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Authority: AS 40.21.030 (a) (5)
AS 09.25.110-115

STATE OF ALASKA
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Office of the Adjutant General
Anchorage, AK 99503

ALASKA ARNG REGULATION
Number 420-12

1 Sept 1987

Facilities Engineering
AKARNG FACILITY RENTAL PROCEDURES

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AKARNG FACILITY RENTAL PROCEDURES

SECTION I - GENERAL

1. Purpose: This regulation establishes the procedures that will be followed when AKARNG facilities are utilized by other than National Guard personnel for profit and non-profit functions.
2. Applicability: This regulation is applicable to all Alaska Army National Guard facilities.

SECTION II - RESPONSIBILITIES

3. Facility Commanders: Facility Commanders will insure that when their facility is utilized by other than National Guard personnel, the appropriate fees established by this regulation are collected and transmitted to the Facility Management Division (FMD.) The Facility Commander is the approving authority for all rental agreements and is responsible for the safe keeping and cleaning of the facility while it is being rented. Facility Commanders can request no-charge rentals which will be reviewed on a case-by-case basis. If approved, rental forms are still required to be filled out. Facility Commanders are listed in Appendix A.
4. Director of the Facilities Management Division: The FMD Director will establish the fixed rental rates for all armories and adjust rates as needed. When requested by the Facility Commander, he/she will also establish special rates to cover special circumstances. He/she will see that all rental transactions are reviewed and that all revenue is transmitted to Juneau in a timely manner.
5. Administrative Service & Support Division will receive rental funds from FMD and credit the appropriate account consistent with current State regulations.

SECTION III - UTILIZATION OF FACILITIES BY THE PUBLIC

6. General: The State and Federal armories are primarily training and assembly facilities for the Alaska Army National Guard. The State of Alaska maintains these facilities for the National Guard, and National Guard usage must always have priority over any other organization. However, when the Guard is not utilizing the facility or when joint use of the facility does not impair the mission of the National Guard, other organizations are encourage to use the buildings for their community activities.

7. Requests for Facility Rental: All requests for the use of a National Guard armory must be directed to the Facility Commander of the armory. These requests will be prepared on TAG form 202, dated 1 January 82, as shown in Appendix B1.

A. The original and first copy of TAG 202, along with the collected rental fees, will be forwarded to FMD on the first working day after the rental.

B. The second copy is retained by the Facility Commander.

C. The third copy is retained by the requesting organization and will be shown to the standby Guardsperson at the time of usage.

8. Restriction of Facility Usage: All usage of National Guard armories is governed by the restrictions that follow:

A. No organization will be permitted that allocation of permanent space within an armory for any reason or purpose.

B. No organization will be permitted to affix any sign or identifying symbol inside or outside the armory on a permanent basis.

C. In addition to the standby person, the Facility Commander may require the presence of a uniformed law enforcement officer at all times during the armory usage if it would deter the likelihood of vandalism or unruliness. In such cases, it will be the responsibility of the using activity to arrange and pay for the service of the officer.

D. Other restrictions as listed in Appendix B2.

9. Types of Public Rental and Rental Rates:

A. Rental rates are listed in Appendix C. All rental fees will be made payable by check or money order to the State of Alaska and will be transmitted to FMD on the first working day after the rental.

B. Profit-Oriented Rental Fees: Any person, organization, or business whose purpose is to make a profit for personal gain will fall into the profit category when considered for armory rental. The DMVA does not promote profit-oriented rentals but will accommodate the organization when other suitable facilities are not available. These fees are set as not to compete with the private sector.

C. Non-Profit Oriented Rental Fees: Any person, business, or organization that functions strictly for the benefit of the community and receives no personal gain from their activities

will fall into a non-profit category. Any person or organization that does not fall into this category is profit. A modest rental fee will be charged for non-profit organizations when they utilize the facility. This fee will be used to pay approximately half of the related operational costs incurred during the rental. The National Guard will absorb the other half of the expense as a way to promote better community relations. It is felt that this type of community involvement will have a positive impact on recruiting and retention. If the National Guard supports the community, the community will support the National Guard.

10. Use of Indoor Ranges: Special considerations govern nonmilitary use of indoor ranges in order to take the maximum advantage of the recruiting potential. No operations or rental fees will be charged for range usage by non-profit organizations. A standby Guardperson or custodian must be present, but in the case of a military-sponsored activity, a Guardperson can be present at no charge to the user. The using organization is held responsible for cleanup of the range after use.

11. Standby Fees: A Guardperson will be required to be present during armory rentals to insure that the using organization complies with the rules and regulations governing the rental. He/she will be salaried by the using activity at a negotiable rate of not more than \$10 per hour. The check from the using organization will be made payable directly to the individual involved. No Guardperson shall be forced to perform standby duty. The individual on standby duty must understand his/her responsibilities and be briefed by the Commander or his/her designated representative prior to going into standby status. Each facility will have an SOP for the standby person to follow.

12. Cleaning: Each user is responsible for leaving the armory was clean after use as it was prior to utilization. This includes the removal of all trash, returning the floors to their previous condition, and cleaning all restrooms, kitchens, etc., that the organization used. Should the renter fail to satisfy this requirement, the individual or organization will not be allowed future use. The renter may hire commercial cleaning firms to accomplish the cleanup; the renter is responsible for their payment. The Facility Commander or his designated representative will sign a Certificate of Contract Compliance to verify the armory was cleaning in a satisfactory manner. Reference Appendix D.

13. Payment of Rental Fees: Rental fees are due at the conclusion of the rental. Cash will never be accepted. Payment will be in the form of checks or money orders made out to the State of Alaska.

14. Advance Reservations: Advance reservations must be paid in advance. Approval of advance reservations is at the discretion

1 Sept 1987

of the Facility Commander. Advance payments may be forfeited if the reservation is cancelled.

15. Rentals Exceeding One Month: A separate rental agreement will be prepared by the battalion for each month of usage; i.e., all May reservations for one group on one form and all June reservations on another form - with a separate check. Payment, along with the rental agreement, will be sent to FMD on the first working day following completion of the rental agreement.
16. Federal Scout Rentals: The Battalion Commander is the approving authority; however, all Federal Scout rentals exceeding 24 hours in length need to be coordinated with FMD by the Commander or his/her representative to insure that all expenses are identified and recovered. When other agencies and organizations require long-term use, a more formal arrangement must be made and coordinated with FMD.
17. Annual Training Site: Reference ARNG 420-10, Appendix D, for procedures for use of the Annual Training Site at Camp Carroll.

Users of this regulation are invited to send comments and suggested improvements to this Headquarters, ATTN: Facilities Management Division.

FOR THE COMMANDER-IN-CHIEF:

JOHN W. SCHAEFFER
Major General, (AK) NG
The Adjutant General

APPENDIX A

Below is a list of the Facility Commanders by Unit/Activity position for each facility within the Alaska Army National Guard.

<u>FACILITY</u>	<u>COMMANDER</u>
Alcantra Armory	CDR, Det 1, HHC, 5/297th
Anchorage Armory #1	CDR, 5/297th
Anchorage Armory #2	CDR, 207th Group
Anchorage OMS #2	CDR, 5/297th
Anchorage OMS #6	CDR, 5/297th
Anchorage Annual Training Site	Supervisor, Camp Carroll
Anchorage TAG Building	Chief of Staff/Military Affairs
Anchorage USPFO Office/Warehouse	USPFO for Alaska
Anchorage AASF	CDR, AASF
Anchorage CSMS/MATES	Supervisor, CSMS
Anchorage 207th Group Buildings	CDR, 207th Group
Anchorage Alaska Military Academy	CDR, AMA
Bethel Armory	CDR, 2/297th
Bethel OMS #4	CDR, 2/297th
Bethel AAOF	CDR, 2/297th
1/297th Federal Scout Armories	CDR, 1/297th
2/297th Federal Scout Armories	CDR, 2/297th
3/297th Federal Scout Armories	CDR, 3/297th
4/297th Federal Scout Armories	CDR, 4/297th
Fairbanks Armory	CDR, Co B/5/297th
Fairbanks OMS #5	CDR, Co B/5/297th
Juneau Armory #1	CDR, 4/297th
Juneau Armory #2	CDR, 4/297th
Juneau OMS #1	CDR, 4/297th
Juneau Goldstein Bldg	Director, ASSD
Kenai Armory	CDR, Det 1, Co A/5/297th
Ketchikan Armory	CDR, Co A/4/297th
Kotzebue Armory	CDR, 3/297th
Kotzebue OMS #7	CDR, 3/297th
Kotzebue AAOF	CDR, 3/297th
Nome Armory	CDR, 1/297th
Nome OMS #3	CDR, 1/297th
Nome AAOF	CDR, 1/297th
Sitka Armory	CDR, Co B/4/297th
Sitka OMS	CDR, Co B/4/297th

APPENDIX B1
CONTRACT FOR RENTING A NATIONAL GUARD FACILITY

1. Facility location: JUNEAU ARMORY
2. Areas to be used: DRILL HALL
3. Purpose of rental: FUND RAISING EVENT FOR MULTIPLE DYSTROPHY

4. List each rental date and time per day separately below. If additional space is needed, list on a separate sheet and attach. Contracts are limited to one calendar month.

<u>Date</u>	<u>Times</u>	<u>Date</u>	<u>Times</u>
<u>JULY 15</u>	<u>5 am pm to 11:30 am pm</u>	_____	_____ <u>am</u> to _____ <u>am</u> <u>pm</u>
<u>JULY 16</u>	<u>6 am pm to 1:00 am pm</u>	_____	_____ <u>am</u> to _____ <u>am</u> <u>pm</u>
_____	_____ <u>am</u> to _____ <u>am</u> <u>pm</u>	_____	_____ <u>am</u> to _____ <u>am</u> <u>pm</u>
_____	_____ <u>am</u> to _____ <u>am</u> <u>pm</u>	_____	_____ <u>am</u> to _____ <u>am</u> <u>pm</u>

5. Number of people: 0 - 50 _____ 51 & over X (OR ACTUAL NUMBER)

6. Is organization an IRS recognized non-profit organization? (YES/NO)

7. Is copy of business license held by profit-oriented individuals or organizations on file at the armory? (YES/NO)

8. I/we have read and understand the terms and conditions of use listed on the back of this form. I/we accept all liabilities relating to the rental. Also, I/we understand that cash will not be accepted for payment.

(MUST BE COMPLETED)
 Renter, Title _____

(MUST BE COMPLETED)
 Approving Authority, Title _____

(MUST BE COMPLETED)
 Organization/Telephone Number _____

(MUST BE COMPLETED)
 Date _____

9. Distribution of completed contract:

Original and first copy, with revenue check attached:

State of Alaska
 Facilities Management Division
 P.O. Box 5-549
 Fort Richardson, AK 99505

PLEASE MAKE CHECKS PAYABLE TO: State of Alaska

Second copy: Armory File
 Third copy: Renter

10. Calculations: Total hours 13.5 x rate \$20.00 = TOTAL \$ 270.00

11. Standby charge: Total hours 13.5 x rate \$10.00(MAX) = TOTAL \$ (TOTAL OR N/C)

12. Person performing standby: (MUST BE COMPLETED)

APPENDIX B2

TERMS AND CONDITIONS FOR USAGE OF NATIONAL GUARD FACILITIES

1. The user will assume pecuniary liability for any and all damages during the time the user rents the facility.
2. The use permit may be cancelled at any time.
3. The use of displays and/or decorations during this usage must be approved by the Facility Commander and must be removed promptly upon the conclusion of the event.
4. Smoking will be permitted only in those areas clearly marked as authorized smoking areas. "No Smoking" signs will be observed and obeyed at all times.
5. Consumption of alcoholic beverages on the premises must be in compliance with State and Federal laws/regulations.
6. This agreement shall not be assigned or sublet, in whole or in part.
7. The user shall be held responsible for returning the condition of the facility and all rooms used to the exact status in which they were found.
8. The user shall negotiate with and agree upon an hourly standby fee payable to the National Guardsperson or State custodian present at the function, unless said individual would normally be in attendance as a member of the user's organization. The standby person is free to donate his time if he so wishes. Maximum standby fee will be \$10/hr.
9. Federal Scout Armory Rentals: No standby person is required under normal circumstances.
10. If requested by the Facility Commander, the user shall contract for and insure that a uniformed law enforcement officer is present during all portions of this usage.
11. Neither the National Guard nor the State of Alaska warrants or represents that the premises are safe, healthful, or suitable for the purpose for which they are permitted to be used under this agreement.
12. The user agrees that he does not and shall not at any time claim any interest or estate of any kind in the premises by virtue of this license or his occupancy hereunder.
13. The Facility Commander may impose additional restrictions as required, to insure the safekeeping of this facility.

APPENDIX C
RENTAL RATES

Alcantra, Anchorage, Bethel, Fairbanks, Juneau, Kenai, Ketchikan, Kodiak, Kotzebue, and Nome armories:

<u>NUMBER ATTENDING</u>	<u>PROFIT</u>	<u>NON-PROFIT</u>
0-50	\$ 75/hr	\$10/hr
51 and over	\$150/hr	\$20/hr

All Federal Scout Armories:

<u>NUMBER ATTENDING</u>	<u>PROFIT</u>	<u>NON-PROFIT</u>
N/A	\$50/hr	\$10/hr

Certified checks may be requested from persons or organizations that have been established for less than four years or do not have adequate financial references.

If the armory is used during regular hours with the AST present, no standby fee will be required.

Commanders may establish their own local policy for return of advance rental fee due to cancellation.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

P.O. BOX 5-549
FT. RICHARDSON, ALASKA 99505
PHONE: (907) 428-1440

FACILITIES MANAGEMENT DIVISION

APPENDIX D

CERTIFICATION OF CONTRACT COMPLIANCE

ARMORY RENTAL BY: _____

DATE(S) OF RENTAL: _____

I hereby certify that all of the terms and conditions of AKARNG
Regulation 420-12 have been met for the above rental.

SIGNATURE

TITLE

DATE

APPENDIX E

Authority: Alaska Statutes Sec. 26.05.230., paragraph (b), as follows:

"(b) Subject to regulations adopted by the adjutant general, an armory may be used for any reasonable and legitimate civilian activity so long as the activity does not interfere with its use for military purposes. Proceeds received as rental or otherwise at any armory from nonmilitary use shall be deposited in the state general fund."

Boyer
2/16/92
DRAFT

STATE OF ALASKA
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Office of the Adjutant General
Anchorage, AK 99503

ARNG 420-12

ALASKA ARNG REGULATION
Number 420-12

1 April 1992

Facilities Engineering
AKARNG FACILITY RENTAL PROCEDURES

SECTION I - GENERAL

Purpose..... Paragraph 1
Applicability..... Paragraph 2

line -
DRAFT only -
any comments would
be appreciated -
Jena

SECTION II - RESPONSIBILITIES

Facility Managers..... 3
Director of the Facilities Management Office..... 4
Administrative Service and Support Division..... 5

3/17/92

SECTION III - UTILIZATION OF FACILITIES BY THE PUBLIC

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Requests for Facility Rental..... 7
Restriction of Facility Usage..... 8
Environmental Responsibilities..... 9
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- Appendix A - List of Facility Managers
- Appendix B1 - Contract for Renting a National Guard Facility, TAG Form 202, 1 January 1982 (completed example).
- Appendix B2 - Terms and Conditions for Usage of National Guard Facilities
- Appendix C - Rental Rates
- Appendix D - Certificate of Contract Compliance
- Appendix E - Authority: Alaska Statute 26.05.230, Paragraph (b).

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AKARNC FACILITY RENTAL PROCEDURES

SECTION I - GENERAL

1. Purpose: This regulation establishes the procedures that will be followed when AKARNG facilities are utilized by other than National Guard personnel for profit and non-profit functions.
2. Applicability: This regulation is applicable to all Alaska Army National Guard facilities.
3. Facility Manager: Facility Managers (or their designated representative) will insure that when their facility is utilized by other than National Guard personnel, the appropriate fees established by this regulation are collected and transmitted to the Facility Management Office. The Facility Manager is the approving authority for all rental agreements (other than no charge rentals) and is responsible for the safe keeping and cleaning of the facility while it is being rented (see appendix D). Facility managers can request no-charge rentals which will be reviewed on a case-by-case basis. No charge rentals are approved by the Facilities Management Office. If approved, rental forms are still required to be filled out. (Facility Managers are listed in Appendix A).
4. Director of Facilities Management Office: The Facilities Management Office will establish the fixed rental rates for all armories and adjust rates as needed. When requested by the Facility Manager, he/she will also establish special rates to cover special circumstances. He/She will see that all rental transactions are reviewed and that all revenue is transmitted to Juneau in a timely manner.
5. Administrative Service & Support Division will receive rental funds from FMO and credit the appropriate account consistent with the current State regulations.

SECTION III - UTILIZATION OF FACILITIES BY THE PUBLIC

6. General: The State and Federal armories are primarily training and assembly facilities for the Alaska Army National Guard. The State of Alaska maintains these facilities for the National Guard, and National Guard usage must always have priority over any other organization. However, when the Guard is not utilizing the facility or when joint use of the facility does not impair the mission of the National Guard, other organizations are encouraged to use the buildings for their community activities.
7. Requests for Facility Rental: All requests for the use of a National Guard armory must be directed to the Facility Manager of the armory. These requests

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ARNG 420-12

1 April 1992

will be prepared on TAG form 202, dated 1 April 1992, as shown in Appendix B1.

