

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672

6163 HOUSE STATE AFFAIRS

587

## **TABLE OF CONTENTS**

### **CSSB 452 (SA): Expand Powers of Older Alaskans Commission**

- Item 1:** CSSB 452 (SA) by Sen. Rodey
- Item 2:** Fiscal Note Department of Administration

# HOUSE COMMITTEE REPORT

(7)

Date Referred: April 30, 1990

FURTHER REFERRALS:

Date of Committee Action: \_\_\_\_\_

The STATE AFFAIRS Committee considered:

CSSB 452(SA)

CS SB NO. 452 (SA)

EXPAND POWERS OF OLDER ALASKANS COMMISSION

"An Act authorizing the Older Alaskans Commission to exercise review and comment powers relating to the longevity bonus program and the Alaska Pioneers' Home."

RECOMMENDATIONS:

- [ ] be replaced with \_\_\_\_\_ [ ] the same title
- [ ] \_\_\_\_\_ [ ] a new title
- [ ] have attached amendment(s)
- [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) \_\_\_\_\_
- [ ] zero fiscal note \_\_\_\_\_ *See X* [ ] zero fiscal note(s) 4/24/90. DOA
- [ ] zero with analysis \_\_\_\_\_ [ ] zero fn/analysis \_\_\_\_\_

SIGNING DO PASS:

SIGNING:  
(Check approp. column)

Do Not Pass No Rec Amend

\_\_\_\_\_  
*Alice Knapton* Hanley  
 \_\_\_\_\_  
*John A. Pintelstein* Pintelstein  
 \_\_\_\_\_  
*W. B. Boucher* Boucher  
 \_\_\_\_\_  
*James Donley* Donley  
 \_\_\_\_\_  
*Jim Zawacki* Zawacki  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

	Do Not Pass	No Rec	Amend

\_\_\_\_\_  
*W. B. Boucher*  
 Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act repealing limitations on the OAC relating to the longevity bonus\*  
Sponsor: Rodev  
Requestor: \_\_\_\_\_

Agency Affected: Administration  
BRU: Older Alaskans Commission  
Components: \_\_\_\_\_

\*program and the Alaska Pioneers' Home.  
EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

There is no fiscal impact to FY 90.

There will be no fiscal impact to FY 91, as no additional staff is required.

Prepared by: Connie J. Sipe, Executive Director  
Division: Older Alaskans Commission

Phone: 465-3250  
Date: \_\_\_\_\_

Approved by Commissioner: Frank S. Baxter  
Agency: Department of Administration

Date: 4.23.90

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

Changes in CS SB 452 (SA)  
have no fiscal impact.  
This fiscal note is SB  
appropriate.

Original sponsor(s): SEN. RODEY

*Revised Version*  
*1. OAC*  
*2. REVIEW*  
*3. REVIEW*  
*4. PIONEER HOMES*  
*5. 2/24/90*

1 IN THE SENATE  
2 BY THE STATE AFFAIRS COMMITTEE  
3 CS FOR SENATE BILL NO. 452 (State Affairs)  
4 IN THE LEGISLATURE OF THE STATE OF ALASKA  
5 SIXTEENTH LEGISLATURE - SECOND SESSION  
6 A BILL  
7 For an Act entitled: "An Act authorizing the Older Alaskans Commission to  
8 exercise review and comment powers relating to the  
9 longevity bonus program and the Alaska Pioneers'  
10 Home."

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

12 \* Section 1. AS 44.21.230(c) is amended to read:

13 (c) The commission may review and comment on, but may not investigate  
14 [, REVIEW,] or undertake any responsibility for, the longevity  
15 bonus program under AS 47.45. The commission may review and comment  
16 on, but [OR], except for activities of the office of the long term  
17 care ombudsman, may not investigate or undertake any responsibility  
for, the Alaska Pioneers' Homes under AS 47.25.010 - 47.25.100.

*PIONEERS - previous effect -*  
*NEW KAREN - NO NEEDS, TO COMMITTEE*  
*ROSE COMMISSION*  
*PIONEER COUNCIL*  
*STEP TALKING OAC*  
*HOWEVER PROGRAMS / NO LEG POWER*

*1 - Referred OAC - NO longer read*  
*REVIEW - REPEAL*  
*including KAREN*  
*20 - 0*  
*only 5 program cannot control own*

SENATE 20<sup>th</sup>  
NOTE 20-0  
→

Original sponsor(s): SEN. RODEY

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR SENATE BILL NO. 452 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

6 For an Act entitled: "An Act authorizing the Older Alaskans Commission to  
7 exercise review and comment powers relating to the  
8 longevity bonus program and the Alaska Pioneers'  
9 Home."

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

11 \* Section 1. AS 44.21.230(c) is amended to read:

12 (c) The commission may review and comment on, but may not inves-  
13 tigate [, REVIEW,] or undertake any responsibility for, the longevity  
14 bonus program under AS 47.45. The commission may review and comment  
15 on, but [OR], except for activities of the office of the long term  
16 care ombudsman, may not investigate or undertake any responsibility  
17 for, the Alaska Pioneers' Homes under AS 47.25.010 - 47.25.100.

*on your calendar this morning*

*Repr. Red*

*The Pioneers of Alaska have a  
problem with this bill. We specifically  
exempted the longevity bonus program and pioneer  
homes from the re-authorization of the Older  
Alaskans Commission earlier this year.*

*This bill is not a good idea!  
In my opinion*

*Repr. Bert Sharp*

To: Rep. Boush  
From: Rep. Sharp

5-1-60

**S B**

**455**

## TABLE OF CONTENTS

### CSSB 455 (Fin): Prohibit Alcohol Advertising on RATNet

- Item 1:** HCS CSSB 455 (HESS) by Sen. Binkley  
HCS CSSB 455 (SA)
- Item 2:** Fiscal Note by Senate Finance Committee
- Item 3:** Memorandum from Sen. Binkley, April 16, 1990
- Item 4:** Research Request 90.052: Alcohol Advertising on  
RATNet, January 8, 1989
- Item 5:** News Article
- Item 6:** Correspondence to RATNet Council
- Item 7:** Rural Alaska Television Network, February 1990

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF  
CSSB 455 (Fin)

*Prohibit Alcohol Advertising on RATNet*

Received April 19, 1990  
by Sen. Binkley

Heard April 25, 1990

Passed Out of Committee April 25, 1990  
3 Do Pass  
1 No Recommendation

# HOUSE COMMITTEE REPORT

(7)

Date Referred: April 19, 1990

FURTHER REFERRALS:

Date of Committee Action: \_\_\_\_\_

The STATE AFFAIRS Committee considered:

CSSB 455 (FINANCE)

CS SB NO. 455 (Finance)

PROHIBIT ALCOHOL ADVERTISING ON RATNET

"An Act prohibiting advertising to promote the use or sale of alcoholic beverages on the satellite television project; and providing for an effective date."

**RECOMMENDATIONS:**

- be replaced with HCS (SSSB455 (SA))  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 \_\_\_\_\_
- zero with analysis \_\_\_\_\_

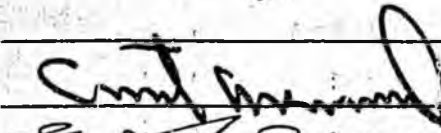
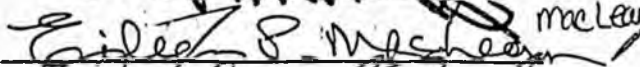
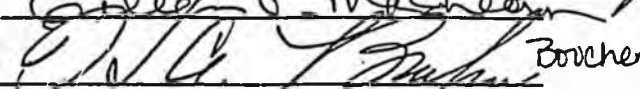
- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) 3/26/90 - Sen Fin
- zero fn/analysis \_\_\_\_\_

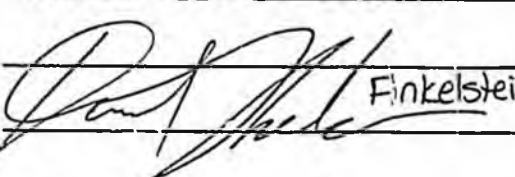
**SIGNING DO PASS:**

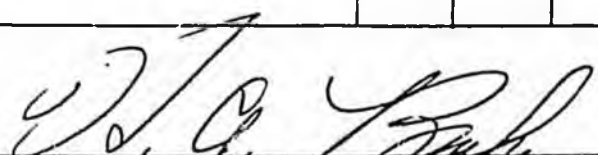
**SIGNING:**

(Check approp. column)

Do Not  
Pass      No Rec      Amend

\_\_\_\_\_  
 Merard  
 MacLean  
 Boucher  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

 Finkelstein	<input checked="" type="checkbox"/>		

  
 \_\_\_\_\_  
 Chairman's Signature

Original sponsor(s): SEN. BINKLEY

1 IN THE SENATE BY THE HESS COMMITTEE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 455 (HESS)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

6 For an Act entitled: "An Act prohibiting advertising to promote the use or  
7 sale of alcoholic beverages on the satellite tele-  
8 vision project; and providing for an effective date."

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

10 \* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

11 (1) alcohol abuse has taken a tremendous toll on the lives of  
12 Alaskans, interfering in a serious manner with the health, safety, rights,  
13 and privileges of Alaskans, and with the public welfare;

14 (2) there is a strong and unmistakable correlation between  
15 alcohol consumption and poor health, fetal damage, death, suicide, crime,  
16 family violence, family instability, and child abuse;

17 (3) Alaska's suicide rate is twice the national average and the  
18 rate for Alaska Natives is four times the national average; for 20 to 24  
19 year old Alaska Natives the suicide rate is 26 times the national average;

20 alcoholics have a 30 times greater risk of suicide than nonalcoholics;  
21 there is a detectable level of blood alcohol present in 79 percent of all  
22 Native Alaskan suicides and in 59 percent of all Alaskan suicides;

23 (4) Alaska Natives also have one of the highest fetal alcohol  
24 syndrome rates in the world;

25 (5) in order to combat the damaging effects of alcohol, many  
26 communities in the state have implemented Alaska's "local option laws"  
27 under which the communities elect to control the sale or possession of  
28 alcohol within their boundaries, yet these same communities find themselves  
29 bombarded over the state satellite television project with advertisements

Handwritten notes: "Wood" with an arrow pointing to line 21.

FN - \$8,370 TRAVEL

SEE ALSO WORK / BROADCASTING

- RURAL TV

- 1977 TRAVEL \$7,000

TELEVISION PROJECT - / TRAVEL

TO REMOVE FROM BUDGET REMOVE ADDS \$250,000

1 for alcoholic beverages that associate an attractive and healthy image with  
2 the consumption of alcohol; and

3 (6) there exists a legitimate state interest in seeking to  
4 eliminate these advertisements from the state supported satellite tele-  
5 vision project.

6 (b) The legislature intends that the Rural Alaska Television Network  
7 Council and the Department of Administration should do everything possible  
8 to come to an agreement with broadcast companies and television networks to  
9 make it possible for advertisements promoting the use or sale of alcoholic  
10 beverages to be edited from the programming that is broadcast over the  
11 state satellite television project without losing the rights to broadcast  
12 the programming and without increasing the cost of the programming signifi-  
13 cantly.

14 \* Sec. 2. AS 44.21.320(c) is amended to read:

15 (c) Except as provided in (g) of this section, decisions [DE-  
16 CISIONS] and policies relating to programming under the satellite  
17 television project, including scheduling and allocation policies, may  
18 not be made by the department, but may only be made by a network that  
19 is representative of participating rural television users, by commer-  
20 cial broadcast users, or by other affected participating user groups  
21 and entities under procedures provided by statute or, if no statute  
22 applies, then by agreement of the affected user networks or groups.  
23 The department shall assist users in preparing agreements that may be  
24 required under this subsection.

