

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7516 SENATE LABOR & COMMERCE

CSHB 163(HES): "An Act extending the Board of Psychologist and Psychological Associate Examiners in the Department of Commerce and Economic Development; increasing the amount of graduate course work directly related to a specialized area of psychology necessary to qualify for examination as a psychological associate; and providing for an effective date."

The Board of Psychologist and Psychological Associate Examiners is responsible for the regulation and licensing of the psychology profession in the state. Under AS 08.03.010(c)(20), the Board of Psychologist and Psychological Associate Examiners terminated on June 30, 1991. CSHB 163(HES) will extend the termination date of the board to June 30, 1995, and increase the amount of graduate course work hours directly related to a specialized area of psychology to qualify for examination as a psychological associate.

The statutory authority in Section 1 of the bill requires a correction to reflect the appropriate subsection for the Board of Psychologist and Psychological Associate Examiners which should read: AS 08.03.010(c)(20).

There are approximately 172 licensees regulated by the board in Alaska. The department concurs with the findings documented in the performance audit conducted by the Division of Legislative Audit; in particular, that the board is necessary to protect the public's health, safety, and welfare, therefore, the board should be reestablished.

The department strongly supports continuation of the Board of Psychologist and Psychological Associate Examiners and requests favorable support in passage of CSHB 163(HES).

Glenn A. Olds

Glenn A. Olds, Commissioner

Date: _____

4.29.92

by the House Health, Education and Social Services Committee

**Letter of Intent
for
CS HB 163 (HES)**

It is the intent of the House Health, Education and Social Services Committee that occupational licensing fees established pursuant to AS 08.01.065 shall reflect the actual costs to the department for which the fee is charged, except when to do so would create an unreasonable burden upon licensees. The committee requests the Board of Psychologist and Psychological Associate Examiners to work with the department in re-evaluating its current licensing fee schedule. The committee further requests the department to issue a report on fee schedules, with notation as to those fees which have been changed, to the legislature by the first day of the second session of the Seventeenth Legislature.

Adopted by the House 5/9/91

1992 LEGISLATIVE SESSION

Revision Date: 04/27/92 Department Affected: Commerce & Economic Development
 Title: An Act extending the Board of Dental BRU: Occupational Licensing
 Examiners.... Component: Administration
 Sponsor: House Rules/Governor
 Requestor: Senate Labor & Commerce COMPONENT SERIAL NO.

0	3	5	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

Funding for the Board of Dental Examiners is included in the department's FY 93 operating budget request, and therefore, new funds are not required. Estimated costs for the board are explained on the attached page.

Prepared By: Jennifer Strickler Phone: 465-2144
 Division: Occupational Licensing Date: 04/27/92
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: 4.29.92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CONTINUATION OF FISCAL NOTE ANALYSIS - CSHB 164(HES)

The Division of Occupational Licensing, Department of Commerce & Economic Development, is funded primarily by program receipts generated from licensing fees. All licensing programs share in the responsibility of covering administrative costs which are based on the number of current program licensees divided by the total number of current division licensees plus, the direct program costs.

BOARD OF DENTAL EXAMINERS

Average Annual Cost: \$ 111.6

Average Annual Revenue: \$ 94.9

The Division of Occupational Licensing is currently working on a regulation project that will adjust licensing fees so that revenue will cover or come close to reflecting the entire costs of administering the program.

CSHB 164(HES): "An Act extending the Board of Dental Examiners in the Department of Commerce and Economic Development; and providing for an effective date."

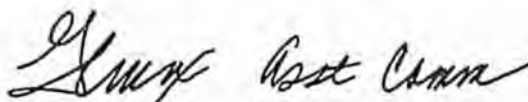
The Board of Dental Examiners is responsible for the regulation and licensing of the dental profession in the state. Under AS 08.03.010(c)(9), the Board of Dental Examiners terminated on June 30, 1991. CSHB 164(HES) will extend the termination date of the board to June 30, 1993.

The statutory authority in Section 1 of the bill requires a correction to reflect the appropriate subsection for the Board of Dental Examiners which should read: AS 08.03.010(c)(9).

There are approximately 1,112 licensees regulated by the Board of Dental Examiners. The department concurs with the findings documented in the performance audit conducted by the Division of Legislative Audit; in particular, that the board is necessary to protect the public's health, safety, and welfare, therefore, the board should be reestablished.

In the past year, the Board of Dental Examiners have made major accomplishments toward providing for licensure by Credentials for dental applicants. To date, over 64 dentists have applied for and received dental licensure by credentials, and the number of dental applicants continues to increase.

Since the board has addressed the issue of credentialing, the department strongly supports continuation of the Board of Dental Examiners and recommends consideration be given to extend the board beyond the June 30, 1993 date in the bill.



Glenn A. Olds, Commissioner

Date: 4.29.92

by the House Health, Education and Social Services Committee

**Letter of Intent
for
CS HB 164 (HES)**

It is the intent of the House Health, Education and Social Services Committee that occupational licensing fees established pursuant to AS 08.01.065 shall reflect the actual costs to the department for which the fee is charged, except when to do so would create an unreasonable burden upon licensees. The committee requests the Board of Dental Examiners to work with the department in re-evaluating its current licensing fee schedule. The committee further requests the department to issue a report on fee schedules, with notation as to those fees which have been changed, to the legislature by the first day of the second session of the Seventeenth Legislature.

It is also the intent of the House Health, Education and Social Services Committee that in the next year the Board of Dental Examiners and the Division of Occupational Licensing develop new procedures for credentialing, including credentialing for dental specialists and report their recommendations to the House and Senate HESS Committees by the first day of the second session of the Seventeenth Alaska State Legislature.

Adopted by the House 5/17/91

1992 LEGISLATIVE SESSION

Revision Date: 04/27/92 Department Affected: Commerce & Economic Development
 Title: An Act extending the Board of Nursing... BRU: Occupational Licensing
 Component: Administration
 Sponsor: House Rules/Governor
 Requestor: Senate Labor & Commerce COMPONENT SERIAL NO.

0	3	5	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

Funding for the Board of Nursing is included in the department's FY 93 operating budget request and, therefore, new funds are not required. Estimated costs for the Board of Nursing are explained on the attached page.

Prepared By: Jennifer Strickler Phone: 465-2144
 Division: Occupational Licensing Date: 04/27/92
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: 4.29.92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CONTINUATION OF FISCAL NOTE ANALYSIS - HB 165

The Division of Occupational Licensing, Department of Commerce & Economic Development, is funded primarily by program receipts generated from licensing fees. All licensing programs share in the responsibility of covering administrative costs which are based on the number of current program licensees divided by the total number of current division licensees plus, the direct program costs.

BOARD OF NURSING

Average Annual Cost: \$ 457.6

Average Annual Revenue: \$ 346.8

The Division of Occupational Licensing is currently working on a regulation project that will adjust licensing fees so that revenue will cover or come close to reflecting the entire costs of administering the program.

HB 165: "An Act extending the Board of Nursing in the Department of Commerce and Economic Development; and providing for an effective date."

The Board of Nursing is responsible for the regulation and licensing of the nursing profession in the state. Under AS 08.03.010(c)(15), the Board of Nursing terminated on June 30, 1991. HB 165 will extend the termination date of the board to June 30, 1995. The statutory authority in Section 1 of the bill requires a correction to reflect the appropriate subsection for the Board of Nursing which should read: AS 08.03.010(c)(15).

There are approximately 6,169 nurses licensed in Alaska. The department concurs with the findings documented in the performance audit conducted by the Division of Legislative Audit; in particular, that the board is necessary to protect the public's health, safety, and welfare, therefore, the board should be reestablished.

The department strongly supports continuation of the Board of Nursing and requests favorable support in passage of HB 165.

Glenn A. Olds Act Comm

Glenn A. Olds, Commissioner

Date: 4.29.92

STATE OF ALASKA

JAN 9 1992

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING

7TH FLOOR FRONTIER BLDG.
3601 C STREET, SUITE 722
ANCHORAGE, ALASKA 99503
PHONE: (907) 561-2878

December 31, 1991

Senator Dru. Pearce, Chair
Senate Labo. and Commerce Committee
Room 101
P. O. Box V
Juneau, Alaska 99811-1182

Dear Senator Pearce,

The Alaska Board of Nursing discussed your letter regarding the Sunset Review Legislation and possible options for the Board's future existence at its November 19, 1991 meeting. The Board members support continuation of the Board as an independent Board within Occupational Licensing, not combined with any other regulatory Board. A Board of Nursing made up of registered nurses, practical nurses and consumers has the expertise to handle the variety of nursing issues which must be addressed. Resolution of issues rely on the nursing knowledge of the Board members combined with their concern for public safety which is shared by the consumers.

The Board expressed a number of concerns relating to termination of the Board of Nursing. These concerns relate to the Board's responsibilities for examination of nurses, licensure and discipline of nurses and as important, regulation of schools of nursing. A school of nursing must be Board approved in order for graduates of the program to be eligible for a license by exam in Alaska and a license by endorsement elsewhere in the United States. During the last two years, the Board approved the operation of Everett Community College Associate Degree Nursing Program offered in Ketchikan in order to educate Practical Nurses (LPNs) to become Registered Nurses (RNs) in that city. This program met a unique need in a rural community by allowing the hospital to lessen its nursing shortage by educating practical nurses who had proven work records and were residents of Ketchikan.

The contract Alaska enters into with the National Council State Boards of Nursing (NCSBN) for use of the national exam is with the Board of Nursing and requires a Registered Nurse

to be administratively responsible for the security of each exam administered in our State. This national exam is called the National Council Licensure Exam and one is offered for practical nursing and one for registered nursing, each exam being offered twice a year. The contract with NCSBN provides

Alaska the right to give the national nurse licensure exams and to counsel with other jurisdictions on matters related to regulation of nursing practice such as scope of practice, discipline and advanced practice issues. Should Alaska not have a Board of Nursing to regulate nursing practice, it is unlikely that we would continue to be allowed access to the national exam.

While the Board discussed several major issues regarding Board combination, a few are paramount. The first involves the Board's ability to respond to requests for interpretation of scope of practice situations. Many of these questions are handled by the Board's Executive Secretary, a position which requires a registered nurse license. Some, however, require full Board discussion and response. Since nursing science like other health professions has its own body of knowledge, it is inappropriate to ask non nurses to make these scope of practice determinations.

Additionally, there are concerns about shifting the focus from public safety to economics with turf issues arising especially with physicians and nurses in advanced practice. The Nursing Board has successfully regulated advanced nursing practice allowing improved access to care for many Alaskans who otherwise would not have primary health care, while at the same time protecting the public's health and welfare with regard to nursing care. This regulation includes monitoring of scope of practice including specific quality assurance mechanisms and allowing independent prescriptive authority. A joint board of health care professionals would likely be limited in representation of nurses and these issues would not receive the necessary attention needed to assure consumer protection.

A combined Board would require the involvement of at least "expert panels" to provide the expertise to advise the oversight Board on professional standards. This type of structure would increase costs of government regulations and would delay response on many of the important issues addressed by the Board. The Board now acts in a timely and effective manner. A good example of this is the Board's recent completion of a comprehensive guide addressing scope of practice of the practical nurse which was requested by the industry. A review of the enclosed most recent annual report details many of the Board's projects.

The nurse employers rely on the Board's judgment in matters related to discipline, monitoring of nurses in recovery from

chemical dependency and nursing scope of practice. They have learned that the Board plays an important and assistive role when they have a problem with a nurse whether it relates to something like not meeting standards of practice or to a chemically addicted nurse. The Nursing Board has many more years of experience managing the chemically addicted nurse than have other regulatory boards. Employers and nurses have been educated about the procedures for getting nurses into treatment and the Board's monitored aftercare program which protects the public yet allows nurses to safely go back to work. With one in five to one in seven nurses at risk for chemical dependency, the Board is gravely concerned that this program might be lost under a combined system of boards.

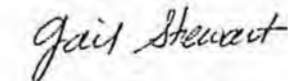
The members of the Board are in full agreement that under any circumstances an Executive Secretary position must be maintained. The purpose of this position is evident when one reviews the accomplishments of the Board. The Executive Secretary is essential to the prompt licensing of nurses especially as the nursing shortage continues to affect areas of our state. The Executive Secretary is also responsible for overseeing the licensing and regulation of approximately 5500 licensees. This includes communication with nurses and employers statewide particularly in rural Alaska where the incumbent staff member serves in a consultant role. The Executive Secretary is essential to the functioning of the Board's program for intervening with nurses who are addicted to controlled substances. The Board's goal of returning nurses to the work setting safely and within a reasonable time after the nurse is in recovery is accomplished using Memorandums of Agreement. This staff member provides assistance to the investigators as she is knowledgeable in nursing practice, procedures and issues.

