

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672

6392 SENATE LABOR & COMMERCE

796

1 * Sec. 3. The appropriation made by sec. 1 of this Act is for capital
2 projects and is subject to AS 37.25.020.

3 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

6-0582E
Cramer
2/14/89

Original sponsors: Uehling, Sturgulewski,
Pearce, et al.

Funding Information

General Fund	\$220,654,306
Other Funds	-0-
	<u>\$220,654,306</u>

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 130 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Alaska
7 Power Authority for certain electrical projects;
8 making a special appropriation to the Alaska Power
9 Authority for payment as a grant to Golden Valley
10 Electric Association; and providing for an effective
11 date."

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

13 * Section 1. The sum of \$213,625,000 is appropriated from the Railbelt
14 energy fund in the general fund (AS 37.05.520) to the Alaska Power Author-
15 ity for the design and construction of the following capital projects:

- | | |
|---|---------------|
| 16 Bradley Lake Intertie to Anchorage | \$ 80,000,000 |
| 17 Seward transmission line from Lawing | |
| 18 to Fort Raymond substation | 15,000,000 |
| 19 Northern Intertie from Wasilla to | |
| 20 Willow and from Healy to Fairbanks | 118,200,000 |
| 21 Hollis power plant and distribution system | 350,000 |
| 22 Tenakee Springs electrical extension west | 75,000 |

23 * Sec. 2. The sum of \$7,029,306 is appropriated from the Railbelt
24 energy fund in the general fund to the Alaska Power Authority for payment
25 as a grant under AS 37.05.316 to Golden Valley Electric Association for
26 extending electrical service in certain areas as follows:

- | | |
|--|--------------|
| 27 Ester to Little Goldstream | \$ 2,633,296 |
| 28 Cantwell to McKinley Village | 2,215,325 |
| 29 Mercers Corner (on the Parks Hwy.) to Ferry | |

1	and the Rock Creek Subdivision	946,335
2	Kobe to Ferry and the Rock Creek Subdivision	1,234,350

3 * Sec. 3. The appropriation made by sec. 1 of this Act is for capital
 4 projects and is subject to AS 37.25.020.

5 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).
 6
 7
 8
 9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25
 26
 27
 28
 29

6-0582H
Cramer
2/15/89

Original sponsors: Uehling, Sturgulewski,
Pearce, et al.

Funding Information
General Fund \$228,679,306
Other Funds -0-
\$228,679,306

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 130 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Alaska
7 Power Authority for certain electrical projects;
8 making a special appropriation to the Alaska Power
9 Authority for payment as a grant to Golden Valley
10 Electric Association; making special appropriations
11 for water, wastewater, and road projects; and pro-
12 viding for an effective date."

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

14 * Section 1. The sum of \$213,625,000 is appropriated from the Railbelt
15 energy fund in the general fund (AS 37.05.520) to the Alaska Power Author-
16 ity for the design and construction of the following capital projects:

17	Bradley Lake Intertie to Anchorage	\$ 80,000,000
18	Seward transmission line from Lawing	
19	to Fort Raymond substation	15,000,000
20	Northern Intertie from Wasilla to	
21	Willow and from Healy to Fairbanks	118,200,000
22	Hollis power plant and distribution system	350,000
23	Tenakee Springs ^{electrification completion} electrical extension west	235,000 75,000

24 * Sec. 2. The sum of \$7,029,306 is appropriated from the Railbelt
25 energy fund in the general fund to the Alaska Power Authority for payment
26 as a grant under AS 37.05.316 to Golden Valley Electric Association for
27 extending electrical service in certain areas as follows:

28	Ester to Little Goldstream	\$ 2,633,296
29	Cantwell to McKinley Village	2,215,325

6-0582E
Cramer
2/16/89

Original sponsors: Uehling, Sturgulewski,
Pearce, et al.

<u>Funding Information</u>	
General Fund	\$220,814,306
Other Funds	-0-
	<u>\$220,814,306</u>

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 130 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Alaska
7 Power Authority for certain electrical projects;
8 making a special appropriation to the Alaska Power
9 Authority for payment as a grant to Golden Valley
10 Electric Association; and providing for an effective
11 date."

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

13 * Section 1. The sum of \$213,785,000 is appropriated from the Railbelt
14 energy fund in the general fund (AS 37.05.520) to the Alaska Power Author-
15 ity for the design and construction of the following capital projects:

16	Bradley Lake Intertie to Anchorage	\$ 80,000,000
17	Seward transmission line from Lawing	
18	to Fort Raymond substation	15,000,000
19	Northern Intertie from Wasilla to	
20	Willow and from Healy to Fairbanks	118,200,000
21	Hollis power plant and distribution system	350,000
22	Tenakee Springs electrification completion	235,000

23 * Sec. 2. The sum of \$7,029,306 is appropriated from the Railbelt
24 energy fund in the general fund to the Alaska Power Authority for payment
25 as a grant under AS 37.05.316 to Golden Valley Electric Association for
26 extending electrical service in certain areas as follows:

27	Ester to Little Goldstream	\$ 2,633,296
28	Cantwell to McKinley Village	2,215,325
29	Mercers Corner (on the Parks Hwy.) to Ferry	

Original sponsors: Uehling, Sturgulewski,
Pearce, et al.

Funding Information

General Fund \$224,314,306
Other Funds -0-
\$224,314,306

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 130 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Alaska
7 Power Authority for certain electrical projects;
8 making a special appropriation to the Alaska Power
9 Authority for the rural electrification revolving
10 loan fund; making a special appropriation to the
11 Alaska Power Authority for payment for certain
12 grants; and providing for an effective date."

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

14 * Section 1. The sum of \$213,785,000 is appropriated from the Railbelt
15 energy fund in the general fund (AS 37.05.520) to the Alaska Power Author-
16 ity for the design and construction of the following capital projects:

17 Bradley Lake Intertie to Anchorage	\$ 80,000,000
18 Seward transmission line from Lawing	
19 to Fort Raymond substation	15,000,000
20 Northern Intertie from Wasilla to	
21 Willow and from Healy to Fairbanks	118,200,000
22 Hollis power plant and distribution system	350,000
23 Tenakee Springs electrification completion	235,000

24 * Sec. 2. The sum of \$7,029,306 is appropriated from the Railbelt
25 energy fund in the general fund (AS 37.05.520) to the Alaska Power Author-
26 ity for payment as a grant under AS 37.05.316 to Golden Valley Electric
27 Association for extending electrical service in certain areas as follows:

28 Ester to Little Goldstream	\$ 2,633,296
29 Cantwell to McKinley Village	2,215,325

S B

134

SENATE COMMITTEE REPORT

FURTHER

FIN

3/8/89

DATE TURNED INTO OFFICE 3/23/89

Mr. President:

L&C

Committee considered SB 134

practice of acupuncture

and recommended

replace with CS SB 134 (L&C)) same title
 or adopt _____) new title
 attached amendment(s) and technical title change (HB only)
 _____ letter of intent adopted

do pass

do not pass

no recommendation

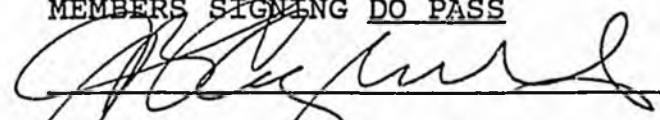
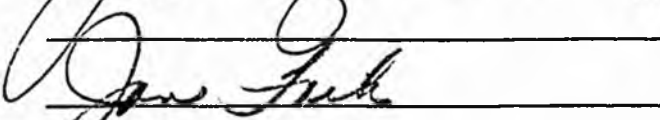
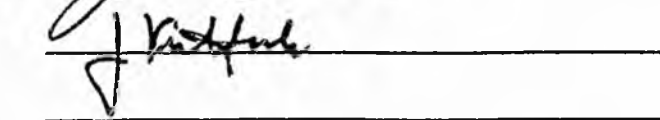
individual recommendations

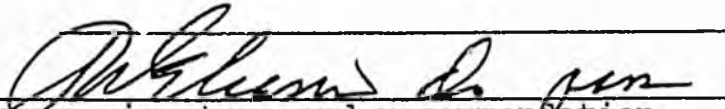
further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS


Chairman signature and recommendation

Committee Backup attached

Original sponsor: Duncan and Rodey

Passed

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 134 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the practice of acupuncture."

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

8 * Section 1. PURPOSE. The health, safety, and welfare of the people of
9 the state are best served by the establishment of an orderly system of
10 licensure for the practice of acupuncture in the state. The rapid develop-
11 ment of the profession, including the establishment of national standards
12 for the education and practice of acupuncturists, has resulted in increased
13 public interest and increased demand for access to qualified acupunctur-
14 ists.

15 * Sec. 2. AS 08 is amended by adding a new chapter to read:

16 CHAPTER 06. ACUPUNCTURE.

17 Sec. 08.06.010. PRACTICE OF ACUPUNCTURE WITHOUT LICENSE PROHIB-
18 ITED. A person may not practice acupuncture without a license.

19 Sec. 08.06.020. APPLICATION FOR LICENSE. A person desiring to
20 practice acupuncture shall apply in writing to the department.

21 Sec. 08.06.030. LICENSE TO PRACTICE ACUPUNCTURE. (a) A person
22 is qualified to receive a license to practice acupuncture if the
23 person

- 24 (1) is of good moral character;
25 (2) is at least 21 years of age;
26 (3) either

27 (A) has completed a course of study consistent with
28 the core curriculum and guidelines of the National Council of
29 Acupuncture Schools and Colleges at a school of acupuncture

1 approved by the department; or

2 (B) is licensed to practice acupuncture in another
3 state that has acupuncture licensing requirements equivalent to
4 those of this state;

5 (4) is qualified for certification by the National Council
6 for the Certification of Acupuncturists as a diplomate in acupuncture;

7 (5) does not have a disciplinary proceeding or unresolved
8 complaint pending at the time of application; and

9 (6) has not had a license to practice acupuncture suspended
10 or revoked in this state or in another state, territory, or province.

11 (b) The department shall issue a license to practice acupuncture
12 to each person who is qualified and who pays the appropriate fee.

13 (c) Each person licensed to practice acupuncture under this
14 chapter shall display the license in a conspicuous place where the
15 licensee practices.

16 Sec. 08.06.040. RENEWAL OF LICENSE. The department may not
17 renew a license under this chapter unless the applicant

18 (1) demonstrates continued competence as an acupuncturist
19 in a manner established by the department in regulations; and

20 (2) submits proof that the applicant maintains certifica-
21 tion by the National Council for the Certification of Acupuncturists
22 as a diplomate of acupuncture.

23 Sec. 08.06.050. DISCLOSURE. (a) A person who practices acu-
24 puncture shall disclose that the person's training and practice are in
25 acupuncture

26 (1) to each patient; and

27 (2) on all material used in the practice of acupuncture and
28 made available to patients or to the public.

29 (b) A person who practices acupuncture without being covered by

1 malpractice insurance shall disclose to each patient that the person
2 does not have the insurance.

3 Sec. 08.06.060. RESTRICTIONS ON PRACTICE OF ACUPUNCTURE. A
4 person who practices acupuncture may not

5 (1) give, prescribe, or recommend in the practice a

6 (A) prescription drug;

7 (B) controlled substance;

8 (C) poison;

9 (2) engage in surgery; or

10 (3) use the word "physician" in the person's title unless
11 the person is also licensed as a physician.

12 Sec. 08 06.070. GROUNDS FOR IMPOSITION OF DISCIPLINARY SANC-
13 TIONS. After a hearing, the department may impose a disciplinary
14 sanction on a person licensed under this chapter when the department
15 finds that the licensee

16 (1) secured a license through deceit, fraud, or intentional
17 misrepresentation;

18 (2) engaged in deceit, fraud, or intentional misrepresenta-
19 tion in the course of providing professional services or engaging in
20 professional activities;

21 (3) advertised professional services in a false or mislead-
22 ing manner;

23 (4) has been convicted of a felony or other crime that
24 affects the licensee's ability to continue to practice competently and
25 safely;

26 (5) intentionally or negligently engaged in patient care,
27 or permitted the performance of patient care by persons under the
28 licensee's supervision, that does not conform to minimum professional
29 standards regardless of whether actual injury to the patient occurred;

1 (6) failed to comply with this chapter, with a regulation
2 adopted under this chapter, or with an order of the department;

3 (7) continued to practice after becoming unfit due to

4 (A) professional incompetence;

5 (B) failure to keep informed of current professional
6 practices;

7 (C) addiction to or severe dependency on alcohol or
8 other drugs that impairs the ability to practice safely;

9 (D) physical or mental disability; or

10 (8) engaged in lewd or immoral conduct in connection with
11 the delivery of professional service to patients.

12 Sec. 08.06.080. EXEMPTION. This chapter does not apply to a
13 person who practices acupuncture under AS 08.36 or AS 08.64.

14 Sec. 08.06.090. PENALTY. A person who violates this chapter or
15 a regulation adopted under this chapter is guilty of a class B misde-
16 meanor.

17 Sec. 08.06.100. REGULATIONS. The department may adopt regula-
18 tions to implement this chapter, including regulations establishing

19 (1) standards for the practice of acupuncture;

20 (2) standards for continuing education and training;

21 (3) a code of ethics for the practice of acupuncture.

22 Sec. 08.06.190. DEFINITIONS. In this chapter

23 (1) "acupuncture" means a form of healing developed from
24 traditional Chinese medical concepts that uses the stimulation of
25 certain points on or near the surface of the body by the insertion of
26 needles to prevent or modify the perception of pain or to normalize
27 physiological functions;

28 (2) "department" means the Department of Commerce and
29 Economic Development;

1 (3) "practice of acupuncture" means the insertion of acu-
2 puncture needles and the application of moxibustion to specific areas
3 of the human body based upon acupuncture diagnosis; the practice of
4 acupuncture includes adjunctive therapies involving mechanical, ther-
5 mal, electrical, and electromagnetic treatment and the recommendation
6 of dietary guidelines and therapeutic exercise.

7 * Sec. 3. AS 08.01.010 is amended by adding a new paragraph to read:

8 (31) regulation of acupuncturists under AS 08.06.

9 * Sec. 4. AS 08.01.050(a) is amended to read:

10 (a) The department shall perform the following administrative
11 and budgetary services when appropriate:

12 (1) collect and record fees;

13 (2) maintain records and files;

14 (3) issue and receive application forms;

15 (4) notify applicants of acceptance or rejection as deter-
16 mined by the board or as determined by the department under AS 08.06
17 for acupuncturists, under AS 08.11 for audiologists, under AS 08.45
18 for naturopaths, or under AS 08.55 for hearing aid dealers;

19 (5) designate dates examinations are to be held and notify
20 applicants;

21 (6) publish notice of examinations and proceedings;

22 (7) arrange space for holding examinations and proceedings;

23 (8) notify applicants of results of examinations;

24 (9) issue licenses or temporary licenses as authorized by
25 the board or as authorized by the department under AS 08.06 for acu-
26 puncturists, under AS 08.11 for audiologists, under AS 08.45 for
27 naturopaths, or under AS 08.55 for hearing aid dealers;

28 (10) issue duplicate licenses upon submission of a written
29 request by the licensee attesting to loss of or the failure to receive

1 the original and payment by the licensee of a fee established by
2 regulation adopted by the department;

3 (11) notify licensees of renewal dates at least 30 days
4 before the expiration date of their licenses;

5 (12) compile and maintain a current register of licensees;

6 (13) answer routine inquiries;

7 (14) maintain files relating to individual licensees;

8 (15) arrange for printing and advertising;

9 (16) purchase supplies;

10 (17) employ additional help when needed;

11 (18) perform other services that may be requested by the
12 board;

13 (19) provide inspection, enforcement, and investigative
14 services to the boards and for the occupations listed in AS 08.01.010,
15 regarding all licenses issued by or through the department;

16 (20) retain and safeguard the official seal of a board and
17 prepare, sign, and affix a board seal, as appropriate, for licenses
18 approved by a board;

19 (21) issue business licenses under AS 43.70.

20 * Sec. 5. AS 08.02.010(a) is amended to read:

21 (a) An acupuncturist licensed under AS 08.06, an audiologist
22 licensed under AS 08.11, a person licensed in the state as a chiro-
23 practor under AS 08.20, a dentist under AS 08.36, a medical practi-
24 tioner or osteopath under AS 08.64, a registered nurse under AS 08.68,
25 an optometrist under AS 08.72, a registered pharmacist under AS 08.80,
26 a registered physical therapist or occupational therapist under
27 AS 08.84, a psychologist under AS 08.86, or a clinical social worker
28 licensed under AS 08.95, shall use as professional identification
29 appropriate letters or a title after that person's name which

1 represents that person's specific field of practice. The letters or
2 title shall appear on all signs, stationery, or other advertising in
3 which the person offers or displays personal professional services to
4 the public. In addition, a person engaged in the practice of medicine
5 or osteopathy as defined in AS 08.64.380, or a person engaged in any
6 manner in the healing arts who diagnoses, treats, tests, or counsels
7 other persons in relation to human health or disease and uses the
8 letters "M.D." or the title "doctor" or "physician" or another title
9 that tends to show that the person is willing or qualified to diag-
10 nose, treat, test, or counsel another person, shall clarify the let-
11 ters or title by adding the appropriate specialist designation, if
12 any, such as "dermatologist", "radiologist", "audiologist", "naturo-
13 path", or the like.

14 * Sec. 6. AS 08.36 is amended by adding a new section to read:

15 Sec. 08.36.114. QUALIFICATIONS FOR ACUPUNCTURE APPLICANTS. An
16 applicant for a license to perform acupuncture in the regular practice
17 of dentistry shall be licensed under AS 08.36.100 and shall satisfy
18 those requirements of experience or education in the practice of
19 acupuncture as may be adopted by the board.

20 * Sec. 7. AS 08.64.170(a) is amended to read:

21 (a) A person may not practice medicine, podiatry, or osteopathy
22 [, OR ACUPUNCTURE] in the state unless the person is licensed under
23 this chapter, except that

24 (1) a physician assistant may examine, diagnose, or treat
25 persons under the supervision, control, and responsibility of either a
26 physician licensed under this chapter or a physician exempted from
27 licensing under AS 08.64.370;

28 (2) a physician-trained mobile intensive care paramedic may
29 render emergency lifesaving service; and

1 (3) [A PERSON LICENSED UNDER AS 08.36 MAY PERFORM ACUPUNC-
2 TURE IN THE REGULAR PRACTICE OF DENTISTRY, SUBJECT TO THE REGULATIONS
3 OF THE BOARD OF DENTAL EXAMINERS; AND

4 (4)] a person who is licensed or authorized under another
5 chapter of this title may engage in a practice that is authorized
6 under that chapter.

