stations have donated in excess of \$100,000 in public service time in 1989 alone. To single out commercial broadcasters by further restricting their ability to compete in the free enterprise system is, I believe, simply not correct.

Thank you for your attention to this matter. I will be more than happy to answer your questions at any time.

Sincerely,


Dennis W. Egan
President & GM

H3587

urchase, but only from stores handling the sponsor's products, did not constitute a "lottery" within this section prohibiting broadcasting of lottery information. *Caples Co. v. U.S.*, 1957, 243 F.2d 232, 100 U.S.App.D.C. 126.

7. State-run lotteries

See also, *Notes of Decisions under section 1307 of this title.*

In suit seeking a declaration that provision of this section prohibiting licensed radio stations from broadcasting any advertisement or information concerning any lottery is inapplicable to lawful state-run lotteries, since Congress, subsequent to the briefing and argument of the case but prior to its decision, added section 1307 of this title, providing that it "shall not apply to an advertisement, list of prizes, or information concerning a lottery conducted by a State acting under the authority of state law . . . broadcast by a radio or television station licensed to a location in that State or an adjacent State which conducts such a lottery," the case would be remanded to consider whether it had been rendered moot. *U.S. v. New Jersey State Lottery Commission*, N.J.1975, 95 S.Ct. 941, 420 U.S. 371, 43 L.Ed.2d 260.

Provision of this section prohibiting broadcasting of information concerning lotteries and Federal Communications Commission regulations promulgated under this section apply to legal state-conducted lotteries as well as to lotteries conducted in violation of state law. *New York State Broadcasters Ass'n v. U.S.*, C.A.N.Y.1969, 414 F.2d 990, certiorari denied 90 S.Ct. 752, 396 U.S. 1061, 24 L.Ed.2d 755.

Jurisdiction

State court did not have jurisdiction to join TV-Bingo scheme, even if it constituted a lottery under state statute, as Congress preempted field of regulating broadcasting of lotteries over TV. *State v. Socony Mobil Oil Co.*, Tex.Civ.App.1964, 386 S.W.2d 169.

Declaratory rulings

Radio and television broadcasters were entitled to declaratory ruling by Federal Communications Commission as to whether special types of broadcasts would violate this section. *New York State Broadcasters Ass'n v. U.S.*, C.A.N.Y.1969, 414 F.2d 990, certiorari denied 90 S.Ct. 752, 396 U.S. 1061, 24 L.Ed.2d 755.

Questions for court

Wisdom of enforcing this section prohibiting broadcasting of lottery information when

such prohibition runs contrary to state efforts to experiment with lottery as alternate device for raising revenue is for Congress and not for court to resolve. *New York State Broadcasters Ass'n v. U.S.*, C.A.N.Y.1969, 414 F.2d 990, certiorari denied 90 S.Ct. 752, 396 U.S. 1061, 24 L.Ed.2d 755.

The Federal Communications Commission's opinion on whether radio and television "giveaway" programs constitute lotteries, although entitled to respect, is not authoritative, the question involved being one of law and peculiarly within the province of the courts. *American Broadcasting Co. v. U.S.*, D.C.N.Y.1953, 110 F.Supp. 374, affirmed 74 S.Ct. 593, 347 U.S. 284, 98 L.Ed. 699.

18 USC

§ 1305. Fishing contests

The provisions of this chapter shall not apply with respect to any fishing contest not conducted for profit wherein prizes are awarded for the specie, size, weight, or quality of fish caught by contestants in any bona fide fishing or recreational event.

(Added Aug. 16, 1950, c. 722, § 1, 64 Stat. 451.)

Historical Note

Legislative History. For legislative history and purpose of Act Aug. 16, 1950, see 1950 U.S.Code Cong.Service, p. 3010.

Library References

Lotteries — 3.
C.J.S. Lotteries §§ 1-10.

preempts state

§ 1306. Participation by financial institutions

Whoever knowingly violates section 5136A of the Revised Statutes of the United States, section 9A of the Federal Reserve Act, section 20 of the Federal Deposit Insurance Act, or section 410 of the National Housing Act shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

(Added Pub.L. 90-203, § 5(a), Dec. 15, 1967, 81 Stat. 611.)