25 \* Sec. 3. AS 44.21.320 is amended by adding a new subsection to read:

26 (g) The satellite television project may not broadcast, or  
27 accept for broadcast, programming that includes advertising that  
28 promotes the use or sale of alcoholic beverages.

29 \* Sec. 4. NEGOTIATIONS. (a) The Department of Administration shall

Editing - APT. (after edit) - 1/2/77  
RATON - 20 - 20000000

1550: Whether Broadcasters would  
Do it -

Q Any public interest Act  
known?

1 request that the major television networks permit the state to broadcast  
2 programming over the state satellite television project without alcoholic  
3 advertisements and without significantly increasing the cost of the pro-  
4 gramming. The department shall invite the local television affiliates who  
5 are involved in broadcasting programs over the satellite television project  
6 to participate in the negotiations.

7 (b) The department shall report to the legislature by February 1,  
8 1991, on the progress of the negotiations.

9 (c) If an agreement is entered into with a major television network,  
10 the department shall report to the governor and to the revisor of statutes  
11 concerning the terms of the agreement and the date on which the agreement  
12 takes effect.

13 \* Sec. 5. Sections 1 and 4 of this Act take effect immediately under  
14 AS 01.10.070(c).

15 \* Sec. 6. Sections 2 and 3 of this Act take effect only if, no later  
16 than January 1, 1992, an agreement is entered into with a major television  
17 network that permits the local television affiliates or other entities  
18 broadcasting programming over the state satellite television project to  
19 remove advertising that promotes the use or sale of alcoholic beverages  
20 from the programming without significantly increasing the cost of the  
21 programming to the state. If secs. 2 and 3 take effect, they take effect  
22 on the day on which the agreement first permits the editing of the program-  
23 ming.

Item 2

### FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Prohibiting Alcohol  
Advertising on RATNet  
Sponsor: Senator Binkley  
Requestor: \_\_\_\_\_

Agency Affected: Dept of Administration  
BRU: Information Services  
Components: RATNet

**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						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

<b>CAPITAL</b>	0	0	0	0	0	0
----------------	---	---	---	---	---	---

<b>REVENUE</b>	0	0	0	0	0	0
----------------	---	---	---	---	---	---

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**

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

**ANALYSIS\*:** (Attach a separate page if necessary)

Prepared by: Senator Rick Uehling, Co-chairman  
Division: Senate Finance Committee

Phone: 465-4821  
Date: 3/26/90

Approved by Commissioner: \_\_\_\_\_  
Agency: \_\_\_\_\_

Date: \_\_\_\_\_

Distribution (by preparer):

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



# Senator John Binkley

Senate Finance Committee  
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985

Finance Committee  
Co-Chairman

MEMORANDUM

April 16, 1990

TO: Representative Johnny Ellis, Chairman  
House Health, Education and Social Services Committee

FROM: Senator John Binkley *[Signature]*

RE: SB 455, prohibiting advertising to promote the use or sale of alcoholic beverages on the satellite television project

Thank you for scheduling the above-referenced bill. Under current law, the RATNet Council is the sole decision maker as to what programs will be broadcast on the state's network. SB 455 amends the statutes to state that the Council may not broadcast nor accept for broadcast any programming which contains advertising promoting the use or sale of alcoholic beverages. I do not feel it is appropriate for the state to subsidize these kinds of commercials when on the other hand, we spend hundreds of millions of dollars to combat the effects of alcohol abuse.

I've enclosed for the committee members' files copies of RATNet schedules, a memo prepared for my office by the Legislative Research Agency on this issue and a copy of a section of KTUU's affiliate agreement with NBC on editing network programs.

I am also offering an amendment to this bill for the committee's consideration. It sets forth Legislative Findings which show that the state does have a legitimate interest in seeing these advertisements removed from RATNet. It also gives clearer direction to the Department of Administration that it is to negotiate with the broadcast companies an agreement which will allow the local affiliates to edit alcohol advertisements prior to showing the programs on RATNet and to report to the legislature on the progress of the negotiations. The prohibition would only take effect if an agreement is reached with at least one broadcast company by January 1, 1992.

# Alaska State Legislature

Item 4

Legislative Research Agency



P.O. Box Y  
Juneau, AK 99811-3100  
Phone: (907) 183-3891  
Fax: (907) 183-3351

January 8, 1989

## MEMORANDUM

TO: Senator John Binkley

ATTN: Janice Adair

FROM: Sheila F. Helgath *SFH*  
Legislative Analyst

RE: Alcohol Advertising on RATNET  
Research Request 90.052

You requested this agency to investigate the possibility of removing alcohol advertisements from programming broadcast by Rural Alaska Television Network (RATNET). Also you requested that a House Research Agency memorandum to Representative Clocksin on liquor advertising be updated. Finally, you wanted to know the arguments that are made for and against alcohol advertising.

Three arguments have been advanced by RATNET staff and representatives of local television stations (network affiliates) against the removal of alcohol advertising from RATNET: (1) a contract between the state of Alaska and the networks and separate contracts between affiliates and the networks prohibit removal; (2) Alaska state law and Federal Communications Commission (FCC) regulations prohibit removal of advertising in programming; and (3) the technical feasibility of removing all the advertisements would make the costs prohibitive. Each argument is discussed below. They may be surmountable if the state of Alaska desires to remove alcohol advertising from RATNET.

### RATNET BROADCAST TECHNOLOGY AND THE "CONTRACTS"

RATNET staff and network affiliates say that two sets of contracts exist which prohibit the removal of advertising from RATNET programming. The first is a verbal agreement between the <sup>state</sup> of Alaska, the affiliates and the networks. The second is a set of operating agreements between the affiliates and the networks. The origin of these contracts and changes in technology and corporate structure affecting them are explained below.

RATNET is the state-subsidized television system which transmits programs to areas of Alaska that do not receive commercial television. Programs are obtained from the networks (ABC, CBS, and NBC) through their local affiliates (stations) in Anchorage. At present, programs are transmitted from the networks' television satellite to the RATNET center located in Anchorage. These transmissions are redirected to receivers in rural Alaska.

Senator John Binkley  
January 8, 1990  
Page 2

Satellite transmissions did not exist in 1977 when the of Alaska agreed to buy tapes of network news programs and some sporting events. These tapes were then broadcast in urban areas by the affiliate network stations and in rural Alaska by RATNET. In return, the networks gave other programming free of charge to the of Alaska for use on the RATNET system. There was a "gentlemen's agreement" that the ~~state~~ would accept the programming from beginning to end, or "credit to credit", including the advertising. This verbal agreement was reached in 1977 among state personnel, representatives of local affiliates and representatives of the networks at a meeting in New York.

I have made repeated requests for copies of any written material which would confirm that a verbal agreement existed. Staff of neither RATNET or the affiliates were able to provide written documentation. However, both RATNET and affiliate staff affirm that a "gentleman's agreement" existed that bound the state to use programming "credit to credit." After 1984, when direct satellite transmission became available to the affiliates, it was no longer necessary to use and therefore purchase tapes. The continuing validity of this verbal agreement, with the passage of time and many changes in technology since it was made, should be carefully analyzed by legal staff.

The other set of contracts that may inhibit the affiliates' cooperation in the removal of alcohol advertisements is between the affiliates and the networks. The affiliates argue that in their contracts with the networks they have agreed to protect the programs from credit to credit, including advertising. Recent corporate changes at the networks have given the affiliates greater freedom to control programming. According to a New York-based network executive, who requested anonymity, the affiliates have considerable latitude in this area. Because these are contracts between private parties, copies of the contracts were not made available to verify these assertions.

RATNET officials and affiliate management also argue that "common practices exist in broadcasting" which prohibit using part of a program without presenting all of the program including advertising. Some of the broadcasters at the Anchorage stations implied that if the advertising were removed, the networks might be inclined to revoke permission for the to use any of their programming. I was unable to obtain written documentation that the networks would respond in this manner or to otherwise verify this possibility.

#### ALASKA LAW AND FCC REGULATIONS

Alaska State Statutes and Federal Communication Commission Regulations have been advanced as reasons why the state can not prohibit alcohol advertising on RATNET.

Senator John Binkley  
January 8, 1990  
Page 3

#### Alaska Statutes

John Morrone, Deputy Director for the Division of Telecommunications, stated that Alaska law would prevent removal of advertising from RATNET, even if there were no contract obligations, unless the RATNET Council agrees. He referred to AS 44.21.320 (c) and (d) which state:

(c) Decisions and policies relating to programming under the satellite television project, including scheduling and allocation policies, may not be made by the department, but may only be made by a network that is representative of participating rural television users, by commercial broadcast users or by other affected participating user groups and entities under procedures provided by statute or, if no statute applies, then by agreement of the affected user networks or groups. The department shall assist users in preparing agreements that may be required under this subsection.

(d) The department may not engage in any activity which interferes with a contract or program right relating to commercial television programming, including but not limited to any right protected by copyright.

According to Mr. Morrone, Subsection (c) means that only the RATNET Council has the authority to control programming subject to any agreements that have been made with affected networks or groups. The issue of removing alcohol advertisements was brought before the RATNET Council on February 19, 1988. The council heard from Mr. Morrone who presented the three arguments stated earlier in this memorandum against removal of advertisements. No action was taken by the council. However, attorneys at both the Attorney General's Office and Legislative Legal Services have indicated that the legislature could specifically direct the RATNET Council to prohibit alcohol advertising with a simple amendment to this subsection.

Subsection (c) refers to contracts and program rights which have the potential to affect removal of alcohol advertisements. As suggested earlier, the validity of a twelve-year-old verbal agreement may be questionable. Similarly subsection (d) hinges on whether a valid contract between the state and network exists and what is implied in programming rights. Legislative Legal Services might be requested for an opinion on the validity of the verbal contract and how subsection (d) relates.

#### Federal Communication Commission (FCC) Regulations

Transmissions across state boundaries are regulated <sup>12/5</sup> FCC. Several of the broadcast affiliates, RATNET personnel, and House Research memoranda have asserted that FCC regulations exist which prohibit removal of advertisements.

Senator John Binkley  
January 8, 1990  
Page 4

I have asked the above parties to identify the regulation, but no one can cite the reference. Louise Stewart, Public Affairs Specialist for the FCC in Anchorage, said that FCC regulations would not prohibit the state of Alaska from removing liquor advertisements. The FCC considers what happens to programming to be a transaction between "private parties"--in other words it is an unregulated agreement between the state of Alaska, the affiliates and the networks. I also spoke with staff in Senator Glenn's office. Senator Glenn is chair of the Governmental Affairs Committee which has oversight of the FCC. It was their opinion that there is nothing in the FCC law that prevents the state from removing alcohol advertising.

#### TECHNICAL FEASIBILITY AND COST

The final case against removing liquor advertising from RATNET is the technical difficulty and expense of doing so.

Technically, there are two ways to eliminate alcohol advertising from RATNET. The most expensive means is to "tape delay" the programming. The station would tape all the programs coming off the satellite and then edit it and remove alcohol advertisements. It is the most effective way to insure all of the targeted advertising is removed. RATNET staff object to this approach because they are trying to bring current programming, such as live football and news telecasts, to rural residents.

