

**ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672**  
**7585 SENATE LABOR & COMMERCE**

considered in any discussion until the human race is capable of accepting the facts. It has been the law for years that minors are not to be sold nor have tobacco products in their possession, but like all substances that are illegal, it is very hard to enforce and the results are most always minimal. We believe in education as the answer to this and many other problems that are being forced on minors today through our fast changing times. Let's look at the effect that knowledge and changing attitudes have had on our sales of tobacco products in Kodiak. Ten years ago 50% of our net income was from tobacco sales. Today it is 18% of net income. Since education of the masses has occurred from all angles and for all ages our sales have and continue to drop. But, the very fact that the sales changes have occurred over time and not by instant decree has allowed us to continue in business by expanding as we can afford it and offering other services to increase sales.

As I stated during the teleconference, we also operate two Arcades in Kodiak and we do not and have not allowed the use of any tobacco products in either establishment. After the House passed Bill 84, I asked our employees to conduct a survey of the minors that are smoking outside on the sidewalks as to where they purchase their cigarettes. The answer, not surprisingly, was from grocery and convenience stores, because the price difference is so great if purchased from a vending machine. Our vend price is \$1.10 over that of other avenues of obtaining cigarettes. The law states that all ages may not use drugs, but it is the number one plague for teens today and all the laws that are written will not cure this problem as fast as education is proving over time.

Representative Brown stated that this will not infringe on the rights of adults. Bah! Humbug! Let's look at some instances that will effect their rights. A worker that is going to work early in the morning, before small community stores are open, will lose all access to cigarette purchases. Employees that work shift work will find their access limited. Employees that work long shifts starting early or working late will lose access. In Kodiak we serve the local Cannery's and they work 24 hours a day, meaning that late at night they will have lost all access to their right to smoke, if they so choose, and run out of cigarettes. I will agree that the couple of larger cities in Alaska will not be effected in this manner, but most of Alaska's Community's are small and will be directly affected by the loss of rights this bill will add onto those lost already.

As for the provision that "employee break rooms or other controlled area of a private workplace" may be approved by the Commissioner of Health and Social Services. I would like to site an example of how these government departments work. Last year the State Fire Marshall inspected Kodiak and found that some of our machines were connected by multi-plug extension cords. He directed us on how to correct the problem that could be caused by using surge protector multi-plugs, such as used on computers, with breakers rated less than the main breakers in the service

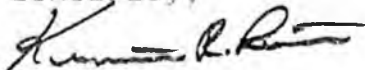
③

panels for the establishments. We followed his suggestion to the tee! This year he returned and lo and behold he noticed that the machines were connected by multi-plug extension cords and listed them as a violation to be corrected. I contacted him in his office by a costly long distance call and explained his suggestion from last year and the corrective action we had taken at the time. I also explained that we continued to use the cords he required. He then explained that he had not looked close enough to determine the fact that we were using these cords and said to make note on the reports that the locations were to provide his office. How, pray tell, are government employees to do an effective job in each location across this great State if in these times of budget crunching more and more items are listed in their things to do file while numbers of employees are cut! In effect, approval of break rooms will be a low item on their list of things to do and the rights of citizens will be expended due to loss of time and man power for inspections.

I am and will remain against this bill, whether or not it effects our business, due to the ever increasing loss of rights of the individual in America. As I stated in a Letter to Senator Zharoff, " "1984" may not have happened in 1984, but if we as Americans do not keep vigilant the forecast of "1984" will happen".

Thank you for taking the time to listen to my thoughts on this matter.

Sincerely,



Kenneth R. Lester  
American, Business Owner, and 45 year resident of Alaska

CC: Senators: Collins, Eliason, Halford, Kerttula, Zharoff

DEPT. OF HEALTH AND SOCIAL SERVICES

BUREAU OF VITAL STATISTICS  
P.O. BOX 11  
JUNEAU, ALASKA 99811-0675  
PHONE: (907) 465-3392

May 15, 1991

Honorable Kay Brown  
House of Representatives  
State of Alaska  
Room 513, Capitol  
PO Box V  
Juneau AK 99811

Dear Representative Brown;

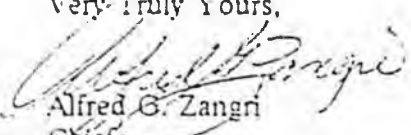
It has come to my attention that questions have been raised about the effectiveness of the warning signs proposed in HB 84. As I indicated in my testimony before the House Labor and Commerce committee, these signs are a vitally important component of the legislation.

The question of the effectiveness of this type of warning sign was directly addressed in a 1989 study undertaken by Altman, Foster, Douss, & Tye in Santa Clara County, California and published in the Journal of the American Medical Association on January 6, 1989. Briefly, this study found that placing signs warning that it is illegal to sell tobacco products to minors in businesses that sell tobacco products reduced illegal sales to minors by the following percentages.

Store Type	% Reduction in Illegal Sales
Vending Machine	0
Gas Station	-35%
Liquor Store	-45%
Convenience Store	-41%
Pharmacy	-53%
Grocery Store	-58%

These reductions are significant.

Very Truly Yours,

  
Alfred G. Zangri  
Chief

Smoking Kills More Americans Each Year Than Alcohol, Cocaine, Crack Heroin, Homicide, Suicide, Car Accidents, Fires, and AIDS combined.

Approximate Number of Deaths:

Smoking.....	434,000 <sup>1</sup>
Alcohol (including drunk driving).....	125,000 <sup>2</sup>
Car Accidents (including drunk driving).....	47,000 <sup>3</sup>
Fires.....	4,000 <sup>3</sup>
AIDS.....	23,000 <sup>4</sup>
Heroin and Morphine.....	2,400 <sup>5</sup>
Suicide.....	31,000 <sup>5</sup>
Homicide.....	21,000 <sup>5</sup>
Cocaine and Crack.....	3,300 <sup>5</sup>

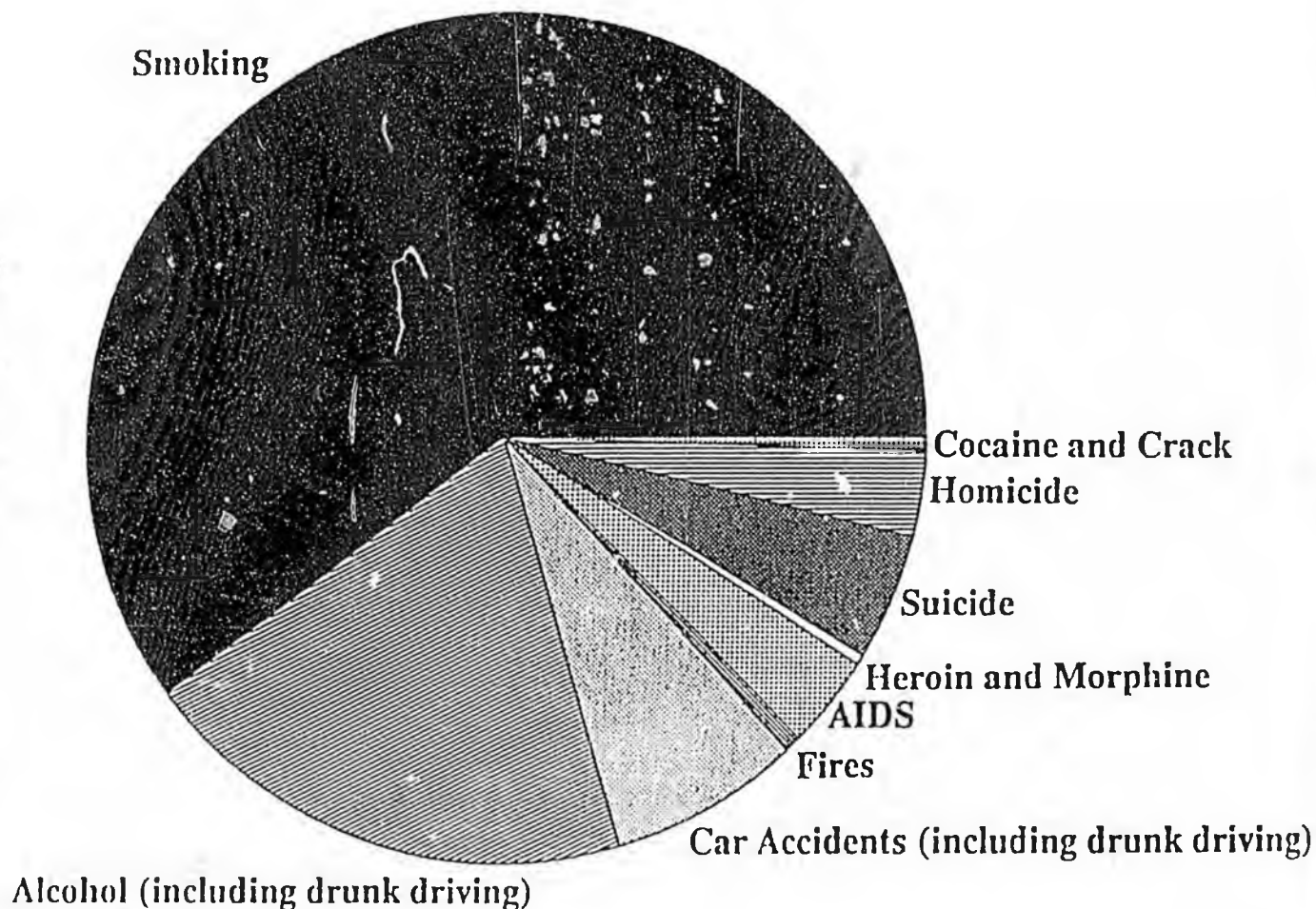
<sup>1</sup>U.S. Surgeon General's Office, 1988 data