7 * Sec. 8. AS 08.64.180 is amended to read:

8 Sec. 08.64.180. APPLICATION FOR LICENSE. A person who desires
9 to practice medicine or [,] osteopathy [OR ACUPUNCTURE] in the state
10 shall apply in writing to the department for a license.

11 * Sec. 9. AS 09.55.560(1) is amended to read:

12 (1) "health care provider" means an acupuncturist licensed
13 under AS 08.06; an audiologist licensed under AS 08.11; a chiropractor
14 licensed under AS 08.20; a dental hygienist licensed under AS 08.32; a
15 dentist licensed under AS 08.36; a nurse licensed under AS 08.68; a
16 dispensing optician licensed under AS 08.71; a naturopath licensed
17 under AS 08.45; an optometrist licensed under AS 08.72; a pharmacist
18 licensed under AS 08.80; a physical therapist or occupational thera-
19 pist licensed under AS 08.84; a physician licensed under AS 08.64; a
20 podiatrist; a psychologist and a psychological associate licensed
21 under AS 08.86; and a hospital as defined in AS 18.20.130, including a
22 governmentally owned or operated hospital; a corporate entity covered
23 under AS 21.88.050(b)(11); and an employee of a health care provider
24 acting within the course and scope of employment;

25 * Sec. 10. AS 18.23.070(3) is amended to read:

26 (3) "health care provider" means an acupuncturist licensed
27 under AS 08.06; a chiropractor licensed under AS 08.20; a dental
28 hygienist licensed under AS 08.32; a dentist licensed under AS 08.36;
29 a nurse licensed under AS 08.68; a dispensing optician licensed under

1 AS 08.71; an optometrist licensed under AS 08.72; a pharmacist li-
2 censed under AS 08.80; a physical therapist or occupational therapist
3 licensed under AS 08.84; a physician licensed under AS 08.64; a podia-
4 trist; a psychologist and a psychological associate licensed under
5 AS 08.86; and a hospital as defined in AS 18.20.130, including a
6 governmentally owned or operated hospital; a corporate entity covered
7 under AS 21.88.050(b)(1); and an employee of a health care provider
8 acting within the course and scope of employment;

9 * Sec. 11. AS 21.42 is amended by adding a new section to read:

10 Sec. 21.42.353. COVERAGE FOR COSTS OF ACUPUNCTURE TREATMENT. An
11 insurer authorized under AS 21.09 to offer, issue for delivery,
12 deliver, or renew a disability insurance policy in the state, or a
13 hospital or medical service corporation authorized under AS 21.87 to
14 offer or renew a subscriber's contract, may offer coverage for ser-
15 vices of an acupuncturist licensed under AS 08.06 if the policy or
16 contract covers acupuncture treatment by a health care provider who is
17 subject to other provisions of AS 08.

18 * Sec. 12. AS 21.88.900(9) is amended to read:

19 (9) "health care provider" means an acupuncturist licensed
20 under AS 08.06; an audiologist licensed under AS 08.11; a chiropractor
21 licensed under AS 08.20; a dental hygienist licensed under AS 08.32; a
22 dentist licensed under AS 08.36; a nurse licensed under AS 08.68; a
23 dispensing optician licensed under AS 08.71; an optometrist licensed
24 under AS 08.72; a pharmacist licensed under AS 08.80; a physical
25 therapist or occupational therapist licensed under AS 08.84; a physi-
26 cian licensed under AS 08.64; a podiatrist; a psychologist and a
27 psychological associate licensed under AS 08.86; a hospital as defined
28 in AS 18.20.130, including a governmentally owned or operated hospi-
29 tal; a corporate entity covered under AS 21.88.050(b)(11); an employee

1 of a health care provider acting within the course and scope of em-
2 ployment;

3 * Sec. 13. AS 21.88.900 is amended by adding a new paragraph to read:

4 (18) "acupuncturist" means a person licensed under AS 08.06.

5 * Sec. 14. AS 47.17.070(9) is amended to read:

6 (9) "practitioner of the healing arts" includes acupunct-
7 urists, chiropractors, dental hygienists, dentists, health aides,
8 nurses, nurse practitioners, occupational therapists, occupational
9 therapy assistants, optometrists, osteopaths, naturopaths, physical
10 therapists, physical therapy assistants, physicians, physician's
11 assistants, psychiatrists, psychologists, psychological associates,
12 audiologists licensed under AS 08.11, hearing aid dealers licensed
13 under AS 08.55, religious healing practitioners, and surgeons;

14 * Sec. 15. AS 08.64.207 and 08.64.380(1) are repealed.

Original sponsors: Duncan and Rodey

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 134 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the practice of acupuncture."

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

8 * Section 1. PURPOSE. The health, safety, and welfare of the people of
9 the state are best served by the establishment of an orderly system of
10 licensure for the practice of acupuncture in the state. The rapid develop-
11 ment of the profession, including the establishment of national standards
12 for the education and practice of acupuncturists, has resulted in increased
13 public interest and increased demand for access to qualified acupunctur-
14 ists.

15 * Sec. 2. AS 08 is amended by adding a new chapter to read:

16 CHAPTER 06. ACUPUNCTURE.

17 Sec. 08.06.010. PRACTICE OF ACUPUNCTURE WITHOUT LICENSE PROHIB-
18 ITED. A person may not practice acupuncture without a license.

19 Sec. 08.06.020. APPLICATION FOR LICENSE. A person desiring to
20 practice acupuncture shall apply in writing to the department.

21 Sec. 08.06.030. LICENSE TO PRACTICE ACUPUNCTURE. (a) A person
22 is qualified to receive a license to practice acupuncture if the
23 person

24 (1) is of good moral character;

25 (2) is at least 21 years of age;

26 (3) either

27 (A) has completed a course of study consistent with
28 the core curriculum and guidelines of the National Council of
29 Acupuncture Schools and Colleges at a school of acupuncture

1 approved by the department; or

2 (B) is licensed to practice acupuncture in another
3 state that has acupuncture licensing requirements equivalent to
4 those of this state;

5 (4) is qualified for certification by the National Council
6 for the Certification of Acupuncturists as a diplomate in acupuncture;

7 (5) does not have a disciplinary proceeding or unresolved
8 complaint pending at the time of application; and

9 (6) has not had a license to practice acupuncture suspended
10 or revoked in this state or in another state, territory, or province.

11 (b) The department shall issue a license to practice acupuncture
12 to each person who is qualified and who pays the appropriate fee.

13 (c) Each person licensed to practice acupuncture under this
14 chapter shall display the license in a conspicuous place where the
15 licensee practices.

16 Sec. 08.06.040. RENEWAL OF LICENSE. The department may not
17 renew a license under this chapter unless the applicant

18 (1) demonstrates continued competence as an acupuncturist
19 in a manner established by the department in regulations; and

20 (2) submits proof that the applicant maintains certifica-
21 tion by the National Council for the Certification of Acupuncturists
22 as a diplomate of acupuncture.

23 Sec. 08.06.050. DISCLOSURE. (a) A person who practices acu-
24 puncture shall disclose that the person's training and practice are in
25 acupuncture

26 (1) to each patient; and

27 (2) on all material used in the practice of acupuncture and
28 made available to patients or to the public.

29 (b) A person who practices acupuncture without being covered by

1 malpractice insurance shall disclose to each patient that the person
2 does not have the insurance.

3 Sec. 08.06.060. RESTRICTIONS ON PRACTICE OF ACUPUNCTURE. A
4 person who practices acupuncture may not

5 (1) give, prescribe, or recommend in the practice a

6 (A) prescription drug;

7 (B) controlled substance;

8 (C) poison;

9 (2) engage in surgery;

10 (3) use the word "chiroprician" in the person's title unless
11 the person is also licensed as a physician.

12 Sec. 08.06.070. GROUNDS FOR IMPOSITION OF DISCIPLINARY SANC-
13 TIONS. After a hearing, the department may impose a disciplinary
14 sanction on a person licensed under this chapter when the department
15 finds that the licensee

16 (1) secured a license through deceit, fraud, or intentional
17 misrepresentation;

18 (2) engaged in deceit, fraud, or intentional misrepresenta-
19 tion in the course of providing professional services or engaging in
20 professional activities;

21 (3) advertised professional services in a false or mislead-
22 ing manner;

23 (4) has been convicted of a felony or other crime that
24 affects the licensee's ability to continue to practice competently and
25 safely;

26 (5) intentionally or negligently engaged in patient care,
27 or permitted the performance of patient care by persons under the
28 licensee's supervision, that does not conform to minimum professional
29 standards regardless of whether actual injury to the patient occurred;

1 malpractice insurance shall disclose to each patient that the person
2 does not have the insurance.

3 Sec. 08.06.060. RESTRICTIONS ON PRACTICE OF ACUPUNCTURE. A
4 person who practices acupuncture may not

5 (1) give, prescribe, or recommend in the practice a

6 (A) prescription drug;

7 (B) controlled substance;

8 (C) poison;

9 (2) engage in surgery; or

10 (3) use the word "physician" in the person's title unless
11 the person is also licensed as a physician.

12 Sec. 08.06.070. GROUNDS FOR IMPOSITION OF DISCIPLINARY SANC-
13 TIONS. After a hearing, the department may impose a disciplinary
14 sanction on a person licensed under this chapter when the department
15 finds that the licensee

16 (1) secured a license through deceit, fraud, or intentional
17 misrepresentation;

18 (2) engaged in deceit, fraud, or intentional misrepresenta-
19 tion in the course of providing professional services or engaging in
20 professional activities;

21 (3) advertised professional services in a false or mislead-
22 ing manner;

23 (4) has been convicted of a felony or other crime that
24 affects the licensee's ability to continue to practice competently and
25 safely;

26 (5) intentionally or negligently engaged in patient care,
27 or permitted the performance of patient care by persons under the
28 licensee's supervision, that does not conform to minimum professional
29 standards regardless of whether actual injury to the patient occurred;

1 certain points on or near the surface of the body by the insertion of
2 needles to prevent or modify the perception of pain or to normalize
3 physiological functions;

4 (2) "department" means the Department of Commerce and
5 Economic Development;

6 (3) "practice of acupuncture" means the insertion of acu-
7 puncture needles and the application of moxibustion to specific areas
8 of the human body based upon acupuncture diagnosis; the practice of
9 acupuncture includes adjunctive therapies involving mechanical, ther-
10 mal, electrical, and electromagnetic treatment and the recommendation
11 of dietary guidelines and therapeutic exercise.

12 * Sec. 3. AS 08.01.010 is amended by adding a new paragraph to read:

13 (31) regulation of acupuncturists under AS 08.06.

14 * Sec. 4. AS 08.01.050(a) is amended to read:

15 (a) The department shall perform the following administrative
16 and budgetary services when appropriate:

17 (1) collect and record fees;

18 (2) maintain records and files;

19 (3) issue and receive application forms;

20 (4) notify applicants of acceptance or rejection as deter-
21 mined by the board or as determined by the department under AS 08.06
22 for acupuncturists, under AS 08.11 for audiologists, under AS 08.45
23 for naturopaths, or under AS 08.55 for hearing aid dealers;

24 (5) designate dates examinations are to be held and notify
25 applicants;

26 (6) publish notice of examinations and proceedings;

27 (7) arrange space for holding examinations and proceedings;

28 (8) notify applicants of results of examinations;

29 (9) issue licenses or temporary licenses as authorized by

1 the board or as authorized by the department under AS 08.06 for acu-
2 puncturists, under AS 0^p 11 for audiologists, under AS 08.45 for
3 naturopaths, or under AS 08.55 for hearing aid dealers;

4 (10) issue duplicate licenses upon submission of a written
5 request by the licensee attesting to loss of or the failure to receive
6 the original and payment by the licensee of a fee established by
7 regulation adopted by the department;

8 (11) notify licensees of renewal dates at least 30 days
9 before the expiration date of their licenses;

10 (12) compile and maintain a current register of licensees;

11 (13) answer routine inquiries;

12 (14) maintain files relating to individual licensees;

13 (15) arrange for printing and advertising;

14 (16) purchase supplies;

15 (17) employ additional help when needed;

16 (18) perform other services that may be requested by the
17 board;

18 (19) provide inspection, enforcement, and investigative
19 services to the boards and for the occupations listed in AS 08.01.010,
20 regarding all licenses issued by or through the department;

21 (20) retain and safeguard the official seal of a board and
22 prepare, sign, and affix a board seal, as appropriate, for licenses
23 approved by a board;

24 (21) issue business licenses under AS 43.70.

25 * Sec. 5. AS 08.02.010(a) is amended to read:

26 (a) An acupuncturist licensed under AS 08.06, an audiologist
27 licensed under AS 08.11, a person licensed in the state as a chiro-
28 practor under AS 08.20, a dentist under AS 08.36, a medical practi-
29 tioner or osteopath under AS 08.64, a registered nurse under AS 08.68,

1 an optometrist under AS 08.72, a registered pharmacist under AS 08.80,
2 a registered physical therapist or occupational therapist under AS 08.-
3 84, a psychologist under AS 08.86, or a clinical social worker
4 licensed under AS 08.95, shall use as professional identification
5 appropriate letters or a title after that person's name which repre-
6 sents that person's specific field of practice. The letters or title
7 shall appear on all signs, stationery, or other advertising in which
8 the person offers or displays personal professional services to the
9 public. In addition, a person engaged in the practice of medicine or
10 osteopathy as defined in AS 08.64.380, or a person engaged in any
11 manner in the healing arts who diagnoses, treats, tests, or counsels
12 other persons in relation to human health or disease and uses the
13 letters "M.D." or the title "doctor" or "physician" or another title
14 that tends to show that the person is willing or qualified to diag-
15 nose, treat, test, or counsel another person, shall clarify the let-
16 ters or title by adding the appropriate specialist designation, if
17 any, such as "dermatologist", "radiologist", "audiologist", "naturo-
18 path", or the like.

19 * Sec. 6. AS 08.36 is amended by adding a new section to read:

20 Sec. 08.36.114. QUALIFICATIONS FOR ACUPUNCTURE APPLICANTS. An
21 applicant for a license to perform acupuncture in the regular practice
22 of dentistry shall be licensed under AS 08.36.100 and shall satisfy
23 those requirements of experience or education in the practice of
24 acupuncture as may be adopted by the board.

25 * Sec. 7. AS 08.64.170(a) is amended to read:

26 (a) A person may not practice medicine, podiatry, or osteopathy
27 [, OR ACUPUNCTURE] in the state unless the person is licensed under
28 this chapter, except that

29 (1) a physician assistant may examine, diagnose, or treat

1 persons under the supervision, control, and responsibility of either a
2 physician licensed under this chapter or a physician exempted from
3 licensing under AS 08.64.370;

4 (2) a physician-trained mobile intensive care paramedic may
5 render emergency lifesaving service; and

6 (3) [A PERSON LICENSED UNDER AS 08.36 MAY PERFORM ACUPUNC-
7 TURE IN THE REGULAR PRACTICE OF DENTISTRY, SUBJECT TO THE REGULATIONS
8 OF THE BOARD OF DENTAL EXAMINERS; AND

9 (4)] a person who is licensed or authorized under another
10 chapter of this title may engage in a practice that is authorized
11 under that chapter.

12 * Sec. 8. AS 08.64.180 is amended to read:

13 Sec. 08.64.180. APPLICATION FOR LICENSE. A person who desires
14 to practice medicine or [,] osteopathy [OR ACUPUNCTURE] in the state
15 shall apply in writing to the department for a license.

16 * Sec. 9. AS 09.55.560(1) is amended to read:

17 (1) "health care provider" means an acupuncturist licensed
18 under AS 08.06; an audiologist licensed under AS 08.11; a chiropractor
19 licensed under AS 08.20; a dental hygienist licensed under AS 08.32; a
20 dentist licensed under AS 08.36; a nurse licensed under AS 08.68; a
21 dispensing optician licensed under AS 08.71; a naturopath licensed
22 under AS 08.45; an optometrist licensed under AS 08.72; a pharmacist
23 licensed under AS 08.80; a physical therapist or occupational thera-
24 pist licensed under AS 08.84; a physician licensed under AS 08.64; a
25 podiatrist; a psychologist and a psychological associate licensed
26 under AS 08.86; and a hospital as defined in AS 18.20.130, including a
27 governmentally owned or operated hospital; a corporate entity covered
28 under AS 21.88.050(b)(11); and an employee of a health care provider
29 acting within the course and scope of employment;

1 * Sec. 10. AS 18.23.070(3) is amended to read:

2 (3) "health care provider" means an acupuncturist licensed
3 under AS 08.06; a chiropractor licensed under AS 08.20; a dental
4 hygienist licensed under AS 08.32; a dentist licensed under AS 08.36;
5 a nurse licensed under AS 08.68; a dispensing optician licensed under
6 AS 08.71; an optometrist licensed under AS 08.72; a pharmacist li-
7 censed under AS 08.80; a physical therapist or occupational therapist
8 licensed under AS 08.84; a physician licensed under AS 08.64; a podia-
9 trist; a psychologist and a psychological associate licensed under
10 AS 08.86; and a hospital as defined in AS 18.20.130, including a
11 governmentally owned or operated hospital; a corporate entity covered
12 under AS 21.88.050(b)(1); and an employee of a health care provider
13 acting within the course and scope of employment;

14 * Sec. 11. AS 21.36.090(d) is amended to read:

15 (d) Except to the extent necessary to comply with AS 21.42.365,
16 a person may not practice or permit unfair discrimination against a
17 person who provides a service covered under a group disability policy
18 that extends coverage on an expense incurred basis, or under a group
19 service or indemnity type contract issued by a nonprofit corporation,
20 if the service is within the scope of the provider's occupational
21 license. In this subsection, "provider" means a state licensed physi-
22 cian, dentist, osteopath, optometrist, acupuncturist, chiropractor,
23 nurse midwife, advanced nurse practitioner, naturopath, physical
24 therapist, or occupational therapist.

25 * Sec. 12. AS 21.88.900(9) is amended to read:

26 (9) "health care provider" means an acupuncturist licensed
27 under AS 08.06; an audiologist licensed under AS 08.11; a chiropractor
28 licensed under AS 08.20; a dental hygienist licensed under AS 08.32; a
29 dentist licensed under AS 08.36; a nurse licensed under AS 08.68; a

1 dispensing optician licensed under AS 08.71; an optometrist licensed
 2 under AS 08.72; a pharmacist licensed under AS 08.80; a physical
 3 therapist or occupational therapist licensed under AS 08.84; a physi-
 4 cian licensed under AS 08.64; a podiatrist; a psychologist and a
 5 psychological associate licensed under AS 08.86; a hospital as defined
 6 in AS 18.20.130, including a governmentally owned or operated hospi-
 7 tal; a corporate entity covered under AS 21.88.050(b)(11); an employee
 8 of a health care provider acting within the course and scope of em-
 9 ployment;

10 * Sec. 13. AS 21.88.900 is amended by adding a new paragraph to read:

11 (18) "acupuncturist" means a person licensed under AS 08.06.