A. The original and first copy (yellow) of TAG 202, along with the collected rental fees, will be forwarded to FMO on the first working day after the rental.

B. The second copy (pink) is retained by the Facility Manager.

C. The third copy (goldenrod) is retained by the requesting organization and will be shown to the standby Guardsperson at the time of usage.

8. Restriction of Facility Usage: All usage of National Guard armories is governed by the restrictions that follow:

A. No organization will be permitted the allocation of permanent space within an armory for any reason or purpose.

B. No organization will be permitted to affix any sign or identifying symbol inside or outside the armory on a permanent basis.

C. In addition to the standby person, the Facility Manager may require the presence of a uniformed law enforcement officer at all times during the armory usage if it would defer the likelihood of vandalism or unruliness. In such cases, it will be the responsibility of the using activity to arrange and pay for the service of the officer.

D. Other restriction as listed in Appendix B2.

9. Environmental Responsibilities: Personnel renting portions of Army National Guard Facilities agree to the following terms:

A. Take all required actions to prevent spills of hazardous substances in, or on the grounds of the armory complex.

B. Notify the AKARNG of any hazardous substances which will be brought onto the grounds during the rental period. The AKARNG must give prior approval for any hazardous substances to be brought on the property.

C. If hazardous substances are to be brought onto the property the renter must provide on site:

(1) Adequate quantities of sorbent materials.

(2) Appropriate containers.

D. Renter will be responsible for removal/appropriate disposal of all hazardous substances spilled.

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1 April 1992

E. In the event of a hazardous substance spill, renter will be responsible to immediately notify the National Guard Facility Manager on site.

10. Types of Public Rental and Rental Rates:

A. Rental rates are listed in Appendix C. All rental fees will be made payable by check or money order to the State of Alaska and will be transmitted to FMO on the first working day after the rental.

B. Profit-Oriented Rental Fees: Any person, organization, or business whose purpose is to make a profit for personal gain will fall into the profit category when considered for armory rental. The DMVA does not promote profit-oriented rentals but will accommodate the organization when other suitable facilities are not available. These fees are set as not to compete with the private sector.

C. Non-Profit Oriented Rental Fees: Any person, business, or organization that functions strictly for the benefit of the community and receives no personal gain from their activities will fall into the non-profit category. Any person or organization that does not fall into this category is profit. A modest rental fee will be charged for non-profit organizations when they utilize the facility. This fee will be used to pay approximately half of the related operational costs incurred during the rental. The National Guard will absorb the other half of the expense as a way to promote better community relations. It is felt that this type of community involvement will have a positive impact on recruiting and retention. If the National Guard supports the community, the community will support the National Guard.

11. Use of Indoor Ranges: Special considerations govern nonmilitary use of indoor ranges in order to take the maximum advantage of the recruiting potential. No operations or rental fees will be charged for range usage by non-profit organizations. A standby Guardperson or custodian must be present, but in the case of a military-sponsored activity, a Guardperson can be present at no charge to the user. The using organization is held responsible for cleanup of the range after use.

12. Standby Fees: A Guardperson will be required to be present during armory rentals to insure that the using organization complies with the rules and regulations governing the rental. He/She will be salaried by the using activity at a negotiable rate of not more than \$10 per hour. The check from the using organization will be made payable directly to the individual involved. No Guardperson shall be forced to perform standby duty. The individual on standby duty must understand his/her responsibilities and be briefed by the Facility

Manager or his/her designated representative prior to going into standby status. Each facility will have an SOP for standby person to follow.

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ARNG 420-12

1 April 1992

13. Cleaning: Each user is responsible for leaving the armory as clean as it was prior to utilization. This includes the removal of all trash, returning the floors to their previous condition, and cleaning all restrooms, kitchens, etc., that the organization used. Should the renter fail to satisfy this requirement, the individual or organization will not be allowed future use. The renter may hire commercial cleaning firms to accomplish the cleanup; the renter is responsible for their payment. The Facility Manager or his designated representative will sign a Certificate of Contract Compliance to verify the armory was cleaned in a satisfactory manner. Reference Appendix D.

14. Payment of Rental Fees: Rental fees are due at the conclusion of the rental. Cash will never be accepted. Payment will be in the form of checks or money orders made out to the State of Alaska.

15. Advance Reservations: Advance reservations must be paid in advance. Approval of advance reservations is at the discretion of the Facility Manager. Advance payments may be forfeited if the reservation is cancelled.

16. Rentals Exceeding One Month: A separate rental agreement will be prepared for each month of usage; ie., all May reservations for one group on one form and all June reservations on another form - with a separate check. Payment, along with the rental agreement, will be sent to FMO on the first working day following completion of the rental agreement.

17. Returned Check Fees: A \$25.00 fee will be charged for returned checks. A money order or cashiers check for the entire amount (returned check and fee) made payable to the State of Alaska. Upon receipt of the cashiers check or money order, the FMO will return the original NSF/account closed check to the renter.

18. Federal Scout Rentals: The Battalion Commander is the approving authority; however, all Federal Scout rentals exceeding 24 hours in length need to be coordinated with FMO by the Commander or his/her representative to insure that all expenses are identified and recovered. When other agencies and organizations require long-term use, a more formal arrangement must be made and coordinated with FMO.

19. Annual Training Site: Reference ARNG 420-10 for procedures for use of the Annual Training Site at Camp Carroll.

Users of this regulation are invited to send comments and suggested improvements to this Headquarters, ATTN: Facilities Management Office.

FOR THE COMMANDER-IN-CHIEF:

HUGH L. COX III, Major General, ANG
The Adjutant General

DRAFT

ARNG 420-12

1 April 1992

APPENDIX A

Below is a list of the Facility Managers by Unit/Activity position for each facility within the Alaska Army National Guard.

<u>FACILITY</u>	<u>FACILITY MANAGER</u>
Alcantra Armory	CDR, Det 1, HHC, 5/297th
Anchorage Armory	
Anchorage Armory #1	CDR, 5/297th
Anchorage Armory #2	CDR, 207th Group
Anchorage OMS #2	CDR, 5/297th
Anchorage OMS #6	CDR, 5/297th
Anchorage Annual Training Site	Supervisor, Camp Carroll
Anchorage USPFO Office/Warehouse	UPSFO for Alaska
Anchorage AASF	CDR, AASF
Anchorage CSMS/MATES	Supervisor, CSMS
Anchorage 207th Group Buildings	CDR, 207th Group
Anchorage Alaska Military Academy	CDR, AMA
Bethel Armory	CDR, 2/297th
Bethel OMS #4	CDR, 2/297th
Bethel AAOF	CDR, 2/297th
1/297th Federal Scout Armories	CDR, 2/297th
2/297th Federal Scout Armories	CDR, 2/297th
3/297th Federal Scout Armories	CDR, 3/297th
4/297th Federal Scout Armories	CDR, 4/297th
Fairbanks Armory	CDR, Co B/5/297th
Fairbanks OMS #5	CDR, Co B/5/297th
Juneau Armory #1	CDR, 4/297th
Juneau Armory #2	CDR, 4/297th
Juneau OMS #1	CDR, 4/297th
Juneau Goldstein Bldg	Director, ASSD
Kenai Armory	CDR, Det 1, Co A/5/297th
Ketchikan Armory	CDR, Co A/4/297th
Kotzebue Armory	CDR, 3/297th
Kotzebue OMS #7	CDR, 3/297th
Kotzebue AAOF	CDR, 3/297th
Nome Armory	CDR, 1/297th
Nome OMS #3	CDR, 1/297th
Nome AAOF	CDR, 1/297th
Sitka Armory	CDR, Co B/4/297th
Sitka OMS	CDR, Co B/4/297th

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Appendix B1

1 April 1992

CONTRACT FOR RENTING A NATIONAL GUARD FACILITY

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FACILITY LOCATION: Anchorage Primary

AREA(S) TO BE RENTED: Drill Hall

PURPOSE OF RENTAL: Poplar Show

NUMBER OF PEOPLE USING THE FACILITY: UNDER 50 51 & OVER

IS THE ORGANIZATION AN IRS RECOGNIZED NON-PROFIT ORGANIZATION? YES NO

IS A COPY OF THE BUSINESS LICENSE HELD BY PROFIT-ORIENTED INDIVIDUALS OR ORGANIZATIONS ON FILE? YES NO

RENTAL DATE(S)	TIMES	RENTAL DATE(S)	TIMES
<u>4-1-92</u>	<u>7:00 TO 12:00</u>	_____	TO _____
<u>4-2-92</u>	<u>13:00 TO 14:00</u>	_____	TO _____
_____	TO _____	_____	TO _____
_____	TO _____	_____	TO _____

SPECIAL PROVISIONS/OTHER COMMENTS: The cafeteria will be available

I/WE HAVE READ AND UNDERSTAND THE TERMS AND CONDITIONS OF USE LISTED ON THE BACK OF THIS FORM. I/WE ACCEPT ALL LIABILITIES RELATED TO THE RENTAL. ALSO, I/WE UNDERSTAND THAT CASH WILL NOT BE ACCEPTED FOR PAYMENT.

SIGNATURE(S):

[Signature] Manager Kerax XXX-XXXX 3/20/92
 RENTER, TITLE ORGANIZATION NAME PHONE NUMBER DATE

[Signature] Facility Manager XXX-XXXX 3/20/92
 FACILITY MANAGER TITLE PHONE NUMBER DATE

DISTRIBUTION OF COMPLETED CONTRACT: SEND THE ORIGINAL AND FIRST COPY OF THE AGREEMENT AND THE CHECK MADE PAYABLE TO THE STATE OF ALASKA TO:
 STATE OF ALASKA
 DMVA/FMO
 P.O. BOX 5-549
 FT. RICHARDSON, AK 99505-0549

THE SECOND COPY IS FOR THE FACILITY MANAGER
THE THIRD COPY IS FOR THE RENTER

CALCULATIONS: TOTAL HOURS 6 X RATE 75⁰⁰ = TOTAL \$ 450⁰⁰
 STANDBY CHARGE: TOTAL HOURS 6 X RATE 10⁰⁰ = TOTAL \$ No Charge
 PERSON PERFORMING STANDBY: ARICE RUY

ACCOUNTING USE ONLY: CHECK # _____ DATE: _____

REVIEWED BY FMO: _____ DATE: _____ APPR N/C _____ DATE: _____
 SY _____ CC _____ PGM _____ LC _____ ACCT _____ FY _____
 SY _____ CC _____ PGM _____ LC _____ ACCT _____ FY _____

DRAFT

ARNG 420-12

1 April 1992

APPENDIX B2

TERMS AND CONDITIONS FOR USAGE OF NATIONAL GUARD FACILITIES

1. The user will assume pecuniary liability for any and all damages during the time the user rents the facility.
2. The use permit may be cancelled at any time.
3. The use of displays and/or decorations during this usage must be approved by the Facility Manager and must be removed promptly upon the conclusion of the event.
4. Smoking will be permitted only in those areas clearly marked as authorized smoking areas. "No Smoking" signs will be observed and obeyed at all times.
5. Consumption of alcoholic beverages on the premises must be in compliance with State and Federal laws/regulations.
6. This agreement shall not be assigned or sublet, in whole or in part.
7. The user shall be held responsible for returning the condition of the facility and all rooms used to the exact status in which they were found.
8. The user shall negotiate with and agree upon an hourly standby fee payable to the National Guardsperson or State custodian present at the function, unless said individual would normally be in attendance as a member of the user's organization. The standby person is free to donate his time if he so wishes. Maximum standby fee will be \$10/hr.
9. Federal Scout Armory Rentals: No standby person is required under normal circumstances.
10. If requested by the Facility Manager, the user shall contract for and insure that a uniformed law enforcement officer is present during all portions of this usage.
11. Neither the National Guard nor the State of Alaska warrants or represents that the premises are safe, healthful, or suitable for the purpose of which they are permitted to be used under this agreement.
12. The user agrees that he does not and shall not at any time claim any interest or estate of any kind in the premises by virtue of this license or his occupancy hereunder.
13. The Facility Manager may impose additional restrictions as required, to insure the safekeeping of this facility.
14. A \$25.00 returned check fee will be charged for returned checks.

DRAFT

ARNG 420-12

1 April 1992

APPENDIX C

RENTAL RATES

Alcantra, Anchorage, Bethel, Fairbanks, Juneau, Kenai, Ketchikan, Kodiak, Kotzebue, and Nome armories:

<u>NUMBER ATTENDING</u>	<u>PROFIT</u>	<u>NON-PROFIT</u>
0-50	\$ 75/hr	\$20/hr
51 and over	\$150/hr	\$40/hr

All Federal Scout Armories:

<u>NUMBER ATTENDING</u>	<u>PROFIT</u>	<u>NON-PROFIT</u>
N/A	\$ 50/hr	\$10/hr

Certified checks may be requested from persons or organizations that have been established for less than four years or do not have adequate financial references.

If the armory is used during regular hours with the ASI present, no standby fee will be required.

Facility Managers may establish their own local policy for return of advance rental fees due to cancellation.

DRAFT

ARNG 420-12

1 April 1992

APPENDIX D
CERTIFICATION OF CONTRACT COMPLIANCE

ARMORY RENTAL BY: _____

DATE(S) OF RENTAL: _____

I hereby certify that all of the terms and conditions of AKARNG Regulations 420-10 and 420-12 have been met for the above rental.

SIGNATURE

TITLE

DATE

DRAFT

ARNG 420-12

1 April 1992

APPENDIX E

Authority: Alaska Statutes Sec. 26.05.230., paragraph (b), dated 1 July 1987, as follows:

"(b).....subject to the order of the adjutant general and under the charge of its armory board, which shall keep in the armory all property furnished by the state. Except for scout battalions organized under special authority of the Secretary of the Army, a unit may not be furnished with arms or equipment until a suitable armory is provided for their deposit. Subject to regulations adopted by the adjutant general, an armory may be used for any reasonable and legitimate civilian activity so long as the activity does not interfere with its use for military purposes. Proceeds received as rental or otherwise at an armory from nonmilitary use shall be deposited in the general fund."

CONTRACT FOR RENTING A NATIONAL GUARD FACILITY

DRAFT

- . FACILITY LOCATION: _____
- . AREA(S) TO BE RENTED: _____
- . PURPOSE OF RENTAL: _____
- . NUMBER OF PEOPLE USING THE FACILITY: _____ UNDER 50 _____ 51 & OVER
- . IS THE ORGANIZATION AN IRS RECOGNIZED NON-PROFIT ORGANIZATION? YES NO
- . IS A COPY OF THE BUSINESS LICENSE HELD BY PROFIT-ORIENTED INDIVIDUALS OR ORGANIZATIONS ON FILE? YES NO

RENTAL DATE(S)	TIMES	RENTAL DATE(S)	TIMES
_____	TO _____	_____	TO _____
_____	TO _____	_____	TO _____
_____	TO _____	_____	TO _____
_____	TO _____	_____	TO _____

. SPECIAL PROVISIONS/OTHER COMMENTS: _____

0. I/WE HAVE READ AND UNDERSTAND THE TERMS AND CONDITIONS OF USE LISTED ON THE BACK OF THIS FORM. I/WE ACCEPT ALL LIABILITIES RELATED TO THE RENTAL. ALSO, I/WE UNDERSTAND THAT CASH WILL NOT BE ACCEPTED FOR PAYMENT.

1. SIGNATURE(S):

 RENTER, TITLE ORGANIZATION NAME PHONE NUMBER DATE

 FACILITY MANAGER TITLE PHONE NUMBER DATE

3. DISTRIBUTION OF COMPLETED CONTRACT: SEND THE ORIGINAL AND FIRST COPY OF THE AGREEMENT AND THE CHECK MADE PAYABLE TO THE STATE OF ALASKA TO:
 STATE OF ALASKA
 DMVA/FMO
 P.O. BOX 5-549
 FT. RICHARDSON, AK 99505-0549

THE SECOND COPY IS FOR THE FACILITY MANAGER
 THE THIRD COPY IS FOR THE RENTER

4. CALCULATIONS: TOTAL HOURS _____ X RATE _____ = TOTAL \$ _____
 5. STANDBY CHARGE: TOTAL HOURS _____ X RATE _____ = TOTAL \$ _____
 6. PERSON PERFORMING STANDBY: _____

7. FMO ACCOUNTING USE ONLY: CHECK # _____ DATE: _____

REVIEWED BY FMO: _____ DATE: _____ APPR N/C _____ DATE: _____
 SY _____ CC _____ PGM _____ LC _____ ACCT _____ FY _____
 SY _____ CC _____ PGM _____ LC _____ ACCT _____ FY _____

FACILITY
 BY FORM

DRAFT

TERMS AND CONDITIONS FOR USAGE OF NATIONAL GUARD FACILITIES

1. The user will assume pecuniary liability for any and all damages during the time the user rents the facility.
2. The use permit may be cancelled at any time.
3. The use of displays and/or decorations during this usage must be approved by the Facility Manager and must be removed promptly upon the conclusion of the event.
4. Smoking will be permitted only in those areas clearly marked as authorized smoking areas. "No Smoking" signs will be observed and obeyed at all times.
5. Consumption of alcoholic beverages on the premises must be in compliance with State and Federal laws/regulations.
6. This agreement shall not be assigned or sublet, in whole or in part.
7. The user shall be held responsible for returning the condition of the facility and all rooms used to the exact status in which they were found.
8. The user shall negotiate with and agree upon an hourly standby fee payable to the National Guardsperson or State custodian present at the function, unless said individual would normally be in attendance as a member of the user's organization. The standby person is free to donate his time if he so wishes. Maximum standby fee will be \$10/hr.
9. Federal Scout Armory Rentals: No standby person is required under normal circumstances.
10. If requested by the Facility Manager, the user shall contract for and insure that a uniformed law enforcement officer is present during all portions of this usage.
11. Neither the National Guard nor the State of Alaska warrants or represents that the premises are safe, healthful, or suitable for the purpose of which they are permitted to be used under this agreement.
12. The user agrees that he does not and shall not at any time claim any interest or estate of any kind in the premises by virtue of this license or his occupancy hereunder.
13. The Facility Manager may impose additional restrictions as required, to insure the safekeeping of this facility.
14. A \$25.00 returned check fee will be charged for returned checks.