<sup>2</sup>U.S. Surgeon General's Office, 1985 data

<sup>3</sup>National Safety Council, 1989 data

<sup>4</sup>Federal Centers For Disease Control, 1989 data

<sup>5</sup>National Center For Health Statistics, 1987 data



Smokefree Educational Services  
Incorporated

375 South End Avenue, Suite 32P  
New York, NY 10280  
Phone: (212) 912-0940  
Fax: (212) 488-8911

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

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

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

MEMORANDUM

April 17, 1991

SUBJECT: Tobacco warning signs - (CSHB 84(L&C))

TO: Representative Kay Brown

FROM: Michael F. Ford *M.F. Ford*  
Legislative Counsel

You have asked for our review of a memorandum that concludes that the tobacco warning sign required under sec. 10 of CSHB 84(L&C) is preempted by federal law. It is our conclusion that this legal analysis is misapplied to the warning sign required by CSHB 84(L&C).

The legal authority cited by the memorandum would preempt an attempt by the state to alter the package, labeling, or advertising warnings placed on tobacco products. However the warning sign contained in CSHB 84(L&C) is not attached to the cigarette package or label and is not associated with cigarette advertising. The memorandum cites no authority to support the conclusion that this specific form of cigarette warning sign has been preempted by federal law.

The memorandum also states that several other states have declined to require this type of warning sign. The fact that other states have declined to require this form of warning does not preclude this state from doing so.

Please contact me if you have further questions.

MFF:pl  
91-269.plm

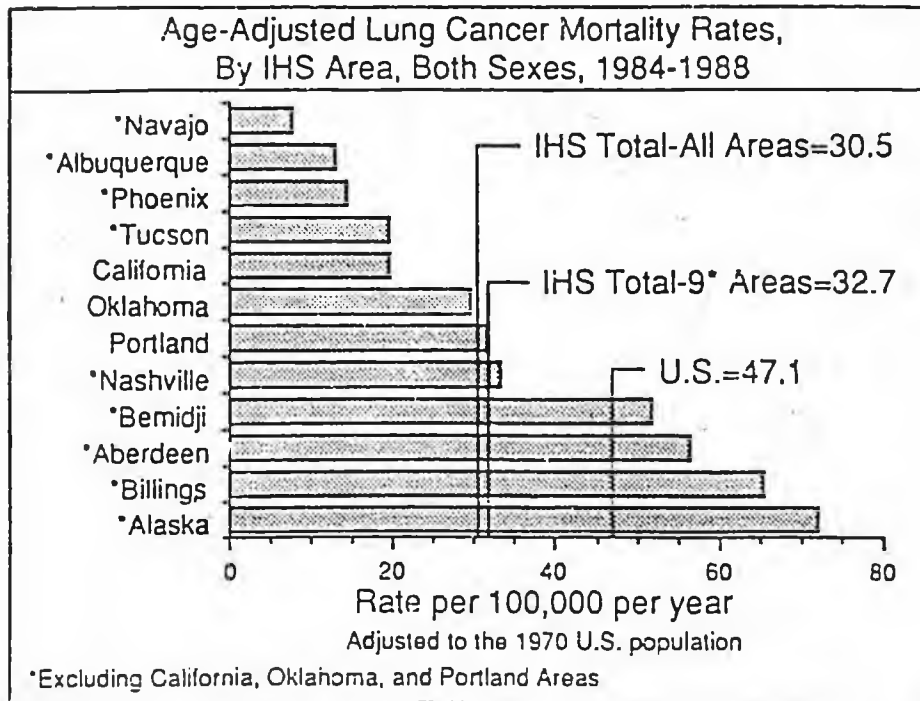
## 10 Reasons to Restrict Tobacco Vending Machines

1. Cancer-causing, addictive drugs should not be sold as if they were candy or sodapop.
2. No other dangerous, cancer-causing, addictive product or drug that is illegal for children to own is sold through vending machines.
3. More than thirty seven local governments in communities across the country have passed total bans on cigarette vending machines. Another seventy one communities, as well as the states of Hawaii and Utah, severely restrict the placement of tobacco vending machines.
4. Each day more than 3,000 minors start smoking — approximately one new teenage smoker every 30 seconds — more than one million new teenage smokers each year.
5. According to a survey of high school seniors, the average age for the first use of cigarettes is 13 years. Vending machines are an especially significant source for these youngest of new smokers.
6. Industry sponsored research has documented that teens who illegally buy cigarettes from vending machines find vending machines to be attractive because no one will stop them from buying cigarettes this way.
7. A survey of high school seniors found a strong correlation between those who were cigarette smokers and those who had used harder drugs. Non-smokers were found to be less likely to have used harder drugs.
8. Secretary of Health and Human Services Louis Sullivan and former Surgeon General Koop have called for total ban on cigarette vending machines.
9. The federal Department of Health and Human Services estimates that smoking related illness cost the nation about \$52 billion per year (about \$221 per capita) in health treatment and other costs.
10. In Alaska, it has been estimated that for just one year (1985) smoking-attributable deaths in Alaskans over age 20 represented 1,363 person-years of potential life lost with *direct* costs of \$52.8 million (hospital care, physician services, medication, etc.) and *indirect* morbidity and mortality costs of \$47.7 million — for just one year then, *total costs in excess of \$100 million.*

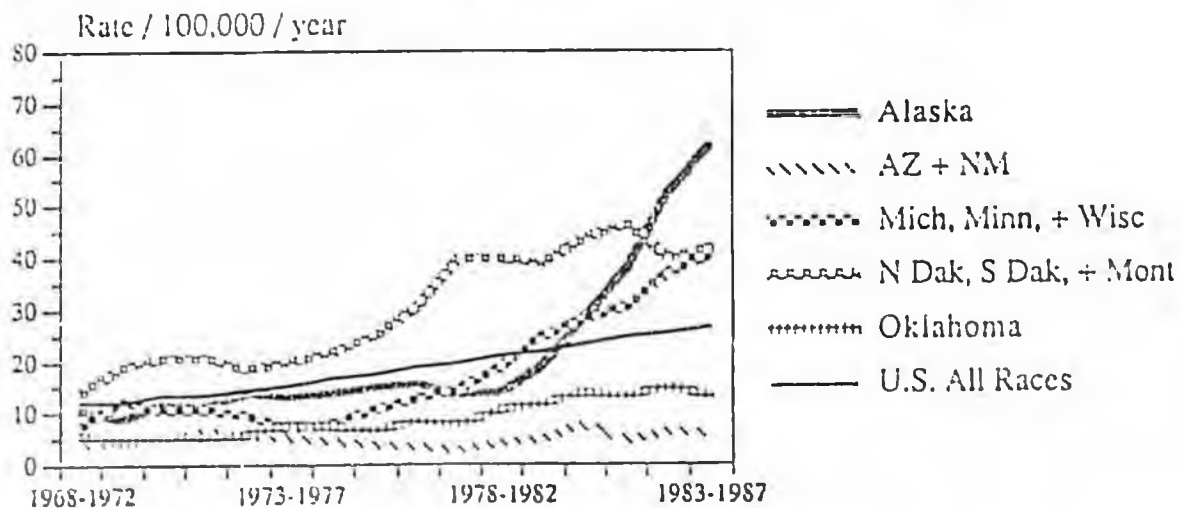
# Alaska Cancer & Tobacco Use

"The data are disturbing, especially for Alaska. ... Cancer mortality rates for Alaska Natives *exceed* those of all other IHS areas, *and* the overall U.S. rate as well. ... This problem will get worse before it gets better. ... Clearly, the highest priority for cancer prevention and control must focus on reduction of tobacco use. "

— Dr. Anne P. Lanier, MD, MPH  
Epidemiologist - Alaska Area Native Health Service



Age-Adjusted Lung Cancer Mortality Rates,  
Native Americans in Selected States  
Compared to U.S. All Races, Females, 1968-1987



Source: Sarah Valway, et al. *Cancer Mortality Among Native Americans in the United States: Regional Differences in Indian Health, 1964-1986, Trends Over Time, 1968-1987.*  
Department of Health and Human Services, Public Health Service.