Reports of discussions at the Task Force on Boards and Commissions indicated inaccurate financial information related to the Board's operations. While the Division is responsible for the budget, the Board continually remains aware of the financial picture. I would also like to point out that because of the biennial renewal cycle, revenue must be averaged over the two years. The Board asks for budgetary information annually in order to evaluate the fee structure and will be doing so again at it's next meeting. The Board members themselves show fiscal responsibility by meeting most often in Anchorage which is less expensive and by booking tickets in advance and using lowest available airfares. In November, 1991, the Board hosted a 50th Anniversary Celebration of the Board of Nursing which used no state funds but gained much good will and provided two days of valuable nursing continuing education.

The Board members consider it an honor to serve the state as members of the Nursing Board. They give countless hours of their volunteer time to the Board as they are not compensated except for travel and for per diem when outside of their home community. In addition to the actual meeting times, Board members often have assignments between meetings and they may meet with groups of nurses and/or consumers in their communities. Importantly, the Board members have remained non-partisan and view the professional issues from a consumer safety viewpoint which is something professional associations do not always do.

I hope this information will contribute to the continuation of the Board of Nursing. Should you have any questions, do not hesitate to contact me at my office at 257-1555 or my home at 345-3996 or contact Gail McGuill, Executive Secretary at the above address.

Sincerely,



Gail Stewart
Chairperson
Alaska Board of Nursing

1415n/ds

cc: Ann Boudreaux, Director
Occupational Licensing

Executive

Order

79

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. E.O. 79
publish: 1-21-91

Revision Date: _____ Department Affected: Office of the Governor
 Title: Executive Order transferring BRU: _____ Executive Operations
Office of International Trade to DCED Component: _____ OIT
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)
 Funding for the Office of International Trade exists within the state operating budget. These funds will be transferred to the Department of Commerce and Economic Development through the FY 92 budget process.

Prepared By: Michael A. Nizich, Director *M. Nizich* Phone: 465-3610
 Division: Administrative Services Date: 1-18-91
 Approved by Commissioner: _____
 Agency: Office of the Governor Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, CMB, & Impacted Agency(ies).

EO 79

The State has offices in Seoul, Taiwan and Tokyo. No European offices.

Some employees in foreign offices are employees others function under an "employment agreement". (Similar to a personal services contract.)

FY 91 budget: 9 positions \$1,735,600 GF

FY 92 budget: 8 positions \$1,473,600 GF **

**reflects elimination of the Northern Region Conference

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. E.O. 79
publish: 1-21-91

Revision Date: _____ Department Affected: Commerce & Economic Dev.
Title: Executive Order transferring BRU: _____
Office of International Trade to DCED Component: _____
Sponsor: Rules Committee
Requestor: Governor COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

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

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Guy Bell, Director Phone: 465-2505
Division: Administrative Services Date: January 17, 1991
Approved by Commissioner: Glenn A. Olds
Agency: Department of Commerce & Economic Development Date: January 17, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



Alaska State Legislature

Senate

Office of the Secretary

OFFICIAL BUSINESS

NO POSTAGE
NECESSARY
IF MAILED IN THE
UNITED STATES

January 22, 1991

MEMORANDUM

TO: Senator Pearce, Chair
Labor and Commerce

FROM: Nancy Quinto *NQ*
Secretary of the Senate

RE: Executive Order No. 79

The President has referred Executive Order No. 79 (to move the Office of International Trade, including the Alaska Foreign Offices, from the Office of the Governor to a new Division of International Trade within the Department of Commerce and Economic Development) to your committee.

Section 23, Article III of the Constitution states:

The governor may make changes in the organization of the executive branch or in the assignment of functions among the executive branch or in the assignment of functions among its units which he considers necessary for efficient administration. Where these changes require the force of law, they shall be set forth in executive orders. The legislature shall have sixty days of a regular session, or a full session if of shorter duration, to disapprove these executive orders. Unless disapproved by resolution concurred in by a majority of the members in joint session, these orders become effective at a date thereafter to be designated by the governor.

Attachment

WALTER J. HICKEL
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 21, 1991

The Honorable Richard I. Eliason
President of the Senate
P.O. Box V
Juneau, AK 99811

Dear President Eliason:

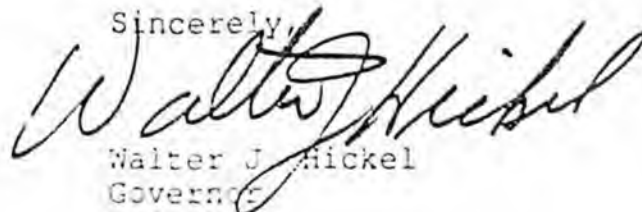
Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting Executive Order No. 79 which would transfer the Office of International Trade from the Governor's Office to the Department of Commerce and Economic Development, effective March 23, 1991.

In accomplishing the transfer, the Executive Order would effect several changes. In addition to creating a Division of International Trade in DCED, it would make it clear that the "Alaska Foreign Offices," referred to in present AS 44.19.075, are within and under the direction of that new division. It would delete the present limitation in that statute of two foreign offices (Tokyo and Seoul) since, in actuality, the state presently has a third office in Taiwan and may wish to establish other offices in the future. Also, it would place the director and deputy director of the new division within the partially exempt service (AS 39.25.120).

I believe that international trade will play an increasingly important role for the Alaska economy over the years ahead and that the State of Alaska can be a significant catalyst in the development of that trade. The state's efforts in that regard can best be carried out by placing the responsibility for those efforts in a new division in the Department of Commerce and Economic Development -- the agency with the overall mission of fostering trade and business growth in the state.

I urge your support of this Order.

Sincerely,



Walter J. Hickel
Governor

S B

2

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SB2

Revision Date: 2/28/92

Department Affected: Commerce & Economic Dev.

Title: Deregulation

BRU: Alaska Public Utilities Commission

Component:

Sponsor: Eliason

Requestor: (S) L&C

COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Don Schroer *DS* Phone: 276-6222
Division: Alaska Public Utilities Commission Date: 2/28/92

Approved by Commissioner: _____
Agency: Commerce & Economic Development Date: _____

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSSB 2 (L & C)

Revision Date: 2/21/92
Title: Deregulation of garbage utilities
Sponsor: Eliason
Requestor: Eliason

Department Affected: Environmental Conservation
BRU: Environmental Quality
Component: Hazardous and Solid Waste

COMPONENT SERIAL NO.

1	0	1	6
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS.CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Janice Adair Phone: 465-5050
Division: Commissioner's Office Date: 2/21/92
Approved by Commissioner: Janice Adair for John Sander
Agency: Environmental Conservation Date: 2/21/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

ALASKA STATE LEGISLATURE SENATE

SENATOR RICHARD I. ELIASON

PRESIDENT OF THE SENATE
LABOR & COMMERCE COMMITTEE
RESOURCES COMMITTEE
RULES COMMITTEE
CHAIRMAN SPECIAL COMMITTEE ON
DOMESTIC & INTERNATIONAL
COMMERCIAL FISHERIES



P.O. BOX 143
SITKA ALASKA 99835

P.O. BOX V
JUNEAU ALASKA 99811
(907) 465 4916

FAX (907) 465 4928

MEMORANDUM

TO: Senator Drue Pearce, Chair
Senate Labor and Commerce Committee

FROM: Senator Dick Eliason *Dick Eliason*

DATE: February 13, 1992

RE: Hearing for Senate Bill 2 - Deregulation of Solid Waste
Collection

I respectfully request that Senate Bill 2 - deregulation of solid waste collection - be scheduled for a hearing at your earliest convenience.

In the 1979, 1985 and 1989 sunset review audits conducted on the Alaska Public Utilities Commission, our auditors recommended statute changes to eliminate APUC regulation of solid waste collection and disposal. Senate Bill 2 implements this recommendation.

During my tenure as Senate Labor and Commerce Chairman, the problems facing many Alaskan communities in regards to solid waste collection and disposal were discussed in great detail in committee and a "band-aid" solution to the most pressing concern was enacted. However, the merits of complete deregulation remain. The Alaska Municipal League and APUC strongly support the passage of this legislation.

Thank you in advance for your consideration of this request.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029

Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101

MEMORANDUM

February 5, 1991

SUBJECT: Technical correction to SB 2 (Deregulation of garbage utilities)

TO: Senator Dick Eliason

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

In reviewing SB 2, I noticed that there is a technical correction that needs to be made to sec. 2 of the bill. That section repeals various statutes that relate to regulation of utilities providing garbage service. As presently drafted, the section repeals AS.35.050(d), which was enacted in ch. 176, SLA 1990. The revisor subsequently relettered the subsection to AS 29.35.050(c). The reference in SB 2 should therefore be changed to repeal AS 29.35.050(c). We will correct our diskette of the bill, and the next time that a version is prepared, the correction will be made. If you prefer, we will be happy to prepare a corrected version of SB 2.

If I may be of further assistance, please let me know.

TC:mi
91-023.mai

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450

FAX (907) 465-2029

Mail Stop 3101


240 Main Street, Suite 500
Juneau, Alaska 99801-2101

MEMORANDUM

March 2, 1992

SUBJECT: Garbage utility deregulation (SB 2)

TO: Senator Dick Eliason

FROM: Teresa B. Cramer 
Legislative Counsel

You have asked that I review Pam Finley's memo of March 5, 1991, concerning whether deregulation of a currently regulated class of utilities constitutes a "taking" that requires the state to compensate current certificate holders, in light of a paper presented by the Alaska Refuse Utilities Association. You have also asked me to discuss the powers that municipalities will have to regulate companies that offer garbage and solid waste services in their boundaries.

A. Does deregulation constitute a "taking?"

I agree with Pam Finley's conclusion that deregulation would not constitute a taking. The memo she prepared was in response to the paper from the association, so the paper does not raise any issues not considered in her response. The Association's paper fails to distinguish between conduct that is prohibited in the relationship between individual utilities or between the state or local government and individual utilities and the power of the legislature to decide the nature of regulation of the entire class of utilities or, as in the case of SB 2, to decide that regulation by the state should cease.

B. Retained municipal regulatory power over utilities.

SB 2 does not change the basic power that is currently granted municipalities to regulate the provision of utility service within their jurisdiction. Municipalities will continue to be able to impose operational standards, regulate rates over utilities not subject to regulation by the Alaska Public Utilities Commission (APUC), and require the use of the services provided. Municipalities may do all this without having to create a utility.

Under SB 2, the APUC would cease regulating companies that provide garbage and solid waste collection services. The companies performing those services would no longer be considered public utilities. The two subsections of the Municipal Code that the bill repeals, AS 29.35.050(b) and 29.35.050(c)^{1/}, address the powers of a municipality in relation to utilities holding certificates of public convenience and necessity issued by the APUC. Since those certificates will be abolished by the repeal of AS 24.05.990(4)(F),^{2/} these two subsections will be made obsolete. Municipal powers over the regulation of garbage and solid waste services in AS 29.35.050, the granting of franchises under AS 29.35.060, and the regulation of public utilities in AS 29.35.070 remain in place.

1. Provision of garbage and solid waste services.

AS 29.35.050(a) gives municipalities specific powers with respect to regulation of garbage and solid waste services. It states:

(a) Notwithstanding AS 29.35.200 - 29.35.220, a municipality may by ordinance

(1) provide for the establishment, maintenance, and operation of a system of garbage and solid waste collection and disposal for the entire municipality, or for districts or portions of it;

(2) require all persons in the municipality or district to use the system and to dispose of their garbage and solid waste as provided in the ordinance;

(3) award contracts for collection and disposal, or provide for the collection and disposal of garbage and solid waste by municipal officials and employees;

(4) pay for garbage and solid waste collection and disposal from available money;

(5) require property owners or occupants of premises to use the garbage and solid waste collection and disposal system provided by the municipality;

^{1/}Please note that there is a technical error in sec. 2 of the bill, which purports to repeal AS 29.35.050(d) instead of AS 29.35.050(c). The subsection was initially designated (d), and the bill was prepared on that basis. In 1991 the subsection was relettered as (c) by the revisor of statutes. Our office records have made this correction and the section will be corrected whenever the bill is amended or a committee substitute is adopted. Should the bill be enacted without amendment or the adoption of a substitute, we will make the correction when the bill is enrolled.

^{2/}This section of the statutes has been renumbered as AS 42.05.990 by the revisor. The citation will be corrected, as will the previous citation, when the bill is amended or enrolled. The subparagraph, now codified at AS 24.05.990(4)(F), includes businesses that furnish the "collection and disposal service of garbage, refuse, trash, or other waste material to the public for compensation" in the definition of "public utility" in the Alaska Public Utilities Commission chapter.

- (6) fix charges against the property owners or occupants of premises for the collection and disposal; and
- (7) provide penalties for violations of the ordinances.

This subsection is the authority for municipal provision of services, awarding of contracts for others to provide the services, and regulation of rates and the use of garbage collection services. The subsection permits the municipality to act by ordinance.

2. Franchises.

Under AS 29.35.060, a municipality may grant a franchise to a business or a noncertificated utility to provide a service in the municipality. A municipality could, under this authority, grant a franchise to an existing or newly formed company to provide garbage service under whatever terms and conditions the municipality and the company agreed to. The section states:

Sec. 29.35.060. FRANCHISES AND PERMITS. (a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may grant franchises, including exclusive franchise privileges, to a person, corporation, organization, or utility not certificated by the Alaska Public Utilities Commission and may permit the use of streets and other public places by the franchise holder under regulations prescribed by ordinance.