12 * Sec. 14. AS 47.17.070(9) is amended to read:

13 (9) "practitioner of the healing arts" includes acupunct-
 14 urists, chiropractors, dental hygienists, dentists, health aides,
 15 nurses, nurse practitioners, occupational therapists, occupational
 16 therapy assistants, optometrists, osteopaths, naturopaths, physical
 17 therapists, physical therapy assistants, physicians, physician's
 18 assistants, psychiatrists, psychologists, psychological associates,
 19 audiologists licensed under AS 08.11, hearing aid dealers licensed
 20 under AS 08.55, religious healing practitioners, and surgeons;

21 * Sec. 15. AS 08.64.207 and 08.64.380(1) are repealed.

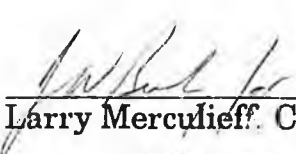
CSSB 134: An Act relating to the practice of acupuncture.

AS 08.06.040(b) requires that an acupuncturist practicing without professional liability insurance notify each patient of that fact. The Division of Insurance is not aware of any insurer that currently has coverage available for an acupuncturist who is not a licensed physician.

AS 08.06.080 states that a "health insurance policy" may offer coverage for the services of a acupuncturist provided by a health care provider licensed under other licensing provisions (e.g., physicians). This provision does not provide for anything that any disability insurer can't already accomplish. The nondiscriminatory situations are treated in Section 11 in this act by amending AS 21.36.090(d) to include acupuncturists. Additionally, if such a provision were necessary, the provision should be placed in Title 21 and the term "health insurance policy" would need to be replaced with the statutorily correct terms of "disability insurance policy" and "subscriber contract." It is recommended that this section be deleted in its entirety.

AS 21.36.090(d) is amended in Section 11 of the bill to include the term "acupuncturist." The current provisions of AS 21.36.090(d) prohibit unfair discrimination in group disability insurance and group subscriber contracts in payment between different health care providers that are licensed and permitted to provide treatment for services covered under the insurance contract. The current list of providers includes a state licensed physician, dentist, osteopath, optometrist, chiropractor, nurse midwife, advanced nurse practitioner, naturopath, physical therapist, and occupational therapist. This section does not mandate that coverage be provided in group contracts for any of the listed health care providers, but that, if coverage for a particular kind of medical care is included (e.g., treatment of the lower back), then the contract may not discriminate in payment of benefits for services by the type of licensed provider that performs the services.

Sections 12 and 13 amend AS 21.88.900(9) and AS 21.88.900(18) which have the effect of adding acupuncturists to the list of licensed health care providers and defines an acupuncturist by reference to AS 08.06. AS 21.88 pertains to the Medical Indemnity Corporation of Alaska (MICA) which is a quasi-state corporation that provides medical malpractice insurance coverage to physicians, nurses, and hospitals. The effect of these amendments is to add acupuncturists to the list of health care providers who, as employees of a physician, nurse, or hospital, may have coverage extended to them through the contracts issued to the physician, nurse, or hospital.



Larry Mercurieff, Commissioner

Date: 3/15/89

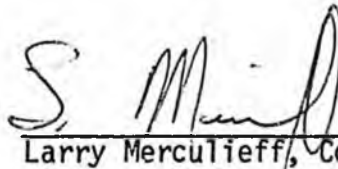
LM/JB/dgl3550D
031589b

CSSB 134(HESS): An Act relating to the practice of acupuncture.

The Senate HESS Committee substitute for SB 134 amended the original bill to remove those sections questioned by the department in its original position paper and testimony.

This amended version will allow for the licensure of acupuncturists, but without the expense of a board. It also allows for the adoption of regulations to assist in the establishment of standards of practice and a code of ethics for the acupuncture profession. These regulations will be developed in conjunction with the state's acupuncturists. We applaud this provision because it will assist the division and the profession in better protection of the public.

The department does not oppose the licensing of acupuncturists and supports passage of CSSB 134(HESS).



Larry Merculieff, Commissioner

Date: 3/13/89

I.M/JS/dgl 3557D
031489a

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to the practice of acupuncture.

Agency Affected: Commerce & Econ. Dev.
BRU: Occupational Licensing

Sponsor: Senators Duncan and Rodey
Requestor: Senate HESS Committee

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	2.9	2.9	2.9	2.9	2.9
TRAVEL	0	7.4	7.4	7.4	7.4	7.4
CONTRACTUAL	0	1.5	1.5	1.5	1.5	1.5
SUPPLIES	0	1	1	1	1	1
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	11.9	11.9	11.9	11.9	11.9

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

REVENUE	0	3.0	1.5	5.3	1.5	8.3
---------	---	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	8.9	10.4	6.6	10.4	3.6
FEDERAL FUNDS						
OTHER	0	3.0	1.5	5.3	1.5	8.3
TOTAL	0	11.9	11.9	11.9	11.9	11.9

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)

SB 134 will allow acupuncture services to be offered by all qualified individuals. Currently, only medical doctors can offer acupuncture services. The costs identified in this fiscal note are explained on the following page.

Prepared by: Jennifer Strickler, Administrative Assistant Phone: 465-2144
Division: Occupational Licensing Date: 1/27/89

Approved by Commissioner: Larry Merculieff, Commissioner Date: 1/31/89
Agency: Department of Commerce & Economic Development

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
Title: An Act relating to the practice of acupuncture. BRU: Occupational Licensing
Sponsor: Senate HESS Committee Components: Admin. & Boards
Requester: Senate HESS Committee

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	2.9	2.9	2.9	2.9	2.9
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	1.1	1.1	1.1	1.1	1.1
SUPPLIES	0	0	0	0	0	0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPEATING	0	4.0	4.0	4.0	4.0	4.0

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

REVENUE	0	4.	0	4.0	0	4.0
---------	---	----	---	-----	---	-----

FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (GF/PR)	0	4.0	4.0	4.0	4.0	4.0
TOTAL	0	4.0	4.0	4.0	4.0	4.0

POSITIONS:

FULLTIME	0	0	0	0	0	0
PARTTIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

CSHB 134 (HESS) provides for licensing of acupuncturists by the department. The bill will allow acupuncture services to be offered by all qualified individuals; whereas, currently only medical doctors can offer acupuncture services. The costs identified in this fiscal note are explained on the following page.

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
Division: Occupational Licensing Date: March 7, 1989

Approved by Commissioner: Larry Mercurieff, Commissioner Phone: 465-2500
Agency: Department of Commerce & Economic Development Date: 3/8/89

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 134 (HESS)

Testimony on this bill has revealed that very few acupuncturists currently reside in-state (less than five) and that only a few additional acupuncturists are expected to seek admission should this legislation pass. For the purposes of this fiscal note, we have anticipated a maximum of ten licensees.

This fiscal note differs from previous fiscal notes on the subject in that a portion of overhead personal services costs which the program can be expected to cover are included. As with all licensing occupations, each program is attributed a portion of administrative expenses of the division based on the number of licensees divided by the total number of division licensees. In this case, ten licensees represent .004% of the administrative costs reflected in the personal services and contractual services line items of the divisions's budget.

Because of the small number of practitioners, it would be unreasonable to establish a licensing fee which would require those few licensees to bear the entire cost of the licensing function. In such cases, the licensing costs must be supplemented by general funds or other licensing fees.

Revenues: The revenues projected are based on ten licensees paying a biennial license fee of \$400.

WHAT IS ACUPUNCTURE?

Acupuncture is a healing method used in traditional Chinese medicine, a medical system with a history of thousands of years of effective use, now practiced worldwide.

Bioenergetics of the Acupuncture Network

- . Traditional Chinese ideas of energy exchange are like those of modern physics--the same principles work in all parts of the universe, however large or small--the solar system, an atom, or a human body.
- . The acupuncture network in the body is an "electromagnetic circulatory system" of energy flow along channels related to the organs. The energy, called qi, (pronounced chee) flows like current in an electrical system.
- . The twelve main channels are directly connected to organs--heart, liver, kidney, stomach, etc. They are "circuits" with energy flowing from the organs out into the arms and legs and back. There are also extra channels, for example, the "belt" channel, which goes around the waist. All of these form a network.
- . The network can "signal" the organs to do different things. Recent research in China has shown that putting a needle in the large intestine point on a dog's paw will change the movements of its large intestine.

Energy Balance

- . Balance in the energy network means good health. As long as the network is strong, balanced, and not blocked, a person will be healthy. Imagine a body with its "electromagnetic circulatory system" flowing along about the same lines as the blood circulatory system. Visualize the lines of current with a strong, consistent glow, and a smooth, regular flow through all the channels. This is the picture of health.
- . Imbalance means disease. The flow of energy can be too weak, too strong, blocked, or not moving in the proper pathways. For example, if you could photograph the network, a sprain might appear as a hot spot or "short." A migraine headache might show a blockage, and a heart attack would reveal a weak or blank spot.

Diagnosis

- . Diagnosis in Chinese medicine looks for patterns of imbalance in this energy network that relate to signs and symptoms in the body.
- . Traditional diagnosis uses a history and physical examination. The doctor asks special questions about what has happened inside and outside the body that put the system out of balance--wind, cold, heat, emotions, excess food or drink--and many others. A traditional oriental medical doctor will look at skin color, examine "alarm points" along the channels that indicate imbalance, look at the tongue, and feel the pulses. These are just a few of the important parts of a traditional medical examination.

Treatment

- . Treatment balances the system. Points are stimulated to increase energy, dissolve blockages--to encourage all of the "involuntary" body processes to return to their natural state of harmony. The main treatments used either alone or in combination to balance the system are:

acupuncture herbs moxa massage
- . Acupuncture stimulates points along the channels with very fine needles. These are now almost always made of stainless steel, but traditionally they could be made of other materials--bone, bamboo, silver, gold. The needles have different effects depending on what points are used. Sometimes needles are electrically stimulated, usually for added pain relief or anaesthesia.
- . Herbs are taken as teas or pills to do the work of balancing. They are very specific in their effects, and can be given easily in combinations made up especially for each individual.
- . Moxa is an herb that is burned close to the skin, or sometimes directly on the skin to stimulate the points with heat.
- . Massage stimulates the points with pressure to give balancing effect.
- . Of course, the complicated imbalance in many illnesses often make the process of diagnosis and treatment complicated too. As in Western medicine, traditional Chinese diagnosis and treatment is an art as well as a science.

Staying Well With Traditional Medicine

"Wholeness" of outlook is a historic part of Chinese medicine. According to tradition, people paid their doctors when they were healthy, and stopped paying them when they were ill. Whether true or not, this shows that the idea was to keep people well, and to look for and treat the earliest signs of illness. Preventive health care--diet, rest, exercise, and emotional and spiritual balance--has always been of greatest importance in the Chinese medical tradition.

How an Acupuncture Treatment Feels

Acupuncture needles are very fine, so they are relatively painless. There is a pinprick sensation as the needle goes through the skin, followed by the sensation of the needle "taking the energy"--connecting with the system. This may be felt as a tingling or traveling sensation, soreness, heaviness, warmth or aching. Among their many effects, the needles stimulate the release of endorphins--the body's own pain-killers--so there is generally a feeling of well-being and relaxation.

How to Help Your Treatment Work Better

Because treatments "rearrange" your energetic pattern, moderation is the key in eating, exercise and exposure to temperatures to maintain the new energy arrangement. The two hours immediately before and after your treatment is not the time for a heavy meal, alcoholic drinks or pain relievers, a strenuous workout, or a trip to the sauna.

Acupuncture and herbs have a cumulative effect, so it is also important to follow through with a recommended series of treatments to get the desired results, and to follow all other instructions from your practitioner.

Treatment Response

Most patients want to know whether acupuncture just treats symptoms, or if it can really relieve the causes of their illness. With many different kinds of problems, the energetic changes brought about by acupuncture and herbs can bring a person fully back to health.

Results depend on the duration and nature of the disease, the amount of damage that has been done, whether surgery has been performed, the age and general health of the person--the same kinds of factors that determine outcomes in Western medicine.

Even if a disease process has gone too far to be reversed

entirely, it is often possible to slow or stop the progress of the disease, or at least to provide some relief from symptoms so that the person can live more comfortably.

Sterilization

Acupuncture needles are sterilized according to protocols approved for surgical instruments. Depending on your practitioner, steam autoclave or dry heat sterilization may be used. Sterilization is, by definition, the killing of all bacterial, fungus, virus, and spores.

Just as it is safe to re-use surgical instruments after they have been properly sterilized, it is also safe to re-use needles. If you are still concerned about this issue, ask your practitioner, and they will use disposable needles. Disposable needles are generally used for all people with hepatitis or AIDS or for people at high risk for these diseases.

Sterilization and all procedural techniques follow the Clean Needle Technique manual prepared by the National Commission for the Certification of Acupuncture.

The American Association of Acupuncture and Oriental Medicine

The AAAOM is a national organization of practitioners and students of acupuncture and Oriental medicine. Its purposes are:

- to provide the primary organizational forum for state, regional and specialized acupuncture organizations in the United States
- to elevate standards of practice and education
- to provide a forum for sharing of professional knowledge
- to assist in the establishment of just health codes and laws and to support those that exist
- to develop and establish continuing education programs for professionals
- to educate the general public about Oriental medicine
- to promote, encourage and support research
- to support and cooperate with the national professional organizations for certification of practitioners and educational institutions in our field, the National Commission for the Certification of Acupuncture and the National Accreditation Commission for Schools and Colleges of Acupuncture and Oriental Medicine.

PINS AND NEEDLES

Acupuncture joins the war on drug addiction

EACH WEEKDAY MORNING, a small group of people, perhaps 15 of them, gather to drink herbal tea. Each has five needles stuck in his or her ear. As they sip their tea, a therapist moves from person to person, manipulating the needles.

Although it may seem like a New Age spa scenario, this doesn't take place in some pricey, track-lighted coastal retreat with George Winston music floating in the background. Instead, these people are sitting around nicked, formica-topped tables in the well-used Hooper Center for Alcohol and Drug Intervention at the east end of Portland's Burnside Bridge. Once this outpatient acupuncture detoxification treatment is finished, the group will move on to a Narcotics Anonymous meeting.

The Hooper Center, operated by social service agency Central City Concern, is well-known in Portland's netherworld. The Hooper Center van circulates through town, particularly the Old Town area, where many of the city's alcoholic, drug-addicted and homeless people have washed up. In May alone, 1,700 drunks dried out in Hooper's sobering unit. As for the acupuncture...well, it works. And, just as important to the county-funded detox center, acupuncture is the most cost-effective detox program available.

David Eisen, director of acupuncture services at Hooper, recalls with some wonder a 63-year-old chronic alcoholic who came in for inpatient detox. The man couldn't stand up and was shaking so much that he couldn't touch his face. Two doses of two different drugs didn't help. Veteran acupuncturist Eisen was skeptical about whether he could help, but heeding the nurses' pleas, he tried. Five minutes later, the man was sitting in bed, calmly drinking tea.

Or take the 25-year-old woman, a 10-year heroin addict and a veteran of 25 treatment

programs. After acupuncture, she was off drugs for five months before relapsing. Before acupuncture, Eisen says, that relapse would have meant a months-long destructive bout with heroin. But thanks to the relative ease of an acupuncture detox, she came back to the center in less than two days.

"It helps the body deal with withdrawal — the vomiting, the nausea, the body- and headaches, the craving," says Eisen, who holds degrees in social work and Oriental medicine. "It is admin-

the kidney, liver, lungs and heart. The fifth acts as a local anesthetic.

Acupuncture has received the most attention in the Western press as a form of anesthesia, but it has been used to combat drug abuse in some Asian countries. In 1974 American graduates of Oriental medical schools began using acupuncture successfully for alcohol and drug detox programs in New York City's South Bronx area.

Eisen prefers acupuncture because it introduces a chemical-free detox atmosphere. The savings on drugs alone are significant: Eisen estimates that outpatient acupuncture detox costs \$3.32 a day versus the \$30 to \$50 a week a typical methadone treatment for heroin addiction might require. Chronic opiate

seven-day inpatient detox at Hooper finished it. Now that rate is up to 90 percent.

Although no published studies scientifically document how well acupuncture works with drug addicts, one small study suggests success with alcoholics. At the Hennepin County detox center in Minneapolis, a treatment group of 19 alcoholics received acupuncture treatment. The 18-member control group received a steel placebo — acupuncture at nonspecific points. Those in the treatment group expressed less need for alcohol, had fewer drinking episodes and fewer readmissions to detox centers than those in the control group.

Detox is one thing. Staying clean is another, and the Hooper



Not only does acupuncture ease withdrawal, it costs less than traditional detox programs.

istered in a group setting that is supportive and demonstrative and empowering. And it is totally voluntary."

Most often associated with Chinese medicine, acupuncture involves inserting needles at certain points on the body for treating everything from hay fever to chronic pain. Some 800 traditional acupuncture points lie along 14 head-to-toe lines or meridians, not necessarily near the body part they affect. The Hooper detox program uses five in the ear, four of which affect

addicts tend to require traditional medical inpatient treatment combined with acupuncture. But cocaine, crack and methamphetamine users usually need only the cheaper acupuncture in one of the three Hooper outpatient clinics.

Long-time alcoholics and heroin addicts say acupuncture treatment at Hooper is the easiest detox they've ever experienced. The process also appears to be more successful: before acupuncture, only 60 percent of those who started the five- to

Center doesn't have the funds to track people once they leave the program. Eisen estimates 50 percent of the people that go through the outpatient program stay clean. For those people who return for subsequent acupuncture sessions, Eisen says the difference lies in relapses that last a few days, rather than a few months, even in the most difficult cases.

Says Eisen: "The longer people are clean, the more they can see the value of that."

— PAUL RICHERT-BOE

CATTY CIENEY



A 17-year-old girl, whose street name is "Cricket," grimaces while receiving treatment from acupuncturist Shelia Moran for an alcohol problem. About 125 teens have benefited from the program.

HELPING THE HOMELESS KICK THEIR HABITS

ACUPUNCTURE FOR ADDICTS

Nobody is sure just quite why, but the treatment somehow seems to reduce the craving for alcohol and drugs — and now is helping homeless teens

By MICHELLE STEIN
of The Oregonian staff

She is 17, homeless and bulimic. She's also an alcoholic. Now the teenager, who will identify herself only by her street name, "Cricket," sits in a room with a handful of other frayed individuals. All have a minimum of five 2-inch needles piercing the insides of their ears. All are careful to avoid movement.

Acupuncture is not a new medical treatment, but the way it's being used here definitely is new. These people are alcoholics and drug addicts who want to quit. Acupuncture, somehow, helps them do that.

"It's a little uncomfortable," Cricket said, stainless steel needles dangling like limp spears from her ears. "But it's not painful."