# Study attributes 400,000 deaths to past smoking

By ROBERT BYRD

The Associated Press

ATLANTA — More Americans are quitting smoking, and more are dying — now more than 400,000 a year — as the habits of the 1950s and '60s take an increasing toll, federal health officials said Thursday.

The national Centers for Disease Control reported that 434,175 Americans died from smoking in 1988, up 11 percent from the 390,000 deaths attributed to smoking in a 1985 study.

Those numbers reflect a steady, deadly trend, CDC researchers said. Back in 1965, the calculated toll from smoking deaths was 188,000.

"The problem is, we are now paying for what happened 20, 30 years ago, when large numbers of people smoked in large amounts," said Dr. William Roper, director of the Atlanta-based CDC.

"Even though the percentage of Americans now smoking is lower than in the past, the burden of the past practice is coming clear."

That burden includes more than 100,000 annual deaths from lung cancer, the leading cause of smoking-related deaths, Roper noted. The CDC reported 111,985 smoking-related lung cancer deaths for 1988, up from 106,000 in 1985 and 38,100 in 1965.

"It takes 10, 20 years for the cancer caused by smoking to result," he said.

Smoking also resulted in 48,896 other cancer deaths,

such as mouth cancers and pancreatic cancer, in 1988; 201,002 deaths from cardiovascular diseases such as heart disease and arterial disease; and 82,857 deaths from respiratory diseases such as bronchitis and emphysema, among other causes.

The CDC also said 3,825 Americans' died from lung cancer caused by others' smoking, or passive smoke. But the CDC's statistical formulas do not yet include passive smoking deaths from heart diseases, which a recent study estimated at 37,000 a year.

Roper said health officials hope the increasing death toll from smoking will turn around, given recent trends toward stopping smoking.

CDC researchers estimate that about 29 percent of Americans smoke, down from 30 percent in 1985 and 40 percent in 1964, the year of the landmark surgeon general's warning against smoking.

"We've seen a reduction in smoking percentages for several years now, and I hope that by the year 2000 ... we're going to begin to see a decline in actual numbers of smoking-attributable illnesses and deaths," Roper said.

"But that's heavily dependent on behavior patterns right now, and we're anxious to get the message especially to young people, young women, who tend to be the largest percentage smokers."

"[The] atomic bomb ... dropped on Nagasaki destroyed the innermost portion of [the city] on August 9, 1945 ... 39,000 were killed outright and about 25,000 were injured."

— *The New Encyclopedia Britannica*  
Volume 8, 15th Edition

# Anchorage Daily News

Gerald E. Grilly  
Publisher

Howard Weaver  
Editor



Michael Carey, Editorial Page Editor

Patrick Dougherty, Managing Editor

Katherine Fanning, Editor and Publisher 1971 to 1983  
Lawrence Fanning, Editor and Publisher 1967 to 1971

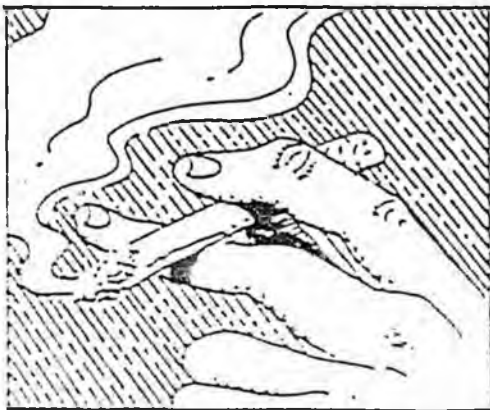
Founded in 1946 by Norman C. Brown

## Young addicts

### *Crack down on vending machine drugs*

How serious is this country about the war on drugs?

Not very. Not as long as a powerfully addictive drug is readily available to children who can scrape up a couple of dollars worth of change.



The drug is tobacco.

The addictive power of its active ingredient, nicotine, is in a class with heroin. Tobacco accounts for more preventable deaths than any other cause in this country, bar none. More than crack.

More than heroin. More than alcohol.

Most tobacco addicts start when they are young. They usually start long before they reach the legal age for smoking — long before they can make a truly "informed choice" to accept the risks of their deadly habit.

So why do we allow tobacco to be sold from vending machines that are accessible to children?

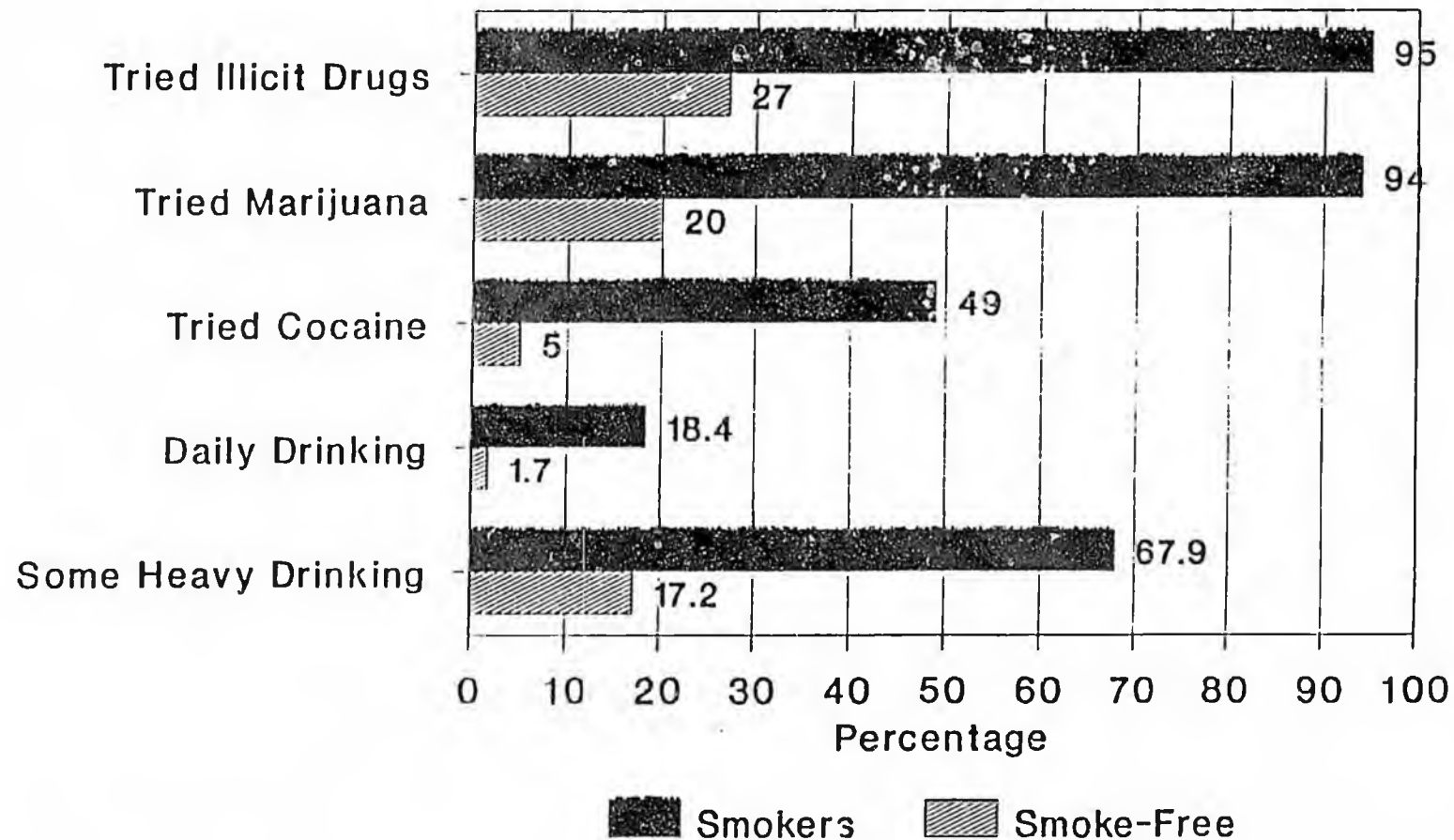
We shouldn't. And Alaska wouldn't — under a bill steered through the state House by Anchorage Rep. Ray Brown. It would ban cigarette machines except in bars and adult clubs, areas where minors are not allowed.