EX FORM
#

Public Safety Academy -- user fees

Course Formula (sample)	\$9,815.00	TOTAL COST	--how derived:
Length in weeks:		1	number of weeks of training provided
Length in days:		7	exact number of training days
Number of trainees:		30	example of a typical group size

SUBTOTALS

PERSONAL SERVICES	Per Week		
	\$2,000.00	x weeks	\$2,000.00

TRAVEL (actual costs incurred)		\$0.00
--------------------------------	--	--------

CONTRACTUAL SERVICES

Meals: SJ \$18 x days x trainees

Per Day	\$18.00	\$3,780.00
---------	---------	------------

Gym/Pool: SJ \$60 x weeks x 4 days per week

Per Session	\$60.00	\$240.00
-------------	---------	----------

Lodging: PSA \$6 x days x trainees

Per Day	\$6.00	\$1,260.00
---------	--------	------------

Facilities: PSA \$25 x weeks x trainees

Per Week	\$25.00	\$750.00
----------	---------	----------

SUBTOTAL-CONTRACTUAL		\$6,030.00
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STUDENT SUPPLIES \$7 x days x trainees

Per Day	\$7.00	\$1,470.00
---------	--------	------------

EQUIPMENT USAGE \$1.50 x days x trainees

Per Day	\$1.50	\$315.00
---------	--------	----------

TOTAL COST

\$9,815.00

Public Safety Academy--user fees

1 student add-on to a group: formula TOTAL COST--how derive \$477.50

Length in weeks: 1

Length in days: 7

=====

PERSONAL SERVICES:				SUBTOTALS
Per Week	X Weeks	X Students		
\$100.00	1	1		\$100.00

TRAVEL: Per student/flat rate

\$125.00 (for guest instructor travel) \$125.00

CONTRACTUAL SERVICES:

Meals:	Per Day	Days	Students	
	\$18.00	7	1	\$126.00

Lodging:	Per Day	Days	Students	
	\$6.00	7	1	\$42.00

Facilities:	Per Week	Weeks	Students	
	\$25.00	1	1	\$25.00

SUBTOTAL-CONTRACTUAL SERVICES \$193.00

STUDENT SUPPLIES:	Per Day	Days	Students	
	\$7.00	7	1	\$49.00

EQUIPMENT USE:	Per Day	Days	Students	
	\$1.50	7	1	\$10.50

TOTAL COST \$477.50

Alaska State Legislature

SENATOR ARLISS STURGULEWSKI, Chairman
SENATOR PAUL FISCHER, Vice Chairman
SENATOR SAM COTTEN
SENATOR LYMAN HOFFMAN
SENATOR CURT MENARD




P.O. BOX V
ROOM 427
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3762

Senate Committee on Health, Education and Social Services

SPONSOR STATEMENT - SB 474

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

From: Senator Arliss Sturgulewski 
Chair, Health, Education, and Social Services Committee

Date: April 22, 1992

The legislature is considering several bills which address a variety of user fees charged for state services and activities as it reviews the state's fiscal structure. SB 474 takes a comprehensive approach to reforming one component of that structure - user fees. The bill ensures that fees are sufficient to cover costs through regular fee review and adjustment. In too many cases, fees set both in regulation and statute have been unexamined and unchanged for years. In addition, over the years, many minor fees have been unnecessarily embedded in statute, complicating routine review. The broad variety and scope of state fees addressed by the bill is outlined in a Legislative Research Agency memorandum, expected to be available by the time of the hearing. The substance of SB 474 is as follows:

- It requires that agencies annually review all fees and charges. If collections for a fee set in regulation do not pay an agency's associated costs, the agency is directed to adjust the fee to that level. Fees set in statute must also be reviewed and recommendations made for any increases necessary to cover costs. A substantial fee increase may be phased in over time.

- It requires all agencies collecting fees and charges to submit an annual report to OMB by October 1 on fee levels and adjustments for the preceding fiscal year and recommended statutory changes. OMB is required to submit a report summarizing agency reports to the legislative auditor by January 1, who turn reports to the full legislature on the status of fees and recommended statutory revisions by January 15.
- It repeals a variety of statutes setting user fee amounts and gives agencies the power to set these fees by regulation. It does not repeal the major statutory user fee revenue sources, some of which collect revenues well in excess of agency costs. These are business license fees, hunting and fishing license, tag, and permit fees, commercial fishing entry permit and vessel license fees, gaming fees, automobile registration and license fees, and alcoholic beverage control license fees. All other fees set in statute are repealed.

SB 474 does not, except in one instance (fees for identification cards), conflict with any draft Senate bills regarding fees presented to the Majority Caucus. There are some minor conflicts with the package of user fee bills passed by the House in conjunction with the budget (the ID card fee and some other minor fees are retained in or added to statute). A sectional analysis of SB 474 is attached.

This bill initiates routine review and adjustment of fees set in regulation which is long overdue. SB 474 provides the legislature with the information necessary to revise statutory fees, as well as to monitor the status of fees set in regulation. The bill clears from statute a variety of fees which could be more simply and efficiently administered by regulation. These changes are necessary overhauls of state fiscal mechanisms and will make the fee setting process more efficient and responsive.

I believe that the time has come for these changes in the state's regulatory and fiscal systems. I ask that you give SB 474 your careful consideration. Thank you.

April 21, 1992

SB 474 Sectional Analysis

- **Section 1** - Gives the Athletic Commission the authority to set a license application fee for organizations, clubs, etc. by regulation and repeals the fee now in statute.
- **Section 2** - Gives the Athletic Commission the authority to set license fees for managers, referees, physicians, boxers, wrestlers, seconds and trainers by regulation.
- **Section 3** - Establishes Athletic Commission authority to set fees by regulation.
- **Section 4** - Deletes the statutory fee for snow vehicle registration and gives the Department of Public Safety authority to establish a fee by regulation.
- **Section 5** - Adds a new subsection to statute which gives the Department of Commerce and Economic Development (DCED) the authority to establish fees for license filings and other applications by banks and financial institutions. The fees will be in addition to expenses that may otherwise be charged to an applicant.
- **Section 6** - Deletes the statutory application fee for an institution making small loans (under \$25,000) and gives the commissioner of DCED the authority to set the fee by regulation.
- **Section 7** - Deletes from statute the fee for filing of a federal savings loan charter or certificate and gives the commissioner of DCED the authority to set the fee by regulation.
- **Section 8** - Deletes from statute the fee for filing an application for approval under the banks and financial institutions chapter and gives the commissioner of DCED the authority to set the fee by regulation.
- **Section 9** - Deletes from statute the license fee for premium finance institutions and gives the commissioner of DCED the authority to set the fee by regulation.

- **Section 10** - Gives DCED general authority to establish fees for banks and financial institutions by regulation and cleans up existing language specifying exceptions to this authority.
- **Section 11** - Repeals and reenacts the statute setting Alaska Postsecondary Education Commission authorization fees for postsecondary education institutions and permit fees for agents employed by or representing institutions. The commission is given authority to set fees by regulation.
- **Section 12** - Amends election statutes to delete filing fees for statewide and legislative candidates and gives director regulatory power to set fees.
- **Section 13** - Amends election statutes to delete filing fees for supreme court retention elections and gives the director regulatory power to set fees.
- **Section 14** - Amends election statutes to delete filing fees for court of appeals retention elections and gives the director regulatory power to set fees.
- **Section 15** - Amends election statutes to delete filing fees for superior court retention elections and gives the director regulatory power to set fees.
- **Section 16** - Amends election statutes to delete filing fees for general election candidates and gives the lieutenant governor regulatory authority to set fees.
- **Section 17** - Deletes statutory fee for purchase of space in State election pamphlet by political parties and gives the lieutenant governor regulatory authority to set fees.
- **Section 18** - Deletes the fee in statute for the issuance of an identification card and establishes regulatory authority for the Department of Public Safety (DPS) to set the fee.
- **Section 19** - Deletes statutory application fees for security guards and security guard agencies and gives DPS the authority to set fees by regulation.

- **Section 20** - Gives DPS commissioner the authority to set security guard application fees by regulation.
- **Section 21** - Gives the state fire marshall authority to set in regulation fireworks wholesale license fee, replacing the fee set in statute.
- **Section 22** - Gives the Department of Labor regulatory authority to set an employment agency application fee and deletes the fee set in law.
- **Section 23** - Provides the Alaska Public Offices Commission with the authority to set lobbyist registration fees by regulation and repeals the current fee.
- **Section 24** - Amends the statute providing general authority to state agencies to charge for services, activities, materials, etc by expanding the range of items which may be charged for.
- **Section 25** - Adds a new section which requires that all state agencies annually review all fees and charges. It requires that fees in regulation which do not pay agency costs shall be adjusted to that level. In cases in which a board or commission regulates an activity, service, or material, an agency setting fees must consider the recommendations of the board or commission. If adjusting a fee to pay agency costs requires a substantial increase in costs, fee increases may be phased in over an unspecified period of time.

All fee levels and adjustments, as well as recommendations for increases to statutorily set fees, during the preceding fiscal year must be reported to OMB by October 1. OMB in turn must submit a summary report to the legislative auditor by January 1. By January 1, the legislative auditor shall report on the status of fees and make recommendations for statutory changes to the legislature.

Agencies are defined to include boards and commissions and agencies of the judicial, legislative, and executive branch and to exclude the University of Alaska and public corporations of the state.

- **Section 26** - Gives the Commissioner of the Department of Natural Resources (DNR) the authority to set land sale lottery application fees by regulation and repeals the existing fee.

- **Section 27** - Gives the Commissioner of DNR the authority to set homesite entry application fees by regulation and repeals the existing fee.
- **Section 28** - Gives the Alaska Public Utilities Commission the authority to set by regulation the application fee for a certificate of convenience and necessity and repeals the existing fee.
- **Section 29** - Gives the lieutenant governor the authority to establish by regulation a fee for certificates with the seal of the state of Alaska and repeals the existing fee.
- **Section 30** - Gives the lieutenant governor the authority to establish by regulation a fee for notary commissions and repeals the existing fee.
- **Section 31** - Repeals the power of the commissioner of DCED to set fees for annual examinations for securities brokers, dealers, agents, investment advisors, etc. by order, leaving in place current regulatory powers.
- **Section 32** - Gives the commissioner of the Department of Environmental Conservation the authority to set registration fees for the owners and operators of underground storage tanks by regulation and repeals existing fees.
- **Section 33** - Repeals the schedule of fees for boxers, wrestlers, physicians, seconds, and referees.
- **Section 34** - Provides that fees set in statute and amended or repealed by this act remain in effect until regulations setting new fees are adopted.

STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING

March 9, 1992

For fee bill
(Arless) MAR 10 1992
WALTER J. HICKEL, GOVERNOR

P.O. BOX 110806
JUNEAU, ALASKA 99811-0806
PHONE: (907) 465-2534

The Honorable Drue Pearce, Chair
Senate Labor & Commerce Committee
State Capitol
Juneau, AK 99801-1182

Dear Senator Pearce:

Your memo of February 29, 1992 asks what effect board approval might have on negating implementing a "pay-your-way" policy. You requested comments on the possibility of giving the division the authority to set fees.

I have given the matter some thought recently and asked for the history of fee increases and board cooperation from staff members who have been in the division for several years and one former employee. This was in response to similar queries from other legislators and government officials.

While the individual board statutes mainly state that the division may set fees through regulation, the Centralized Licensing Statute, AS 08.01.065(b), restricts this authority: "The department may not adopt a regulation under (a) [establishment of fees] of this section unless the board responsible for regulating the affected occupation concurs."

In this same section, (c) gives the department leeway to set the fees lower if the actual cost would be an unreasonable burden. This applies mainly to boards with small numbers or occupations which are traditionally low pay.

My perception is that the boards generally "come around" to fee increases if it can be demonstrated that it is necessary. The main difficulty is that if the discussion is carried over to the next board meeting there is a time lag. Also, in the past, many boards used the discussion to "lobby" for additional board travel or an upgrade from an examiner to an executive secretary. In other words, "we will raise our fees if you can promise we are going to see increased benefits. In fact, we will give you more than you are asking to be at par if we knew we could have" When a director has said anything resembling consideration of such a request, the board has been upset when they did not get the extras and been reluctant to increase the fees the next time the subject came up. Obviously, the director did not make a promise. I have been careful to explain the process, reiterating we do not have designated funding.

March 9, 1992

I have used as an example business licensing, which takes in more than we are authorized to spend. That is, just because we collect it, does not mean it is division money to spend. When they realize that they are not being treated differently than other boards or even the division itself, they have generally agreed to do what is necessary.

Past legislative efforts for fees to be at par have sometimes resulted in a backlash of licensee complaints. Often, legislators who supported the mandate have called to complain that the division was being unfair to a particular occupation if one of their constituents complained. Therefore, some division staff have been reluctant to suggest fee increases.

I believe that the only change necessary to give the department more authority in this area would be to repeal AS 08.01.065(b).

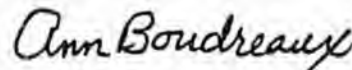
I am not seeking this change, but if it were to occur, the main problem solved would be time. It would also eliminate the small number of recalcitrant boards who will not schedule the item or vote against it.

It is inadvisable to set fee by statute. This would create a situation where the Legislature could get bogged down. Also, you would lose as much time waiting for the Legislature as you would in waiting for a board meeting to vote on fees.

To protect the licensees from "featherbedding" by the division, the wording should say something like: "The department shall set fees which reasonably approximate the actual cost of administering the licensing area." In definitions, you could further define reasonably approximate, if so desired. Example: "Reasonably approximate means + or - 10% for the preceding biennial licensing period." (Fees generated will fluctuate with the number of licensees. Some years may be busier than others. A tolerance factor of, say, 10% [or whatever number you choose] would require justification but allow for increased or decreased activity without having to do an adjustment every licensing period or issue refunds or special assessments if the estimates were slightly off.)

I hope this answers your questions. If you need additional information, please call me at 465-2538.

Sincerely,



Ann Boudreaux
Director

AB/mst3850m/030992a
cc: Senator Pat Pourchot
Representative Kay Brown

NFIB Alaska

National Federation of
Independent Business

POSITION PAPER

OF

NATIONAL FEDERATION OF INDEPENDENT BUSINESS
(NFIB/ALASKA)

TO

SENATE LABOR AND COMMERCE COMMITTEE

APRIL 24, 1992

OPPOSING

SB 474 - FEES CHARGED BY STATE AGENCIES

State Office
9159 Skywood Lane
Juneau, AK 99801
(907) 789-4278



The Guardian of
Small Business

CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS RESA JERREL,
AND I AM THE STATE DIRECTOR FOR THE NATIONAL FEDERATION OF
INDEPENDENT BUSINESS - NFIB/ALASKA.

NFIB/ALASKA IS COMPRISED OF 5,730 SMALL AND INDEPENDENT
BUSINESS OWNERS. THE LEGISLATIVE AGENDA OF NFIB/ALASKA IS
DETERMINED BY OUR BALLOT. THE BALLOT IS OUR ANNUAL POLL OF OUR
MEMBERS ON A SERIES OF ISSUES DEEMED CRITICAL TO SMALL BUSINESS. A
MAJORITY VOTE, OF THE MEMBERS IN RESPONSE TO THE POLL, SETS OUR
POLICY AND POSITION ON LEGISLATIVE ISSUES. WE THEN SHARE THE
RESULTS OF OUR POLL WITH THE LEGISLATURE AND ADMINISTRATION. THERE
IS NOT ENOUGH SPACE ON THE ANNUAL POLL TO PLACE EVERY POSSIBLE ISSUE
TO OUR MEMBERSHIP. THEREFORE, WE ALSO USE PREVIOUS YEARS BALLOT
RESULTS AS GUIDANCE ON ISSUES.