Even if it did hurt, she said, it would be worth it.

"Without this program, I wouldn't have anywhere to go," she said.

David Eisen wants to make sure people have a place to go. He is director of acupuncture at the Hooper Center for Chemical Dependency Intervention, at 29 N.E. Union Ave. An adult acupuncture program opened there in May 1987 has helped more than 1,000 people quit drinking or drugs, Hooper Center statistics show.

But it was Eisen's acupuncture program for homeless teens that attracted Cricket and eventually helped her.

"It gets rid of the urge," Cricket said of the treatment.

Eisen opened the youth clinic on Southwest Washington Street in April, using a \$7,000 grant from Mayor Bud Clark's homeless fund. He believes it is the first clinic of its type in the nation.

"This process has been used on kids before, but never in a clinic just for them," Eisen said. "To date, acupuncture is the most clinically successful and cost-effective treatment for central nervous system stimulants."

Patients say it works

Acupuncture is a funny thing. It works — because patients tell acupuncturists it works. But why acupuncture quells a patient's desire to drink or do drugs Eisen cannot explain.

"The theory is that the needles strengthen the organs and aid the body's elimination system," Eisen said. "The exact mechanism of action, though, isn't known."

The treatment involves five sterilized needles that are inserted by a licensed acupuncturist into specific points in each ear. Each point stimulates an internal body function — the central nervous system, kidney, liver and lungs — that in turn assists in reducing the patient's craving for drugs or alcohol, Eisen said.

Needles remain in the ear 30 minutes to an hour. Daily treatment is recommended for the first few weeks; treatments then drop to two or three times weekly, Eisen said.

Acupuncture helps, but it should not be viewed as a cure for drug or alcohol addiction, Eisen emphasized. Patients should also be involved in good therapy programs, such as Alcoholics Anonymous.

It's just one tool

"Acupuncture is only a tool to help them with detoxification and recovery," Eisen said. "It's not a substitute for working on a formalized treatment program."

Bob Wheeler agrees. He's the day treatment program coordinator for the Paul Treatment Centers. He and his staff specialize in assisting homeless youth with problems in their lives, including drug dependency.

"Once in a while we get a kid who comes in for one acupuncture treatment and he thinks he's cured," Wheeler said. "But acupuncture is not a quick fix. It's part of a continuum of care."

Wheeler is as enthusiastic about acupuncture as Eisen — providing it is used properly, he says.

"It does assist in helping relieve some of the withdrawal symptoms."

If it works, then why don't all substance abuse programs advocate acupuncture? Eisen said each treatment costs about \$1.00 and can be performed on an out-patient basis, making it one of the cheapest forms of medical treatment available.

"Our medical system is based on drugs," Eisen explained. "The drug companies are not going to give support to a treatment that involves non-drug

therapy." Western doctors have a great deal to learn about Eastern medicine. And Christopher Eskell, a psychotherapist with the alcohol and chemical dependency program at St. Vincent Hospital and Medical Center, said it often takes time for foreign medical techniques to be accepted.

Recognition coming

"It took a long time for many, many doctors to recognize chiropractors," Eskell said. "Now it seems more and more physicians are recognizing acupuncture as a legitimate treatment program."

Acupuncture is not used at St. Vincent's, Eskell said. Drug and alcohol patients there are admitted to the hospital and monitored by a physician for 48 to 72 hours. If necessary, only a mild tranquilizer is given, he said.

"I don't think we've ever seriously talked about acupuncture (as a treatment)," Eskell said. "But that doesn't mean we won't somewhere down the line."

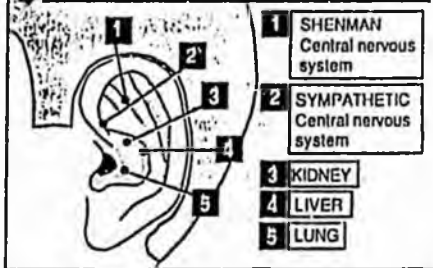
Eisen wishes acupuncture was more widely accepted. In October he came to the Hooper Center from Boston, where he spent 10 years using acupuncture to treat drug and alcohol patients.

Here, like there, the figures are powerful proof that acupuncture works, he said.

"Before acupuncture, about 80 percent of individuals in the drug detox programs

HOW THE TREATMENT WORKS

Acupuncture treatment for drug and alcohol therapy involves the insertion of five needles into specific points in the ear. Each point stimulates an internal body function which in turn assists in reducing the patient's craving for drugs or alcohol. Each treatment lasts 30 minutes to an hour.



The Oregonian

Acupuncture: Center funding to continue program in question

■ Continued from Page C1

(at Hooper) completed the program." Eisen said. "Now about 90 percent of those individuals are completing the program."

Figures are sketchier for the youth acupuncture program. Eisen guesses that the center has serviced 125 teens during the last three months, but he isn't sure how many of that number have benefited.

"How can you track them?" Eisen said. "Some stop in once or twice. We're not sure if they're doing better, or if they're drinking or doing drugs again."

"But I do think they're doing better. We've been encouraged by the positive results we have seen."

The mayor's office might want more proof than that. Funding for the youth treatment center ends in July; no decision has been made on additional funding, said J. Daniel Steffey, assistant to the mayor.

"We have received no formal report yet on how the programs has worked ... so I don't know what's going to happen," Steffey said. "If only three kids were helped by the money, then some people might not think the money was spent wisely."

"But if 2,000 kids were helped, then maybe it's a program worth continuing."

One 20-year-old Portland woman, who asked to be called by her middle name, Margaret, would tell the mayor's office the program is worth continuing. For four years she was a methamphetamine (crank) addict, injecting the powerful drug into her arm four times daily.

Finally, she said, she got into trouble with the law and was told by the courts either to enter the acupuncture program or go to jail.

She's glad she chose acupuncture.

"It takes away the anxiety feelings and cravings," she said of her treatment.

OLD PHOTOS COPIED

LET US COPY YOUR OLD PHOTOS, 3x5" FOR ONLY 9.95!

Drug and Alcohol Abuse Treated by Acupuncture at PCR

by Ian MacCrae

A new and effective aid in recovering from drug and alcohol dependency is now being offered at a clinic in inner North Portland at The Project for Community Recovery, located at 3924 N. Williams. The clinic uses the ancient Chinese healing art of acupuncture to help recovering substance abusers deal with the stress of withdrawal. The treatments are free, and available to anyone who walks in the door every weekday at 1:30 p.m.

Acupuncture has been used in China for over 3,000 years as therapy for a variety of illnesses and conditions. Extremely thin needles are inserted at a point which corresponds to the function of the ailing organ or bodily process. The stimulation of the needle acts to correct the imbalance caused by the malfunctioning organ.

When this reporter visited the clinic on Williams, twenty or so men and women, both caucasian and African-American, were receiving the treatment as they sat on folding chairs in a large circle. As the needles were inserted, patients would sometimes wince momentarily, but none appeared to be in discomfort afterward through the needles remained in place for approximately 45 minutes.

"Sometimes it hurts just a pinch," said Siesta, a young African-American woman in her third week of treatment. "But after they're in they don't hurt at all."

She said she had heard about acupuncture and imagined that it was painful. "I couldn't imagine letting anyone stick needles in me, but it's OK. I come here every day," she said.

Fred Carry, a counselor at the clinic explained that the needles are



Acupuncturist Shelia Moran treats Siesta Edwards at the Community Recovery Center. Edwards has been in treatment for three weeks. Photo by Richard J. Brown

very slender, not nearly as big as a hypodermic needle. Once inserted, the patient usually feels no sensation at all and may even forget that they are in place. The most common effect, according to Carry, is a relaxed, "airy feeling" for 45 minutes to an hour after the treatment is completed.

David Eisen, director of the acupuncture treatment program, said helping patients endure the symptoms of withdrawal can be a decisive factor in their ultimate recovery. Those symptoms can include craving, body aches, sweating, headaches, cramps, nasal congestion, insomnia and many other physical problems. "If a person doesn't have to go through the pain of physical withdrawal, he or she will have a jump on getting it together psychologically," Eisen explained.

Over 70 percent of persons treated with acupuncture successfully complete detoxification, Eisen

claimed, compared with only 50 percent of those who do not receive the treatment. For those detoxifying from alcohol, the success rate is 90 percent, he said. Even people who are not receiving any other kind of treatment benefit from acupuncture, he asserted, with 60 percent still sober four to five months after receiving outpatient treatment.

Eisen stressed that substance abusers have a much better chance of staying clean and sober if they are also involved in Alcoholics Anonymous or Narcotics Anonymous. These self-help groups are made up of "people trying to keep it together with other people going through the same thing," he said. While both Hooper and P.C.R. offer such programs, they are completely free for those who wish to receive only the acupuncture treatment.

According to Eisen, the use of acupuncture in the U.S. as a therapy for drug and alcohol abuse began in Lincoln Hospital in New

York's notorious South Bronx. After the technique proved successful there, clinics in Chicago, Illinois; Pine Ridge, South Dakota; Crow Agency, Montana; and Boston, Massachusetts began using it also. Acupuncture has been in use at the Hooper Center for the last 10 months in two outpatient and two inpatient programs. The acupuncture program at P.C.R. is now in its third week.

One of the advantages of acupuncture treatment, according to Eisen, is its low cost. The total cost of operating the five clinics is only \$60,000 per year, he said, and most of that money is spent on staff salaries. The only cost of treatment itself is the needles and sterilization equipment. With growing recognition of the links between drug abuse and other problems, namely crime and AIDS, Eisen said he was optimistic that funding could be procured for other clinics throughout the Portland area. "Right now, this is the only thing that will stop the spread of AIDS," he claimed. "People need to stop doing drugs, period." In the town, resources devoted to people of color are extremely limited. The only thing with both cost efficiency and treatment efficacy is acupuncture.

But perhaps the best argument for such programs come from those who have already been helped by them. "I'm really glad I found this program," said Siesta, "because it's helped me learn how to live without any kind of chemicals. It makes me feel good to come here." Her advice to others who may have a problem with substance abuse is simple. "If you think it's impossible to go even one day without drugs, you're wrong. It is possible, if you get treatment."

DIVIN

County told acupuncture aids addicts

By HARRY BOHME
of The Oregonian Staff

Acupuncture treatments appear to have slashed the recidivism rates of alcoholics and drug addicts passing through Multnomah County detoxification programs in the last six months.

Normally, 20 percent to 25 percent of those participating in the county's alcohol and drug detox programs fail to complete them and return to their addiction, the County Board of Commissioners was told last week.

When acupuncture has been used, the recidivism rate drops to 5 percent, based on data collected by the Hooper Center since July.

"This is one of the most encouraging things I've seen since I've been here," County Commissioner Pauline Anderson commented.

Dr. David Eisen, 33, director of acupuncture services at the Hooper Center, said the 85 percent rate of success was based on the number of patients who hadn't returned to Hooper since receiving acupuncture.

Acupuncture itself doesn't cure alcoholism and drug addiction. What it does do is help individuals going through withdrawal by reducing their craving for drugs or alcohol and calming them down.

Going through detoxification for drugs such as cocaine is "hell," a very anguishing experience far more difficult than recovering from a hangover from drinking, Eisen explained. Acupuncture greatly reduces this agony or makes it bearable, he said.

Operating on a \$59,000 annual budget, which finances the operation of five clinics, Eisen said acupuncture was offered on both an inpatient and outpatient basis.

Inpatient treatment involves a five-day stay for alcohol detox, seven days for drug detox, he said.

Outpatient treatment, costing the county about \$1 per patient to provide, is available free to addicts. Experience has shown that three acupuncture treatments provide the best help as patients complete the transition from alcohol or drug dependency, he said.

In the outpatient treatment, patients sit in a group with sterilized stainless steel needles attached to their earlobes for about an hour's time. The group provides a support atmosphere, he said.

About one patient in every 2,500 treated with acupuncture will have an adverse reaction, turning clammy and sweaty, Eisen said.

In those cases, the needles are detached and the patient lies down, suffering no lingering effects from the treatment, he said.

Those seeking information and assistance can contact either the Hooper Center, 20 N.E. Union Ave., or the Project for Community Recovery, 3924 N. Williams Ave., between 8:30 a.m. and 5 p.m. Monday through Friday.

Prior appointments are not required in participating in outpatient acupuncture treatment, Eisen said.

The Portland acupuncture program is similar to those developed in New York, Boston, Chicago, Minneapolis and Los Angeles under the auspices of the National Acupuncture Detox Association. Eisen is one of the association's founders.

OREGONIAN

2/15/88

Acupuncture used to detoxify youths

By DEE LANE
of The Oregonian staff

An experimental program using acupuncture for detoxification of drug- and alcohol-addicted youths was launched Monday in Portland.

David Eisen, acupuncturist in charge of the program, said it is "the first program in the country that targets kids."

Eisen spoke at a kickoff news conference that included the Rev. James W. Thornton, president of De Paul Center Inc., and Mayor Bud Clark. The \$7,000 program is paid for by a special appropriation from the mayor's homeless fund.

The De Paul Center owns the building on Southwest Washington Street where the program will operate.

The experiment is aimed at the approximately 500 homeless youth in Multnomah County. Recent studies have suggested that virtually all of the "street kids" have drug or alcohol problems. The program is voluntary and free to participants.

The method of treatment is similar to that used in a program for adults at the Hooper Center for Alcohol and Drug Intervention on Northeast Union Avenue. The program is 80 percent to 90 percent successful, depending upon the type of drug involved, Eisen said. He said he thinks the treatment will be even more effective with youths because they don't have such long histories of abuse and because "kids bounce back."

Acupuncture aids in detoxification by stimulating the liver, kidneys and lungs to work more efficiently, Eisen said. He also said it reduces stress and is "the only medically proven treatment" for the craving that drives addicts. Although no one is sure how it works, he said the treatment has proved effective in trials over the last 14 years.

The program is an offshoot of one that has been used in Multnomah County detoxification programs since last summer.

Eisen said in an earlier interview that acupuncture treatments appeared to have slashed the recidivism rates of alcoholics and drug addicts passing through Multnomah County detoxification programs from 20 percent to 25 percent down to 5 percent during a period from July 1987 through early February 1988.

"It's not a cure," he added, unless the addicts can be kept in some kind of long-term treatment. "The detox is the easy part. Keeping them in treatment is much harder."

For that reason, Eisen said it is important that the pilot program will operate out of the Burnside Projects Youth Shelter on Southwest Washington Street where it can work in conjunction with De Paul's youth shelter and day program for homeless youths and with preparation classes for the high-school equivalency examination.

Thornton said the overlap of programs in the same place means a young person could be kept in some type of rehabilitative program, or at least in the shelter, all night and most of the day.

The mayor praised the youth shelter, which he said had helped more than 900 youths in its first year — 400 above the projection. He also said he was impressed with the success of acupuncture treatment at the Hooper Center.

J. Daniel Steffey, Clark's aide on homeless issues, said the program will be funded for only four months "to see how it works."

Eisen said up to 45 youths a day could receive treatment.

"If it only serves three kids a day," Steffey said, "it won't be cost effective. We just need to give it a trial."

incorrect

OREGONIAN MARCH 29 1988

Acupuncture Treatment of Alcoholic Recidivism: A Pilot Study

Milton L. Bullock, MD, Andrew J. Umen, MS, Patricia D. Culliton, MA, and Robert T. Olander, MA

We performed a randomized trial of acupuncture on a group of 54 hardcore alcoholic recidivists to determine if sobriety could be achieved and episodes of drinking and/or Detox Center admissions be decreased by this mode of therapy. Patients in the treatment group received acupuncture points specific for the treatment of substance abuse; control patients received nonspecific points.

Significant differences in the two groups were noted at the end of the study. Patients in the treatment group expressed less need for alcohol ($p < 0.003$), and had fewer drinking episodes ($p < 0.0078$) and admissions to the Detox Center ($p < 0.03$) during the study than did control patients. The majority of treated patients felt that acupuncture had a definite impact on their desire to drink, whereas only a few control patients noted this effect ($p < 0.015$).

The results of this study suggest that acupuncture may be able to interdict the cycle of alcoholic recidivism. Further investigation is needed to define the role of acupuncture in the treatment of alcoholism more precisely.

TREATMENT of patients with severe alcoholism often involves hospitalization or inpatient therapy for a period of weeks with outpatient follow-up after discharge. While this mode of therapy has undeniably helped many to regain sobriety, current alcohol treatment programs are expensive and recidivism is common. Multiple costly admissions, therefore, may be required to achieve sustained benefit. If progress is to be made against this costly, debilitating illness, additional treatment methods will have to be developed to supplement those currently available.

Recently, Western countries have taken note of the putative role of acupuncture in the treatment of drug addiction. China and other Far Eastern countries have for centuries used acupuncture to treat a variety of human afflictions including drug addiction. Their literature is replete with descriptive reports of drug-addicted subjects who have successfully undergone withdrawal and detoxification from a variety of drugs.¹⁻³

Acupuncture is presently being used by a number of clinics in this country to treat alcohol and drug-addicted

individuals, but despite encouraging results, it has not achieved widespread acceptance as a useful modality in the treatment of addictive disorders. Efforts to encourage its use as an effective, yet inexpensive form of treatment have been hampered by skepticism engendered by the exotic nature of the procedure, the lack of understanding of its mechanism of action, and by the absence of controlled studies of treatment of alcohol and drug addiction.

As a pilot study, we performed a randomized trial of acupuncture in chronic alcoholics to determine whether the unremitting alcoholism, characteristic of the recidivist, could be interrupted.

METHODS

Patient Population and Selection Criteria

Patients were selected for the study from among male chronic alcoholics residing in Hennepin County. Those selected met the following criteria: (1) males between the ages of 25 and 65, (2) documentation of at least 20 admissions to the Hennepin County Detox Center, or at least five admissions in the most recent calendar year, (3) previous treatment failure, such as refusal to enter treatment, unsuccessful therapy, or failed commitment to treatment, (4) no identifiable support person/group(s), and (5) no full-time employment for at least 6 months. Patients were excluded if they were taking prescribed steroids or other mood-altering drugs. Those who met selection criteria were identified by the Hennepin County Chronic Case Division during routine admissions to the Detox Center, and, after a 3-5 day detoxification, were referred for voluntary screening and admission to the study.

Study Design

The study was designed as a single-blind study to test the hypothesis that treatment with acupuncture could have an effect on specific outcomes such as retention of study patients (phase completion rates), drinking behavior, and patient need for alcohol. The study was divided into three phases (Table 1). Phase I consisted of a daily acupuncture treatment for 5 days. During phase II, single treatments were given three times per week for a period of 28 days, and during phase III, twice per week for 45 days. A follow-up period of 6 months, to enable evaluation of patients' drinking status, was planned, but could not be implemented since so few had telephones or permanent addresses. Patients who failed to return for treatment, therefore, had to be considered treatment failures.