Swiftly passing HB84 is the least the legislature can do to protect children from our country's most deadly legal drug.

February 29, 1992

# TOBACCO AS A GATEWAY DRUG

Percentage of High School Seniors Who  
Have Tried Illicit Drugs and Alcohol  
Smokers vs. Smoke-Free



Source: U.S. National Institute on Drug Abuse:  
National Trends in Drug Use and Related Factors Among  
American High School Students and Young Adults 1975-86

Smokefree Educational Services, New York City

Appendix I  
The Extent and Consequences of  
Teenage Smoking

Source: Teenage Smoking  
General Accounting Office, HRD-89-119 (June 1989)

Teenagers who are unaware of the addictive nature of cigarettes or who underestimate the strength of a tobacco addiction may tend to experiment with smoking initially but, to their surprise, later become addicted. The 1974 and 1979 Teenage Smoking Surveys by the Department of Health, Education, and Welfare (predecessor of the Department of Health and Human Services) asked teenagers what the possibility was of them being cigarette smokers in 5 years; half of the regular smokers answered "definitely not" or "probably not." Surveys of young adult smokers suggest that, unfortunately, the teenagers' optimistic predictions tend to be wrong.

The linkage in the scientific literature of cigarette smoking to numerous illnesses and premature death has received wide publicity in the past two decades. The 1989 Surgeon General's Report states that about 390,000 deaths in 1985 were attributable to smoking. Smoking is considered to be the major cause of lung cancer—the leading cause of cancer death in men since the 1950s. Numerous other types of cancer are also attributed, at least in part, to cigarette smoking. In addition, smoking is a cause of coronary heart disease, cerebrovascular disease (stroke), chronic obstructive pulmonary disease (the permanent airflow blockage that smokers develop) and many other diseases. Finally, given the fact that cigarette smoking is associated with alcohol use by teenagers, it is significant that recent research suggests that cigarette smoking combined with the ingestion of alcohol may further increase the risk of cancer.

Smokers Harm  
Nonsmokers' Health and  
Economic Well-Being

Most of the severe health risks generated by smoking affect teenagers directly, but are usually manifested only in adulthood. Some of the health risks caused by teenagers smoking are borne, though, by nonsmokers. In particular, when teenagers who are parents smoke, they put their infants at greater risk. The prevalence of teenage pregnancy and teenagers as parents makes this a widespread problem.

Smoking by the mother during pregnancy has been linked to fetal and infant mortality. Low birthweight, often associated with mental retardation and other developmental and health problems, has been conclusively linked to the number of cigarettes smoked during pregnancy. Premature delivery, retardation in fetal growth, and diminished availability of oxygen to the fetus are also effects of smoking during pregnancy. The consequences of these problems may affect the child, often severely, throughout its lifetime. In addition, after a child is born, smoking by family members is likely to be harmful to the child. For example,



Smokefree Educational Services  
Incorporated

375 South End Avenue, Suite 32F  
New York, NY 10280

Joseph W. Cherner, President  
Phone: (212) 912-0960  
Fax: (212) 488-8911

**CIGARETTE VENDING MACHINES SELL CIGARETTES  
TO CHILDREN, 11-15 YEARS OLD, 100% OF THE TIME**

Six children, ages 11-15, were able to buy cigarettes from 35 of 35 cigarette vending machines tested in Manhattan, Brooklyn, Queens, Staten Island, and the Bronx.

Over 25% of these vending machines were located in bars. Eleven and twelve year olds had no more difficulty buying cigarettes from vending machines in bars than they had buying cigarettes from vending machines in restaurants, pizza parlors, or video arcades. In all instances, the barman and/or patrons watched but did not intervene.

The 35 cigarette vending machines were located in the following establishments:

Restaurants	11	Hotel	1
Bars	8	Video Arcade	1
Pizza Parlors	5	Ice Cream Parlor	1
Supermarkets	4	Other	2
Bowling Alleys	2	Total	35

In one case, a restaurant employee ran after an 11 year old to tell him that he forgot his change. In another case, a gas station attendant told an 11 year old that they did not have a cigarette vending machine, but would have one next week. In almost all cases, adults watched but did not care.

No other dangerous product or drug, addictive product or drug, or cancer-causing product or drug is sold through vending machines. No other product or drug which is illegal to sell to children is sold through vending machines. Dangerous, addictive, cancer-causing drugs should not be sold like candy and soda pop. Cigarettes should not be sold in vending machines.

HB

107



# UMIALIK INSURANCE COMPANY

5300 "A" Street • Anchorage, Alaska 99518  
(907) 563-3913 • FAX (907) 561-2292

JAN 1 1991

Mr. David Case P.C.  
c/o Copeland, Landye,  
Bennett and Wolf  
550 West Seventh Ave.  
Suite 1350  
Anchorage, Alaska 99501

1/10/91

Re: Surplus Funding.

Dear David:

We had previously discussed the Senate Bill 212 passed in the last legislative session. This bill increased the amount we need for Additional Maintained Surplus By \$2,250,000. The Bill also under section 84 & 86 gave us until January 1, 1992 to get the funding.

I have had some correspondence with the Attorney General's Office and basically they stated the relief we are seeking should come by way of a revisor bill. I have also met with Mr. Dave Walsh our State Insurance Director who preferred to handle this matter administratively rather than change the bill to apply to everyone. You raised the question of where they get the authority to do this and apparently there is none.

This matter has now been referred to Mr Stan Garlington in the Insurance Department to work on. I have talked to Stan and the enclosed amendment to the bill will be introduced by the Department. If this matter is included with other Insurance legislation it may get lost in the shuffle. Stan also indicated that the status of Mr. Walsh is still not resolved under the new administration and the support from the Department may not be as strong as need be.

I would like to see our legislators back this bill or even file their own if need be. If the Insurance Department Bill contains other things that can not be supported we do not want this matter to die in a Committee or even loose. I am giving a copy of this letter to Mr. Ronald Brower today since he will be traveling to Juneau next week to meet with our legislators. I would appreciate your advice on this matter.


Homeowner

WC

AUTO  
LIABILITY

cc. Mr Ronald Brower

Sincerely,

  
Thomas A. Andrietsch  
President



## Ukpeagvik Inupiat Corporation

January 14, 1991

Representative Maclean  
Box V  
Juneau, Alaska 99811

Dear Representative Maclean;

During the last Legislative Session Senate Bill 212 was passed. This Bill requires a domestic insurer such as Umialik Insurance Company to increase its additional working surplus to 5.24 million. by January 1, 1992.

In our review of the insurance industry in Alaska, Umialik Insurance Company is the only domestic company affected by Senate Bill 212.


Last December Umialik Insurance Company had completed the working surplus requirement to 3 million.

I am requesting your assistance to relief this situation by way of a revisor bill.

Please find enclosed a copy of a letter from Tom Andritsch to our counsel David Case explaining the matter along with some recommended language on the same.

I would greatly appreciate your assistance on this matter.

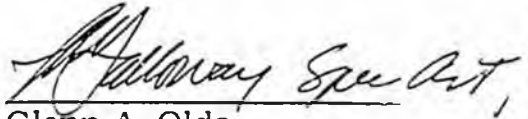
Sincerely,

  
Ronald H. Brower Sr.  
President

HB 107 "An Act relating to capital and surplus requirements of domestic insurers; and providing for an effective date."

This Department is in favor of this legislation. Ch 50 SLA 1990 (SB 212) provided for a schedule of increases in the capital and surplus requirements for insurers admitted to write insurance in Alaska. This is to provide a larger financial cushion for a troubled insurer. Current levels at the time were insufficient. Unfortunately, that legislation is posing a considerable challenge for some insurers as they have a limited ability to come up with additional funds. This proposal offers some relief to those insurers by stretching the schedule out for an additional five years.

We recommend passage of this legislation

  
Glenn A. Olds  
Commissioner

February 6, 1991

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. HB 107

Revision Date: \_\_\_\_\_ Department Affected: Commerce & Economic Dev  
 Title: An Act relating to capital BRU: Insurance  
and surplus requirements of domestic ~~XXXXXXXX~~ Component: insurers and providing for an  
 Sponsor: MacLean OPERATIONS / effective date \_\_\_\_\_  
 Requestor: MacLean COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)  
  
 No fiscal impact.