Historical Note

References in Text. Section 5136A of the Revised Statutes of the United States, referred to in text, is classified to section 25a of Title 12, Banks and Banking.

Section 9A of the Federal Reserve Act, referred to in text, is classified to section 339 of Title 12.

Section 20 of the Federal Deposit Insurance Act, referred to in text, is classified to section 1829a of Title 12.

Section 410 of the National Housing Act, referred to in the text, is classified to section 1730c of Title 12.

Effective Date. Section effective Apr. 1, 1968, see section 6 of Pub.L. 90-203, set out

Labor and Commerce Committee testimony 3-29-90

I'M DIANE KAPLAN, ED OF APRN. A NETWORK OF 24
PUBLIC RADIO STATIONS AND ASSOCIATED PUBLIC
TELEVISION STATIONS

~~THE STATE OF ALASKA HAS MADE A HUGE INVESTMENT IN PUBLIC~~

~~BROADCASTING DATING BACK THIRTY YEARS. ALASKA PUBLIC RADIO~~

~~NETWORK CURRENTLY HAS 24 MEMBER STATIONS COVERING ALMOST~~

~~ALL OF ALASKA AND THERE ARE FOUR PUBLIC TELEVISION STATIONS~~

~~ALL BEGUN WITH STATE SUPPORT~~

IN THE FACE OF DECLINING STATE FUNDING FOR PUBLIC

BROADCASTING STATIONS OVER THE LAST FEW YEARS, PUBLIC

BROADCASTERS HAVE EXAMINED MORE THAN A DOZEN DIFFERENT

ENTREPRENEURIAL ACTIVITIES IN AN EFFORT TO PROTECT THE

SUBSTANTIAL STATE INVESTMENT IN OUR ENTERPRISE ~~TELEVISION~~

SPEAKING ONLY FOR APRN--THE NETWORK--I CAN TELL YOU THAT WE

HAVE TRIPLED CORPORATE PROGRAM UNDERWRITING OVER THE LAST

THREE YEARS, WE'VE DEVELOPED PRIVATE FOUNDATION FUNDING

APPROACHING \$250,000 PER YEAR FOR THE NATIONAL NATIVE

SERVICE NEWS ~~PROGRAM~~, WE'VE MARKETED OUR SATELLITE SERVICES AND THE

LIST GOES ON. THE INDIVIDUAL PUBLIC RADIO AND TV STATIONS

which by no way needed
no state support
5-11

CONSISTENTLY HAVE THE HIGHEST PER CAPITA LISTENER AND VIEWER
DONATIONS AMONG ALL STATIONS IN THE UNITED STATES. YOU WILL
FIND NO OTHER PUBLIC SERVICE IN THE STATE OF ALASKA THAT HAS
DONE MORE TO HELP ITSELF IN ~~RECEIVING~~^{SUPPLEMENTING} GOVERNMENT FUNDS
THAN PUBLIC BROADCASTING HAS.

YET, IT'S NOT ENOUGH. WE HAVE DECLINING PHYSICAL PLANTS AT
OUR STATIONS AN UNCERTAIN FINANCIAL PICTURE FROM YEAR TO
YEAR, AND A CONSISTENT LOSS OF FEDERAL SUPPORT.

BACK IN 1986

AFTER EXAMINING ~~BACK IN 1986~~ HOW PUBLIC BROADCASTING IS
SUPPORTED IN OTHER WESTERN COUNTRIES, IN A SEARCH FOR NEW
AND INNOVATIVE MEANS TO PRESERVE A FUTURE FOR APRN AND ITS
MEMBER STATIONS, WE DISCOVERED THAT, FOR MANY
YEARS, STATIONS IN DENMARK, CANADA, NORWAY, IRELAND AND
GREENLAND WERE RAISING SUBSTANTIAL REVENUES THROUGH THE
BROADCAST OF TASTEFUL, ENTERTAINING COMMUNITY-ORIENTED, AND
IMMENSELY POPULAR ON-AIR GAMES OF CHANCE.