ON THE 1986 STATE BALLOT THE MEMBERS OVERWHELMINGLY VOTED,
(96%) TO REDUCE STATE GOVERNMENT SPENDING BEFORE INCREASING PRESENT
TAXES OR IMPOSING NEW TAXES. ALSO, I HAVE SEEN SOME SURVEYS
CONDUCTED THIS YEAR BY LEGISLATORS ON THE ISSUE OF TAXES. I HAVE
NOT SEEN ONE THAT SUPPORTED NEW TAXES.

NFIB/ALASKA IS OPPOSED TO SB 474 BECAUSE THESE USER FEES
- TAXES - ALLOW THE VARIOUS REGULATORY AGENCIES OF DEPARTMENTS TO
SET TAXES TO COVER WHAT EVER LEVEL OF STAFFING THEY CHOOSE. THERE
HAVE BEEN ATTEMPTS, BUT TO DATE THE LEGISLATURE HAS NOT BEEN ABLE TO
DEVISE A MECHANISM TO OVER TURN REGULATIONS. IF YOU ALLOW THE
DEPARTMENTS, AT WILL, TO SET TAXES YOU WILL MAKE IT MORE DIFFICULT
TO KEEP A HANDLE ON REGULATORY AGENCIES. SOME HAVE SAID THAT PEOPLE
THAT USE STATE SERVICES SHOULD PAY FOR THE SERVICE. THE FUNDS
PROPOSED TO BE RAISED BY SB 474, ONLY COVER A FEW SERVICES, AND THEY
WILL GO INTO THE GENERAL FUND WITH NO GUARANTEE THAT THE FUNDS WILL

BE APPROPRIATED TO THE SPECIFIC PROGRAMS.

THE OTHER BODY HAS BEEN CONSIDERING VARIOUS SCHEMES TO ADD NEW TAXES, INCREASE TAXES AND "USER FEES". I HAVE PROVIDED STAFF WITH COPIES OF NUMEROUS LETTERS FROM AROUND THE STATE IN OPPOSITION TO THOSE PROPOSALS. I WOULD SUGGEST YOU TAKE A LOOK AT THOSE LETTERS TO OBTAIN A FEEL FOR WHAT "MAIN STREET" ALASKANS THINK ABOUT NEW OR INCREASED TAXES AND THE NEED TO DECREASE THE OPERATING BUDGET. NEW TAXES AND USER FEES ONLY SERVE TO CURB GROWTH, DECREASE JOB OPPORTUNITIES AND INHIBIT ECONOMIC DIVERSITY.

THE STATE BUDGET NEEDS TO BE CUT BEFORE IMPOSING ANY NEW TAXES. IF YOU WANT TO EASILY CUT THE BUDGET - WITHOUT AN OUT CRY OF PROTESTS - THEN PROHIBIT THE COMMERCIAL ACTIVITIES OPERATED BY STATE AND LOCAL AGENCIES. SMALL BUSINESSES IN ALASKA FACE COMPETITION FROM STATE AND LOCAL GOVERNMENT AGENCIES IN A WIDE VARIETY OF COMMERCIAL ACTIVITIES. THE MANY SMALL BUSINESSES FACING GOVERNMENT COMPETITION ARE:

- PRINTING FIRMS
- GIFT SHOPS
- VIDEOTAPE OUTLETS
- DAY-CARE CENTERS
- SERVICE STATIONS
- LANDSCAPING
- ROAD REPAIR AND MAINTENANCE
- LABORATORIES
- MEDICAL CARE PROVIDERS
- PHARMACIES
- ARCHITECTURE AND ENGINEERING FIRMS
- OFFICE FURNITURE

- AUTO BODY REPAIR

- TELEVISION STATIONS

GETTING GOVERNMENT OUT OF BUSINESS WOULD GO A LONG WAY TO BRINGING THE SIZE AND COST OF STATE AND LOCAL GOVERNMENT DOWN TO REASONABLE AND AFFORDABLE LEVELS - WITHOUT RAISING TAXES OR IMPOSING NEW TAXES. ADDITIONALLY, ATTACHED ARE THE RESULTS OF SEVERAL BALLOT QUESTIONS REGARDING GOVERNMENT COMPETITION.

NFIB/ALASKA THANKS YOU FOR THE OPPORTUNITY TO COMMENT ON THIS LEGISLATION. IF YOU HAVE ANY QUESTIONS I WOULD BE HAPPY TO TRY AND ANSWER THEM.

ATTACHMENT

The following is the result of the 1988 NFIB/Alaska ballot question regarding unfair competition:

Should legislation be enacted to restrict the commercial activities of government entities so they are not permitted to compete with existing private enterprises?

Yes 78%	No 12%	Undecided 10%
---------	--------	---------------

The following is the result of the 1990 NFIB/Alaska ballot question regarding government competition:

Should legislation be passed that would restrict government agencies from competing with private business in Alaska?

Yes 83%	No 6%	Undecided 11%
---------	-------	---------------

More recently, the following is the result of the 1991 NFIB/Alaska ballot question on this issue:

Should the legislature establish a Private Enterprise Preservation Task force in order to study and recommend legislation to limit competition with private business by state and local government?

Yes 67%	No 23.1%	Undecided 9.9%
---------	----------	----------------

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SB 474

Revision Date: _____

Department Affected: Commerce & Econ. Dev.

Title: Fees Charged by State Agencies

BRU: Banking, Securities & Corporations

Component: _____

Sponsor: Senate HES

Requestor: Senate L & C

COMPONENT SERIAL NO.

1	2	3	3
---	---	---	---

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
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

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

REVENUE FUND RESOURCE:	3.5	7.0	7.0	7.0	7.0	7.0
------------------------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS (Attach a separate page if necessary.)

Regulations with established fees should be promulgated by mid-FY 93.

Prepared By: Willis F. Kirkpatrick, Director

Phone: 465-2521

Division: Banking, Securities & Corporations

Date: 4/22/92

Approved by Commissioner: Glenn A. Olds

Agency: Department of Commerce & Economic Development

Date: 4.21.92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., and Impacted Agency(ies).

Page 1 of 1

KP/dg11937D-1/042292a

(Rev. 12/91)

FEES SET IN STATUTE

- **Business licenses - AS 43.70.030**
- **Hunting and fishing licenses/tags/permits - AS 16.05.100-130**
- APEC institutional and agent authorization fees - AS 14.48.090
- **CFEC vessel licenses - AS 16.05.530**
- Underground storage tank inspection fees - AS 46.03.385
- Election fees - AS 15.25.050; 15.35.041 & 057 & 071; 15.58.060
- Notary public fees - AS 44.50.040 z& 195
- Certificate w/state seal- AS 44.19.024
- Employment Agency application fee - AS 23.15.390
- APOC lobbyist fees - AS 24.45.041 (g)
- Banking, Securities, & Corps. - AS 06.01.010; 06.20.030; 06.030.815 & 820; 06.40.040; 10.06.843; 42.05.661; 45.55.040 & 080 & 120 & 200
- Athletic Commission fees - AS 05.10.010
- **Games of chance and skill - AS 05.15.020 & 122 & 181 & 183**
- Fireworks permit fees - AS 18.72. 030
- **Auto registration & drivers license fees - AS 28.05.021; 28.10.421 & 431 & 441; 28.15.271**
- Security guard license - AS 18.65.410 & 450
- Snow vehicle fee - AS 05.030.040
- **Alcoholic Beverage Control Licenses - AS 04.11.090 & 100 & 110 & 130 & 150 & 160 & 170 & 180 & 220 & 271**
- APUC filing fees - AS 42.05.661
- Land sale fees - AS 38.05.057; 38.08.030
- ID card fee - AS 18.65.310

Fees rendered in **bold** generated about 88% of FY 91 revenue from the fees listed above (approximately \$40.7 million). In each case revenue was greater than direct cost of operations at the agency actually collecting the fees. **With the passage of this bill, these fees will continue to be set in statute, with the requirement that agencies report annually on collections and costs.**

SCR

|

SENATE LABOR & COMMERCE COMMITTEE
BILL FILE

BILL NUMBER: SCR 1
BILL TITLE: AMATEUR RADIO WEEK

SPONSOR: FISCHER

RECEIVED: 1/21/91

WRITTEN REQUEST TO SCHEDULE: DATE 1/22/91 FROM FISCHER
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: _____ SECOND: _____ THIRD: _____

DATE	COMMITTEE ACTION
<u>2/6/91</u>	<u>MOVED FROM COMMITTEE DO PASS</u>
_____	_____
_____	_____
_____	_____

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: SCR 1

Revision Date: _____
Title: A Resolution declaring June 16 - 22
to be Amateur Radio Week.
Sponsor: Senator Fischer
Requestor: Senator Fischer

Department Affected: Legislative Affairs Agency
BRU: Legislative Council

Component: _____

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

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

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

Prepared By: Pamela A. Stoops, Director
Division: Administrative Services

Pamela A. Stoops

Phone: 465-3850
Date: 2/1/91

Approved By: Warren W. Endicott, Executive Director
Agency: Legislative Affairs Agency

Warren W. Endicott

Date: 2/1/91

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

SCR

21



Alaska State Legislature

SENATE

Official Business

SENATOR VIRGINIA COLLINS

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

SPONSOR STATEMENT

Senate Concurrent Resolution 21

Senate Concurrent Resolution 21, "Establishing a Task Force on Safety in the Workplace," sets up a task force to create a model workplace safety program for the State of Alaska.

The primary focus of the Task Force on Safety in the Workplace would be on prevention of injuries rather than trying to remedy problems after the accident, fatality, or illness has occurred. The task force would create a model workplace safety program with that emphasis on prevention.

Nationally, Alaska has one of the highest workplace accident rates and the highest workplace fatality rate.

Workplace injuries burden the Alaska economy. Both the worker and the employer are negatively affected. In addition to physical and emotional effects, the worker suffers financially due to significant wage losses. The employer suffers in lost production time, higher insurance premiums which increase operation costs, and equipment damage.

The Federal Occupational Safety and Health Act (OSHA), passed in 1970, was to "assure...so far as possible, every working man and woman in the Nation safe and healthful working conditions and to preserve our human resources."

Yet the tragic toll taken in the workplace in lives, safety, and health persists. In Alaska, and on the federal level, many safety standards have not been updated for over 20 years. Consequently, many of our laws are in need of revision. As an unfortunate result, Alaska has a piecemeal workplace safety program.

The task force would examine Alaska's past workplace safety record, determine causes of the state's high rate of injuries, review current laws, consult with workplace safety institutes, and propose legislation to implement the program.

The task force would report its findings and recommendations to the legislature in January of 1993.

I would appreciate your support of this resolution.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO: SCR 21

Revision Date: _____
Title: Establishing a Task Force on Safety
in the Workplace.
Sponsor: Senator Collins
Requestor: Senator Collins

Department Affected: Legislative Affairs Agency
BRU: Legislative Council
Legis Operating Budget
Component: Council & Subcommittees
Session Expenses & Legis Oper Budget

.. COMPONENT SERIAL NO: 783

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	53.2	26.6	0	0	0	0
TRAVEL	16.0	8.0	0	0	0	0
CONTRACTUAL	28.0	14.0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	97.2	48.6	0	0	0	0

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

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

GENERAL FUND	97.2	48.6	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	97.2	48.6	0	0	0	0

POSITIONS:

FULL-TIME	1	0	0	0	0	0
PART-TIME	0	1	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

The following is requested to adequately support the Task Force on Safety in the Workplace:

Prepared By: Pamela A. Stoops, Director
Division: Administrative Services

Pamela Stoops

Phone: 465-3850
Date: 4/9/91

Approved By: Warren W. Endicott, Executive Director
Agency: Legislative Affairs Agency

Warren Endicott

Date: 4/9/91

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

PERSONAL SERVICES

1. Staff is requested as follows to assist the Task Force on Safety in the Workplace.

Researcher - Range 17A			
\$3,156 x 12 months =	\$37,872		
\$37,872 x 40% benefits =	<u>\$15,322</u>		
	\$53,194		53.2

TRAVEL

It is anticipated there will be 2 meetings of the 11 member Task Force on Safety in the Workplace.

2 meetings x 11 members = 22 airfares			
22 airfares x \$436 = \$9,592			
2 days per diem x 22 = 44			
44 days x \$100 = 4,400			14.0

Staff Travel - \$2,000			2.0
------------------------	--	--	-----

CONTRACTUAL

Advertising - advertising of public notice of meetings; Professional Services - \$28,000.			26.0
---	--	--	------

SUPPLIES

Supply needs will be absorbed within the existing Legislative Operating & Session budgets.

EQUIPMENT

Equipment needs will be absorbed within the existing Legislative Operating & Session budgets.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO : SCR 21

Revision Date: _____
 Title: " Establishing a Task Force on
Safety in the Workplace."
 Sponsor: Senator Collins
 Requestor: Senate Labor & Commerce

Department Affected: Labor
 BRU: Labor Standards & Safety
 Component: _____
Occupational Safety & Health
 COMPONENT SERIAL NO. 970

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	0.0	0.0	0.0

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

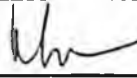
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

This fiscal note assumes the Department of Labor would not be responsible for providing funding for the task force.

Prepared by: Bob Libbey, Director Phone : 264-2452
 Division: Labor Standards & Safety Date : 4/8/91

Approved by Commissioner: Nancy Bear Usera 
 Agency: Department of Labor Date: 4/8/91

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

FATALITY RATES 1983 - 1989

	United States	Alaska
1983	5.6	15.3
1984	6.4	14.7
1985	6.2	16.1
1986	5.9	14.8
1987	5.4	16.0
1988	4.4	15.4
1989	-	3.3

ILLNESS RATES USING A BASE OF 10,000 WORKERS

	United States	Alaska
1984	18.4	21.4
1985	18.0	28.7
1986	19.2	23.2
1987	26.4	38.6
1988	32.2	31.2
1989	-	53.7

Tragedy and activism

Families demand answers in fatal work accident

Hard lessons came out of a fatal on the job accident in Indiana. One was that occupational safety in specters can't be everywhere. Another, that workers compensation may cover no more than funeral costs. This is the second part of an AP series, "Danger at Work."

By SHARON COHEN
Associated Press Writer

AUBURN, Ind. When tragedy tore apart Linda Link's life, she struggled with anguish. Then anger. Finally, she turned her emotions into something else—activism.

She took up the fight for worker safety. It's little solace for the loss of her son, Jeff, who died in an on-the-job accident, but she's devoted to the cause. So are her comrades who share her sorrow.

There's Edna Freeze. Her son, Bill, died trying to save Jeff. And Bob Hensinger. His son, Larry, also was killed in the rescue attempt.

And Sue Irish. Her son, Barney, died, too, rushing to help the others. And Brenda Fogle. Her son, Craig, the last man to come to his co-workers' aid, died last. After two days in a coma, his respirator was turned off.

Five families buried sons, their futures unfulfilled, their fate bound in tragedy. Now, more than a year after the young men—ages 19 to 29—died in a toxic-fume accident at Bastian Plating Co., their parents are writing letters, calling lawmakers, rallying—and pleading, "Never again."

"If we can do any good, it gives us the satisfaction to know that the boys didn't die in vain," Mrs. Link said. "We can't bring them back, but in their name, we can maybe help make it so these things don't happen ever again. And it gives us something to think about other than the tragedy."

"You're hoping you'll change things... you'll get people to listen," Hensinger said. "It's always



worth a try. Only a fool sits back and does nothing."

The families' goals are modest. No sweeping changes. Just a little more caution and a lot more accountability from employers.

"Even if one factory would be really safe, that would make us feel good," Mrs. Freeze said.

Toxic gas in tank

The campaigners were brought together by the June 28, 1988, tragedy at Bastian when Jeff was overcome by hydrogen cyanide fumes while cleaning a holding tank. Bill, a plant worker just four weeks, and Larry, climbed in to help, investigators were told.

Barney, once Bill's schoolmate, valiantly tried to save them, according to reports. Then Craig, the last rescuer, slid down the side of the tank, hitting his head, his mother said.

The workers didn't know zinc cyanide residue was in the 5 by 4 by 5 tank, said David Bear, spokesman for the Indiana Occupational Safety and Health Administration. Muriatic acid, a dilute form of hydrochloric acid, was used for the cleaning, he said, and the mixture produced the toxic gas.

OSHA fined Bastian \$41,700, claiming it hadn't provided adequate training, respirators or rescue equipment—such as a lifeline to pull workers out—nor conducted air tests in the tank before anyone entered.

Bastian has contested the "know-

ing" violations and paid the remainder, totaling \$1,700. It has declined further comment since releasing a statement shortly after the accident saying, "We are sorry that it took a tragedy of these proportions to focus attention on the issue of industrial safety."