Prepared By: Donald P. Koch, Chief of Market Surveillance Phone: 465-2515  
 Division: Insurance Date: 2/7/91  
 Approved by Commissioner: Glenn A. Olds  
 Agency: Department of Commerce & Economic Development Date: \_\_\_\_\_

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



**Alaska National**  
INSURANCE COMPANY

*A policy of service and protection*

February 12, 1991

Mr. Alex Miller  
MarkAir  
P. O. Box 190769  
Anchorage, AK 99519-0769

Dear Alex:

We can support Senate Bill No. 78 which, in effect, enables Umialik Insurance Company to gradually meet the new capital and surplus requirements over a five-year period.

However, we believe additional language should be added to prevent a new investor from gaining control of Umialik and, thereby, avoid current capital requirements.

Possible language to accomplish this would be: "that has not had any ownership changes since May 16, 1990." This language could be inserted on line 6 after "in this state before May 16, 1990 . . . ."

If that language is too broad, it could be modified to prevent a new controlling shareholder which, I believe, is defined as anyone owning 10% or more of the common stock.

Yours truly,

James E. Pfeifer  
President

JEP:lp

W

SENATE COMMITTEE REPORT

DATE: 4/17/91

FURTHER:

DATE TURNED INTO OFFICE: \_\_\_\_\_

L&C Committee considered CS FOR HOUSE BILL NO. 107 (L&C)

"An Act relating to capital and surplus requirements of domestic insurers; and providing for an effective date."

and recommended:

- replace with \_\_\_\_\_ CS \_\_\_\_\_
  - or adopt \_\_\_\_\_ CS \_\_\_\_\_
  - attached amendment(s)
  - \_\_\_\_\_ letter of intent adopted
- same title
  - new title
  - technical title change (HB only)

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

- fiscal note(s) Dept/Date: \_\_\_\_\_
- zero fiscal note(s) \_\_\_\_\_
- appropriation-no fiscal note

APPROVES PREVIOUS:

- fiscal note(s) Dept/Date: \_\_\_\_\_
- zero fiscal note(s) Commerce/2-7-91
- Governor's bill w/fiscal note

SIGNING DO PASS:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

OTHER RECOMMENDATIONS:

*DeLoach no rec*  
*William Calver*  
*Bill Halford - NO REC.*  
 \_\_\_\_\_  
 \_\_\_\_\_

*True Peace - do pass*  
 \_\_\_\_\_  
 Chair: Signature and Recommendation

# ALASKA STATE LEGISLATURE

Representative Eileen Panigeo MacLean  
Co-Chair House Finance Committee  
P.O. Box 830  
Barrow, Alaska 99723



WHILE IN JUNEAU  
Box V  
Juneau, Alaska 99811  
465-4525  
465-4833

## HOUSE OF REPRESENTATIVES

District 22

North Slope  
Borough

Anaktuvuk Pass  
Atkasuk  
Barrow  
Kaktovik  
Nuiqsut  
Point Hope  
Point Lay  
Wainwright

Northwest Arctic  
Borough

Ambler  
Buckland  
Deering  
Kiana  
Kivalina  
Kobuk  
Kotzebue  
Noatak  
Noorvik  
Selawik  
Shungnak

### MEMORANDUM

DATE: April 29, 1991

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

FROM: Representative Eileen P. MacLean

*Rep. MacLean*

SUBJ: HB 107 Relating to Capital and Surplus  
Requirements of Domestic Insurers

The purpose of this bill is to allow domestic insurers, transacting three or more kinds of insurance, to phase in to new capital and surplus requirements enacted in SB 212 last year.

SB 212 raised the minimum amount of capital and surplus required to 5.25 million dollars by January 1, 1992. Smaller insurance companies who do not have the required capital by 1991 could potentially be forced out of business. HB 107 would allow those companies to phase in to the new amounts over a five year period.

The Division of Insurance supports the bill. There is a zero fiscal note.

Section 86:

Section 84 of this Act is repealed and reenacted January 1, 1992 as follows: Subject to the prior written approval of the director, AS 21.09.070(a) will not apply to a domestic insurer admitted in the state before the effective date of the Act if the domestic insurer is not affiliated with any other insurer or group of insurers and has capital and surplus less than \$5,250,000 on December 31, 1991 and if the domestic insurer maintains capital and surplus no less than \$4,000,000 no later than 1/1/92, \$4,250,000 no later than 1/1/93, \$4,500,000 no later than 1/1/94; \$4,750,000 no later than 1/1/95, \$5,000,000 no later than 1/1/96, and \$5,250,000 no later than 1/1/97.

4473t

CSHB 107 (L&C) "An Act relating to capital and surplus requirements of domestic insurers; and providing for an effective date."

This Department is in favor of this legislation. Ch 50 SLA 1990 (SB 212) provided for a schedule of increases in the capital and surplus requirements for insurers admitted to write insurance in Alaska. This is to provide a larger financial cushion for a troubled insurer. Current levels at the time were insufficient. Unfortunately, that legislation is posing a considerable challenge for some insurers as they have a limited ability to come up with additional funds. This proposal offers some relief to those insurers by stretching the schedule out for an additional five years.

The change in the Committee Substitute provides that the relief feature does not apply if an ownership change occurs after the effective date of Ch 50 SLA 1990, May 15, 1990.

We recommend passage of this legislation



Glenn A. Olds  
Commissioner

April 30, 1991

## STATE OF ALASKA

## ROUTE SLIP

TO: Mail Station <i>3100</i>	Department <i>Legislature</i>	Division
Attention <i>S-SEC attn Rod</i>		
<input type="checkbox"/> Approval <input type="checkbox"/> Note & Return <input type="checkbox"/> Signature <input type="checkbox"/> Initial & Return <input type="checkbox"/> Comment <input type="checkbox"/> Return as Requested <input type="checkbox"/> Contact Me <input type="checkbox"/> Return for Approval <input type="checkbox"/> Prepare Reply <input type="checkbox"/> Necessary Action <input type="checkbox"/> For Your File <input type="checkbox"/> For Your Information		
Remarks  <i>Cap Bldg Rm 1010</i>		
<i>HAND CARRY</i>		
FROM: Mail Station <i>0800</i>	Department <i>DCED</i>	Division <i>clo</i>
By <i>Shaw</i>	Date <i>5/1/91</i>	

FISCAL NOTE

'STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSHB 107 (L&C)

Revision Date: \_\_\_\_\_ Department Affected: Commerce & Economic Dev.

Title: An Act relating to capital and surplus requirements of domestic insurers BRU: Insurance

Sponsor: MacLean Component: Operations

Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

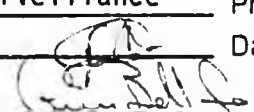
FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Don Koch, Chief of Market Surveillance Phone: 465-2572

Division: Insurance Date: 5/1/91

Approved by Commissioner: Glenn A. Olds 

Agency: Department of Commerce & Economic Development Date: 5/1/91

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

HB

140

# STATE OF ALASKA

ALASKA PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

February 22, 1991

WALTER J. HICKEL, GOVERNOR

1016 WEST 6TH AVENUE  
SUITE 400  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 276-6222

Representative David Finkelstein  
P. O. Box V  
Juneau, Alaska 99811  
VIA FAX: 465-2444

FEB 25 1991

Dear Representative Finklestein:

As an individual Commissioner on the Alaska Public Utilities Commission, I would like to offer the following comments on HB 140, "An Act relating to rate review by the Alaska Public Utilities Commission for *solid waste recovery* and *recycling services* of public utilities."

I offer the following rewrite to incorporate some of my individual concerns:

**AS 42.05.431 is amended by adding new subsections to read:**

**(f) The commission shall permit reasonable capital and operating costs and the associated revenues of providing solid waste recovery and recycling services in the establishment of rates of a utility furnishing collection and disposal of waste material service.**

**(g) The commission shall promote solid waste recovery and recycling services in the establishment of rates under this chapter.**

The change to add "and the associated revenues" gives the commission explicit authority to include revenues from these services in the development of rates. It also adds the phrase "the establishment of rates" which more closely parallels other statutory references to ratemaking.

If your goal is to insure the promotion of recycling, I would discourage a change from "shall permit" to "may permit" in the operative language. This change would provide future commissions the discretion to ignore recycling costs in the establishment of rates. Though I expect the current commission would permit reasonable costs to be included in rates under the "may permit" language, I do not know how enthusiastic future commissions may be about including recycling costs in the rates.

Under the "may permit" language, the commission would still have the "reasonable" standard under which they would review any capital and operating costs. A firm cannot simply go purchase plant, incur expenses and expect to be able to raise rates to cover themselves. Though the commission has not yet heard a rate case directly involving recycling, the commission has a track record of reviewing the facts of individual cases and disallowing portions of plant investment that are not reasonable. Examples typically

Representative Finkelstein

February 22, 1991

include telephone and electric utilities which purchase more capacity than needed. Utilities cannot recover unreasonable costs from the ratepayers. The utilities have the burden of proof to demonstrate to the commission that the costs they incurred were just and reasonable.