BROADCAST OF GAMES OF CHANCE WAS NOT LEGAL IN THE UNITED
STATES IN 1986...

SO WE SET OUT, WITH GREAT SUPPORT FROM SENATOR TED STEVENS WHO SITS ON THE U.S. SENATE SUBCOMMITTEE ON COMMUNICATIONS, TO INITIATE A CHANGE IN FEDERAL LAW TO ALLOW US TO TRY THIS INNOVATIVE METHOD OF FUNDRAISING IN ALASKA.

LAST YEAR, WITH SENATOR STEVENS SUPPORT, THE LOTTERY ADVERTISING CLARIFICATION ACT WAS PASSED BY THE U.S. CONGRESS AND SIGNED INTO LAW BY FORMER PRESIDENT REAGAN EFFECTIVE ^{THAT'S} MAY OF 1990--TWO MONTHS FROM NOW.

IN ADDITION TO LIFTING RESTRICTIONS ON THE ADVERTISING AND PROMOTION OF LEGAL GAMES OF CHANCE, AS ADVOCATED BY OUR FRIENDS IN COMMERCIAL BROADCASTING, THE BILL ACCOMPLISHED APRN'S AND SENATOR STEVENS OBJECTIVE OF ALLOWING PUBLIC BROADCASTERS, AS ELIGIBLE NON-PROFIT PERMITTEES, TO CONDUCT ON-AIR GAMES FOR FUNDRAISING PURPOSES FOR THEIR OWN BENEFIT.

WE HAVE ALREADY SUBMITTED A PERMIT APPLICATION TO THE DEPARTMENT OF COMMERCE. HOUSE BILL 587 CLEARLY SETS OUT THE STATE'S INTEREST IN SEEING PUBLIC BROADCASTERS TEST THIS MEANS

OF SUPPORT TOWARDS BUILDING AN ENDOWMENT FOR THE LONG-TERM SURVIVAL OF THE ALASKA PUBLIC BROADCASTING SYSTEM

WHICH IS CURRENTLY SERIOUSLY UNDERFUNDED, UNDER-

EQUIPPED AND DESTINED, AT THIS POINT, TO OPERATE IN A

DOWNWARD SPIRAL OF FINANCING--DESPITE ^{OUR SUBSTANTIAL} ~~THE~~ OWN EFFORTS TO

THE CONTRARY.

WE NEED YOUR SUPPORT, NOW, FOR THIS ACTIVITY. THE DENMARK

PUBLIC BROADCASTING SYSTEM RAISED \$20 MILLION DOLLARS LAST

YEAR IN ITS 10 WEEK, ON AIR, GAME. 80% OF THE DANISH

POFULATION PLAYED.

WE ANTICIPATE OPERATING A SIMILAR, SHORT SEASON OF ONE HOUR

OR LESS ON AIR GAMES--PERHAPS FOR 10 WEEKS OF THE YEAR--AND

WE BELIEVE WE CAN RAISE SEVERAL MILLION DOLLARS A YEAR TO SEED

AN ENDOWMENT FUND FOR PUBLIC BROADCASTING'S FUTURE.

THE CORPORATION FOR PUBLIC BROADCASTING HAS SELECTED APRN'S

PROPOSAL TO DEVELOP, TEST AND MARKET AN ON-AIR GAME AS A

~~FINALIST~~ ^{FINALIST}

~~FINALIST~~ FOR FUNDING IN ITS SYSTEM DEVELOPMENT GRANT FUND WITH

THE IDEA OF DEVELOPING THIS IDEA NATIONALLY FOR SUPPORT OF

PUBLIC BROADCASTING THROUGHOUT THE UNITED STATES. THE

APRN BOARD OF DIRECTORS HAS ALREADY COMMITTED OVER TEN THOUSAND DOLLARS TOWARDS THE RESEARCHING OF ON AIR GAMES.

BACK IN 1988.