'Job's going to kill me'

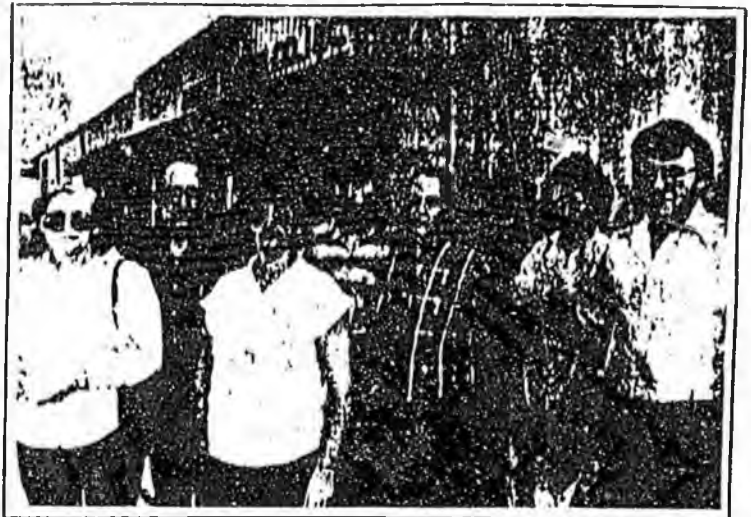
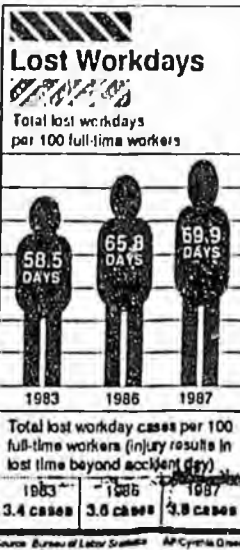
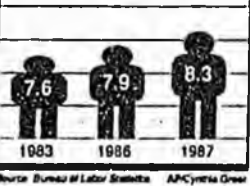
The parents say they knew the job could be hazardous, then sons came home with arm or leg injuries. Larry even told his ex-wife, "If I don't get out, the job's going to kill me," his father said. "I took it as a figure of speech."

After the accident, the families say Bastian made a terrible situation worse by not telling them what happened.

"We need answers," Irish said. "A lot of them."

DeKalb County Prosecutor Monte Brown has been asked by a worker safety watchdog group to convene a grand jury probe of the accident, but has declined comment pending a report from the state Department of Environmental Management.

"Five guys went to work and expected to return home," said Bill Groth, the watchdog group's co-founder. "They didn't. Something went drastically wrong."



SAFETY CRUSADE—The families of five young men who were killed last year in an on the job accident at the Bastian Plating Co. in Auburn, Ind., are pushing for worker safety. Surviving family members pictured here are, from left, Bobby and Bob Hensinger, Brenda Fogle, Bun and Linda Link, and Edna and Jack Freeze.

Disasters underscore need for flood, quake insurance

By CAROLE GOULD
The New York Times
NEW YORK—The financial aftershocks from last month's California earthquake and Hurricane Hugo in September are still being felt.

Those people actually caught up in the disasters are, of course, still trying to put the pieces of their lives back together.

But many others around the country have been affected too, shaken by all the scenes of destruction.

Some have begun to reevaluate their own flood or earthquake insurance, which is not included in regular homeowners' policies.

And some have become much more aware of how the federal government can foot part of the bill with tax deductions for all types of casualty losses.

What follows is a primer on how to minimize losses from natural disasters.

Flood coverage

Nearly 80 percent of the \$5 billion of damage caused by Hurricane Hugo was insured, in part by the federal government.

Personal Finance

agreed to follow federal land-use guidelines.

The coverage is offered directly from the federal government or through private insurers.

The terms of the policies, whether private or federal, are nearly identical. Premiums vary, depending on the age and construction of the building, as well as its use and location.

The average annual premium for \$80,000 of coverage is \$275, said David L. Cobb, a spokesman for the Federal Insurance Administration, a unit of the Federal Emergency Management Agency.

The question for consumers is whether insurance is necessary. Coverage is now required by the government in high risk areas on buildings financed by the gov-

Organization in Alexandria, Va. Nonetheless, he advises all homeowners who are at risk to buy coverage. To determine risk, find your home on a "flood plain" map, available at local government offices. The map shows the likelihood of a flood occurring on an annual percentage basis; he recommends insurance whenever the annual "risk" rate is 1 percent or more.

Does it matter whether you purchase coverage from the government or privately?

The premiums are the same, but Cobb says private insurers should be used, "because they have much more experience and knowledge about paying claims than an agency of the federal government."

For information on federal policies, call 800 638 6820.

Earthquake insurance
While most of the damage caused by Hugo will be taken care of by insurance, only 20 percent of those affected by the earthquake in California were similarly protected.

Homeowners who are not required

Feds make key move in land politics

The Japanese play a board game called Go, a pastime so simple that it can be taught to a child in a few minutes, but with strategy so subtle that players study at special schools for

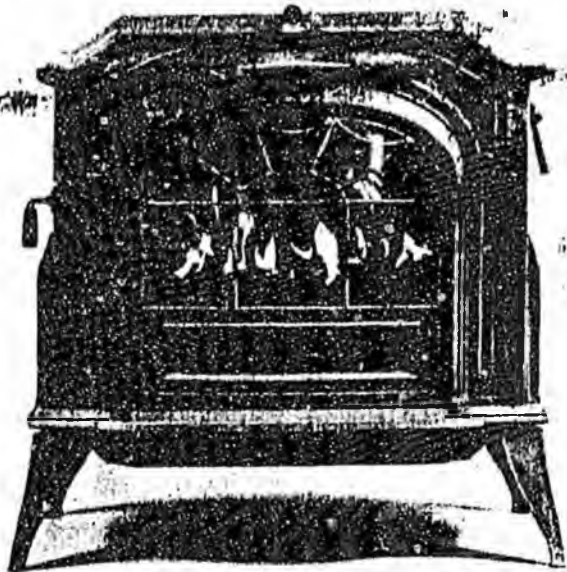
al government and closed to public entry or state land selections. The corridor is managed by the Bureau of Land Management as an energy transportation corridor.

This is potentially valuable property, right along the pipeline and well within the North Slope oil province.

However, 13 areas would be delineated as part of the

government is suddenly so concerned about the environment here. The land contains a trans-Alaska pipeline construction camp that was the site of the first major spill of the pipe-

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WORK: Hard lessons

(Continued from Page D-1)
pensation is the exclusive remedy for on-the-job accidents.

Kendall says the families have been "radicalized by the experience."

At the same time, they've learned a hard civics lesson, discovering that government moves slowly, its agencies hamstrung by rules, laws and dollars.

Slaps in the face

"I always thought OSHA inspected every place every year," Mrs. Freeze said. "They don't have the money or the inspectors to do everything. It's going to have to be the employer that's going to have to look out for his employees."

"You get so many slaps in the face, all the things you find out," Mrs. Link said.

Workers compensation, for one.

Jeff "being a single person, all we got was \$2,000 for funeral ex-

penses. They don't give you any compensation for the love you lost," Mrs. Link said. "Not that any amount of money can bring him back."

Now five families live with memories.

Of Barney, who stopped by each morning to tell his mother he loved her.

Of Craig, who had a twinkle in his eye and a passion for music.

Of Bill, who tinkered with cars and hoped to become a diesel mechanic.

Of Jeff, who loved the mountains. His parents plan to etch scenes of Wyoming on his gravestone.

And of Larry, whose tombstone reads: "He gave his life for a comrade."

"You've got to go on," his father said, "or it will eat you up."

The families are trying to do that, confident their sons would be proud of their crusade.

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d/b/a

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to

North Ranch Limited

d/b/a

The Bull's Eye

located at

1470 Chena Hot Springs Road, Fairbanks

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Midnight Sun Council



BOY SCOUTS OF AMERICA

Alaska's oil reserves slip away

In 1991, during an oil industry boom fueled by the Iranian revolution, Alaska oil employment jumped by one third, while that of Texas, the nation's next-largest oil producer, rose by only a little more than one fifth.

In 1986, in the midst of an oil industry recession caused by international crude oil price wars, Alaska oil employment fell by about 5 percent, the least of the five leading U.S. oil states and only half the loss suffered by the next best performer, Texas. In 1987 Alaska's oil patch job loss was about the same, while Texas plunged nearly 30 percent and two other states lost more than 10 percent.

In 1988, with oil industry jobs on a slight rebound, Alaska led



Fred Pratt

the way, with a percentage growth outdistancing the other leading producers by a 2 to-1 margin.

That's among a number of interesting facts in an updated review of our state's oil industry by three Alaska Department of Labor staffers. The article is published in the November issue of the department's statistical report, "Alaska Economic Trends."

The authors stress that Alaska produces far more oil per well and per employee than the other states, a fact that decides how Alaska weathers the ups and downs of the industry.

The average Alaska oil well produced 899,000 barrels last year, compared with the average Texas well's yield of only 2,000 barrels. That's a long way to explaining why there are 30 times as many oil field workers and almost 200 times as many oil wells in Texas as there are in Alaska.

Alaska oil jobs are primarily in production and transportation from large fields owned by major companies, so our state hasn't suffered as much as others from big swings in oil employment.

Most of us know our state is the top oil producer in the United States, making up one-quarter of the national total last year. Most don't know that we are

Workers collect pain with their paychecks

By SHARON COHEN
Associated Press Writer

In 1985 years in a meatpacking plant, Dave Kellen's wages have helped build his house, put food on the table and raise two daughters. But, he says, he has paid a terrible price: the use of his hands.

Kellen's hands are too weak to chop wood, much less twist open a bottle. He blames it on years of such jobs as tearing gobs of fat from hogs, repeating the same few steps, struggling to keep pace with hundreds of carcasses an hour.

His employer, John Morrell & Co., says plant safety is improving and is contesting a \$4.3 million government fine for allegedly allowing dangerous work conditions. Meanwhile, Kellen, 41, who has endured surgery twice on each hand, now sweeps floors at the Sioux Falls, S.D., plant. And he's worried.

"I'm sitting here with my hands 37 percent crippled. They're howl going to make my living for the next 20 years," he said. "Is Morrell going to be there? Are my hands going to get worse? I don't know who'd be willing to hire me. That's what's got me scared. It's like going blind slowly."

Such problems go beyond one man, one company or one occupation.

Many union, safety and academic experts say Kellen is an

example of an insidious trend in American industry. Companies are producing more, cutting payrolls, modernizing, computerizing—and creating a more hazardous workplace.

"People are getting hurt more than they ever were," argues Joseph Kinney, director of the National Safe Workplace Institute. "They're under more pressure to produce than they ever were. A lot of companies that once were using seven workers to do a job are now asking five to do it."

"The new fat free American



business syndrome is asking those who are left to do too damn much."

Similar concerns have surfaced from congressional hearings to union organizing drives, in auto, meatpacking, construction, steel and other industries. Experts say automation, competition and the changing business landscape play a role.

We live in a time of corporate downsizing, mergers and acquisitions and leveraged buyouts that end or greatly diminish many of the modest safety and health programs that exist," said a September report by the workplace institute. "The raiders and downsizers are unwitting participants in our industrial carnage."

While most workers no longer confront sweatshop horrors and archaic equipment, some experts say a new trend in which technology allows experienced employees to be replaced by those with less training has contributed to increasing dangers.

Others disagree, noting large investments that companies, including the big Three automakers, are making to improve plant designs. They also cite giant government penalties against lead, paper, meatpacking, construction and other firms that are serving as a deterrent.

"I think workplaces are generally safer," said Herriet Zettler, deputy director of compliance programs at the Occupational Safety and Health Administration.

Kinney's group says OSHA has improved, but he cites government numbers: the average number of workdays lost due to on the job accidents for each 100 workers rose from 58.5 days in 1983 to 69.5 days in 1987.

And the National Safety Council says permanent work related disabilities rose from 60,000 in 1986 to 70,000 in 1987.

Safety experts speculate conditions may be even grimmer because companies unreported injuries to avoid OSHA inspections. In fact, the government has cited Union Carbide Corp., USX Corp and others for alleged recordkeeping violations.

Overtime, worker turnover Ironically, some trace rising injuries to economic prosperity, especially in steel. One steelworker's local says its injury rate nearly doubled when overtime peaked. "When you're tired and you work in a dangerous operation, fatigue is



Associated Press

FRUITS OF HIS LABOR—Repetitive injuries suffered on the job at the John Morrell & Co. meatpacking plant in Sioux City, S.D., have left worker Dave Kellen with disabled hands.

going to lead to accidents," said Mike Wright, the United Steelworkers of America's health and safety director.

A 1988 University of Texas study found nearly 93 percent of injury increases in durable goods industries could be explained by overtime and employee turnover.

"Those aren't the only culprits. Automation is increasing and the workers who performed a variety of the jobs are being replaced by machinery," said Rob Hall, research director at the Institute for Southern Studies in North Carolina.

"The jobs that are left are not as complicated (and) increasingly treat people as robots (and treat) arms and hands like they're part of a machine. But you can't oil a person's arm or hand."

Workers who cut, chop or pull thousands of times daily have de-

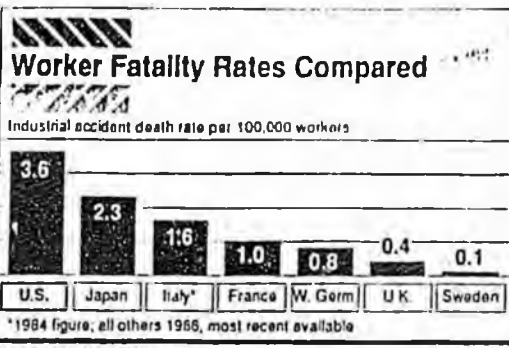
veloped painful and sometimes disabling hand, arm and wrist ailments, known as repetitive trauma disorders. The most severe form is called carpal tunnel syndrome, a thickening or swelling of tendons in the wrist.

Repetitive trauma disorder cases—including hearing loss—soared from 26,700 to 72,340 from 1983 to 1987, the government says, though some attribute part of that to heightened awareness.

Much publicity has focused on meatpacking where, the United Food and Commercial Workers Union says, production jumped nearly 20 percent in the last five years while production employees dropped by almost 10,000.

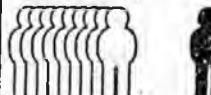
"When line speeds are increased and the workforce is decreased in the name of efficiency, injuries go

(See DANGER, Page D5)



Worker Injuries

One of every 11 U.S. workers will be seriously injured or killed at work...



A U.S. worker is injured every 16 seconds...

One of every six U.S. workers will die from occupational related diseases...



DANGER: Companies push workers harder and create a more hazardous workplace

(Continued from Page D 1)
up," said Debbie Berkowitz, the union's health and safety director.

Meat packers' injuries

Meat and poultry workers, some of whom have testified before Congress, have complained about treacherously fast production lines, where meat flies off damaged conveyor belts and blood splatters in their faces. They have described cysts, infections and crippling hand and back pain, that make it hard to

lift their children, comb their hair or hold a glass.

Former poultry employee Lillie Watson worked as a packer and leg cutter for nearly a decade, making thousands of cuts a day. She had surgery three times on her hands, has arthritic legs and says she can't scrub floors or lift heavy pots.

"I feel bitter and angry," she said. "Ain't no job I can get where I can use my hands occasionally."

Workers such as Watson often don't have many options, either to

change of the scarcity of job opportunities or limited education.

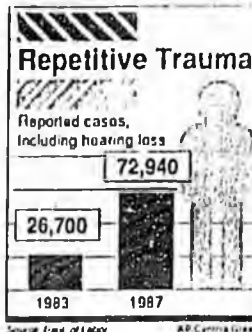
Another injured worker, Bev Whaley, said she had surgery on her right hand because of her job at the Morrell plant in Sioux Falls. She said a doctor told her she'd have to "learn to live with it. I wanted to take a baseball bat and smash his hands and tell him he'd have to learn to live with it."

Her union local claims assembly line speeds have increased in many areas, for example, in the beef kill department—where the animal is knocked out, its throat slit, the hide pulled off and the body split in half—the hourly rate jumped from 10¢ an hour in 1979 to 19¢ in 1986.

Said co-worker Kellen, "You're just pushed to the limit."

But companies dispute the charges. Poultry producer Perdue Farms Inc. recently estimated repetitive trauma disorders at its plants at less than 1 percent.

And though OSHA contends Morrell knew conditions were causing injuries but did nothing, company spokesman Raoul Baxter said safety improvement efforts were being made and the agency reviewed re-



Source: Dept. of Labor. AP/Copy/Photo

records during an atypical time—a period that included a strike.

In 11 months, records showed 800 of 2,000 workers sustained repetitive strain injuries. Baxter said there are no quick fix programs for such injuries. "It's going to take a lot of hard work," he said. "Our progress has been dramatic."

Morrell says injuries at Sioux Falls fell per 100 workers from 70.5 in January 1988 to 13.48 in July 1989. Baxter attributed the high injury

rate to the hiring of replacements and other strike effects, for the decline, he credited outside consultants, workers and supervisors.

But Jim Lyon, union local president, said he hasn't seen any safety progress and said company numbers are "totally inaccurate." He also contends a program providing prizes for injury-free records encourages people not to report them.

Morrell isn't the only meatpacker to come under government scrutiny.

OSHA also fined the nation's largest meatpacker, IBP Inc., but a \$5.7 million penalty was reduced to \$975,000 after the company agreed to conduct a three-year safety program to reduce motion injuries.

OSHA lowers fines

A recent workplace institute study of several large penalties found OSHA had bargained fines down from \$29.3 million to \$9.5 million.