(b) Unless the grant is made on a competitive basis, the grant of an exclusive right to use a public street or right-of-way for more than five years to a utility or a transportation system not certificated by the Alaska Public Utilities Commission shall be valid only if approved by a majority of the voters at an election.

(c) This section applies to home rule and general law municipalities.

3. Regulation of municipal utilities.

Under AS 29.35.070, a municipality may regulate utilities that are not subject to regulation by the APUC and that are not exempted from regulation by AS 42.05.-711(a) and (d) - (k). Municipalities are also prohibited from regulating the provision of long distance telephone service (AS 42.05.810). Municipalities may therefore regulate utilities exempted from APUC regulation under AS 42.05.711(b) (municipally owned utilities).^{3/}

^{3/}AS 42.05.711(c) is a general provision that ownership of corporate stock in a utility does not make the owner a public utility. Subsection (l) parallels the content of AS 29.35.070, and subsection (m) exempts municipal waste material transfer sites from APUC regulation.

Senator Dick Eliason

March 2, 1992

Page 4

AS 29.35.070(a) provides:

(a) The assembly acting for the area outside all cities in the borough and the council acting for the area in a city may regulate, fix, establish, and change the rates and charges imposed for a utility service provided to the municipality or its inhabitants by a utility that is not subject to regulation under AS 42.05 unless that utility is exempted from regulation under AS 42.05.711(a) or (d) - (k) or is exempted under regulations adopted under AS 42.05.810 from complying with all or part of AS 42.05.010 - 42.05.721.

4. Correction of citations in sec. 2 of SB 2

As I have noted in footnotes 1 and 2 of this memo, the revision of Title 42 has caused the repealer section of SB 2 to contain some errors. The legal editor will correct these technical errors at the first opportunity we have to redo the bill -- either on amendment, when a committee substitute is prepared, or upon enrolling. However, if you wish a corrected version of the bill to be introduced, we can do that instead.

If I may be of further assistance, please advise.

TC:gc

92-180.glc

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029

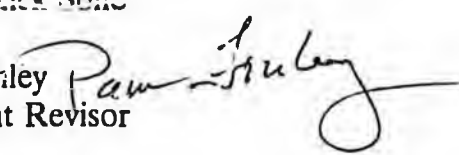
Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101

MEMORANDUM

March 5, 1991

SUBJECT: Is Deregulation of Public Utilities a "Taking"?

TO: Senator Steve Frank
Chair, Senate Community and Regional Affairs
Committee
Attn: Rick Solie

FROM: Pam Firley 
Assistant Revisor

Question Presented: Does deregulation of a currently regulated class of utilities constitute a "taking" that requires current certificate holders to be compensated?

Short Answer: No.

Discussion. The issue here is whether deregulation violates the Due Process Clause of the Fourteenth Amendment of the federal constitution, the prohibition against impairment of contracts in art. I, sec. 10 of the federal constitution, the Due Process Clause of art. I, sec. 7, or the prohibition against impairment of contracts in art. I, sec. 15 of the state constitution.

In City of Paragould v. Arkansas Utilities Co., 70 F.2d 530 (8th Cir. 1934), cert. denied, 293 U.S. 586, 79 L.Ed. 682 (1934), the court rejected the claim by a previously regulated utility that it had a vested right protected by the federal constitution to continued exemption from competition. In that case the utility held a certificate of convenience and necessity from the state. The state then repealed the law that required such certificates. The utility claimed that the previous certificate constituted a contract or franchise and sought an order enjoining a competitor from building a power plant in its former area. The court rejected the utility's claim, noting that the previous requirement of a certificate "constituted nothing more than a barrier erected by the state...which barrier the state might raise, lower, or completely remove, provided that this was done through nondiscriminatory legislation." City of Paragould v. Arkansas Utilities, supra, 70 F.2d at 534. The court relied on a U.S. Supreme Court case, Frost v. Corporation Com'n. of Oklahoma, 278

U.S. 515, 73 L.Ed 483 (1929), in which the Court held that a state could not require certificates from a utility incorporated under one act, but not from those incorporated under another act, but also noted that there would be no constitutional problem if the law had abolished the requirement of certificates entirely. Therefore it appears that a state would not violate the federal constitution by repealing laws that required certificates of public convenience and necessity.

While Alaska's Supreme Court has not addressed this issue directly, two cases indicate that it would find no violation of the Due Process Clause of the state constitution. In Alaska Public Utilities Com'n. v. Chugach Electric Assn., 580 P.2d 687 (Alaska, 1978) a statute prohibited the APUC from allowing competition with an existing utility unless the existing utility was not providing or would not provide service. Chugach Electric Assn. held a certificate while the statute was in effect. After that statute was repealed, Chugach claimed that it had a vested right to avoid competition as long as it provided adequate service, which right was preserved by the general savings statute, AS 01.10.100. Because the new law dealt with competition with previously certificated utilities, the court decided that the repealed statute was not "saved", and therefore it did not have to decide whether Chugach had a "vested right". The court did, however, note that the failure to preserve Chugach's earlier right did not deny it due process. Chugach. supra, 580 P.2d at 693. In addition, in Herscher v. State, Dep't. of Commerce, 568 P.2d 996 at 1003 (Alaska 1977), the court noted the difference between the due process rights that mus. be accorded someone who has a license so long as the licensing system remains in effect, and the lack of such rights if the system is abolished:

The state's power over natural resources is such that it could entirely eliminate the role of hunting guides and no problem of due process would arise. However, when the state decides to permit the harvesting of its fish and game, and in doing so permits the issuance of hunting guide licenses, then problems of due process arise when the individual, rather than the group as a whole, is affected.

Therefore it appears that the due process clause of the state constitution does not prohibit the abolition of a licensing or certificate system, although holders have due process rights in those licenses or certificates so long as the system exists.

Finally, although there is no case law directly on point, I believe that the prohibition against impairment of contracts in the state constitution would not prevent deregulation of a utility. The court did not address this issue in Alaska Public Utilities Com'n v. Chugach Electric Ass'n., supra, 580 P.2d at 693, n. 9 because it was not adequately briefed. However, I see no reason why Alaska's court would not follow the rationale of City of Paragould, supra, especially since certificates are subject to revocation if they no longer serve "public convenience and necessity",

Senator Steve Frank

March 5, 1991

Page 3

AS 42.05.271(1), and competition is allowed unless the competition is "not in the public interest". AS 42.05.221(d). See Homer Electric Ass'n., Inc., v. City of Kenai, 423 P.2d 285, 289 (Alaska 1967)(Certificate not a grant of monopoly.) Therefore any "contract" that a utility might have had would have contained an implicit condition that it was subject to termination if required by the public interest.

PM:gc:pl

91-115.glc



Alaska State Legislature

SENATE

Official Business

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

MEMORANDUM

TO: Senator Drue Pearce, Chair
Senate Labor & Commerce Committee

FROM: Senator Steve Frank, Chair
Senate Community & Regional Affairs Committee

RE: SB 2 - Deregulation of Garbage Utilities

DATE: February 7, 1991

The C&RA Committee passed SB 2 out of committee at our February 5 meeting. As the bill is now in your committee, there are two items that I would call to your attention:

1) There is a technical correction that Legal Services needs to make that the committee did not feel warranted a Committee Substitute (See attached memo from Teresa Cramer).

2) We requested a memo from Legal Services on whether deregulation of the garbage industry creates a "taking without compensation" by the state, since currently garbage haulers must be certificated by the Alaska Public Utilities Commission. With passage of this legislation certificates will not be necessary.

We will be happy to furnish you a copy of the response when we receive it from Teresa Cramer.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

DATE: 1/21/91

FURTHER: L&C

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

C&RA Committee considered Senate Bill No. 2

"An Act relating to deregulation of public utilities furnishing collection and disposal service of waste material."

and recommended:

- replace with _____ CS _____ same title
- attached amendment(s) new title
- _____ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) _____

zero fiscal note(s) _____
Dept. of Env. Conservation
Dept. of Commerce + Econ. Devel.

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Unless Stung... No Rec

[Signature]
Chair: Signature and Recommendation

7-LS0023M
Cramer
4/22/92

CS FOR SENATE BILL NO. 2 ()
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR ELIASON

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to municipal management of solid waste collection and disposal."

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

3 * Section 1. FINDINGS. The legislature finds that

4 (1) solid waste management continues to increase in importance as a municipal priority;

5 (2) the increasing cost incurred for waste disposal and the increased burden on landfills

6 make waste reduction and recycling programs essential;

7 (3) the success of waste reduction and recycling programs is directly tied to waste
8 collection systems;

9 (4) the removal of Alaska Public Utilities Commission regulation of solid waste collection
10 in municipalities would provide for local control of this integral component of future waste management
11 programs in the state;

12 (5) the division of legislative audit first determined in 1979 that regulation of the waste
13 collection industry by the Alaska Public Utilities Commission should be repealed; the commission has
14 supported and requested legislation to deregulate this industry for a considerable period of time;

1 (6) the Alaska Municipal League has adopted a policy statement supporting elimination
2 of regulation of solid waste collection and disposal by the Alaska Public Utilities Commission; and

3 (7) passage of this legislation would allow municipalities to control the waste collection
4 systems and promote recycling programs at the level that best meets the needs of their communities;
5 municipalities are currently restricted from doing so by the Alaska Public Utilities Commission
6 permitting process.

7 * Sec. 2. AS 29.35.050(b) is amended to read:

8 (b) Except in the case of a municipality that has assumed jurisdiction over the
9 management of the collection and disposal of solid waste material under AS 42.05.705 the
10 [THE] governing body of a municipality may not prohibit a person holding a valid certificate
11 from the Alaska Public Utilities Commission from continuing to collect and dispose of garbage,
12 refuse, trash, or other waste material, or provide other related services in an area in the
13 municipality if the certificate authorizes the collection and disposal of garbage, refuse, trash, or
14 other waste material and providing of other services in the area, and the certificate was originally
15 issued before the municipality provided similar services. Except as provided in (c) of this section,
16 the [A] municipality may not provide for a garbage, refuse, trash, or other waste material
17 collection and disposal service in an area to the extent it lies in an area granted to a garbage,
18 refuse, trash, or other waste material carrier by a certificate issued by the Alaska Public Utilities
19 Commission to the carrier until it has purchased the certificate, equipment, and facilities of the
20 carrier, or that portion of the certificate that would be affected, at fair market value. The [A]
21 municipality may exercise the right of eminent domain to acquire the certificate, equipment, and
22 facilities of the carrier, or that portion of the certificate that would be affected. This subsection
23 does not apply to a municipality that has assumed jurisdiction over the management of the
24 collection and disposal of solid waste material under AS 42.05.705

25 * Sec. 3. AS 42.05 is amended by adding a new section to read:

26 Sec. 42.05.705. MANAGEMENT OF SOLID WASTE DISPOSAL IN
27 MUNICIPALITIES. (a) The commission's authority to regulate the collection and disposal of
28 solid waste material within the boundaries of a municipality that has a population of 100,000 or
29 less ceases upon receipt of an ordinance from the municipality establishing that the municipality
30 has assumed jurisdiction over the management of the collection and disposal of solid waste
31 material within its boundaries.

- 1 (b) When a municipality is managing the collection and disposal of solid waste material
- 2 under this section, a certificate of public convenience and necessity issued by the commission
- 3 to a utility that collects and disposes of solid waste material is inoperative as to the provision of
- 4 service within the municipality.

STATE OF ALASKA

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

WALTER J. HICKEL, GOVERNOR

1015 WEST 8TH AVENUE
SUITE 400
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-0222

April 23, 1992

The Honorable Richard I. Eliason
The State Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

RE: Committee Substitutes J & M to Senate Bill 2

Dear Senator Eliason:

The Commission continues to support efforts to economically deregulate the solid waste industry from the Alaska Public Utilities Commission's authority. This authority should be transferred to the local municipalities. It is our opinion that they could and should regulate any solid waste in their areas.

We would also suggest that in the legislation making this transfer Section 4 of AS 42.05.711 be amended by adding a new section to read: (n) Garbage and disposable sites owned and operated by a political subdivision of the state are exempt from this chapter. Section 5 AS 42.05.990 be amended by adding a new section to read: (9) "disposal" includes the ownership of landfills or other garbage disposal sites.

We find that when a landfill is privately owned it makes it very difficult to regulate a hauler if the landfill is not regulated. The municipality should have the authority to regulate landfills.

Senator Eliason
Page 2

Regarding the above mentioned committee substitutes we feel that the J version would afford more protection to the existing solid waste haulers than would the M version. The J version calls for compensation to an existing solid waste hauler if the municipality wished to take over this function. This item I believe is outside of the area of authority of A.P.U.C. Therefore, we would leave it to legislative wisdom as to what is included in the final legislation on this subject.