*no news  
telecasts  
would have  
alcohol ads.*

The other way to remove the advertising is to have an engineer at the RATNET Alaska receiving station remove the advertisements as they are being transmitted from the satellite to the other stations. RATNET staff object to this approach because it would leave gaps in the programming which would be difficult and expensive to fill. RATNET officials say it would be difficult to toggle 100 percent of the advertisements since they do not know when alcohol advertisements will come through in the programming. Nancy Long, Production Manager for KTOO, offered this suggestion. RATNET staff could target evenings, weekends, and sports events. This method would require additional equipment such as a tape machine, time base corrector, and switches, costing about \$100,000 and an engineer to toggle the switches and put the replacement tapes on the air. RATNET memoranda state that it would require five AV Technicians I and two editing bays for a cost of \$255,440 the first year (see attached memorandum). Selective targeting of weekend sports and evening programming might reduce these costs and get the majority of the advertisements out of the programs.

Other technical and cost reduction possibilities exist and could be explored. Senator Glenn's staff told of a barcoding mechanism which would warn the receivers ahead of time when alcohol advertisements were being transmitted. Beer marketing executives said they had mechanisms (used to test the effectiveness of commercials) which selectively send and receive

Senator, John Binkley  
January 8, 1990  
Page 5

advertisements. These are some of the technological possibilities available to RATHET staff to remove the majority of alcohol advertisements from programming. Federal grant money might be used to reduce the cost of alternative programming. The Center for Science in the Public Interest has identified federal funding for anti-drinking public service announcements that target minority groups. RATHET or another entity in the state might be able to use grant funds to produce public service announcements. Use of federal grant money would lower the cost of filling the gaps left by eliminating alcohol advertisements.

#### PRO ALCOHOL ADVERTISING POSITIONS

The primary lobbying position of the alcohol industry is that it self-regulates its advertising and therefore government should not. The spirits industry allows coolers (6% or less alcohol in content) and beer to be advertised in the broadcast media. The industry is very concerned about any legislation that might set a precedent. Therefore they oppose limiting alcohol advertising in areas that are "dry" such as rural Alaska.<sup>1</sup> Industry spokesmen claim that there is no scientific evidence showing that advertising promotes drinking to "excess." It is their claim that they are advertising only for a market share of people who already drink.

The industry maintains that controlling advertising violates free speech. The industry has aggressively challenged attempts to control limitations on free speech through court challenges. Attached is the "briefing book" obtained from the Anheuser Busch lobbyist which documents the industry positions and includes a list of the court cases that have been favorable to its position. The state of Alaska could expect a court challenge by the industry to any efforts to remove advertising. Issues in such a challenge might include the following: Is the removal of advertisements from a state subsidized television broadcast an inhibition of an individual's right to free speech or control of commercial speech? Does the state's right to protect the welfare and health of its citizenry counterbalance the free speech issue? Does the local options law which allows communities to control the sale and possession of alcohol affect this issue?

#### ANTI-ALCOHOL ADVERTISING PERSPECTIVE

Those who oppose any form of alcohol advertising on television believe that alcohol advertising is targeted at non-drinkers, light drinkers, ethnic

---

<sup>1</sup>The Beer Institute is the lobbying group that represents the pro-alcohol advertising stance. I was directed by institute staff to contact the Anheuser Busch company which is the largest beer advertiser.

Senator John Binkley  
January 8, 1990  
Page 6

minorities, women and youth. Those targeted have traditionally had low per capita consumption. The Center for Science in the Public Interest (CSPI) has written a short but pointed book titled The Booze Merchants: The Inebriating of America which details the advertising strategies of the alcohol industry. Excerpts from this book are attached. The authors stress the use of marketing which promotes the use of alcohol to obtain a glamorous lifestyle. Researchers identify patterns of values, norms, and behaviors in a sub-group of the population which marketing specialists then tie to their product through advertising. For example, if a young person wanted to be successful with friends and the opposite sex, the car or a beverage being sold is associated with a party.

Other alcohol advertisements encourage people who already drink to drink on a daily basis and at times other than the "normal" times such as weekends, parties, or special events. These advertisements are designed to encourage people to drink every day and promote the idea that alcohol beverages are like soft drinks, fruit juice and similar beverages. The Booze Merchant authors also pointedly suggest that advertisements are targeted at heavy drinkers to convince them to continue drinking. If heavy drinking were eliminated, a 40% drop in sales would occur. In short, CSPI refutes the claims made by the industry that advertising is for a market share. CSPI asserts that alcohol advertising is for market expansion.

The free speech arguments seem the least troubling to anti-alcohol advertising advocates. A precedent has been set nationally with the removal of cigarette advertisements from broadcast media. CSPI staff suggested that the argument about free speech might be countered with an argument for the state's right to protect the health and safety of the public. Further they argue that two recent Supreme Court Cases clearly delineate the right to control commercial speech versus the right of individual speech. These cases are Posadas de Puerto Rico Association vs. Tourism Company Puerto Rico 478 US 328 1986 and Board of Trustees of University vs. Fox 57 USLW 5015 (June 29, 1989)<sup>3</sup>.

---

<sup>2</sup>The Center for Science in the Public Interest is the lead lobbying group nationally against alcohol advertising. CSPI is a non-profit health advocacy group with ties to the American Medical Association, National Council on Alcoholism, the National Parent Teachers Association, the American Academy of Pediatrics and others.

<sup>3</sup>Legislative Research Agency is in the process of obtaining an analysis of these two cases.

Senator, John Binkley  
January 8, 1990  
Page 7

#### SUGGESTIONS FOR FURTHER ACTION

Arguments advanced against the legality and practicality of removing liquor advertisements, although forcefully made, may not be definitive in the opinion of some knowledgeable people with whom I spoke.

If further investigation of this matter is pursued, it might include:

- . legal research into the nature of contractual agreements between the state of Alaska and the networks, and between the networks and affiliates;
- . legal interpretation and possible amendment to AS 44.21.320;
- . analysis of the fiscal impact on RATNET of editing transmissions.

## PERSONAL COMMUNICATIONS

Bramstedt Jr., Al, Channel 2 Anchorage Broadcaster, Telephone Conversation September 9, 1989.

Hiebert, Augie, Channel 11 Anchorage Broadcaster, Telephone Conversation, September 9, 1989.

Cramer, Terry, Legal Services Lawyer, Legislative Affairs Agency, Telephone Conversation, December 26, 1989.

Lauber, Richard, Lobbyist, Anheuser Busch Inc., Interview and Telephone Conversations, September-December, 1989.

Long, Nancy, KTOO Production Manager, Telephone Conversation, September 1989.

Morrone, John, Deputy Director Division of Telecommunications. Interview about RATNET on September 9, 1989.

Randelett, B. J., Channel 13 Anchorage Broadcaster, Telephone Conversation September 12, 1989.

Stewart, Louise, Public Affairs Specialist, Federal Communications Commission, September 9, 1989.

Taylor, Pat, Director, Alcohol Policies Project, Center For Science in the Public Interest, Telephone Conversations, September-December, 1989.

Wagner, Tom, Assistant Attorney General, Alaska Attorney General's Office, Telephone Conversation, December 26, 1989.



NBC

- (e) Compensation for a program which was interrupted may be adjusted.
- (f) NBC reserves the right to change at any time the Network Station Rate of the station. If NBC increases the Network Station Rate, such increased rate shall be used in computing the compensation due you on business actually sold by NBC at such increased rate. If NBC decreases the Network Station Rate, and if such decrease is part of a general rate revision on the NBC Television Network, such decreased rate shall be used in computing the compensation due you provided NBC has given you at least ninety (90) days' written notice of its intention so to decrease such rate.

In the event of such decrease you may terminate this agreement as of the effective date of such decrease by giving NBC written notice within thirty (30) days after the receipt of NBC's notice to you of such reduction; provided, however, you shall not be entitled to terminate this agreement pursuant to this provision if the general rate decrease is attributable to substantially adverse increase(s) in the network's music performance rights payment.

6. From time to time NBC will offer to Station commercial positions within network programs available for local sale. If Station sells any such positions, it will pay NBC the cooperative program charges quoted Station in NBC's offer of the positions.

7. You shall not be obligated to continue to broadcast nor shall NBC be obligated to continue to furnish, subsequent to the termination of this agreement, any programs which NBC may have offered and which you may have accepted during the term hereof.

8. Your broadcast of NBC Television Network programs hereunder shall be subject to the following terms and conditions:

- (a) you will not without NBC's prior written authorization make any deletions from or additions to any program furnished to you hereunder, or broadcast any commercial or other announcements during any such program. ←

For purposes of identification of Station with NBC programs, and until written notice to the contrary is given by NBC, Station may superimpose on various NBC entertainment programs, where designated by NBC, a single line of type, not to exceed 50 video lines in height



TABLE 1 (Continued)  
 BAYVIEW PROGRAMS BY WEEK, SCHEDULED FOR SOURCE WITNESSES

DATE	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
12 00	20 Minute Workout ABC World News Business This Morning Good Morning America NFL League Baseball	20 Minute Workout ABC World News Business This Morning Good Morning America	20 Minute Workout ABC World News Business This Morning Good Morning America	20 Minute Workout ABC World News Business This Morning Good Morning America	20 Minute Workout ABC World News Business This Morning Good Morning America	All Night Programming 2 6 am Carson: Betty & Carl Win the Food The Real Characters	All Night Programming 3 4 00 am Sunday Today Sports Special Callie Football
12 30	General Hospital	Family Feud Wheel of Fortune Knots Dollars Seasons Street	Family Feud Wheel of Fortune My Fair Princess/ Fashion Kids Seasons Street	Family Feud Wheel of Fortune My Fair Princess/ Fashion Kids Seasons Street	Family Feud Wheel of Fortune My Fair Princess/ Fashion Kids Seasons Street	Carson: Goodfellows My Ver. K's Ernie Tip Sports Special Callie Football	Carson: Goodfellows My Ver. K's Ernie Tip Sports Special Callie Football
1 00	Carson: Kinky Harrison Growing Pains (RKO Sub) Los Clases by Carson The Price is Right	All My Children The Price is Right General Hospital	All My Children The Price is Right General Hospital	All My Children The Price is Right General Hospital	All My Children The Price is Right General Hospital	Carson: Goodfellows My Ver. K's Ernie Tip Sports Special Callie Football	Carson: Goodfellows My Ver. K's Ernie Tip Sports Special Callie Football
1 30	Mr. Rogers Governor's Window J 2 1 Contact Andy Galka Twilight Zone Beetlejuice	Mr. Rogers Governor's Window Mr. Long's Football	Mr. Rogers Governor's Window Mr. Long's Football	Mr. Rogers Governor's Window Mr. Long's Football	Mr. Rogers Governor's Window Mr. Long's Football	Carson: Goodfellows My Ver. K's Ernie Tip Sports Special Callie Football	Carson: Goodfellows My Ver. K's Ernie Tip Sports Special Callie Football
2 00	EWOD Showwide News NBC News Nightly	EWOD Showwide News/ All Movie	EWOD Showwide News Special: Women of the Circus Live Dail Club Presents Simon & Simon	EWOD Showwide News Special: Women of the Circus Live Dail Club Presents Simon & Simon	EWOD Showwide News NBC News Nightly	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
2 30	Full Football	EWOD Showwide News/ All Movie	EWOD Showwide News Special: Women of the Circus Live Dail Club Presents Simon & Simon	EWOD Showwide News Special: Women of the Circus Live Dail Club Presents Simon & Simon	EWOD Showwide News NBC News Nightly	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
3 00	The Hogan Family Peter Seungon	EWOD Showwide News/ All Movie	EWOD Showwide News Special: Women of the Circus Live Dail Club Presents Simon & Simon	EWOD Showwide News Special: Women of the Circus Live Dail Club Presents Simon & Simon	EWOD Showwide News NBC News Nightly	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
3 30	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
4 00	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
4 30	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
5 00	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
5 30	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
6 00	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
6 30	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
7 00	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
7 30	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
8 00	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
8 30	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
9 00	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
9 30	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
10 00	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
10 30	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
11 00	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
11 30	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie
12 00	Channel 2 News Country Music Awards Special	Channel 2 News ABC Nightline Morned With Children Bohde	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News America's Most Wanted Late Night: Night Stand Morned Family Schedule	Channel 2 News Country Music Awards Special	Waltzer Caden Daisy Magee	National Geographic Special Sony Museum Movie

Note: Actual programming occasionally varies due to sports or news events running over their allotted times.  
 Source: Department of Administration/Division of Telecommunications programming logs.  
 Prepared by the Legislative Research Agency, November 1989 (90 032A, B, C)

Item 5

# On RATNET Senate passes bill to ban alcohol ads

by Alexandra J. McClanahan  
Tundra Times publisher

Alcohol advertisements would be banned from the Rural Alaska Television Network under a bill passed Friday in the Alaska Senate on a 13-6 vote, with one not voting.