And in cases where OSHA fines are smaller—in the thousands of dollars—the agency "is not effective in providing the stimulus employers need to properly deal with safety and health," said John

Moran, a former official of the National Institute for Occupational Safety and Health. "The bottom line in business is the dollar bill."

OSHA's Zettler said his agency usually doesn't reduce penalties by more than half. In IBP's case, he said, "we believe the significant reduction was justified by what we were getting back."

Zettler also conceded OSHA doesn't have staff to inspect all hazardous places annually and it may cost more to comply than pay a penalty. "If it takes us 15 years to get there, the guy has saved that investment for 15 years," he said.

But he says his agency has increased safety awareness and most major companies have health experts. Many also have hired safety design experts.

One is the University of Michigan's Center for Ergonomics.

Director Don Chaffin believes it's simplistic to blame productivity alone for increased injuries and says corporations are paying more attention to these concerns.

But one union local disagrees. At the Allegheny Ludlum Corp. plant in Braekentridge, Pa., maintenance division injuries jumped from 27 percent to 45.47 percent during four heavy overtime months in 1988, said Carol Mochlak, USW local 1196's safety chairman.

"People tend to overlook a lot of safety procedures," he said. "They're lax in wearing safety equipment. All they want to do is get the job done as quickly as possible."

Someone needs to take a new look at this.

Free lance journalist Fred Pratt has been covering Alaska business and politics for the past 18 years.

Cost-cutting pressures

Productivity also has been an issue in construction, said Moran, the former NIOSH official who now works at a firm that trains hazardous waste cleanup workers.

"It's been getting worse for the last several years—the economic pressures, the greater and greater emphasis on cutting costs," he said.

"It's 'Get it done faster.' If you're laying a pipeline, you save money as a contractor by not putting in proper shoring or shoring in the trench."

He said in 96 percent of trench cave-in deaths he studied at NIOSH, there was no shoring or sloping.

Shortcuts in the name of efficiency are ultimately uneconomical, said Berkowitz of the United Food and Commercial Workers. "Any gains made by pushing people will be made up by high turnover and worker compensation."

As for Kellen, he has agreed to a

100% wage agreement, as well as a

PRATT:

(Continued from Page D 1)
of IBP operating in Alaska, is cutting its seven layers of management down to four. Texaco is cutting 11 layers of management down to five.

The Economist article explains that most of the recent "savings" claimed by oil companies were the result of leaner management but rather a price war among the smaller oil field contractors who do most of their work. As crude oil prices plunged in the past few years, market prices for refined products remained fairly stable and the large integrated oil companies made out fairly well.

This is coming to an untidy end, the article notes, and the crude oil exploration and production subsidiaries are having to learn to stand or fall on their own profitability.

That's not good news for Alaska, which is primarily an exploration and production state. We seem to have come out quite well in recent years by our two largest players, BP and Atlantic Richfield, but our thin oil reserves base and high costs mean we can't automatically assume we'll be among the heavyweights forever.

And what are our political leaders doing? They halted all state oil lease sales six months ago and bet our future on the vain hope of persuading Congress to open the Arctic National Wildlife Refuge, a move that promises meager benefits for Alaskans at best.

Someone needs to take a new look at this.

Free lance journalist Fred Pratt has been covering Alaska business and politics for the past 18 years.

NEST EGG:

(Continued from Page D 1)
Purchasing cash value life insurance and participating in dividend reinvestment plans are more traditional ways of imposing the discipline of saving upon yourself.

But Downey, the financial planner, frowns on purchasing insurance as a savings vehicle, instead of purchasing just the insurance you need for adequate coverage.

She also doesn't like automatic transfers to a credit union, bank or savings and loan account.

"I've seen many customers who constantly tap those accounts, so that the savings plan becomes meaningless."

Yet those who have stuck to a self-imposed savings plan report emotional benefits from the steady

North Ranch Limited

d/b/a

The Bull's Eye

located at

1470 Chena Hot Springs Road, Fairbanks
is applying for transfer of corporate stock

to

North Ranch Limited

d/b/a

The Bull's Eye

located at

1470 Chena Hot Springs Road, Fairbanks

** Interested persons should submit written comment to their local governing body, the applicant and to the Alcoholic Beverage Control Board at 550 West Seventh Avenue, Anchorage, Alaska, 99501.

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SAY UNCLE

OCCUPATIONAL HAZARD

A much-maligned OSHA confronts rising demands with a reduced budget

By CATHY TROST

WASHINGTON—Comedian Rodney Dangerfield's lament—"I don't get no respect"—has its echoes in the corridors of the Occupational Safety and Health Administration, a watchdog that might as well be named The Agency Nobody Loves.

Labor? OSHA's a creampuff, says David LeGrande, health and safety director of the Communications Workers of America. "OSHA has almost been the Department of Commerce under the Reagan administration. Basically it's done nothing for workers."

Industry? OSHA is biased and punitive, complains William Haggett, chairman of Bath Iron Works Corp. He's smarting over a \$4.2 million fine OSHA levied late last year against the company for alleged health and safety violations. The charges, he says, were "replete with overstatements and exaggeration" and "just blew our minds."

Congress? OSHA is full of fumbler, many feel. Responding to a recent proposal for a new OSHA-type agency to deal specifically with the construction industry, Rep. Paul Henry, a Michigan Republican, says wearily: "You'd still have the same bozoes running it."

Who's right? In some respects, they all are—but the blame doesn't rest on OSHA's shoulders alone. The agency has come under fire for doing too much—or too little—from the day its doors opened on Constitution Avenue 17 years ago. The reality is that OSHA's effectiveness has been pinched by budget and staff cuts and its grasp on business loosened by the Reagan administration's deregulatory shock troops.

And now, against a backdrop of national anxiety over the chemical nightmare of Bhopal, India, the agency confronts enormous new workplace health and safety challenges from new processes and products. Among these: a spate of hazardous chemicals and such evolving workplace technologies as video-display terminals and computer-chip production.

Some wonder if OSHA has enough resources—and muscle—for the job. Indeed, they argue that OSHA should be scuttled and replaced with a watchdog with sharper teeth. At the least, they say, local and state authorities should expand their regulatory powers.

Agency critics cite Pymn Thermometer Corp., a Brooklyn, N.Y., company where, they claim, OSHA knew of high levels of mercury for more than a decade, yet took no action. Last year, a New York jury found the company and two of its executives guilty in the mercury poisoning of a worker (but the judge set aside the verdict on jurisdictional grounds). OSHA officials conceded mishandling the case.

Ms. Trost is a staff reporter in The Wall Street Journal's Washington Bureau.

Still, "we think we're firm but fair," insists John Pendergrass, President Reagan's third OSHA chief. He maintains the agency has used its power to correct problems in many workplaces, but he notes that according to federal law it's the employers responsibility to provide a safe workplace. "The law doesn't say we're supposed to be the safety director of every plant."

The agency's reputation improved substantially during the recent two-year tenure of Labor Secretary William Brock. Under his direction, OSHA launched a campaign against some of the nation's biggest corporations, imposing a string of record-breaking fines for failure to properly keep essential injury and illness records.

In one of his first actions, Mr. Brock (who subsequently left to run the ill-fated presidential cam-

proposed amount, was a bombastic gimmick that did little to attack the root problems of workplace illness and injury. "When you don't use criminal penalties, when you settle fines at a fraction of a dollar and when you have a policy that basically is an invitation to cheat, you certainly don't have vigorous enforcement of safety standards at the workplace," asserts Rep. Tom Lantos, a California Democrat who held hearings last year on safety conditions in the meatpacking industry.

OSHA later levied a \$2.6 million fine against Occidental Petroleum Corp.'s IRP unit, charging that the nation's largest meatpacker deliberately concealed worker injuries and illnesses. (IRP has contested the case.)

The agency uses company-kept injury records to target inspections to work sites where injuries are most likely to occur, a system that Rep. Lantos contends provides irresponsible firms "a premium for cheating," but that OSHA believes is the most effective use of its resources. OSHA officials also argue that totting up the dollar signs on fines obscures the agency's bigger accomplishments in getting companies to correct hazards that often involve many more workers than the one cited—a phenomenon Mr. Pendergrass calls "the multiplier effect."

Richard Boggs, vice president of Organization Resources Consultants, a corporate consultant, agrees that "more has been done for worker health and safety during the Reagan administration than the comparable eight years before." Last year, for instance, the agency issued a variety of rules governing farm-worker sanitation, grain dust, benzene and formaldehyde, covering more than 32 million workers.

But many rules came after years of legal pressure and court directives. And several were criticized as too weak, bolstering charges that the agency's regulating pace is glacially slow.

OSHA faces a far more pressing challenge, however. It must set more standards for exposure to hazardous chemicals and expand its inspection force, outsiders maintain. The recent spate of big fines "was only the tip of the iceberg," argues Philip Landrigan, director of the Mount Sinai School of Medicine's environmental and occupational medicine division. He contends that there are "serious overexposures to chemical substances occurring very commonly in workplaces across the country." Among these: excessive levels of silica exposure in 43% of U.S. ferrous foundries and excessive levels of lead in more than half the air samples OSHA has taken in New York factories.

New regulations aside, OSHA can't even enforce its current rules unless it increases its inspection force, Mr. Landrigan and others argue. OSHA currently has 1,125 inspectors, enough to inspect only about 2% of the nation's 3.4 million work forces covered by federal law.

OSHA officials argue that the agency does about

Please turn to page 16R

The Largest Penalties in OSHA's History

Initially proposed penalties and settlements as of March 1, 1988

DATE	COMPANY	REASON FOR PENALTY	PENALTY/SETTLEMENT (In thousands of dollars)
2/11/88	Doe Run ¹	Safety/health violation	\$3,700/not settled
1/1/88		Record keeping	\$2,000/not settled
11/4/87	Bath Iron Works	Safety/health violation	\$4,200/not settled
10/22/87	TPM/Macomber ²	Building collapse	\$2,000/not settled
9/25/87	Scott Paper	Record keeping	\$813/\$475
7/31/87	IBP ³	Record keeping	\$2,200/not settled
7/6/87	Chrysler (Newark, Delaware)	Safety/health violation	\$1,576/not settled
11/5/86	Chrysler (Belvidere, Illinois)	Record keeping	\$1,576/not settled
4/1/86	Union Carbide	Record keeping	\$1,373/\$409
2/23/86	Howport News Shipbuilding	Safety/health violation	\$854/\$2

¹A joint venture of St. Joe Minerals and Housatonic Mining

²A joint venture of TPM International and George B.H. Macomber

³Joint contractors involved in a building collapse

⁴A unit of Occidental Petroleum

Source: OSHA

paigned of Sen. Robert Dole) slammed Union Carbide Corp. with a \$1.4 million fine and likened the plight of some of its employees to the canaries once used to sniff deadly gases in coal mines. (Union Carbide contested the fine and eventually settled for \$408,500 without admitting guilt.)

For a time, the OSHA news releases rolled off the presses with regularity. The list of accused included some of the most prominent names in American business: Chrysler Corp., General Motors Corp., Ford Motor Co., General Dynamics Corp. and Caterpillar Inc. In all, OSHA proposed a total \$24.7 million in fines against companies for health and safety violations in fiscal 1987, an amount nearly five times the \$5.5 million proposed in 1982. To date this fiscal year, more than \$16 million in fines have been proposed.

But critics complain that the blitz of big fines, which generally are settled for half or less of the

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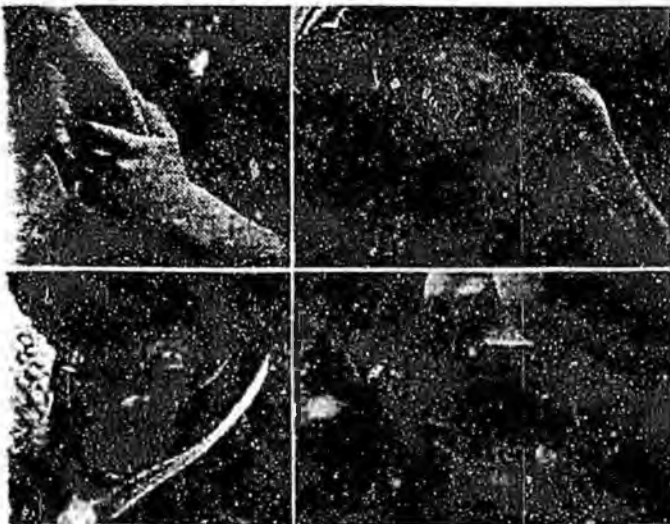
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Walter Kunz,
President,
Kunz Oil Co.
59½ and still going strong

YWATCH.



HAZARD

Continued from page 25R

70,000 inspections annually—twice as many as the IRS—and increasing the staff may be prohibitively expensive. "If we were to inspect every plant once a year, we'd have to have 125,000 inspectors at a cost of about \$13.8 billion," says Mr. Pendergrass.

Budget cuts outside OSHA's control already have hobbled government safety research. Consider the National Institute for Occupational Safety and Health, the government's occupational research arm: Its budget this fiscal year was less than half [in 1980 dollars] what it was eight years ago, notes Dr. Landrigan, a former official there.

Yet OSHA's burden in the future is likely to grow more complex, as emerging technologies trigger new safety and health hazards. The new work force is losing manufacturing to technology jobs and includes growing numbers of women. Fears persist about possible health effects from video-display terminals, especially on jobs that require lots of repetitive hand motions, such as computer keying and grocery scanning.

Disorders of the hand, wrist, shoulder and back due to repetitive movements have reached "epidemic proportions," says Deborah Berkowitz, health and safety director of the AFL-CIO's Food and Allied Service Trades division. She contends such problems afflict 25% of telephone workers, 60% of cashiers using grocery laser scanners, and nearly 50% of meatpackers. OSHA hasn't yet ruled on disorders such as carpal tunnel syndrome, a wrist disease, but the agency has addressed that problem by citing several companies

under its "general duty" powers, including Kroger Corp., Chrysler Corp. and U.S. West Inc.'s Mountain Bell unit in Denver.

The Communications Workers union's Mr. LeGrande calls the situation at Mountain Bell "truly catastrophic," with some directory-assistance operators becoming medically disabled from carpal tunnel syndrome. He says the company branded the cases "mass hysteria."

For its part, Mountain Bell says its medical department has seen 140 employees from two Denver offices during the last two years who complained of repetitive motion symptoms, but that only "a couple of dozen" people continue to receive medical treatment. Officials say the number of symptoms in Denver compared with other offices is "highly unusual."

A spokeswoman says the company's medical director had suggested "there may be some mass psychological hysteria involved," and that other medical problems like obesity, arthritis and pregnancy could contribute to the reported symptoms. The company is "rigorously" contesting the OSHA citation.

The spotlight has turned, too, to chemicals used in the semiconductor industry. After a study last year found an unusual number of miscarriages among women employed at a semiconductor plant, some companies removed all pregnant women from computer-chip production jobs.

OSHA has begun considering a rule for solvents used in the electronics industry, but that process could take years. "If the people at OSHA had ovaries they might do things a little differently," Eula Bingham, who ran OSHA under President Carter, complained at a recent meeting. ■

RISKY BUSINESS

Some jobs have high murder rates

Mill worker dies

The Associated Press

SITKA — A worker died early Wednesday in an accident at the Alaska Pulp Corp. mill, the company reported.

Joseph E. Lau, 28, of Sitka was killed at 6 a.m. as he was changing a 18-foot-wide pulp roll. Police said Lau was killed when he fell or got caught on rollers.

He is survived by his wife, Sheila, and two children.

ADA 10/10/89

Pilot, mill worker die in separate accidents

By BARBARA ROGERS

Times Writer

9/28/89 - Times

Separate accidents killed two men as an Anchorage pilot in a homebuilt airplane crashed in Palmer and a sawmill employee was crushed in a Ketchikan industrial accident Wednesday.

The pilot, whose name was not released this morning pending notification of his family, took off from Anchorage International Airport about 8 p.m. Wednesday en route to the Birchwood Airstrip, Palmer and then back to Anchorage, said Paul Steucke of the Federal Aviation Administration.

He was reported overdue by his wife at 10 p.m. and a helicopter search was begun by Alaska State Troopers this morning, Steucke said.

The wreckage of his homebuilt Long-Eze was found spread over a swampy area of the Matanuska River Park about 8:30 a.m. today after searchers picked up a signal from the aircraft's emergency locator transmitter, said Palmer Police Department Sgt. Greg Carpenter.

The body of the pilot was found in the cockpit of the single-seater, Carpenter said. He was pronounced dead at the scene.

In Ketchikan, a 60-year-old man died Wednesday afternoon when he was crushed between a gate and an upper structural bar at Ketchikan Sawmill, troopers report.

Dead is Francis K. Glover, who was leaning on a hydraulically operated gate when the gate lifted him, crushing his body, troopers and a Ketchikan Pulp Co. spokesman said.

Also Wednesday, in a traffic accident on Minnesota Drive just south of Tudor Road, two small boys were injured when the station wagon they were riding in was struck from the rear by another car.

Michael Nichols, 5, was in fair condition this morning while Justin Bushre, 7, was in serious condition at Providence Hospital, a spokeswoman said today. Both received head injuries in the accident, said Sgt. Greg Stewart of the Anchorage Police Department.