Should I be able to give you any further information, please advise.

Best Regards



Don Schroer
Chairman

cc: Senator Drue Pearce
Senate Labor and Commerce Committee

STATE OF ALASKA

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

WALTER J. HICKEL, GOVERNOR

1616 WEST 6TH AVENUE
SUITE 400
ANCHORAGE, ALASKA 99501
PHONE: (907) 271-6222

Position Paper on SB 2

In the past the Alaska Public Utilities Commission (Commission) has supported the passage of SB 2, "An Act Relating to the Deregulation of public utilities furnishing collection and disposal service of waste material." This legislation would carry out the action recommended by the Division of Legislative Audit in its 1979, 1985 and 1989 performance reviews of the Commission.

However, times are changing with respect to solid waste disposal. De-regulation may still be the best solution, but that is less clear than it used to be. With concerns about toxic substance and medical waste disposal and recycling on the increase, large, stable utilities are better able to respond to these concerns.

Reasonable recycling costs are recoverable under legislation adopted last year. The treatment of costs incurred under total deregulation would be an issue.

The Commission understands that this legislation leaves open the option for municipalities to either regulate refuse services or to operate their own. However, what happens if they elect to not do so?

The need for regulation of refuse utilities differs dramatically in different areas of the state. The business risks also vary. The uncertainty faced by operators with significant investment in their businesses is much greater during the shift to a de-regulated environment.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATIONOFFICE OF THE COMMISSIONER
P.O. BOX 0, JUNEAU, ALASKA 99811-1800TELEPHONE:
(907) 465-2600

February 1, 1991

The Honorable Richard Eliason
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Eliason:

Your office requested information on possible conflicts in agency authority and other effects on the Department from passage of Senate Bill 2. The bill expands the Department of Natural Resources' authority to lease certain state lands for solid waste disposal at less than appraised value and it eliminates Alaska Public Utilities Commission regulation of waste collection and disposal. We have identified no conflicts between the Department of Environmental Conservation and other state agencies in this bill.

Expansion of the Department of Natural Resources' authority to lease certain state lands for solid waste disposal will not affect the Department of Environmental Conservation's regulatory authorities. Any lessee, whether a licensed public utility or not, is required to obtain a solid waste disposal permit and follow appropriate waste management standards. We would expect to work closely with the Department of Natural Resources in crafting lease provisions that protect the state's real estate assets. Strong lease provisions are important since the State of Alaska is ultimately responsible for control and correction of pollution problems that may occur at disposal sites on state lands, such as after expiration or upon default of the lease.

Public Utility deregulation of solid waste hauling and disposal could increase private waste hauling and disposal business competition and increase the Department's burden to permit and monitor compliance at disposal sites. Illegal solid waste disposal also may increase as unscrupulous solid waste haulers attempt to cut costs by avoiding solid waste disposal facility fees.

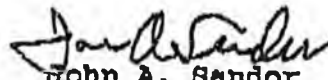
The Honorable Richard Eliason

-2-

February 5, 1991

Please contact me if you have additional questions or need additional information. Your staff members may contact Janice Adair, the Department's legislative liaison, at 465-2600.

Sincerely,


John A. Sandor
Commissioner



FEB 8 1991

Fairbanks North Star Borough Silver Anniversary

February 1, 1991

*Return bill
files - L+C*

Honorable Dick Eliason
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

Dear Senator Eliason:

I would like to thank you again for your support of the garbage deregulation bill of last year. I understand you were somewhat frustrated by our willingness to compromise. For the record, the Fairbanks North Star Borough is still interested in total deregulation. The bill last year helped quite a bit, but there is still a need for further deregulation.

From the point of view of the state regulators, certificated haulers are a headache. As long as there are no problems, it doesn't create too much of a workload. When there are problems, such as with one of our haulers, the time spent is counter productive. They are placed in a position of attempting to be contract managers at a distance, without the staffing or the hands-on information needed to adequately perform.

In our case, we are grappling with getting control of a service that has the potential of creating a great deal of liability to the borough taxpayers. With hazardous materials and other noxious wastes getting dumped in our dumpsters, we are forced to assume more control and accountability over our system. To do this cost effectively there are some areas outside our cities that could reasonably receive front door service. That is still a regulated service. The certificated hauler for most of those urban-like areas is unwilling to discuss a solution. Without his cooperation, we are unable to rationally and reasonably deal with a real solution to a major problem.

I understand you are sponsoring SB2 which asks for full deregulation. Please let the Fairbanks North Star Borough know what we can do to assist. SB2 has our support.

Good luck this year. It should prove to be a very interesting session.

Sincerely,

A handwritten signature in cursive script that reads 'Juanita Helms'.

Juanita Helms
Borough Mayor

JH:rlf

cc: Senate CRA Committee

By: \ Paul Chizmar
Bob Coghill, Jr
John Davies
Donna Gilbert
Harold Gillam
Hank Hove
Walt Johnson
Don Lowell
Guy Sattley
Bonnie Williams
Introduced: 02/14/91
Adopted: 02/14/91

RESOLUTION NO. 91-015

A RESOLUTION SUPPORTING SENATE BILL 2 RELATING TO THE
DEREGULATION OF PUBLIC UTILITIES FURNISHING COLLECTION
AND DISPOSAL SERVICE OF WASTE MATERIAL

WHEREAS, Senator Dick Eliason has introduced Senate Bill 2 relating to the deregulation of public utilities furnishing collection and disposal service of waste material; and

WHEREAS, Senate Bill 2 effectively deregulates garbage collection within municipal boundaries by repealing AS 29.35.050 (b); and


WHEREAS, during the last legislative session a "compromise bill" was passed which took care of immediate problems, however, Senate Bill 2 deregulates garbage collection and allows municipalities to regulate solid waste collection and disposal and, if so desired, allows municipalities to perform or contract out collection and disposal; and

WHEREAS, last year the Fairbanks North Star Borough Assembly adopted a resolution in favor of the passage of legislation which would deregulate solid waste collection and disposal.

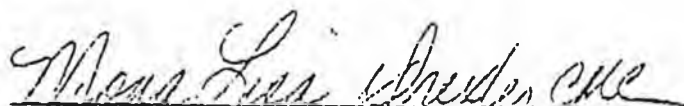
NOW, THEREFORE, BE IT RESOLVED that the Fairbanks North Star Borough Assembly is in favor of the passage of Senate Bill 2, an act relating to deregulation of public utilities furnishing collection and disposal service of waste material.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the Honorable Walter J. Hickel, Governor, State of Alaska, the Honorable Dr. Glen A. Olds, Commissioner, Department of Commerce and Economic Development, the Honorable Drue Pearce, Chair, Senate Labor and Commerce Committee, and all members of the Interior Delegation

PASSED AND APPROVED THIS 14TH DAY OF FEBRUARY, 1991.


Presiding Officer

ATTEST:


Clerk of the Assembly



KENAI PENINSULA BOROUGH

144 N. BINKLEY • SOLDOTNA, ALASKA 99669
PHONE (907) 262-4441

DON GILMAN
MAYOR

Position Paper SB 2 Deregulation of Solid Waste Collection and Disposal

The Kenai Peninsula Borough Assembly and Administration support SB 2 and the concept of deregulation of solid waste collection and disposal.

Currently, under AS 29.35.050 (b), refuse haulers are required to obtain certificates from APUC to provide service. These certificates grant exclusive areas to the permittee, essentially creating a monopoly situation. Traditionally, industries are regulated, and enjoy this monopoly situation when they are highly capital intensive. This monopoly provides the opportunity to spread the higher costs of providing services to rural areas over all rate payers, so that an affordable service can be provided to all customers.

It is the position of the Kenai Peninsula Borough that refuse haulers do not fit into this criteria of regulated utilities. This industry is not capital intensive to the same extent as other utilities. Also, under AS 29.42.711 (l), only certificate holders with an annual gross revenue above \$200,000 are regulated as to rates. In addition, the APUC through commission decisions has deregulated rates for some certificate holders, with an annual gross revenue above \$200,000, who otherwise should be regulated.

The past two legislative audits of APUC have recommended deregulation of this industry. In comparison to the larger utilities that APUC regulates, and considering their limited staff, the waste collection industry ranks as a very low priority. Under their own admission, the commission does not have the time, nor the staff to provide adequate oversight or investigation into complaints of poor service. Furthermore,

because each area in Alaska is unique, special considerations must be made by APUC as to how and who is regulated. This creates a highly inconsistent, and sometimes inequitable, system.

It is the position of the Kenai Peninsula Borough that without adequate oversight by the APUC, the public would be better served through deregulation of this industry and services provided in a competitive free enterprise system.

CHANNEL CORPORATIONS

CHANNEL SANITATION CORPORATION
CHANNEL EQUIPMENT RENTAL INCORPORATED
CHANNEL LANDFILL, INC.

March 19, 1992

Senator Drue Pearce
Chairwoman
Senate Labor and Commerce Committee
Capital Office, Rm 101
Juneau, AK 99811

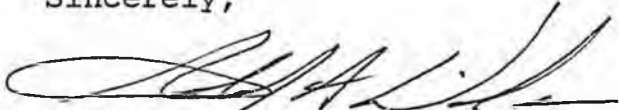
RE: Draft 7-LS0023/G for CSSB 2

Dear Senator Pearce:

We have reviewed the work draft (7-LS0023/G) for CSSB 2, "An Act relating to municipal regulation of public utilities furnishing collection and disposal service of waste material." It is our understanding that the draft will be refined to delete lines 14 through 16 on page 2. With that, we would endorse the legislation without further reservation.

While they have not been formally submitted to your committee, we are aware of the content of several alternatives to CSSB 2. If it becomes necessary, we are prepared to comment on these alternatives. In general, we are recommending that your committee not be sidetracked by the appearance of issues that diverge from the primary intent of CSSB 2 as described in findings 4 through 6.

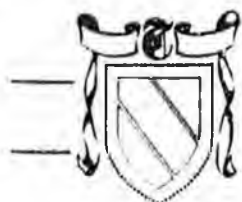
Sincerely,



Gerald A. Wilson
President

GAW/jak
cc: Senator Eliason
file

FEB 28 1992



CHANNEL CORPORATIONS

Channel Sanitation, Inc.
Channel Equipment Rental, Inc.

Channel Landfill
Solid Waste Solutions, Inc.

GERALD A. WILSON, PRESIDENT

February 25, 1992

Drue Pearce, Chairwoman
Senate Labor and Commerce Committee
State Capital
Juneau, AK 99801-1182

Dear Senator Pearce:

Please accept the attached in preparation of your hearing on March 2 for Senate Bill #2. We also stress that this paper be incorporated as a portion of the committee members package for this bill.

Representatives from our company will be there to testify and answer any questions.

Very truly,

A handwritten signature in black ink, appearing to read 'GAW', written over a horizontal line.

Gerald A. Wilson
President

GAW/jak
cc: file
Enclosure

Position Paper
Issued by Channel Corporations
February 11, 1992

Subject: Senate Bill 2 - "An Act relating to the deregulation of public utilities furnishing collection and disposal service of waste material".

Background

Channel Sanitation, Inc. (CS) and Channel Landfill, Inc. (CL) are privately held corporations with the same ownership. CS is a solid waste collector regulated by the Alaska Public Utilities Commission. CL owns and operates the only solid waste landfill and incinerator in the City and Borough of Juneau. There is another company which holds an APUC permit for the collection of solid waste but, they have never activated their permit. Their application for a permit indicated initial plans for a service which would stay below \$200 thousand dollars in gross revenues, thereby escaping the expensive process of filing and revising rates and tariffs before the APUC. A third company has announced plans to initiate, at some time in the future, a collection service which would focus on recycling and composting.

Channel Corporations would have no objection to a situation which offers competitive services to the households and businesses in the Juneau area. After years of expensive frustration dealing with the APUC, we would welcome a system governed monetarily by competitive firms and environmentally by the existing regulatory agencies. We do object, most strenuously, to a situation which permits some to regulated while providing exemptions to others.

Those who have spoke in opposition to deregulation have raised a number of issues. We believe the following comments address those concerns.

ISSUE 1: Complete deregulation would permit municipalities to unfairly compete with existing private carriers.

Response:

As a practical matter, it would be very difficult, both politically and operationally, for local government to provide equivalent services at a lower cost. Government competition with the private sector is most noticeable, if not successful, when it is part of an institutional environment which avoids the true cost of labor, eg. prison industries and schools providing training in food services.

Channel Corporations finds that the specter of government competition in the garbage business is a seldom seen and little to be feared apparition.

ISSUE 2: Deregulation would harm the public by encouraging fly-by night operations, chaotic service and would attract owners and operators with questionable backgrounds.

Response:

a. There is nothing in existing law which would prevent a municipality from establishing operating standards for any collector who wished to use public thoroughfares for the purpose of conducting business.

b. On the matter of the moral and ethical backgrounds of potential owners and operators we find this to be an irrelevant concern best described as a "scare tactic". There are a lot smarter places to put illicit gains than in the garbage business in Alaska.