The bill, introduced by Sen. John Binkley, R-Bethel, would prohibit all advertising of alcohol products on RATNET, effective April 15, 1991.

The next step is consideration in the House, where it will be assigned to one or more House committees before being discussed by the full body. In the Senate, the bill was passed earlier by both the Labor and Commerce Committee, as well as the Finance Committee.

Voting against passage of the bill Thursday were Sens. Al Adams, D-Kotzebue, Drue Pearce, R-Anchorage, Mike Szymanski, D-Anchorage, Jack Coghill, R-Nenana, Lloyd Jones, R-Ketchikan, and Tim Kelly, R-Anchorage. Not voting was Sen. Bettyc Fahrenkamp, D-Fairbanks.

Binkley said that the bill is needed because having advertisements for alcoholic products on a state-sponsored television network sends the

continued on page nine

## • Bill would ban alcohol ads

continued from page one

wrong message to rural Alaska, where many villages have voted to restrict or ban alcoholic products.

"For me, I felt that it's a contradiction," he said.

The bill has been criticized in some quarters because people have said they fear they won't be allowed to watch programming they really enjoy, such as sports events.

"I don't anticipate it will eliminate those programs," Binkley said. He noted that his reason for setting the effective date as a year from now was to give officials time to negotiate with major networks and advertisers.

Binkley said he will appeal to their

"moral conscience" and attempt to show them it's not in their best interest to promote consumption and sale of alcohol in rural Alaska.

Also, he said if the negotiations are successful, the bill would have the advantage of allowing local advertisements to be inserted into the national programming.

If the negotiations fail, however, Binkley said the one-year period will also allow for continuation of programming.

"If we're not successful, then we'd have the opportunity to change the law," he said. "Passing this law makes a positive statement and puts pressure on us to get it done."

Howard Valentine Scho  
Coffman Cove, Alaska 9995  
March 20, 1990

Mr. Harold Hopper  
Governor's Appointee  
Rural Alaska Television  
Box 245  
Haines, Alaska 99827

Dear Mr. Hopper:

"Mr. Rogers" should be scheduled  
in the daytime when ~~the~~ kids are at  
school. "Rescue 911" should be moved  
to 7:30 because I have to go  
to bed at 9:00. You should  
keep "Baywatch" on TV. You should  
delete "China Beach" because hardly  
anyone watches it. Thank-you  
for reading my letter and taking  
the time to read it.

Sincerely,

Alysia  
Madsen

Alysia Madsen

Howard Valentine School  
Cottman Cove, AK, 99450  
3-20-90

Mr. Harold Hopper  
Governor's Appointee  
Rural Alaska Television  
Box 245  
Haines, AK, 99827

Dear Mr. Harold Hopper:

I am writing about the TV schedule.  
I like the time that "Baywatch" and "Friday Night  
Videos" are on. I think "Mr. Rogers" should be on  
when the older kids are in school. "911 Rescue"  
should be on at 3:30 cause my friends and I  
I go to bed at 7:30.

Thank you for taking the time to read this  
letter.

Elison Peterson

Howard Valentine School  
Cottonwood Coe, AK 99950

Mr Harold Hopper  
Box 248  
Haines, AK 99827

Dear Mr Hopper:

My name is Josh Randall and I  
am writing about the RATNET schedule.  
Some changes I would like are the soaps  
be put on later and Saturday Night  
Live be taken off the air. <sup>Recess</sup> 11 and  
True Blue be kept on.

Sincerely Yours,  
Josh Randall

P.O. Box 114

Central, AK 99950

March 22, 1990

Mr. Harold Hopper  
Governor -  
Rural Alaska Television  
Box 215  
Haines, AK

99827

Dear Mr. Hopper:

I am writing about the Television schedule I like the time for "General Hospital" and "Full House". My favorite show is "Wonder Years". I would like "Roseanne" to be on earlier if that is possible because my friends and I go to bed at 9:00. "MacGyver" should be deleted, I think, because its pretty dumb. Thank you for taking the time to read the letter. I

Sincerely,

Becky Bateman

Howard University  
Campus, AK 99500  
March 20, 1990

Mr. Harold Hopper  
Governor's Appointee  
Rural Alaska Television  
Box 245  
Haines, AK 99827

Dear Mr. Hopper;

I am writing about your Father Television Program.  
I would like you to keep the program "Rescue 911" because  
it is a very neat and exciting show. I would also like it  
if you could move "Funniest Home Videos" to 8:30 p.m. because  
I'm not home until then, but most of all I would like it  
if you got rid of the soap operas and "Mr. Rogers" because  
they are very uncool.

Sincerely,  
Travis Hedges  
Travis Hedges

Howard Valentine School  
Goffman Cove, AK 99950  
3-20-90

Mr Harold Hopper  
Governor's Appointee  
Rural Alaska Television  
Box 245  
Haines, AK 99827

Dear Mr Hopper:

I am writing you because I like your schedule. I would like you to keep "Alf". I would like you to move the time on "Cheers" to earlier. I would also like you to delete "Mr. Rogers" because he's imature.

Sincerely,  
Frank Price

Box 127

Colman Cove, AK 99957

March 26, 90

Mr. Harold Hopper  
Governor's Appointee  
Rural Alaska Television  
Box 745  
Haines, AK 99877

Dear Mr. Hopper:

I think that the shows you show are great, but  
I think also that there should be more of a variety.  
There should be more channels. Some of the  
channels would be sports, news, or random shows.

Yours Truly,  
Tommy  
Tommy

# HOUSE COMMITTEE REPORT

(7)

Date Referred: April 2, 1990

FURTHER REFERRALS:

STATE AFFAIRS

Date of Committee Action: 4/17/90

The HESS Committee considered:

CSSB 455 (FINANCE)

CS SB NO. 455 (Fin)

PROHIBIT ALCOHOL ADVERTISING ON RATNET

"An Act prohibiting advertising to promote the use or sale of alcoholic beverages on the satellite television project; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with HC5 CS 5B 455 (HESS)  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 \_\_\_\_\_
- zero with analysis \_\_\_\_\_

- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) 3/26/90 / 5-Finance
- zero fn/analysis \_\_\_\_\_

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

J. Ellis  
Rita J. ...  
Mark Boyer  
Mr. ...  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

	Do Not Pass	No Rec	Amend
<u>Cheri Davis</u>		X	
_____			
_____			
_____			
_____			
_____			
_____			

J. Ellis  
 Chairman's Signature

A M E N D M E N T

*adopted*

OFFERED IN THE HOUSE

TO: CSSB 455 (Finance)

Page 1, after line 9:

Insert a new bill section to read:

"\* Section 1. FINDINGS AND PURPOSE. (a) The Legislature finds that

(1) alcohol abuse has taken a tremendous toll on the lives of Alaskans, interfering in a serious manner with the health, safety, rights, and privileges of Alaskans, and with the public welfare;

(2) there is a strong and unmistakable correlation between alcohol consumption and poor health, fetal damage, death, suicide, crime, family violence, family instability, and child abuse;

(3) Alaska's suicide rate is twice the national average and the rate for Alaska Natives is four times the national average; for 20 to 24 year old Alaska Natives the suicide rate is 26 times the national average; alcoholics have a 30 times greater risk of suicide than nonalcoholics; there is a detectable level of blood alcohol present in 79 percent of all Native Alaskan suicides and in 59 percent of all Alaskan suicides;

(4) Alaska Natives also have one of the highest fetal alcohol syndrome rates in the world;

(5) in order to combat the damaging effects of alcohol, many communities in the state have implemented Alaska's "local option laws" under which the communities elect to control the sale or possession of alcohol within their boundaries, yet these same communities find themselves

bombarded over the state satellite television project with advertisements for alcoholic beverages that associate an attractive and healthy image with the consumption of alcohol; and

(6) there exists a legitimate state interest in seeking to eliminate these advertisements from the state supported satellite television project.

(b) The legislature intends that the Rural Alaska Television Network Council and the Department of Administration should do everything possible to come to an agreement with broadcast companies and television networks to make it possible for advertisements promoting the use or sale of alcoholic beverages to be edited from the programming that is broadcast over the state satellite television project without losing the rights to broadcast the programming and without increasing the cost of the programming significantly."

Page 1, line 10:

Delete "Section 1"

Insert "Sec. 2"

Renumber the following bill sections accordingly.

Page 1, line 25:

Delete all material.

Insert new bill sections to read:

"\* Sec. 4. NEGOTIATIONS. (a) The Department of Administration shall request that the major television networks permit the state to broadcast

programming over the state satellite television project without alcoholic advertisements and without significantly increasing the cost of the programming. The department shall invite the local television affiliates who are involved in broadcasting programs over the satellite television project to participate in the negotiations.

(b) The department shall report to the legislature by February 1, 1991, on the progress of the negotiations.

(c) If an agreement is entered into with a major television network, the department shall report to the governor and to the revisor of statutes concerning the terms of the agreement and the date on which the agreement takes effect.

\* Sec. 5. Sections 1 and 4 of this Act take effect immediately under AS 01.10.070(c).

\* Sec. 6. Sections 2 and 3 of this Act take effect only if, no later than January 1, 1992, an agreement is entered into with a major television network that permits the local television affiliates or other entities broadcasting programming over the state satellite television project to remove advertising that promotes the use or sale of alcoholic beverages from the programming without significantly increasing the cost of the programming to the state. If secs. 2 and 3 take effect, they take effect on the day on which the agreement first permits the editing of the programming."



## Representative H.A. "Red" Boucher

Chairman House Committee on State Affairs • Special Committee on Telecommunications  
Member Labor & Commerce Committee • Chairman Commission on the Future of the Permanent Fund

### FAX TRANSMISSION

Date: 4/23/90 Time: 2:15pm

To: Harold Hopper  
From: Dennis / Hs State Affairs  
Subject: SB455

Number of pages following this cover letter: 1

If you do not receive the total number of pages following this cover page, please telephone our office within 15 minutes; otherwise we will assume you have received this transmission satisfactorily.

Telephone Number (907) 465-4931

FAX Number (907) 465-2186

#### Comments:

Here's a copy of SB455, which  
we will be hearing Wed AM (8:30-  
10:00). Please call the teleconference  
bridge at 8:50AM to be connected  
to the telecon. That number is  
567-2882. You can call collect.  
If you have any questions, call  
Ann at 465-4931. Thank you.



# Representative H.A. "Red" Boucher

Chairman House Committee on State Affairs • Special Committee on Telecommunications  
Member Labor & Commerce Committee • Chairman Commission on the Future of the Permanent Fund

## FAX TRANSMISSION

Date: 4/24/90 Time: 2:15 pm

To: Linda Davidovick  
From: HS State Affairs  
Subject: SB 455

Number of pages following this cover letter: 1

If you do not receive the total number of pages following this cover page, please telephone our office within 15 minutes; otherwise we will assume you have received this transmission satisfactorily.