OUR STATIONS ~~THE~~ COMMITTED TO CONTRIBUTING A SUBSTANTIAL PORTION OF THE REVENUE ~~W~~ TO AN ENDOWMENT ~~BACK IN~~ 1988 ~~IN THE FORM OF A BETHEL RESOLUTION.~~ WE'VE ALSO COMMITTED TO APPORTIONING PROCEEDS ON A PROPORTIONAL BASIS BACK TO THE COMMUNITIES WHERE THE REVENUE ORIGINALLY DERIVED--SO IN OTHER WORDS IF 8% OF THE REVENUE CAME FROM BETHEL, 8% OF DISTRIBUTED FUNDS WOULD GO BACK TO KYUK. IN *BETHEL.*

BECAUSE EACH OF OUR STATIONS IS LOCALLY OWNED AND *AND COMMUNITY ADVISORY BOARD* OPOERATED, AND RUN BY BOARDS OF DIRECTORS) CONSISTING OF SOME OF ALASKA'S MOST UPSTANDING CITIZENS, WE CAN ASSURE YOU THAT ANY BROADCAST GAME WE PRESENT WILL BE OF LIMITED DURATION, AND CONDUCTED WITH TASTE AND DIGNITY, AND WITH THE SAME STANDARDS OF PROGRAMMING EXCELLENCE THAT OUR LISTENERS AND VIEWERS HAVE COME TO EXPECT FROM US. WE EXPECT OUR PROGRAM TO BE AN ALASKAN ENTERTAINMENT VARIETY PROGRAM,, OR AN ALASKA QUIZ SHOW, THE KINDS OF

FRANKLY

PROGRAMS, WE CANNOT NOW AFFORD TO PRODUCE---PROGRAMS WHICH WILL DRAW SIGNIFICANT LISTENERSHIP AND VIEWERSHIP AND SUBSTANTIAL FUNDS FOR PUBLIC BROADCASTING.

WE APPRECIATE THE SUPPORT OF COMMERCIAL BROADCASTERS THROUGH THE ALASKA BROADCASTERS ASSOCIATION FOR PUBLIC BROADCASTINGS DESIRE TO CONDUCT THESE FUNDRAISING GAMES. WE UNDERSTAND THEIR CONCERNS FOR LIMITS ON ADVERTISING OF LEGAL GAMES. OUR INTENTION IS ONLY TO ALLOW PUBLIC BROADCASTERS TO CONDUCT GAMES FOR ~~THEIR~~ ^{OWN} OWN BENEFIT ON ^{OUR} ~~THEIR~~ AIRWAVES.

WE ARE ABSOLUTELY CONVINCED OF THE FINANCIAL VIABILITY OF THIS ACTIVITY, OF ITS LEGALITY UNDER FEDERAL LAW AS EVIDENCED BY THE TWO SEPARATE LEGAL OPINIONS WE HAVE PRESENTED TO THE COMMITTEE BY REPECTED WASHINGTON DC COMMUNICATIONS FIRMS, AND WE ARE CONVINCED OF THE NECESSITY ~~FOR US TO~~ ^{OF} PURSUE THIS AVENUE OF FUNDRAISING QUICKLY THEREBY ENSURING THE LONG-TERM FINANCIAL MAINTENANCE OF THE ALASKA PUBLIC BROADCASTING SYSTEM.

I'D LIKE TO REMIND THE COMMITTEE THAT FOR MANY ALASKANS
PUBLIC RADIO IS THE ONLY RADIO AVAILABLE--IT IS NOT A LUXURY IT
IS A VITAL NECESSITY. IT'S THE PRIME EMERGENCY NOTIFICATION
SYSTEM FOR MANY COMMUNITIES AND A PRIME PROMOTER AND
PRESERVER OF LOCAL LANGUAGE, CULTURAL AND HISTORY IN MANY
PLACES.

WE ARE ASKING YOU ONLY FOR THE TOOLS TO HELP US HELP
OURSELVES IN ENSURING THAT FUTURE ALASKANS WILL BE ABLE TO
~~WE~~ ENJOY THE PUBLIC BROADCASTING SYSTEM ON WHICH WE HAVE
COME TO RELY.

THANK YOU.