Patients in the treatment group received acupuncture treatments with ear points specific for chemical dependency.⁴ In contrast, control patients received ear points not specific for chemical dependency. However, the

Table 1. Treatment Protocol Utilized in the Study of 54 Alcoholic Recidivists

Phase	Duration of treatment (days)	Frequency of treatment
I	5	Daily
II	28	3/week
III	45	2/week

From the Hennepin County Detox Center, and the Department of Medicine, Hennepin County Medical Center and University of Minnesota Medical School Minneapolis, Minnesota.

Received for publication June 16, 1986; revised manuscript received September 3, 1986; accepted September 16, 1986.

This study was supported by the Hennepin County Department of Community Services, Chemical Health Division.

Reprint requests: Milton L. Bullock, MD, Hennepin County Medical Center, Department of Medicine, 701 Park Avenue South, Minneapolis, MN 55415.

Copyright © 1987 by The American Medical Society on Alcoholism and The Research Society on Alcoholism.

nonspecific points were close enough (≤ 5 mm) to the specific points that treatment and control patients could mingle and yet not perceive differences in treatment. As is standard in acupuncture therapy, wrist points were used in all patients to alleviate anxiety.

To prevent attrition of patients due to lack of transportation to and from the project center, all study patients were housed and received their acupuncture therapy at Mission Lodge, a 45-bed board and care facility under contract to Hennepin County. No counseling and no support groups of any kind were provided, and no effort was made to isolate study patients from individuals who entered the Lodge demonstrating inebriety. Patients were free to visit Minneapolis, and were given bus tokens to do so. The only criterion for dismissal from the study was violent or aggressive behavior directed toward study personnel or other patients. Continued ingestion of alcohol after study entry was not considered grounds for dismissal, but patients were evaluated before each treatment for evidence of drinking. A drinking episode was recorded for any patient in whom at least one of the following was noted: (1) a strong odor of alcohol, (2) slurred speech, or (3) an unstable gait.

At the end of each study phase, patients were asked by the acupuncturist to respond to two questions about their need for alcohol and their desire to drink during the study. These were: How would you assess your need for alcohol during this phase and, Did acupuncture specifically affect your desire for alcohol during this phase? Patients selected their response to these questions from short, multiple choice five or six point Likert-scaled options, none of which required explanation. Each patient's responses were evaluated by two of the authors (MLB and RTO) who were blind to the assignment of patients to treatment or control groups. The protocol for this study was approved by the Hennepin County Medical Center Research Advisory Committee, and informed consent was obtained from every patient.

Acupuncture Treatment

Standardized acupuncture treatments (utilizing three ear points and two wrist points) were given by an experienced acupuncturist (PDC). Treatment patients always received the Shen Men and lung points, and either the liver, kidney, or occiput was used for the third point. The location of these points was identified by observation (color changes) and by palpation for a tingling sensation. Nonspecific ear points located 5 mm or less from specific points were used in control patients. Two wrist points, L.I. 4 Hoku and S.J. 5 Wei-guan were also utilized. Acupuncture treatments were administered without manual or electrostimulation. Treatments lasted approximately 45 min and were administered with patients seated in comfortable chairs in a large, open room. Interaction of the acupuncturist with patients was limited to the time required for needle placement, casual group conversation during the treatment period, and brief interviews with patients after each completed study phase.

Statistical Analysis

Statistical analysis was directed toward measuring the differences in response to therapy of patients in the treatment and control groups. The Fisher's exact test (one-tailed) was used where appropriate.³ In the case of number of drinking episodes and Detox Center admissions, the groups were compared by the Mann-Whitney U test. Variables with continuous outcomes were compared with Student's *t* test.

RESULTS

Patient Population

The study group of 54 patients included 27 treatment and 27 control patients. All were between the ages of 25-62, with the average age being 42 years. The patients were predominantly white (87%), and the majority (95%) were single or divorced with no visible family or support net-

work at the time of study entry. Educational levels of patients in the treatment and control groups were comparable. All patients were unemployed at the time of enrollment in the study and had been unemployed for an average of 3 years (38 months). Fifty-three patients received Public Assistance; the average duration was 11 months. No differences were discerned between treatment and control groups with regard to the demographic factors noted above.

Alcohol Abuse and Treatment History

Of the entire study group, 53 (98.1%) indicated alcohol as their single drug of abuse; less than 15% reported significant use of other drugs such as tranquilizers, sedatives, or marijuana. With regard to drinking patterns (Table 2), 37 (68.5%) indicated a pattern of daily drinking; the remainder classified themselves as binge drinkers. The numbers of patients in both the treatment and control groups who were daily or binge drinkers were nearly identical. The mean years of alcohol abuse were 21 and 18, respectively.

All patients had multiple previous admissions to alcohol/drug treatment programs (Table 3). Comparison of the patient demographic data and of treatment history revealed no significant differences between treatment and control patients.

Response to Treatment

Statistically significant differences were noted between treatment and control patients.

The completion rate for each phase of the study was significantly higher for patients in the treatment group than for those in the control group (Table 4). Five control patients were lost during phase I, and this attrition contin-

Table 2. Alcohol Abuse History of Treatment and Control Group Patients

Variable	Treatment group	Control group	p-Value
Drinking pattern			
Daily	19	18	NS*
Binge	8	7	
Variable	0	2	
Duration of alcohol abuse			
Mean years	21.6	18.5	0.22†
Total abuse years	584	499	

* By Fisher's exact test.

† By *t*-test.

Table 3. Alcohol/Drug Treatment History of Recidivist Study Group

	Mean No. of Treatment Exposures		p-Value
	Treatment group	Control group	
Inpatient treatment	9.67	9.07	0.83
Outpatient treatment	0.24	0.33	0.79
AA* group(s)	11.8	5.85	0.25
Antabuse group(s)	1.74	1.15	0.13
Hennepin County Detox Center	24.96	26.04	0.88

* AA, Alcoholics Anonymous.

Table 4. Completion Rates for Each Study Phase by Recidivist Study Group

Treatment phase	No. of Patients		p-Value*
	Treatment group	Control group	
I	27 (100.0)†	22 (81.5)	0.026
II	19 (70.4)	11 (40.7)	0.027
III	10 (37.0)	2 (7.4)	0.010

* p Values refer to the comparison of differences between treatment and control group patients by Fisher's exact test.

† Numbers in parentheses represent percentage of patients completing each phase of the study.

Table 5. Assessment by Recidivist Study Group of Their Need for Alcohol during Each Study Phase

Phase	Alcohol need		p-Value*
	Moderate to strong	Neutral to none	
I	Treatment group	5	0.055
	Control group	10	
II	Treatment group	2	0.0002
	Control group	10	
III	Treatment group	0	0.003
	Control group	4	

* p Values refer to the comparison of differences between treatment and control group patients by Fisher's exact test.

Table 6. Drinking Episodes and Detox Admissions Documented in the Recidivist Study Group during Each Study Phase

Study phase	Drinking episodes	p Value*	Detox admissions	p Value*
I	Treatment group (27)	0	0	0.15
	Control group (22)	1		
II	Treatment group (19)	19	11 25	0.0001
	Control group (11)	39		
III	Treatment group (10)	14	11	0.03
	Control group (2)	20		

* p Value refers to comparison between treatment and control group patients by the Mann-Whitney U test.

ued during phases II and III to the extent that only two control patients (7.4%) completed the study compared to 10 (37%) of the treatment patients. All differences in completion rates for the three phases were statistically significant (Table 4).

During phase I, no significant differences were noted in patients' reported need for alcohol (Table 5). As patients progressed through phases II and III, however, those in the control group expressed a significantly stronger need for alcohol than did those in the treatment group.

With regard to the number of drinking episodes and admission to the Detox Center (Table 6), no significant differences were discernible during phase I; during phases II and III, the differences in frequency of both drinking episodes and Detox admissions were clearly apparent and highly significant.

Finally, we were interested in the patients' assessment of whether acupuncture therapy had an impact on their desire to drink (Table 7). During all phases of the study,

Table 7. Assessment by Recidivist Study Group of the Impact of Acupuncture Therapy on Their Desire to Drink

Study phase	Acupuncture impact?			p Value*†	p Value*‡	
	Yes	No	Unknown			
I	Treatment group	20	2	5	0.0001	0.002
	Control group	3	13			
II	Treatment group	20	0	7	0.0001	0.003
	Control group	3	6			
III	Treatment group	9	0	10	0.015	0.014
	Control group	1	3			

* p Value refers to the comparison of differences between treatment and control group patients by Fisher's exact test.

† Includes patients in whom impact of acupuncture was unknown.

‡ Includes only patients in whom impact of acupuncture was known.

significantly more treatment patients stated that acupuncture therapy had decreased their desire to drink.

DISCUSSION

In this pilot study, we administered acupuncture therapy to a group of alcoholic recidivists to determine if the use of specific versus nonspecific acupuncture points would result in different outcomes. Outcomes measured were the retention of patients in the study, modification of drinking behavior (number of drinking episodes), and admissions to the Detox Center. Our results suggest that even the most severe alcoholic recidivists may benefit from this form of therapy.

When designing the study, we were concerned whether these severely addicted, typically noncompliant individuals could be retained in treatment for a sufficient period to gather reliable data. The fact that 37% of the treatment group, versus 7.4% of the control group, completed all three phases of the study is, therefore, noteworthy. Furthermore, the highly significant differences between the two groups, in the number of drinking episodes and Detox Center admissions, suggest that even if total sobriety cannot be achieved, the use of emergency rooms and detoxification centers can be reduced.

It is also of interest to note the significant differences expressed by patients in the treatment and control groups with regard to the impact of acupuncture on their desire to drink. Treatment patients experienced a positive influence; control patients did not. This finding is important because alcoholic recidivists who have failed multiple types of "alcohol therapy" are unlikely to pursue treatment in which they have little confidence.

Several limitations of this study deserve comment. While the higher completion rates of each phase of the study by patients in the treatment group suggest that a desirable therapeutic effect was achieved, dropout of control patients could have biased our results. Patients who dropped out, however, did not differ in their baseline demographic characteristics. Furthermore, we believe that our analysis remains valid, since even with a markedly reduced power to detect group differences, statistically

significant results were obtained during phase III when the fewest number of patients were available for study. Also, it was not possible to administer acupuncture in a double-blind fashion. Thus, neither the possible influence of the acupuncturist's personality, nor the objectivity of her documentation of drinking episodes, could be assessed. We did not use a breathalyzer to confirm sobriety in our patients. However, in this recidivist group, drinking episodes were rarely subtle; and we felt, therefore, that the three criteria used enabled an accurate tabulation of drinking episodes. The possibility of interview bias also cannot be excluded. However, all of our outcome measures, including those not subject to bias, suggest that acupuncture had a beneficial effect.

A number of clinical and economic advantages may accrue with the use of acupuncture therapy in the treatment of alcoholism. During acupuncture therapy, for example, patients are not continually admonished "not to drink." Hostility may thereby be lessened and patient receptivity to therapy enhanced. Furthermore, the effectiveness of acupuncture therapy is not dependent upon the required assimilation of educational packets, intensive counseling, or repeated emphasis with regard to the potential physical, social, and economic consequences of continued inebriety. Therapy in which these treatment strategies receive less emphasis may be particularly advantageous to long-term alcoholics in whom significantly impaired cognitive function has been demonstrated.^{6,7}

Of equal importance in the present context of spiraling health costs, is the fact that acupuncture therapy is inexpensive: overhead costs are low, equipment needs are minimal, therapy is administered on an outpatient basis, and a large number of patients can be treated simultaneously by a single acupuncturist supported by a small ancillary staff. Thus, acupuncture is well suited for the care of long-term alcoholics who, like many patients with chronic disease, may require months or even years of therapy to sustain remission from their illness. Moreover,

the major benefits of acupuncture therapy may relate not only to the length of time that sobriety can be maintained, but also to the decreased utilization of expensive health care facilities so characteristic of the alcoholic recidivist in failing health. Any mode of therapy able to demonstrate this capability will likely attain increased acceptance as the effort to contain health care costs becomes more insistent.

The present study is, to our knowledge, the only controlled study currently available which investigates the putative usefulness of acupuncture in the treatment of alcoholism. Our findings leave many questions unanswered, but they are, we feel, sufficiently provocative to suggest the need for further investigation of this ancient modality with well-designed studies to determine if, indeed, acupuncture can provide an additional, cost-effective tool for the treatment of alcoholism.

ACKNOWLEDGMENTS

The authors wish to express their appreciation to Dr. Michael O. Smith for his encouragement and consultation during the course of this study, and to Drs. Alvin L. Schultz and Nicole Lurie for their critical review of the manuscript. Mary Kay Messner provided expert secretarial assistance.

REFERENCES

1. Wen HL, Cheung SYC: Treatment of drug addiction by acupuncture and electrical stimulation. *Asian J Med* 9:138-141, 1973
2. Wen HL, Teo SW: Experience in the treatment of drug addiction by electro-acupuncture. *Mod Med Asia* 11:23-24, 1975
3. Wen HL: Acupuncture and electrical stimulation (AES) outpatient detoxification. *Mod Med Asia* 15:39-43, 1979
4. Huang HL (translator): *Ear Acupuncture*. Emmaus, PA, Rodale, 1974, p 54 and pp 141-144
5. Finney DJ, Latscha R, Bennett BM, et al: *Tables for Testing Significance in a 2 x 2 Contingency Table*. London, Cambridge University, 1963
6. Becker JT, Jaffe JH: Impaired memory for treatment-relevant information in inpatient men alcoholics. *J Stud Alcohol* 45:339-343, 1984
7. Ryan C, Busters N: Cognitive deficits in alcoholics, in Kissin B, Begleiter HH (eds): *The Biology of Alcoholism*, vol. 7. *The Pathogenesis of Alcoholism: Biological Factors*. New York, Plenum, 1983, pp 485-538

HAIG IGNATIUS, M.D.

The American City Building, Suite 108
Columbia, Maryland 21044
(301) 997-3770

February 14, 1989

David Ford
3181 Nowell Avenue
Juneau Alaska 99801

Dear Mr. Ford:

I understand that the approval for acupuncture in Alaska is presently under discussion.

I am a physician who graduated from the University of Illinois College of Medicine in 1952, and practiced as an Otolaryngologist until 1972. Thereafter, I studied Acupuncture with Korean Masters in San Francisco, and at the College of Traditional Chinese Acupuncture in Oxford, England. In 1975, I began my practice of Acupuncture in Maryland. While continuing to practice acupuncture, I offered Western Medical Supervision for patients of other acupuncturists in this area. During the past 14 years, I have also completed the Bachelor's and Master's Programs in Acupuncture in the U.K. and have been awarded Fellow (U.K.) and Diplomate (NCCA) in the United States.

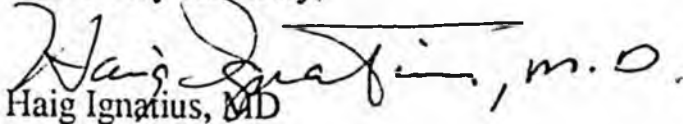
My experience has shown that acupuncture is a real health benefit in a large variety of conditions. Although the First Aid effects are limited and often done better with Western Medicine, there are remarkable improvements in patients with chronic and persisting conditions; this alone can reduce the length and severity of infirmity and, of course, the cost of health care in such a population.


Also remarkable are the improvements in mental health and the unusually sensitive response to this type of therapy by geriatric patients.

In addition, acupuncture is preventative in its action, reducing the severity, if not the actual, occurrence of many illnesses and conditions.

Having experienced these health benefits in my own patients, as well as those of my colleagues in Maryland, I am happy to endorse Acupuncture as a valuable addition to health care in Alaska.


Yours very sincerely,


Haig Ignatius, MD



Alan M.
Abromovitz,
M.D., M.Ac.,
F.C.C.Ac.


February 15, 1989



David Ford
369 South Franklin #300
Juneau, Alaska 99801

Dear David,

It is a pleasure to offer my support toward the legalization of acupuncture treatment in Alaska for both physicians and non-physician acupuncturists.



As you may know, I have been involved in the practice of acupuncture for 17 years and have found this modality of treatment of great benefit to my patients.


I also support the acceptance of the NCCA exam as the minimum standard for competency as an acupuncturist.

If I can be of further assistance, please feel free to contact me.


Sincerely,



Alan M. Abromovitz, M.D.



AMA/vji



Doctor of Medicine • Master of Acupuncture • Homeopathic Physician • Fellow of the College of Chinese Acupuncture U.K.
1725 East Osborn Road • Phoenix, Arizona 85016 • (602) 274-9302

Richard M. Apollo, M.D.
1160 Embury Street
Pacific Palisades, California 90272
(213) 459-3629

February 18, 1989

Senator Jim Duncan
Alaska State Legislature
Pouch V
Juno, Alaska 99801

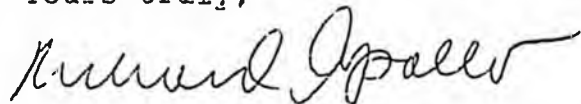
Dear Senator Duncan,

I am writing this letter in support of legislation legalizing the practice of acupuncture by qualified non-physician practitioners. I have been practicing acupuncture for twelve years and have thousands of hours of formal study to my credit. I feel qualified to judge competence in the practice of acupuncture. I have worked with many non-physician acupuncturists who are licensed in California as "Certified Acupuncturist". I have taught acupuncture at acupuncture colleges in California and Maryland and I am familiar with the curricula and requirements. I am also a Diplomate of the National Board for Acupuncture Certification.

Based on my background and experience, as both a physician and an acupuncturist, I feel qualified to state that persons who are non-physicians who fulfill the necessary 3500 hour training in acupuncture and who meet the criteria of national exam certification are definitely qualified to practice acupuncture safely and effectively. These people should have the legal sanction to practice this ancient art and should be acknowledged as legitimate members of the health care community and should be recognized for their dedication and effort in their long and difficult training.

I offer my full support to the passage of this legislation.

Yours truly,



Richard Apollo, M.D., M. Ac. (U.K.)

Peter Eckman, M.D., Ph.D.

4279 ARMY STREET

SAN FRANCISCO, CALIFORNIA 94131

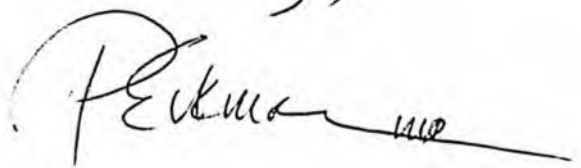
(415) 648-1971

2/14/89

To whom it may concern:

I am writing to support the passage of legislation legalizing the practice of acupuncture in Alaska by licensed practitioners. I am a physician who specializes in acupuncture therapy, and I am on the Acupuncture Examining Committee of the State of California. I have been using acupuncture in my practice for over fifteen years, and I think it is an essential service that the public needs to have available. The examination administered by the NCCA has a good reputation, as does the one administered by California, and either could be suitable vehicles for an Alaska licensure process.