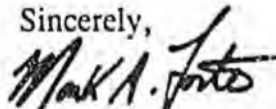
I do not believe the fears of rate escalation due to the start-up of curbside recycling programs are well founded. One, the commission will not allow unreasonable expenditures to be included in rates. Two, the commission is quite concerned about rate shock to ratepayers and will spread any significant justified increases over an appropriate transition period. Three, the economics of recycling programs are largely driven by the tipping fee of the landfill. A level comparison between recycling and landfilling suggests that to the extent that the total net cost to recycle is less than the tipping fee, there is a savings. With tipping fees of \$100/ton and above and escalating, particularly in communities in Southeastern Alaska, there is a significant potential for consumers to see long term savings in their bills for waste disposal through the implementation of recycling programs. To the extent the costs of recycling are reasonable when compared to a tipping fee, the commission would be able to include those costs and their associated revenues in the rate.

The hypotheticals which were cited at the teleconference Thursday appeared to ignore the tipping fee and focused on what would happen to rates if the revenue from the sale of a recycled good did not cover the costs of collection. A level comparison would require the commission to go a step further and review whether or not the net cost of the recycling program was reasonable when compared to the costs of landfill disposal.

Finally, I would encourage you to add an additional subsection (g) which gives the commission a tool to promote recycling in the design of rates. A similar provision for the promotion of energy conservation exists as AS 42.05.141(c). I expect that the provision promoting recycling in rate design will be an effective way to help encourage recycling efforts, especially during the critical start-up phase of new adventures (see attachment A: excerpt from "On the Road to Recovery: Seattle's Integrated Solid Waste Management Plan").

If I can be of any assistance, please call me at 276-6222.

Sincerely,



Mark A. Foster,  
Commissioner

Attachments

Survey by Anchorage Recycling Center-Sent to Anchorage  
Refuse customers in April 1990:

1. Do you consider a solid waste recycling program a community priority?

YES: 3162/3514 90% NO: 367/3514 10%

2. Do you currently recycle?

YES: 2701/3514 77% NO: 812/3514 23%

3. Would you be willing to separate your recyclables if pick-up occurred at your home?

YES: 3307/3514 94% NO: 207/3514 6%

4. The value of recyclables will not support curbside pick-ups. Will you be willing to pay more than your current refuse bill for curbside pick-up of recyclables?

YES: 1994/3514 57% NO: 1520/3514 43%

5. If yes, how much more?

\$5.00: 1617/3514 46% \$10.00: 291/3514 8%

\$15.00: 75/3514 2% N/A: 1532/3514 44%

6. Should recycling be subsidized by:

Grants: 969/3514 28% Taxes: 673/3514 19%

User: 967/3514 27% None:1018/3514 29%

N/A: 545/3514 16%

7. What prevents you from recycling more?

Does not pay:	437/3514	13%
Not sure where to take it:	1095/3514	31%
Inconvenient	1894/3514	54%
Not interested	44/3514	1%
N/A	702/3514	20%

8. Do you believe garbage pick-up should be mandatory in Anchorage?

Yes: 1901/3514 54%                      NO: 1611/3514 46%

9. Business using cardboard: Will you put cardboard in a separate dumpster if you receive a 10% rebate on disposal pick-up?

YES: 1139/3514 32%                      NO: 2313/3514 66%

# CERTIFIED REFUSE AND GARBAGE UTILITIES IN ALASKA

Anchorage Refuse, Inc.-Anchorage

Andersen, Incorporated-Nome

Channel Sanitation Corporation-Juneau

Drake's Sanitation, Inc.-Fairbanks

Eagle River Refuse, Inc.-Eagle River

Far North Sanitation Service, Inc.-Fairbanks

Interior Services-Fairbanks

Peninsula Sanitation Company, Inc.-Girdwood, Kenai, Soldotna

Tongass Sanitation-Ketchikan

Wasilla Refuse, Inc.-Wasilla

Williwaw Services, Inc.-Unalaska



Box 2876  
Soldotna, Alaska 99669

## League of Women Voters of Alaska

WHEREAS, the League of Women Voters of Alaska (LWVAK) and the League of Women Voters of the United States (LWVUS) have a long-standing commitment to support pollution prevention policies which reduce the generation and promote the reuse and recycling of solid and hazardous wastes, and to support planning and decision-making processes that recognize suitable solid and hazardous wastes as potential resources, and

WHEREAS, Alaska Statute 46.06.021 states:

In order to minimize present and future threats to human health and the environment in the state, the Alaska Department of Environmental Conservation (DEC) shall promote the following solid and hazardous waste management practices in the following order of priority:

- (1) waste source reduction;
- (2) recycling of waste;
- (3) waste treatment; and
- (4) waste disposal; and

WHEREAS, state resources devoted to pollution prevention are highly inadequate:

THEREFORE BE IT RESOLVED, that LWVAK will promote education and action to raise awareness of the importance of pollution prevention, waste reduction, and recycling efforts in Alaska.

BE IT FURTHER RESOLVED, LWVAK urges local and state lawmakers to take actions to:

- (1) Adequately fund the DEC Pollution Prevention Program in the operating budget;
- (2) Support pollution prevention capital improvement projects;
- (3) Create solid waste reduction and recycling planning grants for local governments and hazardous waste reduction demonstration matching grants for small businesses through support of HB 138 (Boyer);
- (4) Establish recognition awards for pollution prevention and recycling in the school system through support of HB 139 (Brown); and
- (5) Allow utilities regulated by the Alaska Public Utilities Commission to include recycling costs in their rates through support of HB 140 (Finkelstein).

LWVAK, THEREFORE, meeting in Convention in Anchorage on April 21, 1991, adopted this resolution to publicly state LWVAK's support for these actions and to urge the Alaska State Legislature to increase funding for the DEC Pollution Prevention Budget and to pass the above-referenced bills.

TO OUR LEGISLATORS

We, the undersigned, as residents of the State of Alaska do petition you, our legislators, to enact and provide funding for the following proposed legislation:

- HB 121 - Requires Railbelt utilities to undertake "least cost planning"
- HB 138 - Appropriates funding for recycling and waste reduction
- HB 139 - Establishes recognition awards for pollution prevention and recycling
- HB 140 - Would allow refuse utilities to recover reasonable recycling costs in their rates

Signature                      Printed Name                      Address                      House Dist. #

*Acia, Stey*      *Loni Johnston*      *POB 200802*

*Deed M. Dwyer*      *Gerald M. Ginty*      *700 H St Anchorage 99501*

*Gene Ferguson*      *Gene Ferguson*      *700 H St Anch 99501*

*Walter E. Morgan*      *Walter E Morgan*      *2101 Sunrise Dr. Anch 99508*

*Barbara Corbett*      *Barbara Corbett*      *700 H St Anch, AK 99501*

*Barbara Corbett*      *BARBARA CORBETT*      *700 H St Anchorage, AK 99501*

*Gregory A. Lee*      *Gregory A. Lee*      *Box 395 Bethel Alaska 99559*

*Richard J. Lutz*      *Richard J. Lutz*      *Box 1224 Cordova AK 99574*

*LeShane Murray*      *LeShane Murray*      *700 H St Anch AK 99501*

These bills may be voted on at any time. Petitions need to be returned as soon as possible to the Alaska Center for the Environment - 519 W. 8th Ave., Ste. 201, Anchorage, AK 99501.

TO OUR LEGISLATORS

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- HB 138 - Appropriates funding for recycling and waste reduction
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<u>Signature</u>	<u>Printed Name</u>	<u>Address</u>	<u>House Dist. #</u>
<i>Jenny Thomas</i>	Jenny Thomas	6301 Bunnyslick Anch.	8
<i>John Nannema</i>	John Nannema	4661 Cascade Cr. Anch AK	9
<i>Marge Edais</i>	Marge Edais	4511 E. Iker 18-A Anch AK	2
<i>Glen Bleda</i>	Glen Bleda	P.O. Box 230974 Anch. AK	10
<i>Constance Ckatasse</i>	Constance Ckatasse	5000 Kenai Ave Anch.	13
<i>Judith Macdonald</i>	JUDITH MACDONALD	8205 MENTRA B ANCH 99518	
<i>Wendy Schalkert</i>		12600 TURKIS TURN ST Anch 99516	
<i>Erilka Mahaney</i>	ERILKA MAHA NEV	608 No. Pine Anch 99508	
<i>Robert Rosman</i>	ROBERT ROSMAN	7123 Linden Cr. Anch AK 99511	

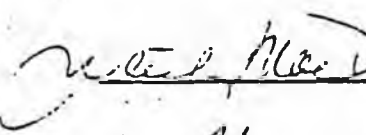
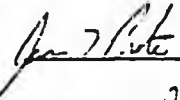
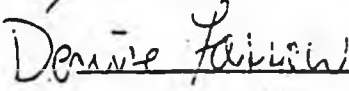
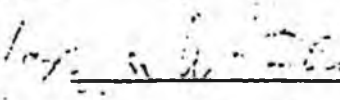
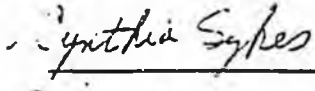
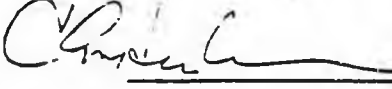
*Cisela F. Lindholm* 2085 E. Coeck Anch. AK 99501

These bills may be voted on at any time. Petitions need to be returned as soon as possible to the Alaska Center for the Environment - 519 W. 8th Ave., Ste. 201, Anchorage, AK 99501.