Telephone Number (907) 465-4931

FAX Number (907) 465-2186

### Comments:

LIO ATTN: Please call Linda  
at 442-3311 and let her  
know this has arrived.  
Thank you.

Linda - This is the version  
we're discussing 4/25

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: Prohibiting Alcohol Advertising  
on RATNet  
 Sponsor: Senator Binkley  
 Requestor: \_\_\_\_\_

Agency Affected: Administration  
 BRU: Information Services  
 Components: RATNet

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONNEL SERVICES	194.44	205.17	215.43	226.20	237.60	249.39
TRAVEL	8.37	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	60.0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>263.81</b>	<b>205.17</b>	<b>215.43</b>	<b>226.20</b>	<b>237.60</b>	<b>249.39</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	263.81	205.17	215.43	226.20	237.50	249.39
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>263.81</b>	<b>205.17</b>	<b>215.43</b>	<b>226.20</b>	<b>237.50</b>	<b>249.39</b>

**POSITIONS:**

FULL-TIME	5	5	5	5	5	5
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS : (Attach a separate page if necessary)**

See attached

Prepared by Paul Monette, Director *J. Valenzuela* Phone .465-2220  
 Division: Information Services Date: 04/26/90  
 Approved by Commissioner: Frank S. Baxter *Frank S. Baxter* Date: 04/26/90  
 Agency: Administration

**Distribution (by preparer):**

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

Department of Administration (DOA)  
Division of Information Services

SB 455 - - FISCAL NOTE  
(House CS For CS For SB 455 (HESS))

**Prohibiting Alcohol Ads on TVP (RATNet)**

In light of the Department's role mandated by this bill in the negotiations between the networks, the local affiliates, and the State, the fiscal impact must be considered. The plan would be to conduct the early stages of negotiations by teleconference. If teleconference negotiations are unsuccessful a team would be established consisting of the State (2) persons, the broadcasters (3) persons, and the RATNet council (2) persons. This team would require travel expenses for the council representatives to Anchorage and expenses for a seven day trip by the team to New York for negotiations with the networks.

Travel for two council members to Anchorage	2,000.00
Travel for seven to NYC	5,320.00
Expenses	<u>1,050.00</u>
Subtotal	\$ 8,370.00

If negotiations are successful then additional personnel and editing equipment would be required. The suggestion has been made that there are other ways of accomplishing the editing and we would be willing to explore other methods. However, the Department can not ensure all advertisements for alcoholic beverages are removed without taping every program for review and editing before broad casting on RATNet. While that process will preclude any live broadcasts it the only guarantee no alcohol related advertisements are transmitted. The only certain method to produce the desired result is to add personnel and equipment.

Five AV Technicians I @ \$39,088.13 ea.	\$ 195,440.65
Two editing bays @ \$ 30,000 ea.	<u>60,000.00</u>
Subtotal	\$ 255,440.65

TOTAL \$ 263,810.65

b. Example / Checklist Contact Sheet

LEGISLATIVE SPONSOR: HS State Affairs

TC DATE/DAY: Wed, Apr 25

Pub. Hear Work Ses. Inv. Hear

TIME: 8:30 - 10AM

LEGISLATIVE REFERENCE: SB455

JUNEAU ROOM: Cap 102

SUBJECT: Prohibit Alk Adw on PATnet

BRIDGE: \_\_\_\_\_

# OF PORTS: \_\_\_\_\_

CONTACT: Ann PH: 4963

DATE TAKEN/BY: Joanne 4/23

\*\*\*\*\*

TELECONFERENCE SITES:

LIO'S

LTC'S

VTS'S

- Anchorage
- Barrow \*
- Bethel
- Delta Junction \*
- Dillingham \*
- Fairbanks
- Glennallen \*
- Juneau
- Ketchikan
- Kodiak
- Kotzebue
- Mat-Su
- Nome
- Petersburg \*
- Sitka
- Soldotna
- Valdez \*

- Homer
- Wrangell

See List on Reverse Side

ALL LIO'S

OTHER SITES WELCOME WITH PRIOR NOTIFICATION

Harold Hopper

OFFNETS: 766-2249

CHAIRING SITE: Juneau

CHAIRPERSON: Bouchard

[ ] CONFORMS TO LEGISLATIVE COUNCIL POLICY 4/85

SIGNATURE OF SPONSOR/CONTACT PERSON

DATE

\*\*\*\*\*

bridge#-562-2852 SPECIAL INSTRUCTIONS

HOME  
 TELECONFERENCE  
 HAROLD HOPPER 766-2249  
 LINDA DAVIDOVICS 442-3311  
 LEG OFFICE / ~~ACTUAL~~  
~~4/23~~ Russel Nelson 4/23 10:30 AM - 842-2370  
 Dillingham  
 4/23 11:35 ISAAC KAYUTAK 562-2575  
 FAT BILL 766-2614  
 Nelly Uöll 784-3423  
 OUT OF TOWN / (NA 10:00 AM) 4/23  
 HAVING A BABY (11:37 AM)  
 SB 455-~~XXXXXX~~ 8:30  
 Joanne

9:00  
 Linda Davidovics 442-3311  
 Harold Hopper 766-2249  
 766-2614 FAT  
 NO ✓ Russel Nelson 842-2370  
 NO ✓ Isaac Kayutak 562-2575  
 ✓ Nelly Uöll 784-3423

Teleconference = #B 136  
 Wed. / 24th 9:00 AM

**S B**

**485**

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF  
CSSB 485 (Fin) am

Telecom. Inf. Council/Mbrshp & Duties

Received April 10, 1990  
by Sen. Fahrenkamp

Heard April 19, 1990

Passed Out of Committee April 19, 1990  
3 Do Pass  
1 No Recommendation

## TABLE OF CONTENTS

### CSSB 485 (Fin) am: Telecom. Inf. Council/ Mbrshp & Duties

- Item 1:** CSSB 485 (Fin) am by Sen. Fahrenkamp
- Item 2:** Fiscal Notes and Analysis by Department of Administration
- Item 3:** Memorandum from Sen. Fahrenkamp, April 18, 1990

# HOUSE COMMITTEE REPORT

(7)

Date Referred: April 10, 1990

FURTHER REFERRALS:

FINANCE

Date of Committee Action: \_\_\_\_\_

The STATE AFFAIRS Committee considered:

CSSB 485(FINANCE)am

CS SB NO. 485 (Fin) am

TELECOMM. INF. COUNCIL/MBRSHIP & DUTIES

"An Act relating to the Telecommunications Information Council and the provision of information services by the Department of Administration; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with \_\_\_\_\_  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 \_\_\_\_\_
- zero with analysis \_\_\_\_\_

- fiscal note(s) 3/29/90. DOA(DIS)
- zero fiscal note(s) 3/29/90. DOA(Fin)
- zero fn/analysis \_\_\_\_\_

SIGNING DO PASS:

SIGNING:  
(Check approp. column)

Do Not Pass  
No Rec  
Amend

[Signature] Donley

[Signature] Finkelstein

[Signature] Boucher

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

SIGNING: (Check approp. column)	Do Not Pass	No Rec	Amend
<u>[Signature]</u> Donley		<input checked="" type="checkbox"/>	
_____			
_____			
_____			
_____			
_____			
_____			
_____			

[Signature]  
Chairman's Signature

Item 2

### FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Administration  
 Title: Telecomm. Inf. Council/Mbrsnp&Duties BRU: Information Services  
 Sponsor: Fahrenkamp Components: \_\_\_\_\_  
 Requestor: State Affairs

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	2.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	2.0	2.0	2.0	2.0	2.0	2.0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

**POSITIONS:**

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

**ANALYSIS: (Attach a separate page if necessary)**

See attached.

Prepared by: Paul Monetta, Director Phone: 465-2220  
 Division: Information Services Date: 2/22/90  
 Approved by Commissioner: Frank S. Baxter Date: 2/23/90  
 Agency: Administration

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

Changes in CSSB 485 (Fin) have no fiscal impact. This fiscal note is appropriate. 3/29/90

Department of Administration  
Division of Information Services

**SB 485 - - FISCAL NOTE**

**An Act Relating to the Telecommunications Information Council**

No fiscal impact is predicted in FY 90.

The fiscal impact projected for FY 91 and beyond is for travel expenses associated with the appointment of a public member to the Telecommunications Information Council. A total of \$2.0 thousand would pay for 4 trips per year @ \$350.00 for air transportation and 2 days per diem. It is assumed that the travel expenses for the Legislative members appointed to the Council would be paid for by the Legislature.

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Administration  
Title: \* see below BRU: Finance  
Sponsor: Fahrenkamp Components: \_\_\_\_\_  
Requestor: \_\_\_\_\_

\* Telecommunications Information Council and the provision of information services by Department of Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

There is no anticipated fiscal impact on the Division of Finance.

Any accounting service costs will be billed directly to the fund through the Reimbursable Services Agreement (RSA) process.

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

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

Changes in CSSB 485 (Fin) have no fiscal impact. This fiscal note is appropriate. 3/29/90

Item:

# Alaska State Legislature



SENATOR BETTYE FAHRENKAMP  
CHAIRMAN, RESOURCES COMMITTEE  
119 N. CUSHMAN STREET, SUITE 201  
FAIRBANKS, ALASKA 99701  
OFFICE (907) 452-4882  
HOME (907) 458-2899

WHILE IN JUNEAU  
P.O. BOX V  
JUNEAU, ALASKA 99811  
CAPITOL, ROOM 125  
OFFICE (907) 465-3834  
HOME (907) 780-8027

## Senate

### MEMORANDUM

TO: Representative H.A. "Red" Boucher  
Chair, House State Affairs Committee

FROM: Senator Bettye Fahrenkamp *Bettye*

DATE: April 18, 1990

SUBJECT: Senate Bill 485  
"An Act relating to the Telecommunications Information Council and the provision of information services by the Department of Administration; efd"

Thank you for scheduling SB 485. I hope the following information is of assistance as you and your committee members consider this bill.

#### **BILL SUMMARY:**

Adds a voting public member to the Telecommunications Information Council, and two non-voting legislative members (one from each body).

Establishes in the Department of Administration an *Information Services Fund*, as recommended by a legislative audit, into which will go all RSA money received in exchange for information services. Provides that any *unbudgeted* RSAs must be approved by the Legislative Budget and Audit Committee before they can be received or expended. Provides that money in the Fund may be expended *only in accordance with legislative appropriations*. Authorizes money that accrues in the fund to be spent for providing information services, providing staff to the Telecommunications Information Council, and for replacing or upgrading capital equipment *subject to appropriation by the legislature*.

Involves the Telecommunications Information council (which is a council composed of the Commissioners of each state department) in setting the rates charged for telephone, computer and other information services. All funds received from the various departments must be separately accounted for.

#### **FISCAL IMPACT:**

There is a \$2,000 GF fiscal note, to pay the costs of travel and per diem for the new public member of the Telecommunications Information Council.

**DEPARTMENT POSITION:**

SB 485 is *supported* by the Legislative Auditor and the Department of Administration.

**ABOUT THE BILL:**

The purpose of this bill is to provide clearer accounting and more controls over interagency receipts received by the Department of Administration in return for provision of information services (telecommunications and computer services).

*This legislation is the result of a legislative audit* of the Division of Telecommunications (now the Division of Information Services) in the Department of Administration. The audit recommended that the Division establish an internal services account (ISF) to account for services provided to user agencies.