Stewart said the station wagon was southbound on Minnesota Drive when its engine quit as the car was about halfway up the bridge over the Alaska Railroad tracks.

Driver Terry Risinger, 32, turned on the emergency flashers and was trying to restart the car when it was struck from behind by a car driven by Afualo Uatisona, Stewart said.

The force of the accident collapsed the rear of the station wagon, pinning the seatbelted boys inside, Stewart said. Rescue workers got them from the car and took them to the hospital, where they originally were listed in critical condition.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO: CSSCR 21(L & C)

Revision Date: _____
Title: Establishing a Task Force on Safety
in the Workplace.
Sponsor: Senator Collins
Requestor: Senate Labor & Commerce

Department Affected: Legislative Affairs Agency
BRU: Legislative Council
Legislative Operating Budget
Component: Council & Subcommittees
Session Expenses & Legis Oper Budget
COMPONENT SERIAL NO: 783

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	53.2	26.6	0	0	0	0
TRAVEL	17.3	8.6	0	0	0	0
CONTRACTUAL	28.0	14.0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	98.5	49.2	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	98.5	49.2	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	98.5	49.2	0	0	0	0

POSITIONS:

FULL-TIME	1	0	0	0	0	0
PART-TIME	0	1	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

The following is requested to adequately support the Task Force on Safety in the Workplace:

Prepared By: Pamela A. Stoops, Director *Pamela Stoops* Phone: 465-3850
Division: Administrative Services Date: 4/10/91

Approved By: Warren W. Endicott, Executive Director *Warren Endicott*
Agency: Legislative Affairs Agency Date: 4/10/91

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

PERSONAL SERVICES

1. Staff is requested as follows to assist the Task Force on Safety in the Workplace.

Researcher - Range 17A			
\$3,156 x 12 months =	\$37,872		
\$37,872 x 40% benefits =	<u>\$15,322</u>		
	\$53,194		53.2

TRAVEL

It is anticipated there will be 2 meetings of the 12 member Task Force on Safety in the Workplace.

2 meetings x 12 members = 24 airfares		
24 airfares x \$436 = \$10,464		
2 days per diem x 24 = 48		
48 days x \$100 = 4,800		15.3

Staff Travel - \$2,000		2.0
------------------------	--	-----

CONTRACTUAL

Advertising - advertising of public notice of meetings; Professional Services - \$28,000.		28.0
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SUPPLIES

Supply needs will be absorbed within the existing Legislative Operating & Session budgets.

EQUIPMENT

Equipment needs will be absorbed within the existing Legislative Operating & Session budgets.

SENATE LABOR & COMMERCE COMMITTEE
BILL FILE

BILL NUMBER: SCR 21
BILL TITLE: WORKPLACE SAFETY TASK FORCE

SPONSOR: COLLINS RECEIVED: 3/27/94

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: _____ SECOND: _____ THIRD: _____

DATE	COMMITTEE ACTION
_____	_____
_____	_____
_____	_____
_____	_____

HEARING NOTIFICATION LIST

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

1 represents businesses with over 25 employees, one person who represents organized labor, one safety
2 engineer, one medical professional, and one member of the Alaska Safety Advisory Council, all of whom
3 are appointed by the members listed in (1) - (3) of this resolve;

4 (5) at the option of the members listed in (1) - (4) of this resolve and appointed by them,
5 one person who represents the National Institute for Occupational Safety and Health; and be it

6 **FURTHER RESOLVED** that, within funds made available for the purpose, the task force may
7 hire staff, contract for services under the procurement procedures adopted by the Alaska Legislative
8 Council with approval of the council, and cover other expenses; and be it

9 **FURTHER RESOLVED** that the task force shall report its findings and recommendations to
10 the Governor and the legislature by the day of the convening of the First Regular Session of the
11 Eighteenth Alaska State Legislature, and that the task force is terminated on that same day at 11:59 p.m.

*Further Resolved that the taskforce shall report its
initial findings and rec. to the Gov. + legislature by
the 1st day sec. session of the 17th Legislature.*

TAM WILL

*DD
4/10*

CS FOR SENATE CONCURRENT RESOLUTION NO. 21 ()

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): SENATOR COLLINS

A RESOLUTION

1 Establishing a Task Force on Safety in the Workplace.

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

3 WHEREAS the social and economic consequences of workplace injuries are enormous, estimated
4 by the National Safety Council to have been \$42,400,000,000 in 1987 nationwide; and

5 WHEREAS many Alaskans are involved in industries that traditionally have high accident rates;
6 and

7 WHEREAS the state has one of the highest workplace accident rates of any state and has the
8 highest fatality rate of any state attributable to accidents in the workplace, approximately 34 fatalities
9 per 100,000 workers; and

10 WHEREAS for over 10 years approximately one out of every 11 Alaskan workers in private
11 industry suffered a recordable injury or illness during employment; and

12 WHEREAS in the state the total estimated lost workdays due to job related injury or illness in
13 the private sector in 1987 amounted to the equivalent of a full year of work for 337 employees at a cost
14 equal to nearly \$9,000,000, and in the public sector total estimated lost work days amounted to the
15 equivalent of 58 employee years at a cost equal to approximately \$1,800,000; and

16 WHEREAS occupational injuries and illnesses impose a real burden upon the Alaskan economy

1 since, for the worker, being absent from work due to an accident may represent a significant wage loss
2 and, for the employer, accidents result in lost production time, increased operating costs from higher
3 insurance premiums, and equipment damage; and

4 **WHEREAS** the best way to control these costs is through an effective safety program; and

5 **WHEREAS** when the United States Congress passed the Occupational Safety and Health Act
6 (OSHA) in 1970 it was to "assure . . . so far as possible, every working man and woman in the Nation
7 safe and healthful working conditions and to preserve our human resources"; and

8 **WHEREAS** despite the lofty objective of OSHA the tragic toll taken in the workplace in lives
9 and health continues; and

10 **WHEREAS** the Americans with Disabilities Act, passed by the Congress last year, sets out
11 standards that the state must address; and

12 **WHEREAS** in the state many safety standards have not been updated since they were originally
13 developed and laws related to safety standards are in need of revision; and

14 **WHEREAS** a unified effort is needed to update safety standards with input coming from
15 management and labor;

16 **BE IT RESOLVED** by the Alaska State Legislature that the Task Force on Safety in the
17 Workplace is established with the primary purpose of creating a model workplace safety program for
18 the state with emphasis on prevention of injuries in the workplace, and that in creating the program the
19 task force may

20 (1) examine the historical workplace safety record of the state;

21 (2) determine the causes for the state's high rate of injuries;

22 (3) review the state's current workplace safety laws and OSHA;

23 (4) consult with the National Institute for Occupational Safety and Health and with the
24 American National Standards Institute;

25 (5) propose legislation to implement the program; and be it

26 **FURTHER RESOLVED** that the task force shall consist of the following members:

27 (1) two members of the Senate appointed by the President of the Senate, one of whom
28 shall be designated by the president as co-chair;

29 (2) two members of the House of Representatives appointed by the Speaker of the House,
30 one of whom shall be designated by the speaker as co-chair;

31 (3) one employee of the Department of Labor appointed by the Governor;

32 (4) one person who represents businesses with 25 or fewer employees, one person who

1 represents businesses with over 25 employees, one person who represents organized labor, one safety
2 engineer, one medical professional, and one member of the Alaska Safety Advisory Council, all of whom
3 are appointed by the members listed in (1) - (3) of this resolve;

4 (5) at the option of the members listed in (1) - (4) of this resolve and appointed by them,
5 one person who represents the National Institute for Occupational Safety and Health; and be it

6 **FURTHER RESOLVED** that, within funds made available for the purpose, the task force may
7 hire staff, contract for services under the procurement procedures adopted by the Alaska Legislative
8 Council with approval of the council, and cover other expenses; and be it

9 **FURTHER RESOLVED** that the task force shall report its findings and recommendations to
10 the Governor and the legislature by the day of the convening of the First Regular Session of the
11 Eighteenth Alaska State Legislature, and that the task force is terminated on that same day at 11:59 p.m.

FURTHER RESOLVED

The proposed CS for SCR 21 makes the following changes:

Page 2, line 32:

"management" is deleted and replaced with:

"businesses with 25 or fewer employees, one person who represents businesses with over 25 employees"

"organized" is inserted before "labor"

R

C

S

3

5

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Small businesses in the state

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

Sponsor: Pearce et al.
Requestor: Senate Labor & Commerce

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS		100		105		110
MISCELLANEOUS						
TOTAL OPERATING						

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		100		105		110
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		0		0		0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Grant would be awarded on the basis of a 50-50 match with funds from private industry.

Prepared by: Jamie Parsons, Director
Division: Business Development

Phone: 465-2017
Date: 2/16/90

Approved by Commissioner: Larry Mercuri
Agency: Department of Commerce & Economic Development

Date: 2/26/90

Distribution (by preparer) :

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

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 2/12/90

FURTHER:

*No further
Finance*

Date of 5-Day Notice: 2/15/90
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2/26/90

L & C Committee considered

SCR 53

Relating to small businesses in the state.

do pass

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 Finance Committee

FN

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) Dept of Commerce, 2/16/90

zero fiscal note(s)

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

[Signatures]

OTHER RECOMMENDATIONS:

Chair: Signature and Recommendation

S(L&C) REPORT

STATE OF ALASKA

LEGISLATURE

February 26, 1990

Mr. Jack Jessee
Chairman
Steering Committee
Governor's Conference on
Small Business
P.O. Box 240288
Anchorage, AK 99524-0288

Dear Jack,

Here are my thoughts on the recommendations and resolutions of the Governor's Conference on Small Business. I've outlined my positions on the enclosed Executive Summary and followed that with more detailed comments.

Let me thank you again for your time and energy in identifying problems and proposing solutions to those problems. I hope your interest will persist as we enter the second phase of this process--working together to improve the Alaskan business climate now and for the future. Jamie Parsons will be my point man for this work. I hope you'll share your ideas with him.

Sincerely,

s/s Steve Cowper
Steve Cowper
Governor

Enclosure

cc: Steering Committee
Governor's Conference on
Small Business

Virginia A. Samson
Executive Director
Governor's Conference on
Small Business

Jamie Parsons, Director
Division of Business Development
Department of Commerce and
Economic Development

EXECUTIVE SUMMARY

Governor Steve Cowper's Comments on Governor's Conference on Small Business

Recommendations:

- 1A. My administration indeed has a long-term economic development strategy, developed not by a formal commission but by common sense. To put it colloquially, "We've beaten the bushes and chased every economic development rabbit that's jumped up." I think we've been very successful.
- 1B. Proper handling of waste is a continuing priority of my administration. We've expanded many programs and are working to reach small businesses with pertinent information.
- 1C. Legislation I signed into law two years ago is working; workers' compensation rates are coming down.
- 4A. I'm working legislatively to improve the Loan Guaranty Program; we've initiated the Business Development Information Network to complement other information networks.
- 4B. I support neither SJR 3 nor the concept of automatic periodic sunset of regulations, but we are working on specific ways to simplify regulatory and licensing processes.
- 4C. We're improving access to equity capital through Permanent Fund programs, the Alaska Science and Technology Foundation, the Uniform Limited Offering Registration program and creation of a \$30 million venture capital fund.
7. Many employee benefits are mandated by law or required subjects of collective bargaining; progress is slow, but we're seeing some success in containing costs.
8. We will not form the recommended 12-member commission, but will work on specific problems of government competition brought to our attention.
9. Job Training Partnership Act training programs are available, but funding is limited; the State Board of

Education and the State Vocational Education Board will remain united.

10. We indeed have a transportation plan and are working on several fronts to refine and improve it; I've introduced legislation to allow the Alaska Marine Highway System to keep the money it generates--that should improve efficiency and service. We welcome community and private sector participation in infrastructure development.
11. State permitting processes are largely timely and effective, but I'd like businesses with specific problems to inform me of them.
12. Separation of powers and different agency missions mean the State will likely never have totally uniform bidding and contracting procedures. We always recruit in Alaska before resorting to outside sources; State law also requires agencies to buy products F.O.B. final destination.
13. Risk pooling is already allowed; new legislation may help further. Bonding on small projects is not required.
14. We've significantly expanded our efforts to disseminate information to small businesses.
15. My administration continues to coordinate efforts among agencies to maintain or expand business education; funding is limited.
16. We're already marketing Alaska on a number of fronts, despite tight budgets.
17. My administration's performance in international trade is top-notch and still improving; we'll continue to work with Alaska businesses to open overseas markets.
18. Tourism infrastructure development is a serious concern being addressed by the interagency Tourism Coordinating Committee; again, funding is a problem.
19. I've held the line throughout my term on public employee wages--no easy task.
20. The Little Davis-Bacon Act is applied uniformly in all regions of the state.

Resolutions:

We've appointed a small businessman as Director of the Division of Business Development and will work to identify small business candidates for board and commission vacancies.

GOVERNOR'S CONFERENCE ON SMALL BUSINESS
Comments by Governor Steve Cowper

RECOMMENDATIONS

1A. Long-Term Economic Development Policy

My administration's policy has been clear since I took office. Simply put, I've directed my agencies to "beat the bushes and chase every economic development rabbit that jumps up." Our record shows the success of this approach: tremendously expanded trade with Pacific Rim nations, significant new potential markets opened with the Soviet Union, a large new Federal Express presence in Alaska, several new Foreign Trade Zones, active involvement with both the Organization of Petroleum Exporting Countries (OPEC) and the Independent Petroleum Exporting Countries, promotion of resource extraction and sale (e.g., Wishbone Hill), and formation and endowment of the Alaska Center for International Business and the Alaska Science and Technology Foundation, to mention a few. All these success stories have important long-range implications for Alaska, and we'll continue our efforts toward long-term stabilization of our economy.

Still, other states have documented substantial benefits from formal policy development exercises. Realistically, I hesitate to develop such a policy shortly before a new administration takes office. A policy would stand a better chance of enthusiastic implementation if it were developed and implemented by a new Governor at the beginning of the term. I will recommend this activity in my transition documents.

In the meantime, we'll work to strengthen planning efforts with an eye toward the long term. The Department of Commerce and Economic Development's (DCED's) Alaska Regional Development Organizations (ARDOR) program is alive and well and actively engages in economic stabilization and development at the regional level. The Division of Tourism is completing a five-year strategy that includes both tourism marketing and attraction development elements. These efforts are typical of how Cowper administration agencies commonly engage in strategic planning.

The Alaska Constitution states, "It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." This is a

clear statement of the economic development policy for State-owned land and resources.

To be useful, economic plans for State-owned resources should be built upon the State's regional and area plans and coordinated with the development plans of federal agencies, Native corporations and other private landowners. Where State area plans delineate resource development as an appropriate land use, economic development implementation plans could be produced. State agencies, including the Department of Natural Resources (DNR) and DCED, would be involved because Alaska Statutes require specific procedures for the conservation, use and development of State-owned resources.

The State has numerous policies and procedures in place to protect fisheries, as well as wildlife, from the impacts of oil and gas and mineral development. Economic development policies should concentrate on the multiple use of resources and the coordinated coexistence of all resource users.

A fisheries policy supporting management of the fisheries resource for the Alaskan people is strongly implied in the Alaska Constitution. I've directed the Fisheries Cabinet to develop a narrowly-focused set of specific actions the State should pursue in the next three to five years. That plan will be an important feature of my transition briefings to the next Governor. In 1988, we filled the position of Director of External and International Fisheries Affairs and created a special section within the Commissioner's Office of the Department of Fish and Game (DFG).

At present, Alaska's fisheries resources generate more than \$2.5 billion a year and provide an estimated 70,000 seasonal jobs. More than 400,000 sport fishing licenses are sold annually. Unlike petroleum, our fishery resource is renewable and, with a sincere financial commitment on the part of the people of the state, can in future years support a large portion of the state's economy. At present, however, DFG receives slightly less than two percent of the State's General Fund budget. For FY 90, DFG received \$43.7 million in General Fund dollars. That's less than we distribute each year as longevity bonus payments. In the prior fiscal year, the raw fish tax alone returned almost that much (\$41.3 million) to the General Fund. You might point that out to your legislators.

I agree that the "policy should look at fishing areas as permanent industrial bases that can be developed and

managed" and that it should "emphasize the needs of coastal communities for capital to build infrastructure so products can be processed on shore." This commitment must only be made when there is clear and convincing evidence that an infusion of capital is supported by realistic economic studies undertaken by both State and local governments and industry. Government cannot "create" a fishery economy without private industry support and cooperation.

Recent budget cuts mean the DFG's ability to manage fisheries is decreasing, not increasing. Lack of precise, timely information demands that DFG manage conservatively. That means harvests are restricted or eliminated, sometimes resulting in unharvested resources and unrealized income for the state's commercial fleets. Again, you should share that information with your legislators.

The State's fisheries enhancement program has had tremendous impact on Alaska's economy. Studies suggest that the programs of the Fisheries Rehabilitation, Enhancement and Development (FRED) Division benefit not only the salmon industry itself, but also the regional economies of the state. In addition to the direct impact on the industry and the commercial harvest, State and private enhancement efforts produce large numbers of fish for the recreational fishery, thus generating additional dollars in local economies.