Sincerely,

 Peter Eckman

Richard J. Garson, M.D.
3653 20th Street
San Francisco, California 94110
(415) 641-5444

2/22/59

The Honorable James Duncan
Senator, State of Alaska
Statehouse
Anchorage, Alaska

Dear Senator Duncan

I am writing this letter in support of the practice of acupuncture by non-physician acupuncturists who are properly examined and certified by the National Committee for the Certification of Acupuncturists (NCCA).

I have personal experience of being treated by about twenty acupuncturists who are not physicians and I feel that those who are qualified to practice should not be discriminated against because they are not medical doctors.

If you have need for further information do not hesitate to contact me.

Very truly yours,
Richard J. Garson M.D.

ROBERT J. ABRAMSON, D.D.S., M.D.

145 West 71st Street
New York, New York 10023
(212) 496-2114

Feb 13, 1989

To Alaskan Legislatures:

I am writing this letter in support of the bill to legalize acupuncture in Alaska. As a practicing physician and acupuncturist I am keenly aware of the benefits of this 5,000 year old method of treating disease. A large majority of ills that face 20th century society are not easily nor satisfactorily treated by western medicine. A partial example of these is as follows; headaches of several types, neck, upper and lower back pains, irritable bowel syndrome, insomnia, depression, anxiety, musculoskeletal pains and a host of stress related diseases. It is not that western medicine does not have pharmacological and surgical treatments for these diseases, but more that the treatments are not curative and also have a multitude of side effects some as bad as the problem they are trying to treat.

Acupuncture is by no means a panacea but it is a very real and practical way of treating a large body of disease and syndromes without great expense or untoward side effects.

The bill before you would grant very well trained, tested and licensed acupuncturists to practice above board and have the population served by these fine practitioners. I strongly suggest that you support the bill and have it become law. Thank you.

Sincerely,
Robert J. Abramson M.D.

RECEIVED FEB 24 1989

FRITZ FREDERICK SMITH, M. D.
135 MONTE VISTA
WATSONVILLE, CALIFORNIA 95076
TELEPHONE 724-1164

*Make
File Acupuncture*

February 15, 1989

Jim Duncan
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Re: Acupuncture

Dear Mr. Duncan:

I understand from David Ford that legislation is coming up regarding acupuncture. I feel that acupuncture is an important health modality and should be available to citizens throughout our country. It is an effective, reasonable and relatively inexpensive health maintenance system and, whereas, I do not see it as a panacea, I do feel it has a major place in preventive, chronic and, to some extent, acute symptom work.

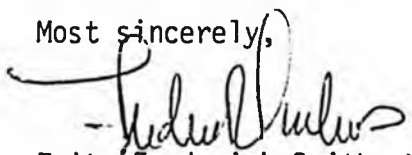
In my acupuncture career I have been an Approved Examiner for five years at the California Acupuncture Examination; have been on the Senior Faculty of the Traditional Acupuncture Institute in Columbia, Maryland and am on the Board of Directors of that institution. With my indepth exposure to Chinese medicine, I feel that one does not need to be an M. D. or D. O. to practice this health modality. A number of my friends are non-medical people and are superb acupuncturists.

I feel that the National Acupuncture Examination would be a good screening and licensing procedure. Whereas, there is no way of ever testing totally for someone's knowledge or lack of knowledge, I believe the national exam makes a very significant effort in doing this and is a valid criteria for licensing acupuncturists.

In summation, I encourage the legislature to authorize the practice of acupuncture in your State and would also encourage this not being tied to the medical model and using the National Acupuncture Examination as licensing criteria.

I wish you every success in your bill.

Most sincerely,



Fritz Frederick Smith, M. D.

FS:hm

RECEIVED FEB 17 1989

MARTHA H. HOWARD, M.D.
706 W. JUNIOR TERRACE
CHICAGO, IL., 60613

February 14, 1989

Senator Jim Duncan
Allaska State Legislature
P.O. Box/Pouch V
Juneau, Alaska 99801

Dear Senator Duncan:

This letter supports the bill to legalize the practice of acupuncture by qualified non-M.D. practitioners in the state of Alaska.

I am a board-certified Family Practitioner whose practice combines Western and Traditional Chinese medicine. I deliver babies, take care of all ages of patients, and use acupuncture and other Chinese traditional medical techniques equally along with Western medicines and techniques. Today we are faced with many difficult health problems. I believe that Western and Eastern medicine used in a complementary and interdisciplinary way can offer services that neither can alone. All patients in all areas of the United States deserve to have these benefits available to them. In fact, it is only fair to put this more strongly. I believe that for a state to withhold the right to practice Traditional Chinese Medicine, or to restrict its practice to M.D. or D.O. practitioners only, seriously deprives people of a crucial health-care resource.

Non-M.D. practitioners with proper training in the practice of Traditional Chinese Medicine are, generally speaking, usually more completely qualified than most M.D. practitioners. Usually M.D. practitioners take workshops or other partial training and non-M.D. practitioners must take full training in order to get certification. My former partner, a non-M.D. who now practices in Wisconsin, is one of the most talented acupuncturists and herbalists in the United States, with an outstanding treatment record. He has been a first-hand example to me of the ways in which more such practitioners would improve health care delivery.

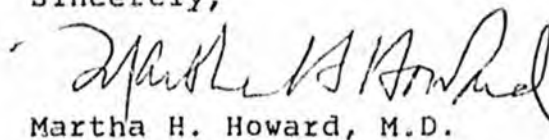
During my term as a board member of the American Association of Acupuncture and Oriental Medicine, I was involved in discussions of standards for acupuncture education. I believe that the 3500 hour requirement suggested for your proposed law is a proper educational requirement.

I hope that you will pass this bill. In my work in a designated Health Manpower Shortage Area in Illinois, I have been able to see just how great the need is for health care in this country, and how Western and Traditional Chinese Medicine used together

can be "greater than the sum of their parts." We need every resource available to begin to create new solutions to the problems we face today. By supporting the practice of Traditional Chinese Medicine in Alaska, you will be in the forefront of those who are bringing more comprehensive, complete care to the people of your state.

I am enclosing some information about Traditional Chinese Medicine that was prepared for the American Association of Acupuncture and Oriental Medicine. If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Martha H. Howard".

Martha H. Howard, M.D.

RECEIVED FEB 20 1989

Senator James Duncan
State Legislature
Pouch V
Juneau, AK 99801

Dear Honorable Duncan;

It has come to our attention nationally that Alaska has no legislature regarding the licensing of acupuncture. We find this shocking coming from such a progressive state as Alaska.

Many states in America are now actively recognizing acupuncture as another choice in medical modalities. There are many good reasons for licensing acupuncturists within a State.

First, licensing produces qualified practitioners by setting guidelines, as with any other health care practitioner, for their education and training, their continued education, and ethical and professional conduct. This helps public safety. In any state where acupuncture is not licensed acupuncturists still practice,---even those that are not competent. Licensing helps eliminate this.

Another reason has to do with the general public. They should have a choice as to type of procedure performed on them. Sometimes in using just Western Medicine the only alternative may be surgery or some other extremely expensive procedure. Sometimes Western Medicine doesn't have a clue as to treatment of some disease. Acupuncture has been found on several occasions, to not only save the patient money but also work where all else has failed.

The public has the right to choose any health service they feel works for them. Eastern medicine has been around for 3,000 years and has been proven over and over again as to its clinical effectiveness.

Speaking of cost effectiveness, many insurances companies in several states have recognized acupuncture as a viable procedure and include it in their policies. Their reasoning has been that not only does acupuncture work for several ailments, but also it is much less expensive. Workers compensation in the state of California has as of January 1989 included acupuncturists

BOARD OF DIRECTORS

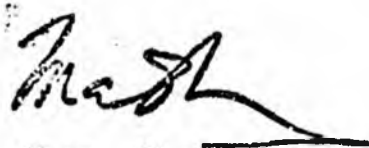
- SI TIANG KU, C.A., D.F.C.M., Dipl. Ac. (NCCA)
St. Petersburg, Florida 413-541-2666
President
- RALPH COAN, M.D.
Bethesda, Maryland 301-652-2626
Vice-President
- VICTOR Y. BUCHA, D.C., Dipl. Ac. (NCCA)
St. Louis Park, Minnesota 612-925-4639
Secretary
- SEASON SHEN, O.M.D., Ph.D., Dipl. Ac. (NCCA)
Livermore, California 415-449-4327
Treasurer
- DANIEL BENSKY, D.O.
Seattle, Washington 206-343-7731
- RICHARD CHIN, O.M.D., Ph.D., Dipl. Ac. (NCCA)
New York, New York 212-682-8149
- PATRICIA CULLHON, M.A., Dipl. Ac. (NCCA)
Minneapolis, Minnesota 612-347-7544
- DAVID JAFFREY, L.Ac., P.A., Dipl. Ac. (NCCA)
Tucson, Arizona 602-323-8940
- PAUL KARSTEN, C.A., Dipl. Ac. (NCCA)
Seattle, Washington 206-789-1290
- PETER G. MARINAKIS, M.A., Ph.D., R.Ac.
Edgewater, Maryland 301-956-6207
- BARBARA MITCHELL, J.D., C.A., Dipl. Ac. (NCCA)
Lalabassce, Florida 904-222-6105

AMERICAN ASSOCIATION OF ACUPUNCTURE AND ORIENTAL MEDICINE

with medical doctors as physicians. It seems they have enough confidence in acupuncture in both cost effectiveness as well as clinical effectiveness.

I hope I have pleaded a good case, not necessarily to sway your opinion but to at least stir your curiosity. In exploring your curiosity I am sure you will find acupuncture much more acceptable than before.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Mason Shen', written in dark ink.

Mason Shen, Ph.D. O.M.D. L.Ac.
Director, National Headquarters
AAAOM

MS/lm

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: CAROL ANDERSON
TITLE:
ADDRESS: 1706 WILLOW DRIVE
CITY: JUNEAU ZIP: 99801
PHONE: 463-4998
BILL NO: SB 134
SUBJECT: PRACTICE OF ACUPUNCTURE
MESSAGE: I AM SEEING A LOCAL ACUPUNCTURIST FOR A CONDITION THAT WESTERN
MEDICINE COULD ONLY TREAT WITH DRUGS. I COULD NOT TOLERATE THEIR INTOXICATING
SIDEFFECTS. WITH ACUPUNCTURE I'VE HAD NO SIDEFFECTS AND MY MEDICAL PROBLEM HAS
DISSAPPEARED. PLEASE PASS SB-134 SO OTHERS WILL HAVE THE OPTION OF CHOOSING
ACUPUNCTURE.

FOIID: 00094911
DATE: 03/13/89
TIME: 09:49:11
LIONAME: JUNEAU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	FAIRENKAMP
DOHLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUEMBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCNOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULNER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: ESTHER BUMGARDNER
 TITLE:
 ADDRESS: 5740 EAST 172ND AVENUE
 CITY: ANCHORAGE, ALASKA ZIP: 99516
 PHONE: 345-1089
 BILL NO: SB 134
 SUBJECT: PRACTICE OF ACUPUNCTURE
 MESSAGE: FOR TWO YEARS I HAVE BEEN TREATED BY DAVID FORD BY MEANS OF
 ACUPUNCTURE WHICH HAS BEEN AN INCREDIBLE BENEFIT FOR ME. I DESIRE THE
 OPPORTUNITY TO CLAIM THE CHARGES FOR THIS MEDICAL TREATMENT THROUGH
 MY INSURANCE CARRIER. ACUPUNCTURE IS AN EXTREMELY SIMPLE EFFECTIVE
 TREATMENT.

POMID: 03154209
 DATE: 03/10/89
 TIME: 15:42:09
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	FAHRENKAMP
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMAWSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: PAT BLAKE
 TITLE:
 ADDRESS: 6201 NENANA PLACE
 CITY: ANCHORAGE, ALASKA ZIP: 99516
 PHONE: 561-1591
 BILL NO: SB 134
 SUBJECT: PRACTICE OF ACUPUNCTURE
 MESSAGE: I SUPPORT SB 134.

POMID: 03155413
 DATE: 03/10/89
 TIME: 15:54:13
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	FAHRENKAMP
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMAWSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: DIXIE HOOD

TITLE:

ADDRESS: 9350 VIEW DRIVE

CITY: JUNEAU

ZIP: 99001

PHONE: 586-6810

BILL NO: SB 134

SUBJECT: PRACTICE OF ACUPUNCTURE

MESSAGE: AS A MARRIAGE, FAMILY AND CHILD COUNSELOR I WOULD LIKE TO SUPPORT CLIENTS AND OTHERS SEEKING ALTERNATIVE HEALTH CARE THEREFORE, I URGE SUPPORT SB134 TO LEGALIZE ACUPUNCTURE IN THIS STATE AND TO INADLE THIRD PARTY PAYMENT SERVICES PROVIDED.

POHID: 00092220

DATE: 03/20/09

TIME: 09:22:20

LOCATION: JUNEAU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	FAHRENKAMP
DOHLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMAWSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: SKIPPER SHIMEK

TITLE:

ADDRESS: 2224 ARCADIA

CITY: ANCHORAGE

ZIP: 99517

PHONE: 277-5330

BILL NO: SB 134

SUBJECT: PRACTICE OF ACUPUNCTURE

MESSAGE: I WOULD THE LEGISLATION OF ACUPUNCTURE TO BE LEGALIZED AND LICENSED, AND COVERED BY THE AVERAGE HEALTHCARE COVERAGE.

POHID: 03161703

DATE: 03/17/89

TIME: 16:17:03

LOCATION: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	DINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	FAHRENKAMP
DOHLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMAWSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: GAIL BOSS
TITLE:
ADDRESS: 9309 GROVER DRIVE
CITY: ANCHORAGE
PHONE: 346-1648
BILL NO: SB 134
SUBJECT: PRACTICE OF ACUPUNCTURE
MESSAGE: I AM SUPPORT OF PASSING THIS BILL AND HOPE THAT YOU WILL GIVE IT
YOUR UTMOST CONSIDERATION.

ZIP: 99516

POMID: 03111246
DATE: 03/16/89
TIME: 11:12:46
LIONAME: ANCHORAGE LIO

COPIES: SENATORS

ADAMS
BINKLEY
COGHILL
DUNCAN
FAHRENKAMP
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMANSKI
UEHLING
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: CAROL RAGEL
 TITLE:
 ADDRESS: 4722 MILLS
 CITY: ANCHORAGE ZIP: 99508
 PHONE: 337-0881
 BILL NO: SB 134
 SUBJECT: PRACTICE OF ACUPUNCTURE
 MESSAGE: AS AN ALLERGIST I HAVE FOUND THAT ACUPUNCTURE IS VERY VALUABLE IN RELIEF OF SYMPTOMS FOR PATIENTS AND I WOULD LIKE TO SEE THIS BILL PASSED. FEEL IT'S A VALUABLE, PROFESSIONAL ATTRIDUTE TO OUR MEDICAL COMMUNITY.

POMID: 03134208
 DATE: 03/31/89
 TIME: 13:42:08
 LIONAME: ANCHORAGE LIO

COPIES: SENATORS

ADAMS
 BINKLEY
 COGHILL
 DUNCAN
 FAHRENKAMP
 FAIKS
 FISCHER
 FRANK
 HALFORD
 JONES
 KELLY
 KERTTULA
 PEARCE
 POURCHOT
 RODEY
 STURGULEWSKI
 SZYMANSKI
 UEHLING
 ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: JAN NASH
 TITLE:
 ADDRESS: 308 DISTEN
 CITY: JUNEAU ZIP: 99801
 PHONE: 463-5320
 BILL NO: SB 134
 SUBJECT: PRACTICE OF ACUPUNCTURE
 MESSAGE: I SUPPORT THE BILL TO LEGALIZE ACUPUNCTURE AND HAVE IT COVERED BY INSURANCE IN THE STATE OF ALASKA.

POMID: 00160056
 DATE: 03/20/89
 TIME: 16:00:56
 LIONAME: JUNEAU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	FAHRENKAMP
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPHEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SHACKHAMMER	UEHLING
TAYLOR	ULHER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: BETTY MCDONOUGH

TITLE:

ADDRESS: 1220 GLACIER AVE., #210

CITY: JUNEAU

ZIP: 99801

PHONE: 586-6524

BILL NO: SB 134

SUBJECT: PRACTICE OF ACUPUNCTURE

MESSAGE: I WOULD LIKE TO URGE SUPPORT FOR SB 134 FOR BOTH THE LEGALIZATION OF ACUPUNCTURE AND ITS COVERAGE BY HEALTH CARE INSURANCE. ACUPUNCTURE DOES NOT HAVE SIDE EFFECTS COMMONLY ACCEPTED WITH THE USE OF PRESCRIPTION DRUGS WHICH IS A POSITIVE BENEFIT FOR THE PATIENT AND A COST SAVING FACTOR FOR HEALTH CARE INSURANCE COMPANIES. I HAVE PERSONALLY UTILIZED ACUPUNCTURE SINCE DECEMBER 1984 WITH GREAT BENEFITS. THANK YOU.

POMID: 00154114

DATE: 03/21/89

TIME: 15:41:14

LIONAME: JUNEAU LIO

COPIES: SENATORS

RODEY
FAIKS
KERTTULA
COGHILL

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: DEA BACHNER

TITLE:

ADDRESS: P.O. BOX 81205

CITY: FAIRBANKS

ZIP: 99708

PHONE: 479-2384

BILL NO: HB 212

SUBJECT: PRACTICE OF ACUPUNCTURE

MESSAGE: SB 134 - I WOULD LIKE TO GIVE MY SUPPORT FOR THIS BILL. EOM/CLS

POMID: 07162601

DATE: 04/19/89

TIME: 16:26:01

LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	FAHRENKAMP
DONLEY	ELLIS	FAIKS
FINKELSTEIN	FOSTER	FISCHER
FURNACE	GOLL	FRANK
GRUENBERG	GRUSSENDORF	HALFORD
HANLEY	HOFFMAN	JONES
HUDSON	JACKO	KELLY
KOPONEN	LARSON	KERTTULA
LEMAN	MACLEAN	PEARCE
MARTIN	MEHARD	POURCHOT
MILLER	NAVARRE	RODEY
PETTYJOHN	PHILLIPS	STURGULEWSKI
RIEGER	SHARP	SZYMANSKI
SHULTZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

S B

135

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2/9/89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

FIN

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 2/15/89

2/3/89

Mr. President:

L&C

Committee considered SS SB 135

establishing the Alaska neighborhood revitalization initiative; efd.