LAW OFFICES

SCHWARTZ, WOODS & MILLER

SUITE 200, THE DUPONT CIRCLE BUILDING
1350 CONNECTICUT AVENUE, N.W.
WASHINGTON, D. C. 20036-1702

I. J. SCHWARTZ
ROBERT A. WOODS
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STEVEN C. SCHAPPER
MALCOLM G. STEVENSON

202-833-1700

CABLE: SWMLAW

FACSIMILE
(202) 833-2351

GLENN S. RADIN
CAROL IANNONE BROADBENT

TAX COUNSEL
MARK B. WEINBERG

A Memo To Our Clients . . .

March 15, 1990

LIBERALIZED LOTTERY RULES BECOME EFFECTIVE SHORTLY

May 7, 1990 is the effective date for the Charity Laws Advertising Clarification Act of 1988. This legislation will significantly relax the prohibition against broadcasts involving lotteries (see our memo of May 22, 1989). At present, the Federal criminal code and related Commission regulations prohibit the broadcast of lotteries or of advertising or information concerning lotteries except for broadcasts involving certain types of fishing contests and lotteries conducted by the State in which the broadcasting station is licensed or in an adjoining state.

The Act will significantly broaden the current exceptions to the lottery ban. It will permit advertising or broadcast of other information concerning lotteries conducted by any state as long as the station is licensed in a state that conducts a lottery. The revised exemption will also allow broadcasters to air advertisements and other information concerning "a lottery, gift enterprise, or similar scheme" conducted by a governmental or not-for-profit organization or conducted as a promotional activity by a commercial organization as long as that promotion is "clearly occasional and ancillary to the primary business" of the commercial organization. You should note that current restrictions concerning on-air fund-raising for unrelated non-profit organizations will continue to apply in the lottery context.

SUMMARY: The Charity Games Advertising Clarification Act will relax the Federal ban on broadcasts involving lotteries. The Act will generally permit broadcasters, where allowed by State law, to air lotteries or information concerning lotteries conducted by any State, by non-profit and governmental organizations and by commercial organizations on a clearly occasional and ancillary basis.

EFFECTIVE DATE: May 7, 1990.

#2034-AP

- 2 -

The revised Federal law does not override any State prohibitions respecting lotteries or related activities. In fact, Congress delayed the effective date of the Act for several months in order to permit the States to enact any restrictions deemed appropriate. Consequently, we strongly recommend that you consult with local counsel before undertaking any activities permitted under the liberalized Federal requirements to determine applicable State law. Also, it should be noted that the Federal prohibition on advertising casino gambling is still in effect regardless of State law.

Although the Act is not entirely clear, it appears to allow broadcasters to conduct their own lotteries, such as raffles, over the air. In this connection the current general Federal prohibition bans "the broadcasting of" any lotteries. The Act, however, allows broadcast of "advertisement[s], lists of prizes and other information" concerning lotteries. We interpret the language permitting broadcast of "other information" about lotteries to encompass the actual conduct of a lottery. This interpretation is consistent with the view of the NAB. The Commission's staff, in informal discussion, has also agreed with our interpretation without committing to an official position. The Commission may provide further guidance concerning this issue and other aspects of the liberalized lottery rules in the future. We would urge you to use caution until Commission clarification has been secured. Please let us know in advance of any plans you may have in the area.

If you have any questions concerning these matters, please contact us.

HCR

L2

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HCR 2
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
Title: Relating to economic indices
and reports BRU: Division of Business Development
Sponsor: Koponen and Boucher Components: _____
Requester: House Labor and Comm. Committee

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		150	150	150	150	150
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL		0	0	0	0	0
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REVENUE		0	0	0	0	0
---------	--	---	---	---	---	---

FUNDING: (Thousands of dollars)

GENERAL FUND		150	150	150	150	150
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Funds would go to ISER to provide the economic information outlined in the resolution.