To quote the audit:

"The ISF classification should be used to account for the financing on a cost-reimbursement basis of services provided by one department or agency to other departments or agencies....An ISF has the following advantages:

- \* Account for the total cost of the activity;
- \* Provide greater ease in costing and pricing services;
- \* Accumulate resources for replacing fixed assets;
- \* Combine certain governmental fund-type overhead costs so they can be redistributed to the benefitting programs; and
- \* Isolate interfund services so that governmental fund types do not display revenues and expenditures related to interfund transactions twice within the same fund type (i.e., usually the general fund) - once by the department furnishing the services and once by the department receiving the services."

*Based on this audit, SB 485 was crafted. It has been reviewed, amended based on recommendations of the Legislative Auditor, and has the support of the Legislative Auditor as well as the Department of Administration.*

Senate  
Finance

SUMMARY OF PROPOSED CS FOR SENATE BILL NO. 485

- \* Section 1. No changes from CSSB 485(SA).
- \* Section 2. The proposed substitute makes several changes to Sec. 44.21.045 as contained in CSSB 485(SA). Under subsection (a), in addition to the fund consisting of money appropriated to it and money transferred to the department for information services, it includes the proceeds from the sale of surplus or other assets of the department used for information services.

This wording was added to address concerns over the disposition of sale proceeds. Without specifically providing for the disposition, it is unclear as to where the money should go. The Working Capital Fund, for example, has this ambiguity. This would allow for the proceeds to be used, based on appropriation, to offset future equipment or other asset acquisition costs.

Under subsection (b), it is proposed that instead of excess money at the end of the fiscal year being transferred to an account in the general fund, that the excess money constitutes program receipts that are subject to the procedures of AS 37.07.080(h), the revised program process of the Legislative Budget and Audit Committee.

This provision, coupled with the appropriation language added to subsection (c), requires the department to go before the Legislative Budget and Audit Committee for any unbudgeted RSA money. Effectively, this gives the Legislature oversight of the revenue flow generated by the department for information services in excess of the budgeted amounts.

Subsection (c) adds the provision that except for the revised program process provided for in subsection (b), money in the fund may only be expended in accordance with legislative appropriation.

This language makes it clear that the department cannot use the money in the fund unless it is appropriated by the Legislature. Any "unappropriated" fund balance would be available to offset general fund budget requests for information services operations or capital equipment; or it could be appropriated for any other purpose specified by the Legislature.

The remainder of the proposed CS is the same as the bill that is now before the Finance Committee.

(These changes were recommended by the  
Legislative Auditor and are incorporated in the  
Finance CS)

vide for cooperation between the department and the Telecommunications Information Council in the Office of the Governor" in the first sentence.

**Sec. 44.21.160. Powers and duties of department.** (a) Except as otherwise provided in (g) of this section, the department shall comply with the state information systems plan adopted by the Telecommunications Information Council in the Office of the Governor in providing automatic data processing services responsive to the needs of state government.

(b) To carry out (a) of this section the department may, consistent with the state information systems plan adopted by the Telecommunications Information Council and with the departmental information systems plan,

(1) maintain a central staff of systems analysts, computer programmers and other staff members sufficient to provide systems analysis and computer programming support required by the executive and legislative branches of state government;

(2) develop and maintain both short-range and long-range data processing plans for state government and provide managerial leadership in the use of automatic data processing;

(3) review all budget requests for automatic data processing services and recommend to the Telecommunications Information Council and the governor approval, modification, or disapproval;

(4) recommend implementation priorities of requested data processing systems;

(5) determine and satisfy the data processing equipment and supply requirements of the executive and legislative branches, departments, and agencies of state government;

(6) provide all facilities, equipment, and staff required to convert data to a form suitable for processing on automatic data processing equipment;

(7) develop and publish systems analysis, computer programming and computer operations standards;

(8) review state automatic data processing systems to encourage effectiveness, measure performance, and assure adherence to the standards developed under AS 44.21.150 — 44.21.170;

(9) develop and conduct an automatic data processing training program designed to serve the technical and managerial needs of state government;

(10) charge a state agency or other governmental agency for the cost of the automatic data processing services provided or procured by the department for the agency.

(c) The department may cooperate with political subdivisions of the state in the development and operation of data processing systems and may allow for the use of state facilities by political subdivisions.

(d) In accordance with the state information systems plan adopted by the Telecommunications Information Council, the department and the University of Alaska may develop and implement a plan for the integration of automatic data processing facilities of the university with the state facilities.

(e) If the action is not contrary to the state information systems plan adopted by the Telecommunications Information Council, this section does not prohibit

(1) the department from obtaining necessary contractual assistance for automatic data processing activities;

(2) the legislature from recruiting and employing data processing personnel or from obtaining necessary contractual assistance for automatic data processing activities;

(3) the judicial branch from establishing independent data processing policies and implementation procedures; however, the policies and procedures must permit information exchange and implementation procedures compatible with other branches of government whenever practical.

(f) The department shall provide for the effective transfer of information by telecommunications through the establishment of compatible systems and common standards.

(g) The department shall provide or procure automatic data processing services under AS 44.21.150 — 44.21.170 for the judicial branch to the extent requested by that branch, and may charge the branch for the services.

(h) The commissioner shall separately account for data processing services fees charged to political subdivisions and deposited in the general fund. The annual estimated balance in the account may be used by the legislature to make appropriations to the department to carry out the purposes of this section. (§ 2 ch 170 SLA 1972; am E.O. No. 50, § 8 (1981); am §§ 2 — 4 ch 123 SLA 1986; am § 68 ch 138 SLA 1986; am §§ 4 — 7 ch 53 SLA 1987; am § 38 ch 85 SLA 1988)

Revisor's notes. — Enacted as AS 44.67.020. Renumbered in 1972. Subsection (h) was enacted as (g) and renumbered in 1986.

Effect of amendments. — The first 1986 amendment at the beginning of subsection (a) added "Except as otherwise provided in (g) of this section," to the beginning; in subsection (b) substituted "the" for "all" preceding "branches" in paragraph (6), deleted "all" following "review" in paragraph (8), added paragraphs (10) and (11) and made a minor, related punctuation change; and added subsection (g).

The second 1986 amendment added subsection (h).

The 1987 amendment in subsection (a) substituted "comply with the state information systems plan adopted by the Telecommunications Information Council in the Office of the Governor in providing" for "provide" and deleted "and procure, operate and staff all automatic data processing equipment facilities used by state government" at the end of the subsection; in subsection (b) in the introductory language added the language beginning "consistent with the state information systems," in paragraph (1) substituted "executive and legislative" for "executive, legislative and judicial," in paragraph (3) inserted "Telecommunications Information Council and the," inserted "executive

This section is repealed because it is made redundant by Sec. 2

37.07.080

§ 37.07.080

PUBLIC FINANCE

§ 37.07.080

ie follow-

ed;

rs;  
ed to ap-  
1987)

ice sheet of

consider  
pital im-  
ves to the  
tives and  
required  
ital bud-  
h regular  
's supple-  
ndments

tions for  
scal year  
0th legis-

to state  
l and re-  
gislative  
9 ch 168  
LA 1983)

ed by pol-  
ture, and  
authority  
e respon-

ne opera-  
that are  
ions plan  
ed on the

onsistent  
is by the  
agement

methods, and that appropriations have been made for the planned purpose and will not be exhausted before the end of the fiscal year;

(2) approve the operations plan if satisfied that it meets the requirements under (1) of this subsection; otherwise, the office shall require revision of the operations plan in whole or in part.

(d) A state agency may not increase the salaries of its employees, employ additional employees, or expend money or incur obligations except in accordance with law and properly approved operations plan.

(e) Transfers or changes between objects of expenditures or between allocations may be made by the head of a state agency upon approval of the office. Transfers may not be made between appropriations except as provided in an act making the transfers between appropriations.

(f) The office shall report quarterly to the governor and the legislature on the operations of each state agency, relating actual accomplishments to those planned and modifying, if necessary, the operations plan of any agency for the balance of the fiscal year.

(g) The governor may direct the withholding or reduction of appropriations to a state agency at any time during the fiscal year only if the governor determines that

(1) the planned expenditures can no longer be made due to factors outside the control of the state which make the expenditure factually impossible; or

(2) estimated receipts and surpluses will be insufficient to provide for appropriations.

(h) The increase of an appropriation item based on additional federal or other program receipts not specifically appropriated by the full legislature may be expended in accordance with the following procedures:

(1) the governor shall submit a revised program to the Legislative Budget and Audit Committee for review;

(2) 45 days shall elapse before commencement of expenditures under the revised program unless the Legislative Budget and Audit Committee earlier recommends that the state take part in the federally or otherwise funded activity;

(3) should the Legislative Budget and Audit Committee recommend within the 45-day period that the state not initiate the additional activity, the governor shall again review the revised program and if the governor determines to authorize the expenditure, the governor shall provide the Legislative Budget and Audit Committee with a statement of the governor's reasons before commencement of expenditures under the revised program. (§ 1 ch 188 SLA 1970; am §§ 1-3 ch 26 SLA 1976; am §§ 2, 3 ch 74 SLA 1977; am §§ 4, 5 ch 60 SLA 1979; am §§ 9-12 ch 63 SLA 1983)

*unbudgeted RSAs would be subject to approval by LB&A. (page 2, lines 5-9)*

**S B**

**518**

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF  
SB 518

*Income Guidelines/Weatherization Programs*

Received April 29, 1990  
by the Rules Committee

Heard May 2, 1990

Passed Out of Committee May 2, 1990  
4 Do Pass

## TABLE OF CONTENTS

### **SB 518: Income Guidelines/ Weatherization Programs**

- Item 1:** SB 518 by the Rules Committee
- Item 2:** Fiscal Note by Department of Community & Regional Affairs
- Item 3:** Sponsor Statement for SB 518
- Item 4:** Memorandum from Sen. Coghill, April 27, 1990
- Item 5:** Backup Information
- Item 6:** AS 44.47.050

# HOUSE COMMITTEE REPORT

(7)

Date Referred: April 29, 1990

FURTHER REFERRALS:

Date of Committee Action: \_\_\_\_\_

The STATE AFFAIRS Committee considered:

SB 518

SENATE BILL NO. 518

INCOME GUIDELINES/WEATHERIZATION PROGRAMS

"An Act relating to income eligibility for certain housing weatherization programs."

### RECOMMENDATIONS:

- [ ] be replaced with \_\_\_\_\_ [ ] 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 \_\_\_\_\_ [ ] fiscal note(s) \_\_\_\_\_  
[ ] zero fiscal note \_\_\_\_\_ *see* [X] zero fiscal note(s) 4/23/90. CRA  
[ ] zero with analysis \_\_\_\_\_ [ ] zero fn/analysis \_\_\_\_\_

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not  
Pass  
No Rec  
Amend

\_\_\_\_\_

\_\_\_\_\_

*Donkey* Donkey

*Hanley* Hanley

*Finkelstein* Finkelstein

*Boucher* Boucher

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*[Signature]*

Chairman's Signature

Item 2

### FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: "An Act..income eliqibility for  
certain housing weatherization."  
Sponsor: Rules Committee  
Requestor: \_\_\_\_\_

Agency Affected: Community & Regional Affairs  
BRU: Energy Programs  
Components: Energy Conservation

**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						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-

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

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

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-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) There is no fiscal effect for FY 90 or 91. Bill would extend coverage of eligibility of weatherization assistance. Its effects on the federal weatherization program would be limited by federal law & program regulations. Since the FY 91 budget request would not meet demand for weatherization assistance, the addition of eligible families will not have a fiscal impact.