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- HB 140 - Would allow refuse utilities to recover reasonable recycling costs in their rates

<u>Signature</u>	<u>Printed Name</u>	<u>Address</u>	<u>House Dist. #</u>
	JUDITH MACDONALD	8205 MENTRA #8 ANCH AK 99518	9
	JAMES PRATER	6134 CASHWOOD CT ANCH AK 99504	
	Denise Lassau	HC 67 Box 912 Anchorage AK	
	Benedict	P.O. Box 294 Dillingham, AK	#16 99576
	Cynthia Sykes	P.O. Box 68 Talkeetna 99676	
	Christina R. Loreis	P.O. Box 190551 Anch. AK 99519	H.D. 15

These bills may be voted on at any time. Petitions need to be returned as soon as possible to the Alaska Center for the Environment - 519 W. 8th Ave., Ste. 201, Anchorage, AK 99501.

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

No. 1  
Bill Version: CSHB 140(L&C)  
(H) Publish Date: 2/27/91

Revision Date: \_\_\_\_\_ Department Affected: Commerce & Economic Deve.  
Title: Deregulation of Refuse Utilities BRU: APUC  
Sponsor: Rep David Finkelstein Component: \_\_\_\_\_  
Requestor: Rep David Finkelstein COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

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

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

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

POSITIONS:

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

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)  
No fiscal impact for FY91

Prepared By: Ray Chipperman, Acting Exec. Director Phone: 276-6222  
Division: Alaska Public Utilities Commission Date: 2/15/91  
Approved by Commissioner: [Signature] Sec Asst.  
Agency: Department of Commerce & Economic Development Date: 2-19-91

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

COMMITTEE FOR RECYCLING  
P.O. BOX 4387  
KODIAK, AK 99615

April 19, 1991

APR 30 1991

Representative David Finkelstein  
House of Representatives  
P.O. Box V, Room 15  
Juneau, AK 99811

Dear Representative Finkelstein:

Reduce. Reuse. Recycle. A simple yet effective plan to deal with our growing solid waste problem.

We are a group of Kodiak Island residents concerned about the worsening solid waste problem in Alaska. We would like to see the State of Alaska take a more active role in enacting legislation similar to that currently mandated at the national level. Many of us are making significant personal efforts to carry out the 3R's: "Reduce, Reuse, Recycle." We are collecting and recycling cans, bottles and paper. We are driving our cars less and trying to find other ways to conserve fuel and energy. We cherish Alaska's wilderness and do not want it destroyed by garbage, overdevelopment or further oil exploration (A.N.W.R.). We would like to see similar efforts and priorities established by our elected leaders.

Solid waste management can no longer be viewed as solely a local issue. In these days of long haul contracts, regional landfills and MARPOL regulations prohibiting dumping at sea, solid waste management is a state-wide issue. Many states have been actively studying the solid waste dilemma and developing solutions that include waste reduction, recycling and composting. Some states have moved aggressively to develop and fund programs to reduce the waste stream. The impetus for new legislation is the lack of available landfill capacity, the "NIMBY" (Not In My Backyard) syndrome, the increasing expense of waste disposal and the environmental consequences of disposals.

Given the above, would you consider the following ideas for implementation into state policy:

1. Recycled paper products - for use in all state government agencies. Government agencies should provide a model for citizens and businesses. This would apply to all units of state and local government, schools and special purpose districts.

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11. Alternative paving materials - study and use by Department of Transportation on highways, bike paths, trails, etc. Fresh asphalt is a source of methane, adding to the Greenhouse Effect. Chipped wood waste can be used to create safe surfaces for playgrounds.
12. Waste tire retreading facility - perhaps at a state correctional institute. The tires could be reused on state vehicles or sold to retailers, creating significant revenues for the State.
13. Used oil recycling program - encourage public participation and require high volume retailers to inform the public of availability and nearest collection site for such programs. Recycled motor oil could be used in state vehicles.
14. Tax credits for recycled materials - created as incentives for people to buy and use products manufactured from recycled materials. Also, tax credits could be given for alternative energy utilization such as wind and solar energy. Even if the State's energy needs could be met for only four to six months annually by solar energy during the long summer, it would result in a significant reduction in the use of and dependence on petroleum products.
15. Hazardous waste collection fees - encourage communities to provide opportunities to recycle lube oils, solvents, antifreeze, tires, and hazardous waste materials.
16. Vehicle battery deposits - impose a deposit fee on new lead-acid batteries, refundable when returned for recycling.
17. Municipal recycling programs - required for all communities.
18. State Park recycling - placement of additional barrels for glass and aluminum collection at trash pickup sites in both state and national park systems.
19. Waste reduction and recycling goal - establish statewide goals by the year 1992 - say, 20% waste reduction by 1993, 40% by 1994, 60% by 1995, etc.

This is a long, but hopefully complete, list of the changes that we feel necessary in the state's recycling and waste reduction efforts. These are not easy changes. We will be attempting to reverse the effects of 30 years of business development aimed at providing convenience and disposability for the consumer. However, we feel these changes must be made.

PRINTED ON RECYCLED PAPER

RECYCLING AND SOLID WASTE PETITION  
APRIL 22, 1991

THE FOLLOWING INDIVIDUALS AGREE WITH THE PRINCIPLES OF THE  
ATTACHED LETTER.

<u>NAME</u>	<u>ADDRESS</u>
<u>Heather Peterson</u>	<u>Po Box 1221 Kodiak AK</u>
<u>Romeo Marasigan</u>	<u># 1512 Mission Road</u>
<u>Elizabeth J. Jono</u>	<u>2159 Island Cir Kodiak</u>
<u>Tracy Buckley</u>	<u>1327 Regent Dr.</u>
<u>Christopher Probst</u>	<u>Po Box 4069 Kodiak, AK 99615</u>
<u>Barbara Anthony</u>	<u>210 Hillcrest Kodiak, AK.</u>
<u>Kare Phillips</u>	<u>Box 131 Kodiak AK</u>
<u>Shirley Hadeluh</u>	<u>P.O. BOX 970 - Kodiak AK</u>
<u>James Street</u>	<u>11086 Ujek Dr. Kodiak</u>
<u>Barbara Swartz</u>	<u>Box 932 Kodiak AK 99615</u>
<u>Jan C. Chatter</u>	<u>Box 3206 Kodiak AK 99615</u>
<u>John C. P. P. P.</u>	<u>P.O. BOX 1740 KODIAK, AK 99615</u>

RECYCLING AND SOLID WASTE PETITION  
APRIL 22, 1991

THE FOLLOWING INDIVIDUALS AGREE WITH THE PRINCIPLES OF THE  
ATTACHED LETTER.

<u>NAME</u>	<u>ADDRESS</u>
<u>Joanna Simpson</u>	<u>4 E AVE Kodiak AK 99615</u>
<u>Lynn Thompson</u>	<u>Box 94 Kodiak, AK 99615</u>
<u>Veronica Stone</u>	<u>P.O. Box 5550 Chiniak, AK 99615</u>
<u>Wanda Le Armet</u>	<u>P.O. Box 2069 Kodiak 99615</u>
<u>Alice K. Knowles</u>	<u>Box 377 Kodiak 99615</u>
<u>Elke Carris</u>	<u>Box 3516 Kodiak 99615</u>
<u>Pierella Branson</u>	<u>1310 PEZANOFF Kodiak AK 99615</u>
<u>Diana Sanders</u>	<u>1218 Malenfant, In Kodiak AK 99615</u>
<u>Marcy Sandoz</u>	<u>Box 1223 Kodiak, AK 99615</u>
<u>Gom Choudhury</u>	<u>1315 LARCH, KODIAK, AK 99615</u>
<u>Basanti Choudhury</u>	<u>4</u>
<u>Patty Heuss</u>	<u>207-D C Ave Kodiak 99615</u>

RECYCLING AND SOLID WASTE PETITION  
APRIL 22, 1991

THE FOLLOWING INDIVIDUALS AGREE WITH THE PRINCIPLES OF THE  
ATTACHED LETTER.