Prepared by: Tom Lawson, Acting Director Phone: 465-2017
Division: Business Development Date: 3-24-89

Approved by Commissioner: Larry Mercurieff Phone: 465-2500
Agency: Department of Commerce & Economic Development Date: 3-24-89

Distribution (by preparer):

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

page ____ of ____

dgl/032889



Representative Dave Donley, Chair House Labor & Commerce Committee

DATE: 3-30-89

PLACE: C-17

SUBJECT OF MEETING:

HJR 57 HB 155
HCR 2 HB 166
HB 72

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT WHICH BILL
Phyllis Halley	State Comm for Human Rights	800 "A" St. - Suite 202 Anchorage AK 99501	99501	907 372-8106	907 372-7674	(Y) N	HB 155
Tom Lawson	DCED	PO Box 0 Juneau	99801		465-2017	(Y) N	HCR 2
Mary Pierce	WICHA	4000 Old Seward Hwy Suite 203 Anch, AK	99503	907 563-3414	W/C	Y (N)	
DAVID JOHNSON	ASMA	3012 Tongass Ave Ketchikan AK	99901	907 227-6396	907 225-5149	Y (N)	HB 166
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	

HCR

g

HOUSE COMMITTEE REPORT

(7)

Date Referred: January 25, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 1/31/89

The LABOR & COMMERCE Committee recommends that:

HOUSE CONCURRENT RESOLUTION NO. 9

[ALLIANCE BANK]

Relating to Alliance Bank.

be replaced with CS HCR 9 (L+C) the ~~same~~ title
 have attached amendment(s) a new title

do pass
 do not pass
 no recommendation
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

fiscal impact
 zero fiscal note
 zero with analysis

APPROVES PREVIOUS:

fiscal note(s) published:

 zero fiscal notes(s) published:

SIGNING DO PASS:

Dave Donley
Mark Boyer
Max Guenzler
W.C. Gumbel

SIGNING OTHER THAN DO PASS:

(Do Not Pass, No Recommendation, Amend)

Carl Miller (no Rec)
Herwin A. Schwan (no Rec)

Dave Donley
 Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Resolution relating to Alliance Bank
 Sponsor: Jacko, Navarre and Donley
 Requestor: House Labor & Commerce

Agency Affected: Commerce & Economic Dev.
 BRU: Banking, Securities & Corp.
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
----------------	----------	----------	----------	----------	----------	----------

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)

Prepared by: Willis F. Kirkpatrick, Director *WFK* Phone: 465-2521
 Division: Banking, Securities & Corp. Date: _____

Approved by Commissioner: Larry Mercurieff *LMB* Date: 1/27/89
 Agency: Commerce & Economic Development

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



National Bank of Alaska

CORPORATE HEADQUARTERS • BOX 100600 • ANCHORAGE, ALASKA 99510-0600

ROBERT P. GRAY
PRESIDENT

January 31, 1989

Representative Dave Donley
Alaska State Legislature
P. O. Box V (MS 3100)
Juneau, Alaska 99811

Re: HCR No. 9

Dear Representative Donley:

The above referenced resolution, as introduced, contains factual errors which must be addressed prior to any sensible resolution being passed.

Comment No. 1 - (lines 20-24) - It is alleged that if Alliance Bank were closed "most consumers north of the Yukon River would be forced to travel long distances to find another bank." This statement is false. Alliance has only one bank north of the Yukon River - Nome. NBA has a bank in Nome on the same street. In fact, Alliance does not have a single location, anywhere in Alaska, where they are the only bank serving a community.

Comment No. 2 - (line 28, Page 1 and line 1, Page 2) - It is alleged that Alliance has vocal community support in rural Alaska. This should be substantiated in ways other than paid advertising.

Comment No. 3 - (lines 2-4, Page 2) - It is alleged that Alliance "handles over 50% of the outstanding loans for rural borrowers of the state." Neither Alliance Bank nor the State of Alaska nor the Comptroller of the Currency knows the total number or amount of rural loans handled by NBA. It is in none of our published reports. We make many different types of rural loans - DCRA, direct commercial loans, direct consumer loans, direct real estate loans, credit card loans, SBA loans, and etc. It is presumptuous of someone to state they know the percent of total rural loans Alliance has made when they do not know our totals.

Representative Dave Donley
January 31, 1989
Page 2

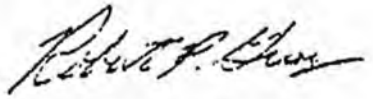
As far as DCRA loans are concerned, it is important to ascertain which institution actually made the loans.