ISSUE 3: Existing haulers have made substantial investments based on a known service area. Deregulation would cause them unnecessary and unreasonable harm.

Response:

a. From the standpoint of competitive advantage, the incumbent in the business of garbage collection has advantages similar to those experienced by incumbents in political office. There are no start up costs and the machinery and beneficiaries of the service are in place.

b. There is nothing to prevent the APUC from granting a competing certificate in the same service area. They have done so in the past.

ISSUE 4: One hauler in Alaska also provides for a program of recycling. Given changes in the market, the provision of a socially desirable program of recycling could be a cost burden to the hauler in place. Deregulation would allow a non-recycling competitor to offer a pickup service at a lower rate.

Response:

The bulk of the cost for a hauler is in the tipping (disposal) fee. A municipally operated landfill could offer a major incentive in tipping fees for those haulers providing for recycling, thereby offsetting any unrecovered costs due to recycling.

Senator Pearce
State Capitol
Juneau, AK. 99801

2/27/92

Dear Senator Pearce;

I would like you to consider favorably the passage of SB 2 from the Labor and Commerce Committee.

I think this is a good example of where deregulation will help the Alaskan Economy.

At present there is only one garbage collection and disposal company with a Certificate from the APUC in our region.

This company does not even wish to service all the households in this area. Some of the households are located up steep narrow roads and no access and unprofitability are problems.

My husband and I wish to perform this service, But the difficulty of obtaining a certificate from the APUC makes it prohibitive.

We have a severe unemployment problem in Homer. We want to have the opportunity to start a garbage collection and disposal business in a small and financially feasible manner. If SB 2 passes, then it is my understanding that we will be able to do this.

Thank you for your time
and consideration.

Tamara Moore
244 E. Bunnell ave.
Homer, AK. 99603




217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907) 586-1325, Fax (907) 463-5480

February 5, 1991

MEMORANDUM

TO: Senator Steve Frank, Chairman
Members of the Senate Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director 

SUBJECT: SB 2 - Deregulation of waste collection and disposal services

On behalf of the Alaska Municipal League and its 126 member municipalities, I support the concept of SB 2 and the provisions which would in effect deregulate waste collection and disposal services by the Alaska Public Utilities Commission (APUC) within municipal boundaries.

The collection and disposal of waste is a traditional municipal service, and municipalities have the power to provide garbage and solid waste services under AS 29.35.050. However, current law prevents a municipality from providing garbage and solid waste services in an area which is served by a person holding a current license without buying that person out directly or by through the power of eminent domain. The problem is that the community through its elected officials cannot define and require adequate service, APUC cannot or has not adequately enforced adequate service, there can be no private competition, and the municipality cannot provide the service, directly or by contract, without unnecessary cost. Other general provisions of Title 29, including providing for an elected governing body and public hearing, also make regulation by the APUC to protect the public from a monopoly unnecessary.

Solid waste is a growing environmental concern replete with increasing federal and state regulation and increasing costs to municipalities and private operators. A municipality must have adequate control over solid and hazardous waste collection and disposal in order to meet its responsibility to protect the public health, safety, and welfare. The legislation will enable municipalities to protect the health of its citizens and the environment and to keep the costs at the lowest possible level.

The AML supports SB 5.

cc: Senator Eliason

sab3:sb5.waste

Alaska Municipal League

Policy Statement 1991

Adopted at the Business Meeting
of the 40th Anniversary Local Government Conference
of the
Alaska Municipal League
Anchorage, Alaska
November 16, 1990



PART VI

UTILITIES AND ENVIRONMENT

A. UTILITY REGULATION

1. Alaska Public Utilities Commission: The League supports the current statutory exemptions that allow municipal utilities to operate in the best interest of the consumer public without regulation by the Alaska Public Utilities Commission (APUC).

2. Acquisition: In order to eliminate service area conflicts between municipalities and utilities, the League supports legislation that would allow municipalities to acquire the facilities of a utility under specific terms that would fairly compensate the utility.

3. Utility Relocation Costs: The League opposes any effort to shift to municipalities the cost of utility relocations associated with municipal public works projects.

4. Deregulation of Solid Waste: The League supports statutory changes to eliminate APUC regulation of solid waste collection and disposal.

Solid waste collection and transport are essentially freight hauling issues and there is no need for APUC regulation. If regulation is needed, local government can focus on the needs at a local level. AS 29.35.060(b) should be repealed to make this deregulation complete and effective.

5. Waste Disposal Sites: The League encourages the State to hold local area public hearings concerning waste disposal sites and their locations.



Fairbanks North Star Borough Silver Anniversary

February 1, 1991

Honorable Dick Eliason
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

Dear Senator Eliason:

I would like to thank you again for your support of the garbage deregulation bill of last year. I understand you were somewhat frustrated by our willingness to compromise. For the record, the Fairbanks North Star Borough is still interested in total deregulation. The bill last year helped quite a bit, but there is still a need for further deregulation.

From the point of view of the state regulators, certificated haulers are a headache. As long as there are no problems, it doesn't create too much of a workload. When there are problems, such as with one of our haulers, the time spent is counter productive. They are placed in a position of attempting to be contract managers at a distance, without the staffing or the hands-on information needed to adequately perform.

In our case, we are grappling with getting control of a service that has the potential of creating a great deal of liability to the borough taxpayers. With hazardous materials and other noxious wastes getting dumped in our dumpsters, we are forced to assume more control and accountability over our system. To do this cost effectively there are some areas outside our cities that could reasonably receive front door service. That is still a regulated service. The certificated hauler for most of those urban-like areas is unwilling to discuss a solution. Without his cooperation, we are unable to rationally and reasonably deal with a real solution to a major problem.

I understand you are sponsoring SB2 which asks for full deregulation. Please let the Fairbanks North Star Borough know what we can do to assist. SB2 has our support.

Good luck this year. It should prove to be a very interesting session.

Sincerely,

Juanita Helms
Borough Mayor

JH:r1f

cc: Senate CRA Committee

MATANUSKA-SUSITNA BOROUGH

Resolution Serial No. 90-027 AM

A RESOLUTION OF THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH
SUPPORTING THE DEREGULATION OF SOLID WASTE COLLECTION AND DISPOSAL.

WHEREAS, the collection and disposal of municipal solid waste is a traditional police power function exercised to promote the public health, safety and welfare; and

WHEREAS, Alaska statutes currently require municipalities wishing to engage in solid waste collection and disposal to obtain a Certificate of Public Convenience and Necessity from the Alaska Public Utilities Commission (APUC); and

WHEREAS, the Alaska Public Utilities Commission has issued confusing orders regarding the regulatory scheme for solid waste collection and disposal; and

WHEREAS, the APUC statutes and its regulatory scheme for solid waste collection and disposal place an onerous burden on municipalities since it requires them to obtain special permission and to face legal challenges when attempting to implement the traditional police power function of solid waste collection and disposal; and

WHEREAS, SB 298 deregulates solid waste collection and disposal thereby eliminating the requirement that the Alaska Public Utilities Commission oversee municipal solid waste collection disposal; and

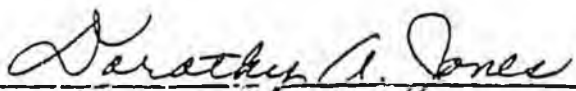
WHEREAS, SB 298 repeals a subsection of Title 29 which requires municipalities to purchase all or a portion of a Certificate of Public Convenience and Necessity of a utility

hauler if such certificate is affected by the municipality refuse collection and disposal services.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Matanuska-Susitna Borough supports the passage of legislation deregulating solid waste collection and disposal and repealing the onerous provisions of Title 29.

BE IT FURTHER RESOLVED that copies of this resolution be forwarded to Senator Eliason, Chairman of the State Labor and Commerce Committee; Representative Larson, Co-chairman of the Finance Committee; Representative Donley, Chairman of the House Labor and Commerce Committee; Senators Binkley, Fischer, Kerttula and Szymanski; and Representatives Menard, Kubina, Navarre, Swackhammer, Wallis and Zawacki; and all other members of the Alaska Legislature, and the Governor of the state of Alaska.

PASSED AND APPROVED by the Assembly of the Matanuska-Susitna Borough this 6 day of March, 1990.



Dorothy A. Jones, Mayor

ATTEST:



Linda Dahl, Borough Clerk

(SEAL)

Introduced by: Mayor
Date: March 6, 1990
Action: Adopted
Vote: Unanimous

KENAI PENINSULA BOROUGH

RESOLUTION 90-18

URGING THE STATE TO DEREGULATE THE TRANSPORTATION OF
MUNICIPAL SOLID WASTE TRANSFER SITES

WHEREAS, refuse haulers with a gross annual income greater than \$220,000 are regulated by the Alaska Public Utilities Commission; and

WHEREAS, in the 1970's the Kenai Peninsula Borough asserted that after refuse was placed in the "green boxes" or transfer stations it became the property of the borough and did not fall under the jurisdiction of the hauler's permit, thus allowing the borough to haul, or contract for hauling, the refuse to the landfill; and

WHEREAS, the court rejected that position and determined that hauling of transfer boxes was within the scope of an existing hauler's permit and was a service already provided by that hauler; and

WHEREAS, because of provisions of Title 29 of the Alaska Statutes, a municipality cannot initiate its own hauling if the area is already served by a certified hauler unless the municipality "buys out" that carrier; and

WHEREAS, through a commission decision, the rate structure for hauling in the central Kenai Peninsula area is exempt from PUC review, but obtaining a permit is still subject to PUC determination of public convenience and necessity; and

WHEREAS, these circumstances cause the creation of a monopoly in many communities that is not subject to regulation of rate; and

WHEREAS, this prevents the borough from entering into a contract with competitive bids which would ensure the lowest possible cost to the taxpayers; and

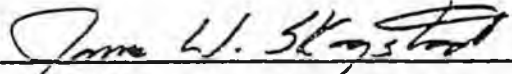
WHEREAS, legislation is before the Alaska State Legislature, which, if passed, would deregulate municipal transfer sites thus allowing the municipalities to competitively bid contracts for those hauling services;

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That the Kenai Peninsula Borough supports legislation that would deregulate hauling of municipal "green boxes" or transfer site containers.


Section 2. That the clerk shall provided copies of this resolution to Senator Eliason, Chairman of the State Labor and Commerce Committee; Representative Donley, Chairman of the House Labor and Commerce Committee; Senators Binkley, Fischer, Kerttula and Szymanski; and Representatives Kubina, Navarre, Swackhammer, Wallis and Zawacki.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 6th DAY OF March, 1990.



James W. Skogstad, Assembly President

ATTEST:



Borough Clerk

Municipality of Anchorage

P.O. Box 196650
Anchorage, AK 99519-6650

Phone Number: 343-4431
 FAX Number: 258-5210
 Street Address: 632 West 6th Avenue
 Population: 237,907
 Mayor: Tom Fink
 Term Expires: 1994
 Manager Form of Gov't: No
 Type of Government: Unified Home Rule Municipality
 Incorporation Date: September 1975
 Regular Election: 1st Tuesday in October
 General Sales Tax: None
 Special Tax: 8% Hotel/Motel, 10% Tobacco
 Assembly Meets: Every Tuesday 5 p.m.