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero
 appropriation no FN attached

fiscal impact
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Walter Rodney

Jim Campbell

W. Glessner Do pass

Chairman signature and recommendation

Committee backup attached

Patrick M. Rodey
Senator

Alaska State Legislature



Senate

3111 C. Sr., Suite 510
Anchorage, Alaska 99503
(907) 561-7618

During Session:
P.O. Box V
Juneau, Alaska 99811
(907) 465-3793

DATE : February 6, 1989

TO : Senator Dick Eliason, Chair
Senate Labor & Commerce Committee

FROM : Senator Patrick M. Rodey

RE : Senate Bill 135 and Senate Bill 152 regarding neighborhood revitalization initiative and issuance of government obligation bonds

I respectfully request that the above-mentioned bills be scheduled for a hearing in the Senate Labor and Commerce Committee on Wednesday, February 15.

Ms. Cynthia Parker with the Neighborhood Housing Services in Anchorage will be in Juneau on the 15th and would be available to testify on the bill.

Attached is a brief summary prepared by Representative Donley's Office addressing these proposals. Representative Donley has introduced identical legislation in the House, and sponsored similar legislation last session.

Attachment

HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

P.O. BOX Y, JUNEAU 99811

(907) 465-3892



February 6, 1989

M E M O R A N D U M

To: Members, House Labor and Commerce Committee

From: Representative Dave Donley, Chair
House Labor and Commerce Committee

Re: Proposed Committee Legislation - "Neighborhood Development Bonds"

Attached are two bill drafts creating the Alaska Neighborhood Revitalization and Development program (enabling) and authorizing the issuance of G.O. Bonds (appropriation) in the amount of \$11,000,000 to pay for the program.

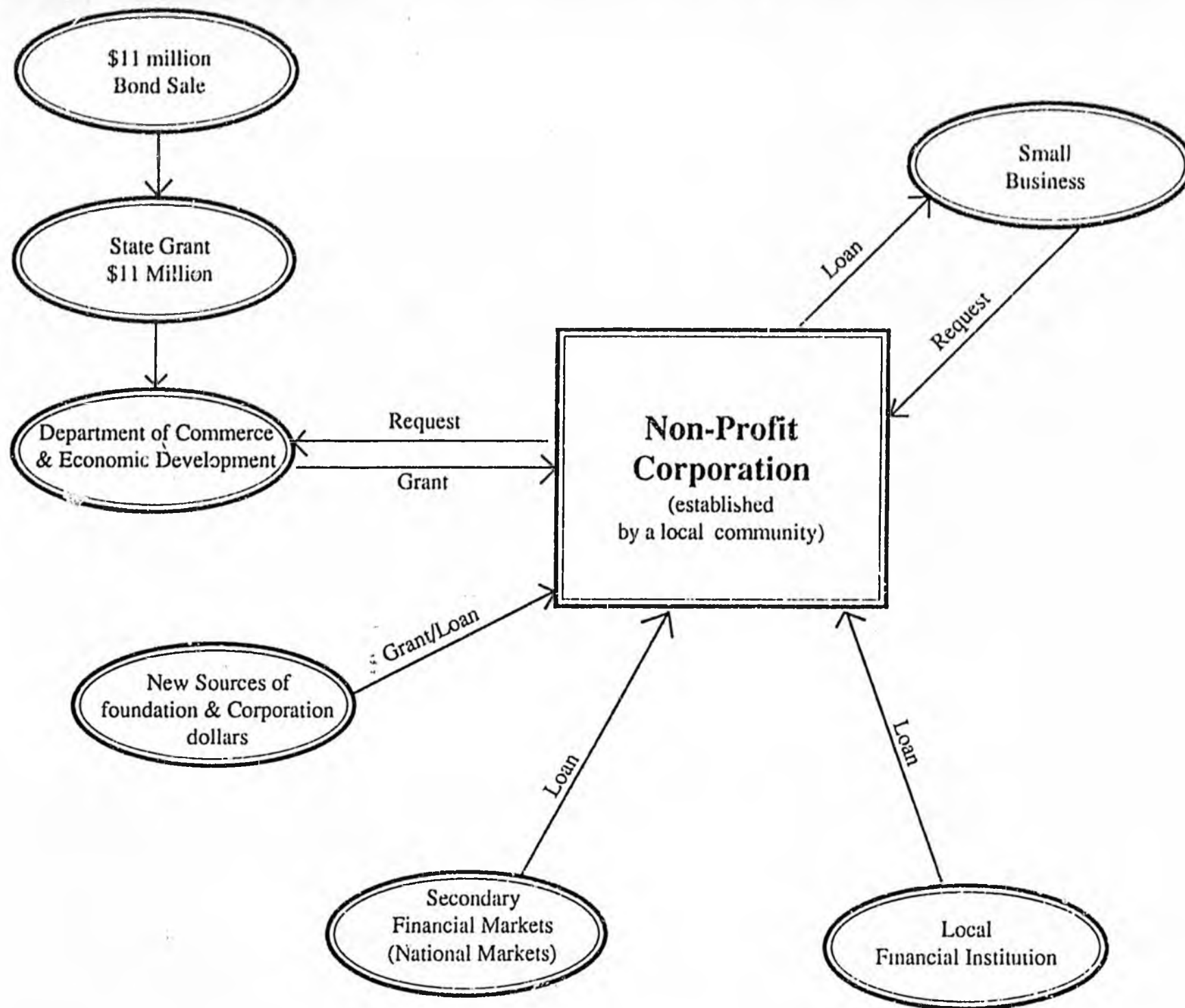
The Neighborhood Revitalization Initiative and the companion bond bill creates a statewide program modeled after Anchorage Neighborhood Housing Services to leverage state money with secondary financial markets, both public and private, to redevelop commercial business zones. This program could provide as much as a ten to one match for every dollar the state puts in.

The purpose of the Alaska Neighborhood Revitalization Initiative is to provide an opportunity to develop a public/private partnership in communities to:

- Create new short term and long term jobs.
- Create an incentive for attracting new businesses to an area.
- Help make existing businesses more viable, attractive, and stable.
- Leverage business loans made with conventional financing.
- Create a business climate that better serves the Community

These drafts are modeled after HB 430 and 431, introduced last year by the House Labor and Commerce Committee. The significant difference is that the bond authorization replaces and substitutes for the direct \$2.7 million appropriation contained in the original HB 431. In addition, the new enabling legislation (last year's HB 430) is amended to speak directly to G.O. bonds as an additional funding source for capital improvements.

I would like to introduce these bills as Committee legislation as soon as possible. We will be taking them up tomorrow at 3:30 p.m. Please call me, Veronica Slajer, or Ginger Baim at 4954 if you have any questions or need additional information.



The Neighborhood Reinvestment Corporation

A congressionally-chartered, public nonprofit corporation, Neighborhood Reinvestment was established in 1978 (P.L. 95-557) to continue the efforts of the Urban Reinvestment Task Force. Its mission includes the revitalization of declining lower income neighborhoods for the benefit of their current residents, and the provision of affordable housing to neighborhood residents.

The Corporation achieves these goals primarily through the development and support of local neighborhood-based partnerships. The most widely known of these is the Neighborhood Housing Services (NHS) program, a partnership of neighborhood residents, business leaders and local government officials.

These and other local partnership organizations form the NeighborWorks system—the nation's largest and most successful systematic approach to neighborhood revitalization. NeighborWorks members are at work in 239 neighborhoods in 137 cities across the country. An additional 52 formerly-declining neighborhoods have been returned to substantial self-reliance through the efforts of NeighborWorks members.

As the anchor for this national system of local partnerships, Neighborhood Reinvestment provides a range of training and technical assistance to help each local partnership establish neighborhood goals and develop the strategies needed to achieve those goals.

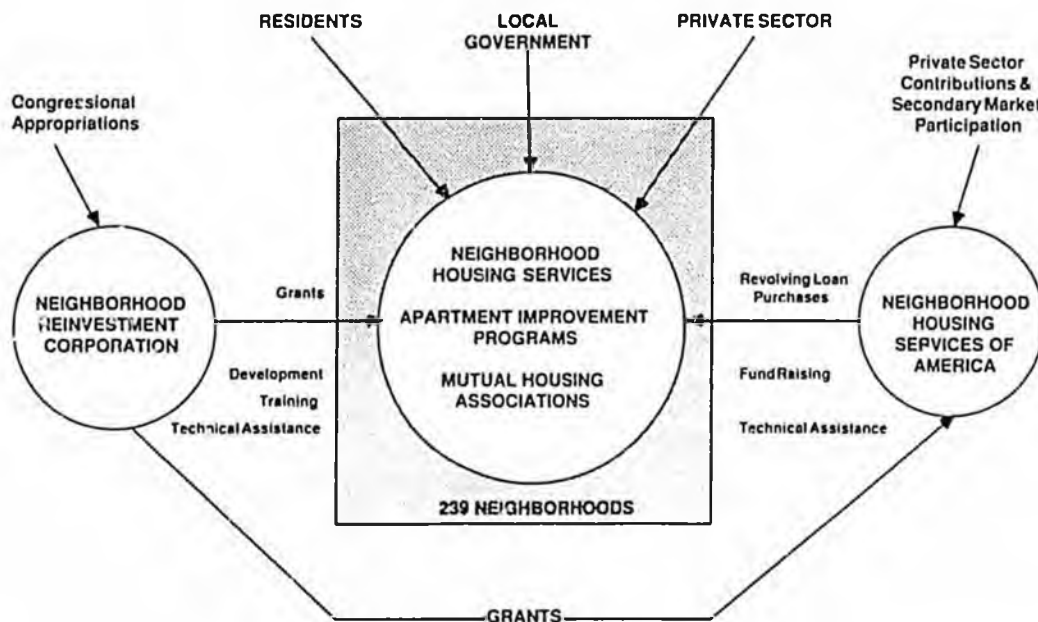
Neighborhood Reinvestment also makes small seed money grants to the local partnerships, which are matched many times over by contributions from local governments, businesses and foundations. In addition, the Corporation provides grants to Neighborhood Housing Services of America, the system's national secondary market.

The Corporation received a \$19 million federal appropriation in fiscal year 1987. Since 1974, a total expenditure of \$135 million in federal appropriations by the Corporation and its predecessor has produced an impact of more than \$4 billion in neighborhoods across the country.

The Corporation's board of directors is composed of a Governor of the Federal Reserve, the Comptroller of the Currency, the Secretary of Housing and Urban Development, the Chairman of the Federal Home Loan Bank Board, the Chairman of the Federal Deposit Insurance Corporation, and the Chairman of the National Credit Union Administration.

Although the Corporation is headquartered in Washington, D.C., the majority of its staff are based in nine districts across the country to better assist the local partnerships they serve.

The NeighborWorks System



Resolution of the Alaska Municipal League

Resolution No. 89-52

**A RESOLUTION SUPPORTING THE IMPLEMENTATION
OF A "MAIN STREET" PROGRAM FOR INTERESTED
MUNICIPALITIES THROUGHOUT THE
STATE OF ALASKA**

WHEREAS, the Fairbanks community has initiated a local Main Street Program to encourage and foster economic growth which will result in a downtown that is a vital, energetic, and attractive center of the community, and

WHEREAS, the City of Fairbanks, the Fairbanks North Star Borough, the Fairbanks Downtown Association, the Interior Delegation, and the State of Alaska have all helped fund the private/public partnership known as "Main Street" to promote downtown revitalization, and

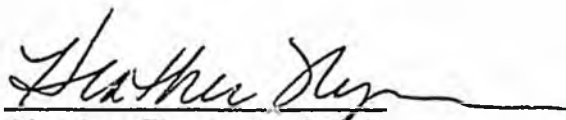
WHEREAS, during the past legislative session, several Alaska communities expressed an interest in developing a statewide program, and

WHEREAS, the "Main Street" program consists of a four-point program which includes organization, design, promotion, and economic restructuring for communities of up to 50,000 population, as well as for commercial districts in larger urban areas, and


WHEREAS, the process is sensitive to the unique history of each community and seeks to emphasize growth without sacrificing the qualities that make each community distinctive;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League supports the implementation of a statewide "Main Street" program.

Adopted this 18th day of November 1988 in Fairbanks, Alaska.


Heather Flynn, President

ATTEST:


Scott A. Burgess, Executive Director

SSSB 135: NEIGHBORHOOD REVITALIZATION INITIATIVE

Background

Similar legislation was introduced last session (HB 430), with a general fund appropriation of \$2.7 million. The legislation passed the House and went as far as the Senate Finance Committee.

The department researched both the Main Street and Neighborhood services programs and found that both programs are worthwhile in furthering neighborhood and downtown economic revitalization, using similar public/private participation techniques.

Analysis of Bill

SSSB 135 establishes a program which promotes neighborhood revitalization and development through local initiatives at the community level with the assistance of financial institutions and the state. The legislation creates a neighborhood revitalization and development fund to be administered by the Department of Commerce and Economic Development. Neighborhood housing services, community revitalization, and economic development projects are eligible for funding. The program requires that any nonprofit organization applying for the grant funds from the department must meet the criteria established by the Neighborhood Reinvestment Corporation.

The Neighborhood Reinvestment Corporation was established in 1978 by Congress as a public nonprofit corporation to assist communities in revitalizing declining neighborhoods for the benefit of current residents. That goal is achieved primarily through the development and support of Neighborhood Housing Services (NHS) programs, such as Anchorage Neighborhood Housing Services. In 1986 there were 239 NHS s in 137 cities across the country.

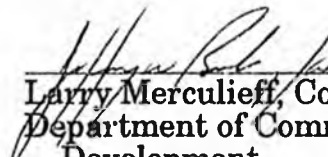
The bill also establishes the Alaska Main Street Program to provide grants to persons and organizations for economic revitalization and development projects in older central business districts and neighborhoods, using techniques developed by the National Trust for Historic Preservation.

The Neighborhood Revitalization and Development Fund is funded in part by proceeds from a proposed bond issue (SB 152) of \$11,000,000, if approved by the voters. Proceeds from the general obligation bond sale can only be used for capital improvement projects so any administrative costs or grants that are not directly attributable to such projects must be funded through the general fund or other sources. Consequently, the assumption is made in the fiscal note prepared by DCED that state administrative costs and pass through grants for operation of community Main Street Programs must be funded by state general funds sources other than the bond proceeds.

The staffing plan for the Main Street grant program presented in the fiscal note was prepared in consultation with the Office of History and Archeology, Department of Natural Resources, and the Anchorage Neighborhood Housing Services Corporation.

The Commissioner of Commerce and Economic Development sits as the chair of the State Bond Committee. The State Bond Committee policy has been to keep the state's debt service at 5% or less of unrestricted revenue. It is currently two times that. The last debt issue was October 1983. Our debt rating with Standard and Poors is "AA." Alaska is the only energy state that has not had its rating adjusted downward in the last two to three years. Issuance of a GO bond would most likely cause a reevaluation of the state's rating, with a probable downward adjustment.

From an economic development standpoint, the department supports SSSB 135. Neighborhood housing service programs in Alaska and other states have a proven track record, and are successful at tapping into solid sources of federal and other funds. An appropriate funding source for the program is an issue to be debated by the Legislature..



Larry Mercurieff, Commissioner
Department of Commerce and Economic
Development

Date: 2/15/89

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Neighborhood Revitalization Initiative
 Sponsor: Senator Rodey
 Requestor: Senate Labor & Commerce

Agency Affected: Commerce & Econ. Dev.
 BRU: Business Development

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES			75.3	202.0	202.0	202.0
TRAVEL			10.0	25.0	20.0	20.0
CONTRACTUAL			110.0	110.0	90.0	90.0
SUPPLIES			3.0	3.0	2.7	2.7
EQUIPMENT			6.0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS			150.0	325.0	405.0	175.0
MISCELLANEOUS						
TOTAL OPERATING			354.3	665.0	719.7	489.7
CAPITAL						
REVENUE			0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND			354.3	665.0	719.7	489.7
FEDERAL FUNDS						
OTHER						
TOTAL			354.3	665.0	719.7	489.7

POSITIONS:

FULL-TIME			3	4	4	4
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached

Prepared by: Tom Lawson, Acting Director Phone: 465-2017
 Division: Business Development Date: 2-13-89

Approved by Commissioner: Larry Merculieff Date: 2/13/89
 Agency: Department of Commerce & Economic Development

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

FISCAL NOTE ANALYSIS

SSSB 135--ALASKA NEIGHBORHOOD REVITALIZATION INITIATIVE

Assumptions/Program Summary

SSSB 135 establishes a program which promotes neighborhood revitalization and development through local initiatives of the state's communities with the assistance of financial institutions and the state. The legislation creates a neighborhood revitalization and development fund to be administered by the Department of Commerce and Economic Development. Neighborhood housing services, community revitalization, and economic development projects are eligible. The program requires that any nonprofit organization applying for the grant funds from DCEd must meet the criteria of the Neighborhood Reinvestment Corporation.

(The Neighborhood Reinvestment Corporation was established in 1978 by Congress as a public nonprofit corporation to assist communities in revitalizing declining neighborhoods for the benefit of current residents. That goal is achieved primarily through the development and support of Neighborhood Housing Services (NHS) programs, such as Anchorage Neighborhood Housing Services. In 1986 there were 239 NHS's in 137 cities.)

The bill also establishes the Alaska Main Street Program to provide grants to persons and organizations for economic revitalization and development projects in older central business districts and neighborhoods, using techniques developed by the National Trust for Historic Preservation.

The Neighborhood Revitalization and Development Fund is funded in part by proceeds from a proposed bond issue (SB 152) of \$11,000,000, if approved by the voters. Proceeds from the general obligation bond sale can only be used for capital improvement projects so any administrative costs or grants that are not directly attributable to such projects must be funded through the general fund or other sources.

It is estimated that about 13 communities may be able to participate in the Neighborhood Revitalization and Development Program. Under the Main Street Program it is assumed that approximately twelve to fourteen communities will participate in program grants.

The election on the question of the bond sale (SB 152), the proceeds of which fund the initiative, would be held in November 1990. Assuming voter approval of the initiative, and the bond sale is conducted in a timely manner, the first six months of FY 91 will be spent establishing the new programs, including development of administrative regulations.

Personal Services. In the first year, staff for the Main Street and the Neighborhood revitalization and development Programs includes the following 3 permanent full time six month positions:

Program Coordinator-Development Specialist II (Range 20)	\$29.0
Architect (Range 21)	30.5
Accounting Clerk II (Range 09)	15.8

Note: in the second year (FY92) these position are 12 month positions and salary/benefits cost listed are doubled.

The Statewide coordinator will initiate, coordinate and supervise both programs. The architect will serve as the Alaska Main Street Program architect and will provide design and historic perservation assistance. It is important that the architect position be filled at the beginning of the program in order for the individual to participate in the design and development of the Alaska Main Street program as well as to utilize the training services of the National Trust for Historic Preservation. Under the supervision of the program coordinator, the accounting clerk will administer the grants for both programs and will assist in the administrative details of developing the program.