Comment No. 4 - (lines 5-12, Page 2) - It is alleged that Alliance is "the premier provider of mortgage servicing in the State." To be the "premier provider" one must have both quantity and quality. I would suggest that Alliance's record for quality performance of the servicing function be investigated.

Comment No. 5 - (lines 13-15, Page 2) - It is alleged that "Alliance Bank has made a significant effort to support real estate values for bank owned real estate..." This has not been substantiated. There is a difference between attempting fast liquidation and supporting values.

With all due respect, it appears that SCR No. 12 is fraught with numerous deficiencies. If the legislature wishes to take the position that Alliance Bank should be vigorously supported, over and above the support given other troubled financial institutions and other troubled businesses of all sorts, then the legislature should so state without resorting to inaccuracies.

Sincerely,



Robert P. Gray
President

- cc: Representatives - Max Gruenberg
- Mark Boyer
- Virginia Collins
- Loren Leman
- Mike Navarre
- Sam Cotton
- George Jacko

09005 NL ANCHORAGE ALASKA 97 01-30 510P AST

PMS HONORABLE DAVE DONELLY CHAIRMAN LABOR AND COMMERCE COMMITTEE
POBOX 0 HOUSE OF REPRESENTATIVES

JUNEAU AK 99811

GENTLEMAN;

WE HAVE STRONG DIFFERENCES WITH THE CONCLUSIONS CONTAINED IN
HOUSE CONCURRENT RESOLUTION 9 RELATING TO ALLIANCE BANK. WE,
AT KEY BANK OF ALASKA, COMMEND YOUR COMMITTEE FOR ITS
COMMITMENT TO A STRONG, VIABLE AND COMPETITIVE BANKING SYSTEM

IN ALASKA. A BANKING SYSTEM WITH THOSE CHARACTERISTICS IS
BASIC TO THE ECONOMIC FUTURE OF THE STATE. CONCLUSIONS RELATING
TO THE ROLE OF ALLIANCE BANK IN THE ECONOMIC RECOVERY OF ALASKA
CONTAINED IN HR9 ARE BASED UPON MISREPRESENTATION OF FACT.
NEITHER THE STABILITY OF THE FINANCIAL SYSTEM OR THE ECONOMY,
AS A WHOLE, REQUIRE THE ASSISTANCE ENVISIONED IN HR9.
SINCERELY;

MICHAEL J. BURNS, PRESIDENT AND CHIEF OPERATING OFFICER

Alaskans for Fair Banking

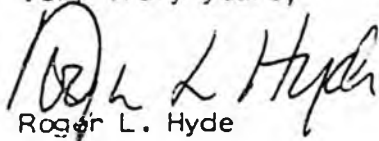
January 9, 1989

Dear Legislator:

The enclosed letter has been mailed to the governor, your fellow legislators, State Department of Banking, the FDIC, and the media.

We feel the questions asked are serious. The answers will provide assistance to you in evaluating if additional support should be given to Alliance Bank.

Very truly yours,



Roger L. Hyde
President

RLH/paw

Enclosures

Alaskans for Fair Banking

January 9, 1989

In October 1988 a group of Anchorage business people ran an advertisement in an Anchorage newspaper requesting anyone who thought they were improperly treated by Alliance Bank to respond to a blind post office box. Over 110 businesses and individuals answered the advertisement.

The results of this response was the formation of Alaskans for Fair Banking, a non-profit corporation, consumer advocacy group, with these goals:

1. Change (stop) the "negative handling" of distressed loans by Alaskan banks.
2. To block additional funding of any bank by the State, or FDIC, without public hearings (town meetings) concerning bank management and collection practices.
3. To create significant public impact to adopt and pass new banking regulations to assist distressed Alaskan borrowers with loan workouts. (homeowners and commercial borrowers)

Alaska newspapers, recently, reported that Alliance Bank has been ordered by the State of Alaska to increase their capital by \$77,000,000. It is also reported that Alliance Bank is requesting State and FDIC assistance to save the bank from failure.