Assembly Members

Craig Campbell, P.O.	1993
James Barnett	1993
Heather Flynn	1993
Jim Kubitz	1993
Brian S. Porter	1993
John Wood	1993
Chuck Landers	1995
Bill Faulkner	1995
Dick Traini	1995
Mark Begich	1995
Pat Abney	1995

School Board Members

Darryl Jordan, President	1993
Walter Featherly	1993
Carol Stolpe	1994
Cabot Christianson	1994
Dorothy Cox	1995
Sharon Richards	1995
Theresa N. Obermeyer	1994

Planning & Zoning Commission

Priscilla Wohl, Chair	1993
Robert Ballow	1993
Stephen Flannery	1992
Jack Gwaltney	1992
Arthur Jacobs	1992
Joseph Murdy	1994
William Reeves	1994
Harold Wirum	1993
Connie Yoshimura	1994

Municipal Employees

Airport Manager	Joe Fouts
Assessor	Steve Van Sant
Attorney	Richard McVeigh
Civil Defense Director	Robert Stewart
Comptroller	Judith Christie
Engineer	Ross Dunfee
Finance Director	Jerome Anderson
Fire Chief	Larry Langston
Health Officer	Helen Beirne
Librarian	Anne Oliphant
Manager	Larry Crawford
Municipal Clerk	LeJane Ferguson
Ombudsman	Michael Mills
Parks & Rec Director	Connie Jones
Personnel Director	Jim Jose
Planning Director	Michael Meehan
Police Chief	Kevin O'Leary
Port Director	Hubert "Glen" Glenzer
Public Utility Manager	Will Gay
Public Works Director	Ken Canfield
Purchasing Officer	Ted Chenier
Supt Schools	Dr. Thomas O'Rourke
Treasurer	Ellen Braden
Water/Sewer Supt	Mark Premo

Municipal Powers

Areawide: Education, Planning, Animal Control, Fireworks Control, Health & Environmental Protection, Library, Mass Transit, Zoning, Taxicab, Rights-of-Way Use, Parking, Sewers
 Non-Areawide: Building Safety, Police
 Service Areas: Road Maintenance & Repair

Municipally Owned Utilities

Water, Electricity, Sewer, Airport, Refuse, Harbor/Port, Telephone

from Muni League Directory

Fairbanks North Star Borough

P.O. Box 71267
Fairbanks, AK 99707



Phone Number: 459-1000
 FAX Number: 459-1330
 Street Address: 809 Pioneer Road
 Population: 77,720
 Mayor: Jim Sampson
 Term Expires: 1994
 Manager Form of Gov't: No
 Type of Government: Second Class Borough
 Incorporation Date: January 1, 1964
 Regular Election: 1st Tuesday after 1st Monday in October
 General Sales Tax: None
 Special Tax: None
 Assembly Meets: 2nd & 4th Thursdays

Assembly Members

Hank Hove, P.O.	1994
Harold Gillam	1992
Donna Gilbert	1992
Bob Coghill, Jr.	1993
Paul Chizmar	1993
Layne St. John	1994
Cheryl Kilgore	1994
Hank Bartos	1992
John Davies	1992
Walt Johnson	1993
Guy Sattley	1993

School Board Members

Gene Redden, Pres	1993
Andy Warwick	1993
Jerry McBeath	1992
Sandra Henricks	1993
Joy Cook	1994
Mike Kramer	1992
Sue Wilken	1994
Major Sharon Daly, Base Rep	
Major Henry Rogers, Post Rep	
Nathan Riding, Student Rep	

Planning & Zoning Commission

Martha Hanlon	1993
Audrey Foldoe	1991
Alana Bergh	1991
Catherine Reardon	1991
Cole Sonafank	1992
Allred G. Sturmman	1992
Alton Ashcraft	1992
Larry Baker	1993
William Waters	1993
Charlotte Rowe	1993

Municipal Employees

Administrator	Rick Navin
Administrative Asst	Rose Cade
Assessor	Lenny Reagin
Attorney (acting)	Mark Andrews
Borough Clerk	Mona Lisa Drexler
Civil Defense Director	Bob Spencer
Comptroller	Debbie Brady
Finance Director	Judi Slajer
Information Services	Chris Johnson
Librarian	Greg Hill
Parks & Rec Director	Earl Wiese
Personnel Director	Diane Thacker
Planning Director	Rex Nutter
Property Mngmt Dir	Ralph Malone
Public Works Director	Neil Kersten
Purchasing Officer	Jim Burcell
Supt Schools	Rick Cross
Transportation Director	Max Lyon

Municipal Powers

Areawide: Education, Taxation, Planning, Animal Control, Flood Control, Hospital, Library, Fireworks Control, Air Pollution Control, Disaster and Civil Defense, Local Service Roads, Solid Waste Disposal, Parks and Recreation, Public Transportation, Day Care Assistance, Housing Financing
 Non-areawide: Solid Waste Collection, Emergency Medical Services, Economic Development
 Service Areas: Roads, Fire, Street Lighting, Water, Sewer

Municipally Owned Utilities

None

Kenai Peninsula Borough

144 North Binkley
Soldotna, AK 99669

Phone Number: 262-4441
FAX Number: 262-1892
Street Address: 144 North Binkley
Population: 40,802
Mayor: Don Gilman
Term Expires: 1993
Manager Form of Gov't: No
Type of Government: Second Class Borough
Incorporation Date: January 1, 1964
Regular Election: 1st Tuesday in October
General Sales Tax: 2%
Special Tax: None
Assembly Meets: 1st & 3rd Tuesdays



Assembly Members

Betty Glick, P.O.	1992
Burt Anderson	1992
Jack Brown	1992
John Calhoun	1992
Mark Hodgins	1992
Buzz Kyllonen	1992
Suzanne Little	1992
Grace Merkes	1992
Sharon Mook	1992
Phil Nash	1992
Bob Rubadeau	1992
Jonathan Sewall	1992
Jim Skogstad	1992
Gary Superman	1992
John Torgerson	1992
Marie Walli	1992

School Board Members

Betty Obendorf, Pres	1992
Marilyn Dimmick	1993
Mari-Anne Gross	1994
Mike Wiley	1994
Mike Taurianinen	1992
Clifford Massi	1993
Joe Arness	1993

Planning & Zoning Commission

John Hammelman, Chair	1993
Phillip Bryson	1992
Leroy Gannaway	1992
Debra Horne	1994
Keith Hursh	1993
Susan Mumma	1994
Ann Painter	1994
Jodie Thomas	1993

Municipal Employees

Administrator	Donald Gilman
Administrative Asst	Bonnie Golden
Assessor	Wayne Haerer
Attorney	Tom Boedeker
Borough Clerk	Gaye J. Vaughan
Civil Defense Director	Bob Heavilin
Comptroller	Larry Semmens
Finance Director	Ross Kinney
Maintenance Director	Lee Stalker
Personnel Director	Richard Campbell
Planning Director	Richard Troeger
Public Works Director	Ken Brown
Purchasing Officer	Deanna Cashman
Supt Schools	Dr. Robert J. Holmes

Municipal Powers

Areawide: Education, Planning, Solid Waste Disposal, Emergency Management, Limited Economic Development
Service Areas: Fire Protection, Hospitals, Emergency Medical, Recreation Facilities, Road Maintenance

Municipally Owned Utilities

Hospital

City & Borough of Sitka

304 Lake Street
Sitka, AK 99835

Phone Number: 747-3294
 FAX Number: 747-7403
 Street Address: 304 Lake Street
 Population: 8,588
 Mayor: Dan Keck
 Term Expires: 1993
 Manager Form of Gov't: Yes
 Type of Government: Unified Home Rule Municipality
 Incorporation Date: December 2, 1971
 Regular Election: 1st Tuesday in October
 General Sales Tax: 4%
 Special Tax: Bed 4%, Liquor 4%
 Assembly Meets: 2nd & 4th Tuesdays



Assembly Members

Frank Richards	1992
Dan Hackett	1992
Peter Hallgren	1993
Jud Fager	1993
Mike Reif	1994
De Ingwersen	1994

School Board Members

Mike Litman, Pres	1993
Ernestine Griffin	1992
Bruce Bachan	1993
Stephen Lawrie	1994
Susan Padilla	1994

Planning & Zoning Commission

Larry Nelson, Chair	1993
Doris Bailey	1994
Bert Stedman	1993
Dennis Girardot	1992
Connor Nelson	1992

Municipal Employees

Administrative Asst	Colleen Pellett
Administrator	Stuart O. Denslow
Airport Manager	Mike Binkie
Assessor	Richard Anderson
Attorney	Theron J. Cole
Civil Defense Director	Doug Karpstein
Comptroller	Glenda Boddy
Engineer	Richard Smith
Finance Director	John McCracken
Fire Chief	Doug Karpstein
Harbormaster	Brian Bergman
Hospital Administrator	J. Kay Hawks
Librarian	Nancy Gustavson
Municipal Clerk	Melinda L. Jenkins
Personnel Director	Patricia Trent
Planning Director	Wells Williams
Police Chief	John Newell
Port Director	Brian Bergman
Supt Schools	Lewis Holloway
Utilities Manager	Greg Grissom
Waste Water Supt	Mark Buggins
Water Supt	Pat Welsh

Municipal Powers

Areawide: Education, Taxation, Planning & Zoning, Health, Water, Animal Control, Solid Waste, Sewer, Library, Fire, Police, Building Code Enforcement, Roads/Street, Jail, Ambulance Service, Civil Defense, Parks

Municipally Owned Utilities

Water, Electricity, Airport, Hospital, Harbor/Port, Landfill, Incinerator, Wastewater

Matanuska-Susitna Borough

350 E. Dahlia Ave.
Palmer, AK 99645-6488

Phone Number: 745-4801
 FAX Number: 745-0886
 Street Address: 350 E. Dahlia Ave.
 Population: 41,797
 Mayor: Ernest W. Brannon
 Term Expires: 1994
 Manager Form of Gov't: Yes
 Type of Government: Second Class Borough
 Incorporation Date: January 1, 1964
 Regular Election: 1st Tuesday in October
 General Sales Tax: None
 Special Tax: 5% Bed
 Assembly Meets: 1st & 3rd Tuesdays



Assembly Members

Mary Geist	1992
Barbara Carr	1992
Eleanor Oakley	1994
Barbara Lacher	1993
Norm Levesque	1993
Robert Wells	1994
Dorothy Jones	1994

School Board Members

Diana Herschbach	1994
Patricia O'Hara	1994
June Tull	1992
Darlene Reed	1993
Robert Johnson	1993
Ken Fallon	1992
John Fairfield	1992

Planning & Zoning Commission

Robert Robes	1992
Janet Kincaid	1994
Paul Campbell	1993
John Shadrach	1992
Carl DePriest	1993
William Merry	1993
Denvy Saxowsky	1994

Municipal Employees

Administrative Asst	Ruth DeCamp
Assessor	Gary Lewis
Attorney	Michael Gatti
Borough Clerk	Linda Dahl
Comptroller	Tammy Clayton
Engineer	George Strother
Finance Director	Desi Mayo
Fire Chief	Jack Krill
Manager	Don Moore
Parks & Rec Chief	Chuck Kaucic
Personnel Director	Ruth DeCamp
Planning Director	John Duffy
Public Works Director	Roy Carlson
Purchasing Officer	Robert Henry
Supt Schools	Ell Sorenson

Municipal Powers

Areawide: Education, Taxation, Planning, Parks & Recreation, Port, Harbors and Wharves, Ambulance Service, Transportation Systems, Animal Control, Water Pollution, Day Care Facilities, Historic Preservation, Transient Accomodation
 Non-Areawide: Fireworks, Solid Waste Disposal, Motor Vehicles & Operators, Snow Vehicles, Libraries, Nudity, Limited Health & Social Services, Secure Financing for Natural Gas & Electric Local Improvement Districts, Economic Development
 Service Areas: Fire, Road, Flood, Water & Sewer, Erosion

Municipally Owned Utilities

None

Ketchikan Gateway Borough

344 Front Street
Ketchikan, AK 99901

Phone Number: 228-6625
FAX Number: 247-6625
Street Address: 344 Front Street
Population: 13,828
Mayor: Ralph M. Bartholomew
Term Expires: 1993
Manager Form of Gov't: Yes
Type of Government: Second Class Borough
Incorporation Date: September 6, 1963
Regular Election: 1st Tuesday in October
General Sales Tax: 1.5%
Special Tax: 4% Transient Occupancy
Assembly Meets: 1st & 3rd Mondays



Assembly Members

Robert Boatwright	1993
Michael Holman	1992
John Conley	1994
John Cote	1993
Michael Cruise	1992
Carroll Fader	1994
Dennis McCarty	1993

School Board Members

Pam Hjorteset, Pres	1994
Jim Alguire	1992
Patty Barnes	1994
John Harrington	1994
Margaret Ortiz	1993
Maggie Sarber	1993
Paul Young	1992

Planning & Zoning Commission

Don Stewart, Chair	1992
Douglas Campbell	1994
Judith Jenkinson	1993
Bruce Johnstone	1992
Gary Lake	1994
Stephanie Sherva	1993
William Thomas, Sr.	1994

Municipal Employees

Administrative Asst	Chris Aubertine
Airport Manager	Ken Linder
Animal Protection Dir	Bonney Anderson
Assessor	Dennis Finegan
Attorney	Teresa Williams
Borough Clerk	Georgianna Zimmerle
Engineer	Jim Voetberg
Finance Director	Alvin Hall
Manager	David Crow
Parks & Rec Director	Susie Daly
Personnel Director	David Crow
Planning Director	Bruce Phelps
Revenue Director	Sandra Isley
Supt Schools	Richard Clevenger

Municipal Powers

Areawide: Education, Taxation, Planning, Economic Development, Parks and Recreation, Airport, Transit, Land Use Regulation, Regulation of Hours of Operation of Premises Dispensing Alcoholic Beverages
Non-areawide: Fireworks, Garbage and Solid Waste, Library
Service Areas: Water, Sewer, Roads, Fire Protection

Municipally Owned Utilities

Airport

City & Borough of Juneau

155 South Seward St.
Juneau, AK 99801



Phone Number: 586-5240
 FAX Number: 586-5299
 Street Address: 155 South Seward St.
 Population: 28,965
 Mayor: Jamie Parsons
 Term Expires: 1994
 Manager Form of Govt: Yes
 Type of Government: Unified Home Rule Municipality
 Incorporation Date: July 1, 1970
 Regular Election: 1st Tuesday in October
 General Sales Tax: 4%
 Special Tax: 7% Bed Tax
 Assembly Meets: 1st & 3rd Mondays

Assembly Members

Rosalee Walker	1993
Caron Robinson	1992
Kim Elton	1993
Dennis Egan	1992
Errol Champion	1994
George Davidson	1993
John MacKinnon	1992
Rod Swope	1994