According to Institute of Social and Economic Research (University of Alaska) studies, the state could expect, because of FRED programs, substantial gains in personal income and employment levels of Alaskans in many parts of the state. A recent simulation of the impacts of proposed FRED budgets for FY 89 suggests the total projected personal income and employment impacts of the statewide program would be \$80 million in resident wages and approximately 2,300 resident jobs. Again, your legislators need to know that.

In 1988, departments with roles in the seafood industry developed a draft fisheries strategy under the auspices of the Fisheries Cabinet. This document is a compendium of the agencies' existing programs and ideas for additional work. Most of the specific programs raised by the Conference were included in that strategy document. Increments required to address the Conference's concerns have been generally included by the various departments in their budget requests. Last year's budgets included increments for management and enforcement, and the State continues to fund an observer program.

Rapid turnaround of fisheries business tax revenues to communities should be implemented. DCED and the Department of Revenue are working together to improve delivery of these important revenues.

Over the years, there have been many proposals for a cabinet-level fisheries position. Neither of the past two administrations created such a position, partly because it would become a lightning rod for a myriad of problems that are often allocative in nature. The Board of Fish already addresses such issues. On the national and international scene, there are other bodies whose Alaskan members are nominated or appointed by the Governor. Generally, these bodies are left to deal with the issues without an overtly direct role being played by the Governor's Office.

Given that the responsibilities for dealing with the seafood industry are spread over many departments, it makes sense that Governor's Office involvement is necessary and desirable to bring issues to resolution. Short of a new cabinet position, having a Governor's Office representative chair the Fisheries Cabinet meetings is one way to keep the main focus on the departments and to reach resolution on budgets and issues involving several agencies. I plan to follow that suggestion for the Fisheries Cabinet's upcoming strategy development exercise.

I agree that transportation policy should facilitate economic development. This is one of seven long-term goals of the Department and Transportation and Public Facilities (DOT&PF) Management Plan. The DCED has a small capital project underway now to identify projects with enough private sector backing to fund or partially underpin infrastructure development. A plan for harbors and docks is reportedly under development by Ports Alaska.

Both DCED and DOT&PF have proposed some type of endowment or continuing appropriation to permit planning and to provide matching funds for federal port and harbor monies. Several proposals suggest the formation of an ongoing source of funds for economic development-related infrastructure. Recommendations include bond sales, endowing a fund and further capitalizing and modifying the Municipal Bond Bank. Since major policy issues are involved in determining the best mechanism, Office of Management and Budget analysis and cabinet-level discussions are necessary. I'll pursue that analysis and discussion.

The Alaska Marine Highway System (AMHS) earns about \$35 million of its \$65 million operating costs. No specific route earns a profit. Revenues from summer tourist traffic on the southeast mainline system partially defray expenses incurred in operating feeder vessels and providing winter service. Should summer mainline routes be abandoned in favor of private enterprise, the overall operating costs of the System would be reduced. Revenues would decline significantly. The State "subsidy" level, as a percentage of operating costs, would increase. Service levels to communities would, in all likelihood, be drastically reduced, due to commensurate fleet reductions. This also presumes the willingness of the private sector to meet this need, which is speculative at best. See my additional comments on the AMHS in Section 10.

Before the sale, lease or other disposal of State land or resources, the DNR is required by law to determine in writing that the sale, lease or disposal is in the best interest of the people of the state. Development of resources can provide benefits beyond direct revenues, including infrastructure development and increased employment opportunities. However, neither the Constitution nor the statutes provide for an emphasis on renewable resource development.

State resources are not being given away without compensation, as the problem statement suggests. Analysis of opportunities and liabilities associated with increases in the "economic rents" charged for use or extraction of the State's resources is ongoing. It isn't likely that new policies regarding the revenue opportunities available from a revised resource strategy will be formulated prior to a new administration.

CSSB 181 and CSHB 159, introduced during the 1989 session, would provide the minerals industry with a two-year delay in local taxation of underground reserves. The oil and gas industry is currently exempt from this tax. The minerals industry is seeking the same exemption. The named bills provide an opportunity to review the issue.

My Administrative Order No. 113, signed June 12, 1989, establishes several findings that pertain to the issue of a human resources policy and, in particular, Alaska hire. It directs State agencies to 1) mutually implement Alaska's Employment and Training Policy, 2) work in concert with the private sector, 3) assist Alaskans seeking full employment opportunities within the Alaska job market, and 4) provide

viable opportunities to ensure that Alaskans become qualified and are able to successfully compete for employment opportunities.

Administrative Order No. 113 further sets forth the idea that the Employment and Training Mini-Cabinet will be formally organized as the administrative policy board for human resource development. The Alaska State Job Training Coordinating Council (SJTCC) is slated to play a major role in reviewing and recommending policy in the human resources development arena. The SJTCC is composed of one-third private sector representatives. My administration has provided the tools necessary to develop a comprehensive human resources development plan under the auspices of the Governor's Coordination and Special Services Plan required by the Job Training Partnership Act. The Alaska SJTCC and the Employment and Training Mini-Cabinet will work on this plan for implementation July 1, 1990. For more information, contact Bill Mailer in the Department of Community and Regional Affairs' Anchorage Office at 273-9433.

1B. Disposal of Wastes

I'm pleased that the small business community shares my concern for proper handling of solid, hazardous, toxic and other wastes. I've nearly tripled the Department of Environmental Conservation's (DEC's) budget during my term to better address this important issue.

Alaska doesn't produce sufficient quantities of hazardous waste to support even a small commercial treatment or disposal facility. However, we are investigating the feasibility of establishing hazardous waste collection and transfer facilities. DEC has proposed a capital improvement project in FY 91 to work on pilot facilities for regional management of hazardous wastes; local governments are normally responsible for waste disposal.

DEC does pursue enforcement actions when warranted, but emphasizes technical assistance to help local and regional entities improve solid waste disposal systems on their own. Small businesses that generate hazardous wastes are not required to carry liability insurance; only hazardous waste treatment, storage or disposal facilities are required to do so.

The State conducts annual hazardous waste collection projects and maintains ongoing efforts to educate communities, regulated businesses and the public on proper

management, disposal and reduction of waste. At my direction, DEC has expanded these efforts and will continue to do so. The same is true of underground storage tank problems, recycling policy and waste reduction programs. As economics for recycling improve, we'll surely see greater success on this front.

DEC has authority to respond to spills of hazardous substances. Spills which threaten drinking water sources are the highest priority for response among the 3,000 spill reports received by DEC each year.

1C. Workers' Compensation Insurance

Legislation I signed into law two years ago is beginning to pay dividends; rates are coming down. I resisted pressure to change it because I knew it would work, and now it's clear that rates are declining--in some cases, dramatically so. State-run workers' compensation insurance pools are experiencing considerable financial difficulty in other states. Rates are too subject to political manipulation--I don't recommend such a pool for Alaska.

Many of the concerns expressed apparently stem from an inadequate understanding of existing workers' compensation law. The Department of Labor's Division of Workers' Compensation publishes a booklet called "Guide to Workers' Compensation" and provides speakers for employer seminars and meetings. For more information, contact Workers' Compensation Division Director Jacquelyn McClintock at 465-2790.

4A. Access to Loans

The Loan Guaranty Program should attract more participation with these changes:

- a) require Alaska Industrial Development and Export Authority (AIDEA) participation in collection and foreclosure costs of bad loans;
- b) raise guaranty percentage from 70 to 80 percent;
- c) set maximum guaranty at \$1 million, not 70 percent of \$1 million, or \$700,000; and
- d) alter 2 percent delinquency rule.

House Bill 123, which I introduced, would make these changes. Remember that the guaranty program is still a secondary program requiring bank origination.

At my direction, dissemination of information to businesses has become a high priority of DCED's Division of Business Development (DBD). Loan and general small business assistance information is available from DBD through the computerized business information network (AKBizNet) Small Business Development Center workshops, monthly newsletters, informational brochures distributed to schools and libraries, public service announcements and in cooperation with the Division of Occupational Licensing via business licensing mailouts.

Worth special notice is the Business Development Information Network (BDIN), newly established by my Administrative Order No. 117. The BDIN will provide "one-stop shopping" for people seeking information about doing business in Alaska. For more information, call DBD Director Jamie Parsons at 465-2017.

The Michigan Strategic Fund's Capital Access program is eminently adoptable to meet Alaska's capital needs. Such a program would require legislation and a minimum of \$2 million. We are evaluating the possibility of introducing such a measure; realistically, my inclination is to save it for the next administration.

The recently-passed Thrift Bailout Bill amended the Community Reinvestment Act so that each bank's community reinvestment record must be made public; that may loosen purse strings. Additionally, we are examining reactivation of the Tourism Revolving Loan Fund to stimulate small business development in tourism.

4B. Cumbersome and Allegedly Misdirected Regulations

Senate Joint Resolution 3, proposing a constitutional amendment authorizing legislative repeal of administrative regulations, would present to voters essentially the same question they've already rejected three times in ten years. Besides, the Legislature already has the authority to nullify regulations. I do not support SJR 3.

Nor can I support automatic periodic sunset of all regulations. They receive regular scrutiny now; formal review and/or revision would be prohibitively expensive. A regulatory review commission could reasonably be established

by private business, not the State, and could provide testimony during public hearings or comment periods on proposed regulatory changes. Small business might even consider hiring a lobbyist to present views in a coordinated and consistent fashion.

In isolated cases, 90-day review and issuing of regulations following passage of new laws is appropriate. Most frequently, this is an unrealistic period to draft regulations, clear them with the Department of Law, issue public notice and compile public comments. Additionally, many regulations must be adopted by boards that meet only twice a year. As an alternative, State agencies could notify business representatives and inform them of specific effects of proposed regulations prior to public hearings. I would welcome establishment of focal points within the small business community to help disseminate such information.

Simplification of forms is worth pursuing. We may be able to create a joint data base for all licensing. Applicants could fill out basic information once and then select needed items from a menu of licenses, permits and services. This selection could trigger requests for additional information specific to the items needed. Research, coordination, planning and funding are necessary for this effort to succeed, but I feel the end result would be worth the investment. We'll pursue it further.

Likewise, application of common sense and use of understandable language in regulations has always been a goal of Cowper administration agencies. I welcome the assistance of the business community in identifying problems. The Division of Insurance, recognizing that the subject matter of their regulations can be confusing, requires a section-by-section analysis of all proposed regulations, specifically identifying the purpose, statutory authority, intent and expected impact. This analysis is available to the public concurrent with the public review process.

The Ombudsman's Office, an arm of the Legislature, suggests that one additional assistant ombudsman in Anchorage could provide needed services to small business. The budget increment required would need legislative approval. If such an item reached me for action, I'd give it serious consideration.

4C. Equity Capital Availability

The Alaska Permanent Fund's expansion into international investing will broaden the State's contacts with foreign corporations and financiers. This will lead to opportunities to learn about, visit and invest in Alaska.

The DCED Venture Capital program, when operational, will bring money presently invested outside back to Alaska, where it will be invested in Alaskan and Alaskan-related businesses. This program has the potential to become a \$30 million-plus investment fund.

I will continue strong support of my Alaska Science and Technology Foundation (ASTF). ASTF staff are working to identify businesses interested in presenting funding proposals and have begun a series of forums to help potential proposers understand how to apply and, ultimately, commercialize successful projects. For more information, call John Sibert at 272-4333.

The Division of Banking, Securities and Corporations is in the process of adopting regulations which would implement a Uniform Limited Offering Registration (ULOR) similar to Washington State's program. The ULOR will allow greater access to equity capital through additional opportunities to offer stock to investors.

Initiating a system similar to the Washington State Investment Network is possible, but may not be feasible. Such a system would proceed in conjunction with ongoing venture capital activities. We'll keep it in mind as we work on venture capital projects. If it makes sense, we'll consider installing it.

7. Employee Benefits

Debate over the virtues and costs of mandated benefits will no doubt continue--it's a tough issue. We must ensure worker protection without unduly burdening business people and/or compounding the uncompensated care problem. This issue deserves rigorous examination through the legislative process.

State employee insurance benefits are a mandatory subject of collective bargaining. We have aggressively negotiated for health insurance changes with modest success, but have been unsuccessful in either increasing deductibles or requiring employees to pay for any portion of dependent coverages. We

can't do either ourselves, unless the Legislature directs otherwise. The Legislature's Health Care Cost Containment Task Force is examining pooling, but only among public employers statewide. Legislation (SB 254) has been introduced to require public employer pooling.

One potential improvement is to negotiate a defined contribution instead of a defined benefit plan. The negotiated defined contribution could then be used as pre-tax dollars for each employee to select from a "menu" of insurance options. To date, labor unions have strongly opposed any move toward a defined contribution.

One way to provide alternatives to current insurers is to pass a bill to create health maintenance organizations (HMOs). Staff medical care providers and emphasis of problem prevention are two main features that would allow HMOs to be cost efficient. Senate Bill 335 addresses HMOs and is currently pending before the Legislature.

8. Government Competition With the Private Sector

My administration has made a concerted effort to contract with private entities whenever feasible. I hesitate to go to the trouble and expense of creating a 12-member commission to review and evaluate commercial enterprises operated and services provided by the State. Realistically, assuming clear sailing through the appropriation process, such a commission would be functioning about the time the new administration moved in. I prefer to direct my administration's energies more informally to problems as they come to our attention. I will renew my charge to cabinet members to minimize competition with private enterprise, and I call upon small business to bring specific problems to our attention.

Privatization of income-producing government enterprises is certainly worth considering. Ideally, health care would be completely privatized, but escalating costs have forced government involvement; this trend is likely to continue. Entities such as the Alaska Railroad and the Alaska International Airport System are important economic development tools; maintaining public ownership is probably in the best interests of Alaskans. We are actively working with the Legislature to restructure the Alaska Housing Finance Corporation to facilitate privatization.

Excessive and unnecessary government competition with private enterprise should be eliminated. However, we should

review competition between public and private functions before considering any statutory changes. If business would like to provide specific information on instances of what they consider unfair or unnecessary competition, they should contact the appropriate Commissioner with a copy to me. We'll review those cases and then determine our course of action. The same holds for grants and contracts to nonprofit organizations.

If private sector Alaska laboratories will provide descriptions of their facilities to the Division of General Services and Supply (DGSS), Department of Administration, we'll circulate that information to all agencies needing laboratory services. For more information, call DGSS Director Bob Link at 465-2250.

Business people concerned with competition should remember that the Office of Management and Budget continues to review all budget requests for more personnel to determine if contracting out would be more appropriate than creating new State positions.

9. Education and Small Business

Under the Job Training Partnership Act (JTPA), training programs could be operated by the private sector and/or labor organizations to train workers in occupations for which demand exceeds supply. JTPA also offers pre-apprenticeship programs. The recently-enacted State Employment and Training Program (SETP) provides apprenticeship programs with either organized labor or the U.S. Department of Labor's Bureau of Apprenticeship and Training. For more information, contact JTPA Program Manager Mark Mickelson, Department of Community and Regional Affairs, at 465-4890.

The SETP requires that "employment assistance and training entities" will receive funds to carry out the legislation's intent. Regulations being promulgated now will define those "entities." The intent of the program is to increase numbers of jobs in the state, which necessitates private sector involvement in designing and participating in local-level training. Private, for-profit training agencies may be involved in the delivery of training services.

Separating the State Board of Education and the State Vocational Education Board would not be appropriate. Integration of basic education and vocational education is necessary to prepare a workforce with strong academic skills

along with occupational skills. Splitting it between two governing bodies would make that task even more difficult. Since the program is not yet fully operational, I do not recommend altering it at this time.

10. Transportation Policy

The State has a transportation policy plan that was adopted in 1982. It needs updating, but covers all modes of transportation. The DOT&PF is currently refining their statewide transportation planning process. A major goal of that work is to provide a systematic means for the public to comment on planning and policy processes. Another goal is to develop a process through which a new multimodal transportation plan will be prepared and updated on an ongoing basis. A specific goal of the new plan is to provide policy guidelines to all interested parties on the role of transportation in economic development. A draft of the plan should be available by December 1990.

Separate commissions for specific functions of DOT&PF would represent a significant change--one that deserves more debate, especially on the ways in which commissions would be structured and empowered. Separate commissions for the various modes of transportation would make comprehensive intermodal connections more difficult. Allowing income from transportation users to remain within the agency requires a constitutional dedication of those fees. I've introduced a bill (HB 439) to allow the Alaska Marine Highway System (AMHS) to receive and expend the money it generates; this would provide system managers incentive to improve efficiency and increase revenues.

The AMHS presently provides year-round service to Kodiak, Seldovia, Cordova, Valdez, Seward and the southeast panhandle. Monthly service from May to October is extended to Dutch Harbor and other communities west of Kodiak. Traffic beyond Kodiak is inadequate to justify the cost of winter service. Even if it did, weather conditions would severely limit the schedule and time necessary to sail to and beyond Dutch Harbor. That schedule would, of course, reduce service to Kodiak and other southwest coast communities. Expansion could also entail considerable capital expense for dock facilities and upgrade of harbors.

Refurbishment of AMHS vessels causes temporary reduction, but not cessation, of service to given communities. However, the M/V TUSTUMENA is the only certified oceangoing vessel in the fleet. When it is out of service, some