A second development specialist (DS I, Range 18, \$51.0) will be necessary beginning in FY 91 to fully implement the Neighborhood Revitalization and Development Program.

Travel. Costs include travel to Washington, D.C. by the program coordinator and architect to receive training by the National Trust for Historic Preservation. In addition, once the program is established, one site visit for each community is estimated, with approximately six communities participating the first year. In subsequent years out-of-state travel should diminish while in-state travel will increase, resulting in a slight reduction of expenses.

Contractual Services. Typically, states contract with the National Main Street Center, National Trust for Historic Preservation, for assistance and training in establishing and operating a Main Street Program. The average costs of programs in other states is \$100.0 per year. Technical assistance offered ranges from developing criteria for selecting communities that will participate in the state program to conducting evaluations of local programs. Complete training in revitalization techniques to local programs is provided. Training continues over a three-year period, focusing on increasingly complex issues.

An alternative approach is to contract for the various services needed on a competitive basis. A number of consulting firms in the Northwest and other parts of the country have gained expertise with the Main Street Program over the past ten years and offer Main Street program implementation and training services.

The balance of the contractual service funds (\$10.0) are needed for office related services, including advertising, phone, postage, copying, printing, etc. In subsequent years contractual expenses will decrease.

Supplies. Funds will be used to purchase office supplies and training materials. Costs will decrease in future years.

Equipment. Cost will be just for the first year and will include purchase of a computer/word processor terminal and miscellaneous equipment.

Grants. Under the Main Street Program, grants would be provided to communities to develop and operate a local Main Street Program. Grants to communities would be on a three year track with first year funding at \$50.0, second year - \$25.0, and third year - \$10.0. In the first year (FY 91) through a competitive grant process, three communities would receive grants; in the next two years, five communities would receive first year funding.

	<u>Total</u>
<u>FY 91</u>	
3 1st yr. communities @ \$50.0	\$150.0
<u>FY 92</u>	
5 1st yr. communities @ \$50.0	
3 2nd yr. communities @ \$25.0	325.0
<u>FY 93</u>	
5 1st yr. communities @ \$50.0	
5 2nd yr. communities @ 25.0	
3 3rd yr. communities @ 10.0	405.0
<u>FY 94</u>	
5 2nd yr. communities @ 25.0	
5 3rd yr. communities @ 10.0	175.0

0931E

Sh = OK

Neal WRIGHT, Appellant,
v.

CITY OF PALMER, Municipal Corporation,
State of Alaska, Theodore Schmidtke, Mayor,
Emilio St. Pierre, City Clerk, and Members
of the City Council of the City of Palmer,
Appellees.

No. 1192.

Supreme Court of Alaska.
April 27, 1970.

Declaratory judgment action to invalidate city's issuance of general obligation bonds. The Superior Court, Third Judicial District, C. J. Occhipinti, J., granted judgment, and appeal was taken. The Supreme Court, Connor, J., held that issuance of general obligation bonds to finance a 20-year improvement program providing for purchase of a site and construction of a manufacturing and processing facility which would be leased to a private corporation did not, under circumstances presented constitute an unlawful lending of credit to a private corporation and did not constitute a violation of "capital improvement" and "public purpose" requirements of Constitution.

Affirmed.

1. Municipal Corporations ⇨722

It is within statutory power of a city to make available industrial sites which may be of benefit to municipality and to lease them on terms which are advantageous to public welfare of city. AS 29.10.132(e).

2. Municipal Corporations ⇨869, 873

Issuance of general obligation bonds to finance a 20-year improvement program providing for purchase of a site and construction of a manufacturing and processing facility to be leased to a private corporation, where significant restrictions and controls were retained by city over corporation's operations, did not constitute a violation of statute prohibiting the state or a political subdivision from lending its credit or borrowing money for use of a private corporation. AS 37.10.085.

3. Municipal Corporations ⇨911

Land and building to be obtained by municipality through issuance of general obligation bonds under a 20-year improvement program providing for purchase of a site and construction of a manufacturing and processing facility, where city's real ownership of structure would increase as years of rental payment went by, constituted "capital improvements" within Constitution providing that no debt shall be contracted by a political subdivision unless for capital improvements. Const. art. 9, § 9.

See publication Words and Phrases for other judicial constructions and definitions.

4. Municipal Corporations ⇨911

In determining whether a community development plan financed through issuance of general obligation bonds fulfills "public purpose" requirement of Constitution, test is whether plan is so unreasonable as to transgress limitations of Constitution. Const. art. 9, § 6.

5. Municipal Corporations ⇨910

Although development of industry within a community through issuance of general obligation bonds is not always an unmixed blessing, as it may impose burdens on other public facilities, it is hard to see how municipality, contrary to "public purpose" provision of Constitution would be hurt by location of an industry within its boundaries, where its plight is that of an eroding economic community and where city fathers and voters of community feel that a plan of action is necessary. Const. art. 9, § 6.

Eric E. Wohlforth, of McGrath & Wohlforth, Anchorage, for appellant.

Burton C. Biss, Anchorage, for appellees.

OPINION

Before DIMOND, Acting Chief Justice, and RABINOWITZ, BONEY, and CONNOR, Justices.

CONNOR, Justice.

This case questions the validity of a general obligation bond issue for the purpose of encouraging industrial development within a municipality. This is a declaratory judgment action in which appellant, in his capacity as a resident of and owner of real and personal property in the City of Palmer, seeks to have declared invalid the issuance of bonds by the city. These bonds were authorized at a special election at which the proposition carried by a vote of 248 in the affirmative and 7 in the negative. The proposition submitted to the voters was as follows:

PROPOSITION NO. 1

Shall the City of Palmer, Alaska, issue general obligation bonds in an amount not to exceed Four Hundred Fifty Thousand Dollars (\$450,000.00) for the following purpose: Under a 20-year improvement program providing for the purchase of a site and the construction of a manufacturing and processing facility within the City of Palmer. All said general obligation bonds shall mature within twenty years from the date of issue and bear interest at a legal rate.

After the proposition was approved by the voters, the city entered into an agreement with Huskey Manufacturing Corporation, a manufacturer or assembler of industrial housing, low-cost residential housing and mobile homes, by which the corporation agreed that it would in the future enter into a lease and occupy the building to be constructed, for a period of not less than 20 years, to keep its raw materials within the city limits in order to render

it subject to personal property taxation, to employ not less than 80% of its personnel from the Palmer area, to maintain training facilities for its employees, and to maintain on-the-job training programs under federal and state auspices. It also agreed, as a condition to entering into a lease, that it would use the public utilities owned by the city, as far as they are available. The company agreed that the paved parking lot adjacent to the building should be available at all reasonable times for public recreational uses. The agreement also provides that the rental shall be fixed in such an amount that the total cost of the project, including the sums necessary to amortize the bonds sold to finance the project, shall be payable over a 20-year period under a reasonably uniform schedule through the term of the lease. In short, the city would procure or make available land and a structure for the use of the lessee, using the bond proceeds to accomplish this end.

This case obviously has been brought for the purpose of testing the validity of the bond issue and to determine whether the bonds are marketable. The record is somewhat one-sided in that all of the evidence was presented by the city, although the witnesses for the city were cross-examined by counsel for appellant. On the other hand, the legal questions have been thoroughly argued and briefed. Unlike the situation in *Ault v. Alaska State Mortgage Association*, 387 P.2d 698 (Alaska 1963), we do find the record sufficient for determining the legal issues presented in this case.¹ Unlike *Ault*, where a summary judgment was entered, this case went to a trial on

1. In *Jefferson v. Asplund*, 458 P.2d 995, 998 (Alaska 1960), this court held that an actual controversy is a prerequisite to the granting of declaratory relief under the Alaska statute permitting declaratory judgment actions. We further cited with approval the definition of "controversy" found in the opinion by Chief Justice Hughes in *Aetna Life Insurance Company of Hartford, Conn. v. Haworth*, 300 U.S. 227, 57 S.Ct. 401, 81 L.Ed. 617 (1937):

"A 'controversy' in this sense must be one that is appropriate for judicial determination. * * * A justiciable controversy is thus distinguished from a difference or dispute of a hypothetical or abstract character; from one that is academic or moot. * * * The controversy must be definite and concrete, touching the legal relations of parties having adverse legal interests." (Citations omitted.)

the merits under the provisions of Rule 57(a), Rules of Civil Procedure.²

The testimony and evidence presented show a pattern of serious economic problems which the City of Palmer is seeking to overcome. The City Council in the agreement to lease makes a recital of its findings about the economic plight of the City of Palmer and its environs. The pattern which emerges from the evidence is that over the course of the last several years the economic growth of Palmer has been nil. The Palmer Comprehensive Development Plan of 1967, prepared by the city, discloses a high year-round rate of unemployment. Virtually no manufacturing exists in the City of Palmer. At one time coal mines were operated in the Palmer area, but these have been shut down because Elmendorf Air Force Base and Fort Richardson, the prime consumers of coal, now utilize natural gas for heating and the generation of electricity. The closure of the mines has resulted in a loss of payroll for the Palmer area estimated at something over one million dollars per annum. Lumber processing has

ceased in the Palmer area, with a loss of about 20 jobs. Various other business activities have moved out of the Palmer area recently, including the Matanuska Valley Cooperative Association, the Sears & Roebuck store, and other businesses. Palmer has recently been declared a depressed area by the federal government. It is in an effort to combat this declining economy that the city has proposed the issuance of bonds, the erection of a manufacturing building, and its lease to a private corporation. It is estimated that the proposed project, when fully operational, would employ approximately 65 to 110 persons on a full-time basis.

IS THERE AN UNLAWFUL LENDING OF CREDIT?

[1, 2] It is asserted that the bond issue and plan of action violates AS 37.10.085,³ which prohibits either the state or a political subdivision to lend its credit for the use of a private corporation, or to borrow money for the use of a private corporation. We note at the outset that the city is not handing money directly to a private

2. "Rule 57. Declaratory Judgments—Judgments by Confession. (a) Declaratory Judgments. The procedure for obtaining a declaratory judgment pursuant to statute shall be in accordance with these rules, and the right to trial by jury may be demanded under the circumstances and in the manner provided in Rules 38 and 39. The existence of another adequate remedy does not preclude a judgment for declaratory relief in cases where it is appropriate. The court may order a speedy hearing of an action for a declaratory judgment and may advance it on the calendar."

Many actions such as the one in the instant case have been entertained by other state courts.

"Municipal financing legislation and projects have frequently been questioned in taxpayer suits, on the ground that they violate state constitutional provisions prohibiting the use of public funds or credit for purposes which are not 'public.' Often such suits are brought by industrialists and others who seek prior judicial approval of a project. [Footnotes omitted.] In most cases, the projects and legislation have been upheld. [Newberry v. City of And-

lusia, 257 Ala. 40, 57 So.2d 629 (1952); Wayland v. Snapp, [232 Ark. 57], 334 S.W.2d 633 (Ark.1960); Dyeke [sic] v. City of London, 288 S.W.2d 648 (1956); Miller v. Police Jury, 226 La. 8, 74 So.2d 394 (1954); City of Frostberg [Frostburg] v. Jenkins, 215 Md. 9, 136 A.2d 852 (1957); Village of Deming v. Hoshreg Co., 62 N.M. 18, 303 P.2d 920 (1956); Holly v. City of Elizabethton, 193 Tenn. 46, 241 S.W.2d 1001 (1951); McConnell v. City of Lebanon, 203 Tenn. 498, 314 S.W.2d 12 (1958). *Contra*, State v. Town of No. Miami, 59 So.2d 779 (Fla.1952); State ex rel. Beck v. City of New York, 164 Neb. 223, 82 N.W.2d 269 (1957).]" 70 Yale Law J. 789, at 791 and n. 15, "The 'Public Purpose' of Municipal Financing for Industrial Development."

3. "Financial aid to corporations by state or political subdivision. Neither the state nor a political subdivision of the state may (1) make a subscription to the capital stock of a corporation; (2) lend its credit for the use of a corporation; or (3) borrow money for the use of a corporation."

corporation. Nor is it pledging that its credit or taxing powers may be used to make good the indebtedness of a private person in contravention of the Alaska Constitution.⁴ It is within the statutory power of a city to make available industrial sites which may be of benefit to the municipality and to lease them on terms which are advantageous to the public welfare of the city. AS 29.10.132(e).⁵ Since significant restrictions and controls are retained by the City of Palmer over Huskey Manufacturing Corporation's operations, the bond issue in question is not violative of AS 37.10.085. These controls and restrictions were imposed upon the corporation to insure the effectuation of the public purpose objective of this bond issue. *Roe v. Kervick*, 42 N.J. 191, 199 A.2d 834 (1964). We think that the question of whether the public credit is being pledged for a private purpose is also comprehended under the broader question of whether a public purpose is served by the bond issue and plan for its expenditure, which is discussed below.

IS THE PROJECT A CAPITAL IMPROVEMENT?

The contention is made that the indebtedness would violate Article IX, § 9, of the Alaska constitution⁶ which requires that

such debt can be incurred only for capital improvements. It is argued that in *City of Juneau v. Hixson*, 373 P.2d 743 (Alaska 1962), this court laid down a strict test of what constitutes a "capital improvement," rendering that term synonymous with "public works of a permanent character." Because an industrial development project is not clearly within that category, it is said that the plan before us must fail.

We do not read the *Hixson* case so narrowly. There we struck down a bond issue because no capital improvement would have resulted from the expenditure of the proceeds. The vice in the *Hixson* case was that raw land would have been acquired with the proceeds and would then have been donated to the State of Alaska as a proposed capitol site. As a result of the plan, the City of Juneau would have been left with no tangible asset in place of the indebtedness. Furthermore, the State of Alaska had entered into no agreement for and had not otherwise shown an interest in the acquisition or use of any capitol site.

[3] By contrast, in the case before us the City of Palmer will own a tangible asset. The plan is that the indebtedness shall be retired out of the rental money received over the life of the bond issue. The land and building fulfill the definition of "capital improvements" which was stated in the

4. Alaska Const., art. IX, § 6:

"Public Purpose. No tax shall be levied, or appropriation of public money made, or public property transferred, nor shall the public credit be used, except for a public purpose."

The courts which have upheld bonding projects as a legitimate exercise of power by the political subdivisions have held that a statute which pledges only project revenues does not pledge the public credit, and, therefore does not lend the public credit in aid of anyone. *Newberry v. City of Andalusia*, 257 Ala. 49, 57 So.2d 620 (1952); *Wayland v. Snapp*, 232 Ark. 57, 334 S.W.2d 633 (1960); *Bennett v. City of Mayfield*, 323 S.W.2d 573 (Ky.1959).

5. "City properties. * * *

(e) The council, in order to make sites available for new industries which will benefit the municipality, may likewise acquire, own and hold such sites, including

468 P.2d—21½

Alaska Rep. 466-477 P.2d—3

real property, either inside or outside the corporate limits and may sell, lease or dispose of them upon the terms and conditions as it considers advantageous to the civic welfare of the city, to persons who will agree to install, maintain and operate a beneficial new industry. Sites required under this paragraph and any right, equity, claim or title acquired by the municipality to real property sold to it for delinquent taxes are not 'property acquired, owned or held for or devoted to a public use' as used herein."

6. Alaska Const., art. IX, § 9:

"Local Debts. No debt shall be contracted by any political subdivision of the State, unless authorized for capital improvements by its governing body and ratified by a majority vote of those qualified to vote and voting on the question."

Hixson case⁷ as being "associated with value represented by real or personal property in some form and with relative permanency." 373 P.2d, at 747. There is here no giving away of the asset. On the contrary, the city's real ownership of the structure should increase as the years of rental payment go by. Even if the tenants should default, the building probably would be susceptible to a number of other beneficial uses. We conclude, therefore, that the bond issue and the plan of expenditure does not violate the capital improvement requirement of our constitution.

IS THERE A FULFILLMENT OF PUBLIC PURPOSE?

Article IX, § 6, of the Alaska constitution provides that "[n]o tax shall be levied, or appropriation of public money made, or public property transferred, nor shall the public credit be used, except for a public purpose." It is asserted that the bond issue and the plan for its expenditure violates this provision.

In *DeArmond v. Alaska State Development Corporation*, 376 P.2d 717 (Alaska 1962), this court noted that the term "public purpose" is one of great imprecision. As we said there,

7. In *City of Juneau v. Hixson*, 373 P.2d 743 (Alaska 1962), this court defined "capital improvement" as follows:

"The trial court was correct in holding that the bond issue herein was not for a capital improvement. Assuming for the moment that the expenditure of the money could accomplish the desired objective, the end product would lack most of the attributes usually associated with the completed public project for which general obligation bonds have been sold. No permanent asset in the form of real or personal property would accrue to the city. The property acquired by the proceeds would be donated to the state. No thing of value would remain the property of the city. No improvement of general use or service to the taxpayers of the city would have been created by the expenditure. No tangible security for the bonded indebtedness would have been created—in fact, the total security would have been reduced by the removal of some seven

"We believe that it would be a disservice to future generations for this court to attempt to define it. It is a concept which will change as changing conditions create changing public needs. Whether a public purpose is being served must be decided as each case arises and in the light of the particular facts and circumstances of each case." 376 P.2d at 721.

The technique used by most courts is that of looking to the entire factual and governmental context to determine whether a particular plan of action serves a public purpose.⁸ In the area of industrial development bond issues, numerous decisions have upheld such plans.⁹ There is much criticism which can be leveled against a community using its public borrowing capacity to sponsor or induce the location of private industry within its boundaries. Many of these plans have been attacked on grounds of public policy, but they have been sustained frequently by the courts.¹⁰ It is true that such plans are susceptible to abuse. Municipalities have been known to go bankrupt after having induced an industry to come to them under such a plan.¹¹ There are dangers that an industry locating in a community may end up dominating the political and economic processes. On the

aces of downtown property from the city's tax rolls." 373 P.2d, at 748.

8. See Note, "Legal Limitations on Public Inducements to Industrial Location," 39 Colum.L.Rev. 618 (1959).

9. *Newberry v. City of Andalusia*, 257 Ala. 49, 57 So.2d 620 (1952); *Wayland v. Snapp*, 232 Ark. 57, 334 S.W.2d 633 (1960); *Dyche v. City of London*, 288 S.W.2d 648 (Ky.1956).

10. Although courts have split on the validity of revenue bond plans, the weight of authority is in their favor. Pinsky, "State Constitutional Limitations on Public Industrial Financing: An Historical and Economic Approach," 111 U. of Pa.L.Rev. 265, 276 n. 63 (1963).

11. Long-run economic and social changes are ever present sources of financial risk. Population shifts or widespread economic recession may render unworkable fiscal policies that were once considered sound. These risks, however, are inevitable concomitants of public decision making.