School Board Members

Robert Locke, Pres	1993
Sunny Israelson	1992
Phil Smith	1993
Dale Staley	1992
Alan Schorr	1994
Becky Bear	1994
Paul Gulyas	1994

Planning & Zoning Commission

John Halterman, Chair	1993
Ronald Bolton	1994
Barbara Sheinberg	1995
Charles Eaddy	1994
Wallace "Sandy" Williams	1994
Tom Lawson	1995
Phyllis Anderson	1993
Johan Dybdahl	1995
Ralph Kibby	1993

Municipal Employees

Administrative Asst	Donna Hatten
Airport Manager	Paul Bowers
Assessor	Michael Thompson
Assistant Managers	Donna Pierce
	Dave Palmer
	Barbara Blasco
Attorney	Mary Norcross
Comptroller	Dave Harman
Engineer	Mary Cook
Finance Director	Larry Fanning
Fire Chief	Joe Graham
Harbormaster	Kathy Marshall
Health Officer	Robert Vallia
Hospital Admin	Carol McCabe
Librarian (acting)	Kevin Ritchie
Manager	Patty Ann Polley
Municipal Clerk	Jim Dumont
Parks & Rec Director	Ken Kareen
Personnel Director	Murray Walsh
Planning Director	Diana Pitts
Purchasing Officer	Elaine Hopson
Supt Schools (acting)	Craig Duncan
Treasurer	Ernie Mueller
Utilities Manager	Jim Beeson
Water/Sewer Supt	Paul Swanson
Eaglecrest Manager	

Municipal Powers

Areawide: Education, Planning & Zoning, Water, Sewer, Parks & Recreation, Ambulance, Library, Transit, Building Inspection, Harbors, Docks, Airport, Cemetary, Taxation
 Non-Areawide: Fire Service, Police Protection, Streets, Roads

Municipally Owned Utilities

Water, Airport, Hospital, Harbor/Port

ARE THE CERTIFICATES OF PUBLIC USE AND NECESSITY
HELD BY PUBLIC UTILITIES VALUABLE RIGHTS WHICH
CANNOT BE ARBITRARILY TAKEN AWAY BY GOVERNMENT?

The Alaska Statutes recognize that the franchise granted a public utility by its certificate of public convenience and necessity is a valuable right. This right may not be arbitrarily revoked. AS 42.05.271. Revocation is proper only where the utility has discontinued service, is guilty of wrongdoing, or where public convenience and necessity demand it. Id. Even joint use and interconnection of utility lines require a specific finding that the joint servicing will not result in substantial injury to the original utility or its customers. AS 42.05.321. Thus, the Alaska Statutes reflect the State's public policy of protecting public utilities from competition where competition would be inefficient and oppressive.

In Chugach Electric Association v. City of Anchorage, the Alaska Supreme Court addressed, at the invitation of the legislature, competition between public utilities. In this case, both the legislature and the court were concerned with the effects of competition between public utilities and the "wasteful duplication of facilities." In this case, the Supreme Court found that where one utility had been required to have a certificate of public convenience and necessity and the other utility (a municipality) historically had not, the court could modify the certificates of the two utilities and award an exclusive service area to each utility. The Alaska Supreme Court has previously recognized that a certificate of public convenience and necessity is a property right and, as such, is entitled to protection. Homer Electric Association, Inc. v. City of Kenai. Alaska case law further recognizes that franchises such as those obtained through the grant of a certificate of public convenience and necessity hold the legal status of contracts which are binding upon both parties. City and Borough of Juneau v. Alaska Electric Light & Power Co.; B-C Cable Company, Inc. v. City and Borough of Juneau. The owner of a franchise has rights to the protection thereof under the constitution as does the owner of any other property. The fact that such franchises are conferred by grant from the government or may be forfeited due to misuse or non-use is immaterial. Where a public utility accepts its rights and obligations under a certificate of public convenience and necessity, and expends money in reliance on that certificate, a contract is created which should not later be impaired. The deregulation of such utilities, allowing the entry of competitors into what was previously an exclusive service area, would breach that contract and could constitute a taking for which just compensation might be due.

In addition to the "taking" issue, the courts have come down against indiscriminate interference with the franchise rights of public utilities. In Detroit & Cleveland Nav. Co. v. United States, the court held that new and competing carriers should not be authorized to enter a field already being adequately served unless a definite need for the new, competing service is demonstrated. Public utility commissions have held that one certificated utility should not be allowed to invade the service area of another unless the evidence clearly shows deficient service or a forfeiture of rights on the part of the original utility. Rawlins Electric Co. Robbins. New certificates of public convenience and necessity should not be issued prior to a determination as to any prejudice which might be suffered thereby by existing carriers or utilities. In order to justify issuance of a certificate of public convenience and necessity to a competitor utility allowing it to operate within another's service area, it must be determined that there is a public need for the new service, as opposed to a need on the part of the competitor/applicant to provide the new service. Traditionally, it has been held that in order to allow one utility to invade the service area of another, it must be clearly demonstrated that there has been a failure, breakdown, incompleteness, or inadequacy in the services provided by the existing utility.

The policy of the State of Alaska as reflected in existing statutes and case law protects utilities from disruptive competition so long as the utility is adequately fulfilling its duties to its customers and to its franchisor. Where a public utility is not in breach of its obligations to the public, its franchise rights may have some constitutional protection against infringement. Allowing another utility to invade the service area of the original utility, taking away its customers and decreasing its economies of scale, constitutes a significant interference with the utility's franchise rights. The deregulation of an established utility, allowing competitor access to already adequately served customers of an existing utility, would not be in the best interests of either the State, its people, or the utilities involved.

Certificated Refuse and Garbage Utilities

- *All Alaska Enterprises,
Mike Downs d/b/a¹
- *Alma Corporation
- *Anchorage, Municipality of
Anchorage Refuse, Inc.
Andersen, Incorporated
- *Aniak Disposal Service,
Ronald N. Choate d/b/a
- *Eeluga Environmental Services, Inc.
- *Bob's Disposal Service,
Bobby C. Pate d/b/a
- *C & S Enterprises²
Channel Sanitation Corporation³
- *Colville Environmental Services
- *Copper Valley Construction Company⁴
- *Cordova, City of
- *Delta Sanitation,
Joe Peters d/b/a
- *Dillingham Refuse, Inc.
Drake's Sanitation, Inc.

¹All Alaska Enterprises provides service to Lake Louise, Sutton, and Talkeetna.

²C & S Enterprises provides service to Kalifonsky, Kasilof, Kenai, Salamatof, Soldotna, and Sterling.

³Channel Sanitation Corporation provides service to Douglas, and Juneau.

⁴Copper Valley Construction Company provides service to Copper Center, Glennallen, and Lake Louise.

*Not regulated by Alaska Public Utilities Commission as to rates and services.

Certificated Refuse and Garbage Utilities (Cont.)

- Eagle River Refuse, Inc.⁵
- *Fairbanks, City of
 - Department of Public Works
- Far North Sanitation Service, Inc.⁶
- *Haines Sanitation,
 - Frank E. & Arla L. Shull d/b/a
- Interior Services,
 - Ralph E. Bartlett d/b/a
- *Irwin's Garbage Disposal,
 - Jennie Irwin d/b/a⁷
- *J. D. Refuse Service,
 - Delores R. Burnham d/b/a
- *Juneau Sanitation Corporation
- *Ketchikan, City of
- *Kodiak Island Borough
- *MacKenzie Refuse⁸
- *March Disposal,
 - Robert Marlow & George Chapman d/b/a
- *Matanuska-Susitna Borough
- *McGrath Trash and Refuse
- *Naabla Niign. Ltd.
- *North Slope Borough
- *Palmer, City of
- *Patterson Sanitation & Refuse Service, Inc., Earl

⁵Eagle River Refuse, Inc., provides service to Chugiak, Eagle River, and Peters Creek.

⁶Far North Sanitation Service, Inc., provides service to College and Fairbanks.

⁷Irwin's Garbage Disposal provides service to McKinley Park, Nenana, and Usibelli.

⁸MacKenzie Refuse provides service to Big Lake, Point MacKenzie, and Wasilla.

*Not regulated by Alaska Public Utilities Commission as to rates and services.

Certificated Refuse and Garbage Utilities (Cont.)

Peninsula Sanitation Company, Inc.⁹

*Petersburg, City of

*Seward Service,

Herman E. Leirer d/b/a

*Skagway, City of

*Sitka, City and Borough of

*Sutton Sanitation Services¹⁰

*Thorne Bay, City of

Tongass Sanitation,

Wallace A. & Diana L. Crowe d/b/a

*Valdez Alaska Terminals, Inc.

*Valley Refuse, a General Partnership

Consisting of Timothy L. Atwood and

Michael D. Nosko¹¹

Wasilla Refuse, Inc.¹²

Williwaw Services, Inc.

⁹Peninsula Sanitation Company, Inc., provides service to Anchor Point, Bird/Indian, Clam Gulch, Cooper Landing, Girdwood, Homer, Hope, Kachemak, Kalifonsky, Kasilof, Kenai, Moose Pass, Nikiski, Portage, Salamatof, Soldotna, Sterling, and Sunrise.

¹⁰Sutton Sanitation Services provides service to Chikaloon, Sutton, and Wasilla.

¹¹Valley Refuse provides service to Big Lake, Houston, Knik, and Wasilla.

¹²Wasilla Refuse, Inc., provides service to Lake Louise, Palmer, Sutton, Talkeetna, Wasilla, and Willow.

*Not regulated by Alaska Public Utilities Commission as to rates and services.

REFUSE AND GARBAGE UTILITIES
(1989 Calendar Year)

Utility	Net Plant	Revenues		Customers
		Total Revenues	Net Income	
(Gross Operating Revenue Greater Than \$200,000)				
Anchorage Refuse, Inc.	\$2,723,306	\$10,690,689	\$382,791	24,183
Channel Sanitation Corporation	154,036	2,616,399	(277,102)	5,100
Drake's Sanitation, Inc. ¹	31,558	577,962	23,662	199
Eagle River Refuse, Inc.	139,029	1,069,221	27,636	3,853
Far North Sanitation, Inc.	1,584,716	877,255	1,973	714
Interior Services, Ralph E. Bartlett d/b/a	659,689	630,294	(46,416)	235
Peninsula Sanitation Company, Inc. ²		Not	Reported	
Tongass Sanitation, Wallace A. & Diana L. Crowe d/b/a	122,482	546,339	49,173	622
Wasilla Refuse, Inc. ²	65,899	543,583	24,847	828
Williwaw Services, Inc. ²	40,261	271,693	(46,903)	122
TOTAL	\$5,530,976	\$17,823,435	\$139,661	35,356

¹Information presented for year ending 4/30/90.

²Information presented for year ending 3/31/90.

SAMPLE MONTHLY RESIDENTIAL REFUSE RATES
(As of June 30, 1990)

COMMUNITY	1 RECEPTACLE 1 PICK-UP/ WEEK	2 RECEPTACLES 1 PICK-UP/ WEEK	UTILITY
Anchorage	\$ 14.04	\$ 14.04	Anchorage Refuse, Inc.
Eagle River	14.37	14.37	Eagle River Refuse, Inc.
Fairbanks	9.25	9.25	Far North Sanitation Service, Inc.
Fairbanks	12.00	12.00	Drake's Sanitation, Inc.
Fairbanks	8.05	8.05	Interior Services, Ralph E. Bartlett d/b/a
Girdwood/Alyeska	13.51	13.51	Peninsula Sanitation Company, Inc.
Homer	10.35	10.35	Peninsula Sanitation Company, Inc.
Hope-Turnagain Arm	13.51	13.51	Peninsula Sanitation Company, Inc.
Juneau	23.45	23.45	Channel Sanitation Corporation
Kenai	10.13	10.13	Peninsula Sanitation Company, Inc.
Kodiak	5.50	5.50	Kodiak Sanitation, Inc.
Mat-Su Valley	20.00	20.00	Wasilla Refuse, Inc.
Nome	15.00	15.00	Andersen, Inc.
Soldotna	10.13	10.13	Peninsula Sanitation Company, Inc.
Unalaska	15.00	30.00	Williwaw Services, Inc.

Recommended Legislative Changes

The Commission is governed by AS 42.05 and AS 42.06, which define its powers and duties, establish procedures for fulfilling its responsibilities, and impose certain requirements on utilities and pipeline carriers. These statutes constitute the regulatory policies of the Legislature, which ought to be reviewed and reassessed periodically. The purpose of this section of the Annual Report is to provide the Legislature with the recommendations for possible legislative changes of the Commission, based on its experience in administering AS 42.05 and AS 42.06.

User Fees

The Commission recommends adoption of a user fee to cover the full cost of regulation. It would provide for a fee which would average less than 0.5 percent of the gross revenues of regulated utilities and pipeline carriers. This fee would be collected by the Commission for deposit into the general fund. The Legislature would continue to decide the appropriate level of funding through the normal operating budget appropriations process, subject to the Governor's line-item veto review.