Alaskans for Fair Banking requests the following questions be answered by Alliance Bank before a response for additional funding is considered.

1. What are the salaries of executive officers, including fees paid to board members? How does this remuneration compare to other Alaskan banks?
2. Are bonuses being paid to executive officers, and if so, how much? Were other personnel salaries cut at the same time?
3. Do the executive officers have permanent residences in Alaska (where do their families and pets live)?
4. Have particular banking activities or departments, such as payroll, been moved outside of Alaska?

5. What are the fees paid to the top 10 consultants to Alliance Bank? Are these consultants Alaskan companies? Are there any personal relationships between consultants and the management/directors of Alliance Bank?
6. Are there any personal relationships between executive management or directors and attorneys representing Alliance Bank?

These are questions that many Alaskans would like to have answers to. Under the "Community Reinvest Act" aren't public meetings required prior to assistance being given to Alliance?

Alaskans for Fair Banking requests that public meetings be scheduled before any consideration be given on Alliance Banks request for additional assistance.

6-0618H
Bannister
1/31/89

Original sponsors: Jacko, Navarre,
and Donley

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 9 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to Alliance Bank.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

7 WHEREAS the concentration of commercial banks in the state has been
8 affected during the past two years by the closing of ~~six~~^{several} banks; and

9 WHEREAS the legislature wants to ensure that a ^{SIX} viable and competitive
10 banking system exists throughout the state; and

11 WHEREAS at the beginning of 1987, the Federal Deposit Insurance Corpo-
12 ration determined that public policy considerations in the state required
13 the financial restructuring of what are now known as the Alliance Bancorpo-
14 ration and its wholly-owned subsidiary Alliance Bank; and

15 WHEREAS these public policy considerations are still present in the
16 banking market and have become more acute due to the subsequent closing of
17 other commercial banks in the state; and

18 WHEREAS Alliance Bank provides a unique service in the state because
19 it operates an extensive network of branches in the rural and southeast
20 parts of the state; in several locations served by Alliance Bank, there is
21 only one other bank, and the next closest competitor is hundreds of miles
22 away; and

23 WHEREAS there has been vocal community support in rural Alaska for
24 Alliance Bank, and there have been requests for Alliance Bank to service
25 additional rural communities; and

26 WHEREAS Alliance Bank, in conjunction with the Alaska Department of
27 Community and Regional Affairs, handles a majority of the outstanding loans
28 for rural borrowers of the state; and

29 WHEREAS Alliance Bank has been, and continues to be, a major provider

1 of mortgage servicing in the state and is servicing over \$1,500,000,000
2 worth of loans; the failure of Alliance Bank would severely disrupt the
3 servicing of these loans and would cause additional financial strain on
4 governmental agency loans, including loans from the state Department of
5 Community and Regional Affairs, the Alaska Housing Finance Corporation, the
6 public employees' retirement system (AS 39.35), and the teachers' retire-
7 ment system (AS 14.25); and

8 WHEREAS the failure of Alliance Bank would hinder the economic re-
9 covery of the state, and the closure of the bank would result in a loss of
10 jobs for the 460 employees of Alliance Bank and an annual loss of
11 \$20,000,000 in wages;

12 BE IT RESOLVED that the Alaska State Legislature encourages the Gover-
13 nor to support a stable and competitive banking environment in the state by
14 working closely with Alliance Bank and the Federal Deposit Insurance Corpo-
15 ration to ensure that every reasonable approach is taken to continue the
16 operation of the bank. *consistent with prudent banking practices.*

17 COPIES of this resolution shall be sent to the Honorable Willis
18 Kirkpatrick, the Director of the Division of Banking, Securities, and
19 Corporations of the Alaska Department of Commerce and Economic Development;
20 to the Honorable L. William Seidman, Chair of the Board of Directors of the
21 Federal Deposit Insurance Corporation; and to the Honorable Alan Greenspan,
22 Chair of the Board of Governors of the Federal Reserve Board; and to the
23 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
24 the Honorable Don Young, U.S. Representative, members of the Alaska delega-
25 tion in Congress.
26
27
28
29