Prepared by: Sandra Carroll  
Division: Administrative Services

Phone: 465-4708  
Date: 3/13/90

40 Approved by Commissioner: [Signature]  
Agency: Department of Community & Regional Affairs

Date: 13 MAR 90

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

Item 3

Senator John B. (Jack) Coghill

Alaska State Legislature

Box V  
Juneau, Alaska 99811  
(907) 465 4797

Box 55028  
North Pole, Alaska 99705  
(907) 488-0862



SPONSOR STATEMENT FOR SB 518

WE INTRODUCED SB 518 BECAUSE WE WERE CONCERNED THAT A NUMBER OF INTERIOR SENIORS WERE DENIED ELIGIBILITY FOR THE DCRA WEATHERIZATION PROGRAM. FIXED INCOME SENIORS WITH LONGEVITY BONUSES, PERMANENT FUND CHECKS, AND SOCIAL SECURITY CHECKS HAVE GONE OVER THE ELIGIBILITY REQUIREMENT OF DCRA FOR WEATHERIZATION.

SB 518 WOULD INSTRUCT DCRA NOT TO COUNT LONGEVITY BONUSES AND PERMANENT FUND CHECKS AS INCOME WHEN DETERMINING ELIGIBILITY FOR WEATHERIZATION PROGRAMS. THE PASSAGE OF SB 518 WOULD ADDRESS A SERIOUS WRONG BY ENSURING THAT LOW INCOME SENIORS AREN'T DENIED ACCESS TO WEATHERIZATION SIMPLY BECAUSE THEY RECEIVE PERMANENT FUND CHECKS AND LONGEVITY BONUSES.

THE LEGISLATURE NEVER INTENDED FOR THIS TO BE THE CASE, AND WE SHOULD CLOSE THE LOOPHOLE. I STRONGLY URGE THE PASSAGE OF SB 518.

Item 4



# Alaska State Legislature

SENATE

*Office of the Minority Leader*

Official Business

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

MEMORANDUM

DATE: April 27, 1990

FROM: Senator Jack Coghill

TO: All Senators

SUBJECT: SB 518

I asked the Rules Committee to introduce SB 518 because I was concerned that a number of fixed income seniors had been denied eligibility for the weatherization program. Presently, low income seniors with Permanent Fund Checks, Social Security Checks, and Longevity Bonuses have exceeded the eligibility standards of the DCRA.

SB 518 would instruct the Department not to count Permanent Fund Checks, and Longevity Bonuses as income. I think it's grossly unfair to ask seniors to sacrifice their Permanent Fund Checks, and Longevity Bonuses or to be faced with the consequences of not qualifying for weatherization programs.

I strongly request that the Senate pass SB 518.



# Alaska State Legislature

SENATE

*Office of the Minority Leader*

Official Business

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

Item 5

April 23, 1990

Robert A. Maxwell  
Executive Director  
S.I. H. Inc. Weatherization  
650 21st Ave.  
Fairbanks, AK 99701

Dear Mr. Maxwell:

Thank you for your letter describing the recent problems that have confronted seniors who have gone over the financial eligibility requirements. We have introduced SB 518 which will ensure that seniors will not have to choose between their Permanent Fund Check and weatherization assistance.

SB 518 is scheduled for a hearing today in the Senate State Affairs Committee. We expect that some action will be taken this session to resolve the problem.

Thanks for writing, and let us know if we can do anything else.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Coghill", written over the typed name.

Senator Jack Coghill

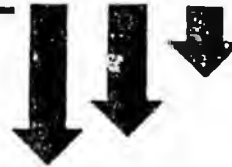


860 21st. Ave. • Fairbanks, Alaska 99701 • (907) 452-5323

# S.I.H. INC. WEATHERIZATION

RECEIVED

APR 20 1990



March 20, 1990

Senator John B. Coghill  
Alaska State Legislature  
P.O. BOX V (MS 3100)  
Juneau, Alaska 99811

Dear Senator Coghill:

Right now there are Alaskans at or near federal low income guidelines that are being cheated. The existing situation deprives many deserving elderly Alaskan residents of the opportunity to reduce their fuel costs, and live in a more comfortable dwelling. This situation would not exist if they did not receive Permanent Fund Dividends and/or Longevity Bonuses. A similar problem is created for low income households with large numbers of Permanent Fund Dividend recipients. You and your colleagues are the only people who can rectify this situation.

The Low Income Weatherization Assistance Program is funded with federal Department of Energy monies. Eligible clients must meet the federal low income guidelines which include Permanent Fund Dividends and Longevity Bonuses as income. This situation deprives the recipient of an eight or nine hundred dollar dividend from receiving an average eighteen hundred dollars in weatherization and reduced heating costs. While the State has its own guidelines and regulations in effect, these guidelines do not count the Permanent Fund Dividend or Longevity Bonuses as income. However, there are no State funds set aside to serve those who are put above the federal low income guidelines by receipt of Permanent Fund Dividends.

The problem with any "hold harmless" of course is trying to determine the cost. Annual funding of the Weatherization Assistance Program can never hope to weatherize all potentially eligible clients and dwellings in the state during one year. Those who are not weatherized one year will probably receive the service in a following year. Funds allocated to weatherize those disenfranchised by receipt of the Permanent Fund Dividend should follow the same logic.

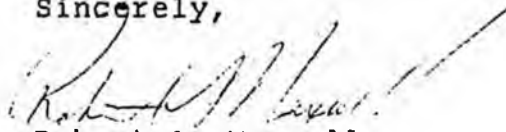
Senator Coghill  
March 20, 1990  
Page 2

A percentage of the number of dwellings funded annually for weatherization would seem to be an equitable way of determining the cost. The total number of dwellings that can be served statewide is determined by the total funding allocation for that year. This process is completed well before the annual amount for Permanent Fund Dividends is determined. Our experience in Fairbanks is that the number of applicants who meet the profile described above would be equal to approximately 12% of our annual allocation.

In my conversations with the other agencies that provide weatherization assistance throughout the state, they feel that this percentage would at least allow them to address the needs of the majority of elderly applicants who are put above the income ceiling by receipt of the Permanent Fund Dividend. During an average funding year this 12% would equal approximately \$500,000.00; at current funding this figure would be much less. Surely, a very small amount from each Permanent Fund Dividend would correct a very unfair situation.

Applicants who discover that they are not eligible for weatherization because they received Permanent Fund Dividends become extremely frustrated. This is magnified when the applicant is elderly, his dwelling desperately needs weatherization and he has no where else to go to receive this help. We all know how expensive it is to heat homes in Alaska, imagine having a fixed income, increasing fuel costs and having to choose between receiving weatherization or a Permanent Fund Dividend check. Is it right for us to force someone to make that choice? I think not, I hope you will agree with me. Thank you for your time and attention to this matter.

Sincerely,

  
Robert A. Maxwell  
Executive Director

## WEATHERIZATION PROGRAM PROFILE

The Low Income Weatherization Program provides:

Greater Comfort in The Home  
Reduced Heating and Utility Bills  
Jobs for Suppliers and Contractors

Each dwelling receives a professional assessment of its energy use. Measures are implemented to save energy, and the residents are educated in home energy conservation.

The dwellings receive improvements and reductions in energy use.

The Elderly and Handicapped are priority clients.

More money is left for the clients to purchase needed items other than heat.

### FAIRBANKS LOW INCOME WEATHERIZATION FUNDING HISTORY

1985 - 1986	209 Dwellings *
1986 - 1987	200 Dwellings
1987 - 1988	175 Dwellings
1988 - 1989	231 Dwellings
1989 - 1990	278 Dwellings
1990 - 1991	58 Dwellings

\* During the fy85 funding year the average per home was \$2,300 vs. \$1,850 this year, in fy85 funding for the Fairbanks was 88% State, this year it is 88% Federal. In fy85 the jobs created in Fairbanks from weatherization came to more than 35, this year they will amount to less than 8.

Automation and computer programs to track client records have drastically reduced the overhead costs of the organizations providing weatherization.

This results in more program funds reaching the client and the dwelling, more money spent on materials and installation.

Greater insights into buildings and their problems have recently become available from the availability of technical tools such as blower doors and infrared cameras.

# Study: Weatherization may be better than gas pipeline

THE ASSOCIATED PRESS

**FAIRBANKS** - A federal-state weatherization program for Itaipet homes could be less expensive and more efficient than a proposed gas pipeline from Wasilla to Fairbanks, a state study concludes.

The weatherization program would cost about a quarter of the pipeline's cost, save homeowners an additional \$100 annually in heating costs and provide as many or more jobs over a longer period of time, the House Research Agency report says.

The study of the Enstar Natural Gas Co. pipeline proposal was prepared for Rep. Sam Cotten, D-Eagle River.

The report also says regulations governing the Alaska Public Utilities Commission prohibit the panel from granting unreasonable cost preferences to any of a public utility's customers. It is doubtful natural gas could be sold in Fairbanks at the same price as in Anchorage, the

report says.

The study also questions Enstar's estimate of how many Fairbanks residential, commercial and utility customers would convert from heating oil and coal to natural gas if the line were built.

Enstar has estimated that Fairbanks residents, businesses and utilities would use as much as 10.9 billion cubic feet of gas by 1994. But the House study concludes Enstar's figures are too high. It pegged the amount at 4.9 billion cubic feet beginning in 1994.

The study also found that conversion to natural gas in Fairbanks would displace about 21 million gallons (496,000 barrels) of fuel oil now consumed annually.

That would increase competition among Mapco Alaska Petroleum Co., PetroStar Fuel, and Tesoro Alaska Petroleum, the study states. While that might lower heating oil costs in the short run, it could eventually drive one of

the competitors out of the market, causing a loss of jobs.

While agreeing that conversion to natural gas would save the average household \$263 a year on heating fuel, the House study states weatherization would save consumers even more.

The current weatherization program, funded almost entirely by the federal government and administered by the state Department of Community and Regional Affairs, provides up to \$1,600 per household for caulking, weatherstripping, insulation, insulated doors and window improvements.

Such an investment reduces annual residential heating costs by about 22 percent, the state agency said.

But with an additional \$700 per house to improve heating systems, the agency estimated the average residence would save up to 30 percent on heating.

The department estimated there were 22,300

unweatherized homes along the Itaipet in Fairbanks, North Pole, Nenana, Healy, Cantwell, Talkleetna, Willow, Houston, and Anderson-Clear.

At \$2,300 per house, the department and the House study estimated a total weatherization cost of \$51.3 million, versus \$220 million for Enstar's gas line and associated distribution system.

They also estimated weatherization would save each residence an average \$376 per year in heating costs.

The study also concludes weatherization could provide as many jobs in the Fairbanks area as the gas line.

The House study states the construction of the distribution system would provide the equivalent of 70 year-round jobs for one year. But weatherization would create approximately 260 year-round construction jobs for a two-year period, and would use locally available labor and building supplies, the study says.