The consumers/shippers who benefit from the presence of regulation should be the ones who pay. Under this arrangement they would be.

Least Cost Planning

Integrated (least cost) planning is a technique used by many electric utilities. A utility using an integrated resource plan evaluates all projects for electricity production and savings available and selects the most cost-effective group of projects to produce adequate, reliable power to consumers. This information is fundamental to investment and rate decisions.

Refuse Utility Deregulation

The Commission recommends deregulation of refuse utilities. Legislative performance audits of the Commission have consistently recommended the removal of state regulation from garbage utilities. This action could allow municipalities to decide whether or not to apply local regulation.

APUC Annual Report to the
Legislature Fiscal Year 1991

PART VI

UTILITIES AND ENVIRONMENT

A. UTILITY REGULATION

1. Alaska Public Utilities Commission: The League supports the current statutory exemptions that allow municipal utilities to operate in the best interest of the consumer public without regulation by the Alaska Public Utilities Commission (APUC).

2. Acquisition: In order to eliminate service area conflicts between municipalities and utilities, the League supports legislation that would allow municipalities to acquire the facilities of a utility under specific terms that would fairly compensate the utility.

3. Utility Relocation Costs: The League opposes any effort to shift to municipalities the cost of utility relocations associated with municipal public works projects.

4. Deregulation of Solid Waste: The League supports statutory changes to eliminate APUC regulation of solid waste collection and disposal.

Solid waste collection and transport are essentially freight hauling issues and there is no need for APUC regulation. If regulation is needed, local government can focus on the needs at a local level. As 29.35.060(b) should be repealed to make this deregulation complete and effective.

5. Waste Disposal Sites: The League encourages the state to hold local area public hearings concerning waste disposal sites and their locations.

B. FUNDING ASSISTANCE FOR UTILITIES

1. Construction Grant Program: The League strongly endorses the concept of the state's paying at least 50 percent of the cost of sewage systems, auxiliary equipment, solid waste facilities, and water systems constructed by

Alaska Municipal
Policy Statement

41 League
1992

Certificated Refuse Utilities

- *All Alaska Enterprises, Mike Downs d/b/a
Provides service to Lake Louise, Sutton, and Talkeetna.
- *Alma Corporation
- *Anchorage, Municipality of
Anchorage Refuse, Inc.
Provides service to Anchorage, excluding areas served by Municipality of Anchorage.
- Andersen, Incorporated
- *Aniak Disposal Service, Ronald N. Choate d/b/a
- *Beluga Environmental Services, Inc.
- *Bob's Disposal Service, Bobby C. Pate d/b/a
- *C & S Enterprises
Provides service to Kalifonsky, Kasilof, Kenai, Salamatof, Soldotna, Sterling.
- Channel Sanitation Corporation
Provides service to Douglas, and Juneau.

- *Colville Environmental Services
- *Copper Valley Construction Company
Provides service to Copper Center, Glennallen, and Lake Louise.
- *Cordova, City of
- *Delta Sanitation, Joe Peters d/b/a
- *Dillingham Refuse, Inc.
Drake's Sanitation, Inc.
Eagle River Refuse, Inc.
Provides service to Chugiak, Eagle River, and Peters Creek.
- *Fairbanks, City of Department of Public Works
Far North Sanitation Service, Inc.
Provides service to College and Fairbanks.
- *Haines Sanitation, Frank E. & Arla L. Shull d/b/a

Interior Services, Ralph E. Bartlett d/b/a
- *Irwin's Garbage Disposal, Jennie Irwin d/b/a
Provides service to McKinley Park, Nenana, and Usibelli.
- *J. D. Refuse Service, Delores R. Burnham d/b/a
- *Juneau Sanitation Corporation
- *Ketchikan, City of
- *Kodiak Island Borough

*Not regulated by Alaska Public Utilities Commission as to rates and services.

As presented in the APUC report - Statistical
Information - Fiscal Year 1991

Certificated Refuse Utilities (Cont.)

***MacKenzie Refuse**

Provides service to Big Lake, Point MacKenzie, and Wasilla.

***March Disposal, Robert Marlow & George Chapman d/b/a**

***Matanuska-Susitna Borough**

***McGrath Trash and Refuse**

***Naabia Niign, Ltd.**

***North Slope Borough**

***Palmer, City of**

***Patterson, Earl, Sanitation & Refuse Service, Inc.**

Peninsula Sanitation Company, Inc.

Provides service to Anchor Point, Bird/Indian, Clam Gulch, Cooper Landing, Girdwood, Homer, Hope, Kachemak, Kalifonsky, Kasilof, Kenai, Moose, Pass, Nikiski, Portage, Salamatof, Soldotna, Sterling, and Sunrise.

***Petersburg, City of**

***Seward Service, Herman E. Leirer d/b/a**

***Skagway, City of**

***Sitka, City and Borough of**

***Sutton Sanitation Services**

***Thorne Bay, City of**

Tongass Sanitation, Wallace A. & Diana L. Crowe d/b/a

***Valdez Alaska Terminals, Inc.**

***Valley Refuse, a General Partnership Consisting of Timothy L. Atwood
and Michael D. Nosko**

Wasilla Refuse, Inc.

Williwaw Services, Inc.

*Not regulated by Alaska Public Utilities Commission as to rates and services.

REFUSE UTILITIES (1990 Calendar Year)

Utility	Net Plant	Revenues		Customers
		Total Revenues	Net Income	
<u>Gross Operating Revenue \$200,000 or Greater¹</u>				
Andersen, Inc. ²	\$78,252	\$279,923	\$10,478	981
Anchorage Refuse, Inc.	2,865,845	11,301,619	422,868	24,894
Channel Sanitation Corporation	477,012	3,212,218	43,208	5,164
Drake's Sanitation, Inc. ³	32,561	606,178	28,637	210
Eagle River Refuse, Inc.	112,990	1,091,792	30,852	3,927
Far North Sanitation, Inc.	1,365,510	986,194	91,587	668
Interior Services, Ralph E. Bartlett d/b/a	563,556	794,592	-1,215	224
Peninsula Sanitation Company, Inc. ⁴	32,849	1,061,233	267,054	2,303
Tongass Sanitation, Wallace A. & Diana L. Crowe d/b/a	103,780	599,262	106,012	702
Wasilla Refuse, Inc. ⁴	105,730	597,330	50,507	889
Williwaw Services, Inc. ⁴	196,373	413,865	37,116	132
TOTAL	\$5,934,458	\$20,944,206	\$1,087,104	40,094

¹Revenue Class per 3 AAC 48.277.

²Information presented for year ending 11/30/90.

³Information presented for year ending 4/30/91.

⁴Information presented for year ending 3/31/91.

SAMPLE MONTHLY RESIDENTIAL REFUSE RATES
(As of June 30, 1991)

COMMUNITY	1 RECEPTACLE 1 PICK-UP/ WEEK	2 RECEPTACLES 1 PICK-UP/ WEEK	UTILITY
Anchorage	\$ 14.04	\$ 14.04	Anchorage Refuse, Inc.
Eagle River	14.37	14.37	Eagle River Refuse, Inc.
Fairbanks	9.25	9.25	Far North Sanitation Service, Inc.
Fairbanks	12.00	12.00	Drake's Sanitation, Inc.
Fairbanks	8.05	8.05	Interior Services, Ralph E. Bartlett d/b/a
Girdwood/Alyeska	21.37	21.37	Peninsula Sanitation Company, Inc.
Homer	13.54	13.54	Peninsula Sanitation Company, Inc.
Hope-Turnagain Arm	21.37	21.37	Peninsula Sanitation Company, Inc.
Juneau	24.09	24.09	Channel Sanitation Corporation
Kenai	13.73	13.73	Peninsula Sanitation Company, Inc.
Ketchikan	15.00	15.00	Tongass Sanitation, Wallace A. & Diane L. Crowe d/b/a
Mat-Su Valley	20.00	20.00	Wasilla Refuse, Inc.
Nome	15.00	15.00	Andersen, Inc.
Soldotna	13.73	13.73	Peninsula Sanitation Company, Inc.
Unalaska	15.00	30.00	Williwaw Services, Inc.

SB

4

SENATE LABOR & COMMERCE COMMITTEE
BILL FILE

BILL NUMBER: SB4

BILL TITLE: AK GAMING COMMISSION

SPONSOR: ZHAROFF

RECEIVED: 1/21/91

WRITTEN REQUEST TO SCHEDULE: DATE _____ FROM _____
SECTIONAL ANALYSIS RECEIVED: DATE _____ FROM _____
FISCAL NOTE REQUESTED: DATE _____ FROM _____
FISCAL NOTE RECEIVED: DATE _____ FROM _____
FISCAL NOTE CS REQUESTED: DATE _____ FROM _____
FISCAL NOTE CS RECEIVED: DATE _____ FROM _____
FISCAL NOTE CS REQUESTED: DATE _____ FROM _____
FISCAL NOTE CS RECEIVED: DATE _____ FROM _____
FISCAL NOTE CS REQUESTED: DATE _____ FROM _____
FISCAL NOTE CS RECEIVED: DATE _____ FROM _____

FIVE DAY NOTICE GIVEN:

COMMITTEES OF REFERRAL: FIRST: L & C SECOND: JUD THIRD: FIN

DATE COMMITTEE ACTION

HEARING NOTIFICATION LIST

1. SPONSOR
2. AGENCY
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSB 4

Revision Date: _____ Department Affected: Commerce & Economic Dev.
 Title: An Act establishing the Alaska BRU: Occupational Licensing
Gaming Commission Component: Administration
 Sponsor: Senator Zharoff
 Requestor: Senator Zharoff COMPONENT SERIAL NO.

	3	5	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	289.1	289.1	289.1	289.1	289.1	289.1
TRAVEL	30.0	30.0	30.0	30.0	30.0	30.0
CONTRACTUAL	25.0	25.0	25.0	25.0	25.0	25.0
SUPPLIES	5.0	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	50.0	5.0	5.0	5.0	5.0	5.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	399.1	352.1	352.1	352.1	352.1	352.1

CAPITAL						
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REVENUE	75.0	100.0	100.0	100.0	100.0	100.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND *	399.1	352.1	352.1	352.1	352.1	352.1
FEDERAL FUNDS						
OTHER						
TOTAL	399.1	352.1	352.1	352.1	352.1	352.1

*Funding source is General Fund in bill as proposed.
POSITIONS:

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

Estimate of current year impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

The CS has no change to operating Funding, Expenditures or Revenue.

Prepared By: John N. Hansen, Jr., Gaming Program Manager Phone: 465-2531
 Division: Occupational Licensing Date: _____
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: 4-11-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE ATTACHMENT - SB 4

EXPENDITURES AND REVENUES

This program was transferred from the Department of Revenue to the Department of Commerce and Economic Development effective July 1, 1989 through Executive Order #74. The total number of employees that transferred with the program was five: one Auditor and one Investigator located in Anchorage, one Auditor, one Tax Examiner and one Clerk Typist located in Juneau. Since that time, the following new positions have been filled: a Gaming Program Manager located in Juneau, one Investigator located in Fairbanks, a Chief of Gaming Compliance located in Anchorage, and a Licensing Examiner located in Juneau.

The bill establishes a five-member Alaska Gaming Commission giving it the authority to license, regulate and enforce gaming statutes and regulations.

Charitable gaming activity in the state has rapidly grown beyond the capacity of the current staff, especially in the area of audits and investigations. Presently, the gaming program has only two investigators which is woefully inadequate given the number of permittees and the geographical size of the state. While the two auditors may conduct desk audits at their workstations and obtain documentation by way of correspondence, the number of audits that can be accomplished during the year is limited by the growing number of permittees, operators and distributors. We are, therefore, submitting a fiscal note requesting funding for an additional investigator and auditor. Also contained in the fiscal note is a request for funding of an Executive Director (based on our recommendation in the bill analysis), a Secretary to be utilized for Commission business and during their meeting(s), and a Records and Licensing Supervisor to oversee the licensing staff. We feel if this Commission is to effectively administer this program, they must be provided with the proper staff to do it. Without these positions, there is no reason to consider this legislation. You cannot accomplish the mandate of the law without being able to administer proper enforcement.

The \$399.1 required includes \$30.0 in travel to fund the cost of widespread travel to various communities and for Commission meetings quarterly, as well as \$50.0 to purchase the necessary workstations, computers and software. The required \$5.0 for equipment for FY 93 through FY 97 represents computer upgrades and programming. This is based on the assumption that charitable gaming will steadily increase as more and more charitable organizations search for other sources of revenue in light of other sources becoming less available.

With the additional auditor and investigator positions, we estimate that \$75.0 in additional revenue will be generated the first year. While the amount of funds generated is considerably less than projected costs, other gaming revenue sources will more than compensate for the difference. Additionally, with the amount of travel that will be required to effectively administer this program, the auditors and investigators can also use the opportunity to educate the licensees and strive towards voluntary compliance. During FY 91, the Gaming program generated \$1.6 million in revenue.