Item 6

**Article 1. Organization and Administration.****Section**

10. Commissioner of community and regional affairs  
20. Purpose of department

**Section**

50. General powers and duties  
55. Fees for publications and research data

**Sec. 44.47.010. Commissioner of community and regional affairs.** The principal executive officer of the Department of Community and Regional Affairs is the commissioner of community and regional affairs. (§ 2 ch 200 SLA 1972)

**Sec. 44.47.020. Purpose of department.** The purpose of the department is to render maximum state assistance to government at the community and regional level. (§ 2 ch 200 SLA 1972)

**Sec. 44.47.050. General powers and duties.** The department may

- (1) advise and assist local governments;
- (2) serve as staff for the Local Boundary Commission;
- (3) conduct studies and carry out experimental and pilot projects for the purpose of developing solutions to community and regional problems;
- (4) promote cooperative solutions to problems affecting more than one community or region, including joint service agreements, regional compacts, and other forms of cooperation;
- (5) serve as a clearinghouse for information useful in solution of community and regional problems, and channel to the appropriate authority requests for information and services;
- (6) advise and assist community and regional governments on matters of finance, including but not limited to bond marketing and procurement of federal funds;
- (7) prepare suggested guidelines relating to the content of notice of bond sale advertisements, prospectuses and other bonding matters issued by local governments;
- (8) administer state funds appropriated for the benefit of unorganized regions within the state, allowing for maximum participation by local advisory councils and similar bodies;
- (9) carry out those administrative functions in the unorganized borough that the legislature may prescribe;
- (10) study existing and proposed laws and state activities that affect community and regional affairs and submit to the governor recommended changes in those laws and activities;
- (11) coordinate activities of the state that affect community and regional affairs;

Administration.

ral powers and duties  
for publications and research

unity and regional af-  
partment of Community  
ommunity and regional

The purpose of the de-  
ce to government at the  
SLA 1972)

ities. The department

Commission;  
al and pilot projects for  
ity and regional prob-

is affecting more than  
e agreements, regional

useful in solution of  
el to the appropriate  
es;

l governments on mat-  
d marketing and pro-

he content of notice of  
her bonding matters

he benefit of unorga-  
mum participation by

the unorganized bor-

ate activities that af-  
t to the governor rec-  
es;

ffect community and

(12) assist in the development of new communities and serve as the agent of the state for purposes of participation in federal programs relating to new communities;

(13) supervise planning, management, and other activities required for local eligibility for financial aid under those federal and state programs which provide assistance to community and regional governments;

(14) administer state and, as appropriate, federal programs for revenue sharing, grants, and other forms of financial assistance to community and regional governments;

(15) provide staff assistance, as requested, to the Rural Affairs Commission;

(16) apply for, receive and use funds from federal and other sources, public or private, for use in carrying out the powers and duties of the department;

(17) request and utilize the resources of other agencies of state government in carrying out the purposes of this chapter to the extent such utilization is more efficient than maintaining departmental staff, reimbursing the other agencies when appropriate;

(18) plan, study, implement, and assist programs for energy development and energy conservation, including weatherization, to meet community and regional needs;

(19) advise and assist municipalities on procedures of assessment, valuation and taxation, and notify municipalities of major errors in those procedures;

(20) carry out other functions and duties, consistent with law, necessary or appropriate to accomplish the purpose of this chapter. (§ 2 ch 200 SLA 1972; am § 2 ch 79 SLA 1983; am § 3 ch 14 SLA 1984)

Revisor's notes. -- Paragraphs (18) 1984, respectively, to keep the catchall paragraph at the end of the section. and (19) were enacted as paragraphs (19) and (20) and renumbered in 1983 and

NOTES TO DECISIONS

Applied in Kenai Peninsula Borough v. State, Dep't of Community & Regional Affairs, 751 P.2d 14 (Alaska 1988).

Sec. 44.47.055. Fees for publications and research data. The commissioner may establish by regulation and the department may charge reasonable fees for department publications and research data to cover the cost of reproduction, printing, mailing, and distribution. The commissioner of administration shall separately account for fees collected under this section that the department deposits in the general fund. The annual estimated balance in the account may be used by the legislature to make appropriations to the department to carry out the purposes of this section. (§ 79 ch 138 SLA 1986)

**S B**

**547**

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF  
SB 547

Voter Residency

Received May 4, 1990  
by The State Affairs Committee

Heard May 5, 1990

Adopted HCS SB 547 (SA)

Passed Out of Committee May 5, 1990  
2 Do Pass  
2 No Recommendation

## TABLE OF CONTENTS

### SB 547: Voter Residency

- Item 1:** SB 547 by the State Affairs Committee  
HCSSB 547 (SA)
- Item 2:** Fiscal Note by Division of Elections
- Item 3:** Brief Analysis of SB 547
- Item 4:** Comments in Support of SB 547

# HOUSE COMMITTEE REPORT

(7)

Date Referred: May 4, 1990

FURTHER REFERRALS:

Date of Committee Action: \_\_\_\_\_

The STATE AFFAIRS Committee considered:

SB 547

SENATE BILL NO. 547

VOTER RESIDENCY

"An Act relating to address information required for voter registration; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with HC SSB547 (SA)  the same title  
 a new title
- have attached amendment(s)
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_

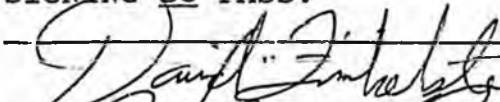
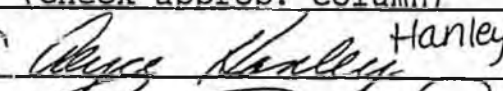

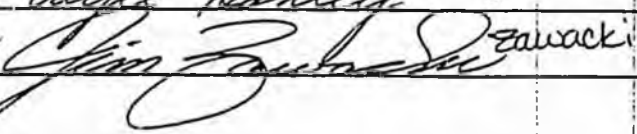
- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) 4/23/90. Elections
- zero fn/analysis \_\_\_\_\_

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass  
No Rec  
Amend

SIGNING DO PASS:		SIGNING:		
		(Check approp. column)		
	Fintelstein		Hanley	<input checked="" type="checkbox"/>
	Boucher		Zawacki	<input checked="" type="checkbox"/>
_____		_____		
_____		_____		
_____		_____		
_____		_____		
_____		_____		
_____		_____		
_____		_____		
_____		_____		



Chairman's Signature

Item 2

### FISCAL NOTE

**REQUEST:**

Revision Date: 4/20/90  
Title: Relating to address information  
required for voter registration  
Sponsor: State Affairs Committee  
Requestor: State Affairs Committee

Agency Affected: Office of the Governor  
BRU: Elections

Components: I - Elections

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

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

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

The fiscal impact for FY 90 is -0-.

Prepared by: Linda Edgeworth

Phone: 465-4611

Division: \_\_\_\_\_

Date: 4/20/90

Approved by Commissioner: \_\_\_\_\_

Date: 4.20.90

Agency: Division of Elections

**Distribution (by preparer):**

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

BRIEF ANALYSIS OF SB547

Prepared by Division of Elections  
April 20, 1990

**Section (a):** This section sets out the purpose of requesting address information at the time of registration or reregistration. It identifies the fundamental criteria which must be met in providing a residence address.

**Section (b):** The second section clarifies that rules for determining sufficiency of residence address information may vary based on certain conditions which influence how specific rules will be defined. Such conditions would include: size of area, population and location of the community; whether the location is divided into more than one precinct, or other election subdivisions; and whether or not street names, and other official physical descriptions are commonly utilized in the area.

**Section (c):** This section specifies the kinds of descriptions which must be included on the registration application if the voter is claiming residence in an urban area which includes more than one precinct or election subdivision, more than one district, etc. It also specifies that in these areas provision of a mail designation as a residence address is not sufficient in establishing the residence of the voter.

**Sections (d) & (e):** These sections set out different criteria for rural areas where the community lies solely within one precinct and in which there are no election subdivisions. It provides that only the community name is sufficient, and further, that provision of excess information will not cause the registration to be rejected, even if the excess information would commonly be considered a mailing address. It also identifies other criteria on the application which could be considered evidence of the person's residence.

**Section (f):** In this section, provision is made for voters identifying a military installation, institution or other fixed reservation as their residence instead of identifying a community by name. It provides that this information is acceptable if the location is within the boundaries of a single precinct, but also stipulates that provision of a mailing address

in these circumstances would be insufficient in establishing the residence of the voter.

**Section (g):** Finally, this section allows the director to apply the provisions of this bill in evaluating the registrations of individuals who registered before this bill was enacted.

Item 4

COMMENTS IN SUPPORT OF SB547

"An Act relating to address information required for voter registration; and providing for an effective date."

Prepared by  
Division of Elections  
April 19, 1990

Why Is This Bill Necessary?

Senate Bill 547 was developed in direct response to a hostile court decision which has the potential of disenfranchising between 19,000 and 25,000 voter throughout rural areas of Alaska for this year's Primary and General Elections. (Baird vs. State of Alaska.)

The issues in the case related to the conduct of a local liquor option election in Red Devil, involving 28 voters. This election was conducted by mail. The primary issue of the court case centered around the countability of votes cast by voters who had registered to vote claiming Red Devil as their place of residence but who provided what the court held were insufficient residence addresses. These voters identified their residence address by their box numbers in Red Devil, or as General Delivery, Red Devil.

Background Regarding Residency Issues:

This case is the first in which the sufficiency of residence address information for rural voters residing in remote villages was tested. While several recent Supreme Court Cases focused on residence address information, their focus was on urban areas involving multiple districts and multiple precincts. In Fischer vs. Stout, and Finklestein vs. State of Alaska, both centering around absentee ballots cast by voters registered at Elmendorf Air Force Base, the court ruled that use of a PSC Box (or military mail stop) as residence address information was insufficient in determining the residence of the voter, and, therefore the votes of these individuals should not be counted.

However, in those same cases, the Court also indicated that identifying Elmendorf Air Force Base by itself would be sufficient because the Base was totally contained within the boundaries of a single precinct. Clearly, the location in a single precinct was a distinguishing factor.

In the case of rural voters, the villages in which voters claim residence lie totally within the boundaries of a single precinct. Additionally, in many villages and rural communities, street names and subdivisions are not commonly utilized. It is also significantly less likely, that a person identifying a rural village as his or her place of residence and permanent mailing address, could easily or readily cross district lines. In view of these circumstances the Division has interpreted the sufficiency of residence address information in rural areas more liberally.

For the first time, address information for rural voters has been tested. Even in this case, no one made any allegation that the individuals whose registrations were challenged did not live in the village. On the contrary, parties concurred that they were residents. The central issue was based on how they technically completed their registration forms, not on where they actually lived.

The State is appealing the case to the Supreme Court. We have been advised that at that time, the plaintiffs also intend to challenge registrations of individuals who provide only the village name in identifying the location of their residence.

**Significant Impact:**

The impact on rural voters is significant. As part of the Division's review for the court case, a preliminary survey of the voter rolls was completed for several specific districts, to determine the extent of the potential impact on voters who registered in the manner found to be insufficient in the court's ruling. Our preliminary findings were as follows:

District	Potentially Impacted (Rural Communities)	% of Total Registered Districtwide	% Alaska Native (Average of Communities Included)
2	1347	19.75%	67.5%
22	3849	63.75%	89.63%
23	3287	63.59%	93.19%
24	4199	80.22%	82.7%
25	2934	58.95%	94.4%
26	3485	47.40%	76.1%

**Note:** It is also important to understand that over 50% of these individuals have been registered for many years, with no changes in their records since before the State's registration rolls were computerized. They are long standing, non-transient voters.

**THE SOLUTION:**

To ensure that these voters are not disenfranchised SB 547 was proposed. Not only does it safeguard the voting rights of these voters, it also lays a sound foundation to clarify the rules for determining the sufficiency of residence information for all voters

statewide, rural, urban, and military, once and for all. This legislation would add the layer of clarity that is needed to avoid repeated lawsuits over the same issue of residence address which threatens each and every election.

In considering this bill, it is important to know that:

1. the bill does not change anything....it only clarifies the rules on which the Division of Elections will determine the sufficiency of address information; and,
2. the bill is consistent with the rulings of the two major Supreme Court cases while addressing the realities that exist across our widely diversified State.

Attached is a brief summary of how the bill is structured, and how it distinguishes the rules for urban and rural voters to apply fair and neutral standards that are reasonable and feasible.

We urge your prompt support.

  
\_\_\_\_\_  
David G. Koivunhiemi  
Director

4/23/90  
\_\_\_\_\_  
Date