NAME

ADDRESS

Lester Zeloff

PO 4296 Kodiak

L.J. Weimer

104 D Ave, #10, Kodiak, AK 99615

Carolee Nore

P.O. Box 2195 Kodiak 99615

Michael Nore

P.O. Box 2195 Kodiak 99615

Colleen Helligso

SR 2540 Kodiak 99615

Mary Jane Krajnak

Box 606 Kodiak 99615

Justin Paul-John

Box 2661 Kodiak, AK 99615

Barbara Buidis

1711 Mill Bay #1 Kodiak AK 99615

Sharon Blakeslee

P.O. B. 3696 Kodiak, AK 99615

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\_\_\_\_\_

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

ALASKA PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
April 26, 1991

1016 WEST 6TH AVENUE  
SUITE 400  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 276-6222

Rick Solie  
c/o Senator Steve Frank  
P. O. Box V  
Juneau, Alaska 99811  
VIA FAX: 465-4714

Dear Mr. Solie:

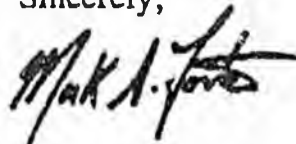
As an individual Commissioner on the Alaska Public Utilities Commission, I would like to offer the following comments on HB 140, "An Act relating to rate review by the Alaska Public Utilities Commission for *solid waste recovery and recycling services* of public utilities."

This bill would permit refuse utilities to include reasonable costs for recycling in their rates. With the "reasonable" standard the utilities have the burden of proof to demonstrate to the commission that the costs they incurred were just and reasonable.

For example, if the tipping fee for a landfill were \$40/ton and the cost of collection was \$20/ton, a recycling program that had *net costs* less than \$60/ton would be considered reasonable as it could deliver the utility service to the consumers at the same or a lower rate<sup>1</sup>. In short, this bill would provide the garbage utilities an opportunity to specifically recover any reasonable investments and associated expenses in recycling such as containers and trucks as long as it could be shown to be less than the other alternatives.

If I can be of any assistance, please call me at 276-6222.

Sincerely,



Mark A. Foster,  
Commissioner

---

<sup>1</sup>If the cost of collection was \$20/ton and the cost of landfilling were \$40/ton the ratepayer would see \$60/ton in their rates. If the *net cost* to collect and recycle were less than \$60/ton the ratepayer would see lower rates. The ratepayer would still be ahead if the cost to collect and recycle were \$65/ton - as long as the commodity was sold for \$5/ton or more, yielding a *net cost* of \$60/ton or less to the utility.

# Municipality of Anchorage



P.O. BOX 196650  
ANCHORAGE, ALASKA 99519-6650  
(907) 343-4433  
TOM FINK,  
MAYOR

OFFICE OF THE MUNICIPAL MANAGER

April 30, 1991

Senator Drue Pearce  
Community and Regional Affairs  
P.O. Box V  
Juneau, Alaska 99811

Re: HB 140, Allow Recycling Cost Recovery in Rates

Dear Senator Pearce:

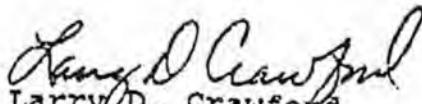
The Municipality of Anchorage is opposed to HB 140. Solid waste collection and disposal, including waste recovery and recycling, is an issue to be decided by local governments, not the Alaska Public Utilities Commission (APUC), whose role is rate setting. Passage of this legislation would have a significant impact upon business and households if the APUC decided to increase rates to fund recycling efforts.

Recycling and recovery should be voluntary on the part of the customers, not mandated. Therefore, we would recommend the following amendment to this legislation:

Page 1, line 8, delete "shall promote" and replace it with "may allow".

Thank you for your consideration of our position. If you have any questions, please feel free to contact me.

Sincerely,

  
Larry D. Crawford  
Municipal Manager

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## ALASKA PUBLIC UTILITIES COMMISSION DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

1018 WEST 6TH AVENUE  
SUITE 400  
ANCHORAGE, ALASKA 99501  
PHONE (907) 276-6222

May 2, 1991

Senator Steve Frank  
Community and Regional Affairs  
P.O. Box V  
Juneau, Alaska 99811

RE: HB 140, Rate Review for solid waste recovery and recycling of public utilities

Dear Senator Frank:

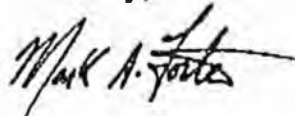
Comments on HB 140 suggest that there may be some confusion regarding what the bill allows and what it requires. It is the Commission's belief that HB 140:

- allows, but does not require, refuse utilities to invest in waste recovery and recycling
- requires the Commission to permit any refuse utility which elects to make such investments to include reasonable costs for waste recovery and recycling in its rates
- requires the Commission to adopt rates which promote, rather than prohibit or discourage, waste recovery and recycling.

Basically, this bill gives refuse hauling firms a statutory basis to recoup reasonable investments and expenses for curbside recycling efforts.

If I can be of any further assistance, please call me at 276-6222.

Sincerely,



Mark A. Foster,  
Commissioner

cc: Larry Crawford, Municipality of Anchorage

# PHONE CALL

FOR Dina/Tal DATE 5/4 TIME 11:00 A.M.  
P.M.

M. Ray Plummer Saturday

OF \_\_\_\_\_

PHONED

PHONE 257-0737

RETURNED  
YOUR CALL

AREA CODE      NUMBER      EXTENSION

MESSAGE (2) HB 141: wants 5

PLEASE CALL

handwritten note

WILL CALL  
AGAIN

was told to have more friends

CAME TO  
SEE YOU

checked with Robert, regarding D

WANTS TO  
SEE YOU

SIGNED R

TOPS

FORM 4003

Dave

Ray Plummer would like  
you to waive HB 140.

He called you and me

Saturday afternoon HB 140

is the recycling bill. See  
attached. He was heard in

(S) CKA, passed at 3:00

passed

What do you think??

BILL: HB 140 SHORT TITLE: ALLOW RECYCLING COST RECOVERY IN RATES  
 NAME: CSB 140(L&C)  
 TITLE: AN ACT RELATING TO RATE REVIEW BY THE ALASKA PUBLIC UTILITIES  
 COMMISSION FOR SOLID WASTE RECOVERY AND RECYCLING SERVICES OF PUBLIC  
 UTILITIES.\*

PRIME SPONSOR: FINKELSTEIN  
 CO-SPONSOR: BROWN, BOYER, ULNER, KOPOWEN, ELLIS, BRUCKMAN

CURRENT STATUS: (S) L&C STATUS DATE: 05/03/91  
 THEN HRS

02/13/91 00225 (H) READ THE FIRST TIME - REFERRAL(S)  
 02/13/91 00225 (H) L&C, FINANCE  
 02/27/91 00225 (H) L&C RPT CS(L&C) 4DP 10MF  
 02/27/91 00378 (H) -ZERO FISCAL NOTE (DCED) 2/27/91  
 03/09/91 00418 (H) FIN RPT CS(L&C) 6DP 5WR  
 03/09/91 00418 (H) -PREV ZERO FN (DCED) 2/27/91  
 03/17/91 00450 (H) RULES TO CALENDAR 3/13/91  
 03/13/91 00469 (H) READ THE SECOND TIME  
 03/13/91 00470 (H) L&C CS ADOPTED UNAN CONSENT  
 03/13/91 00470 (H) AMENDMENT 1 BY TAYLOR  
 03/13/91 00471 (H) AM NO 1 FAILED Y14 N24 E1 A1  
 03/13/91 00470 (H) ADVANCED TO THIRD READING UNAN CONSENT  
 03/13/91 00471 (H) READ THE THIRD TIME CSB 140(L&C)  
 03/13/91 00471 (H) PASSED Y29 H10 E1  
 03/13/91 00471 (H) HANLEY NOTICE OF RECONSIDERATION  
 03/15/91 00496 (H) CO-SPONSOR ADDED: BRUCKMAN  
 03/15/91 00497 (H) RECONSIDERATION NOT TAKEN UP  
 03/15/91 00497 (H) TRANSMITTED TO (S)  
 03/18/91 00578 (S) READ THE FIRST TIME - REFERRAL(S)  
 03/18/91 00578 (S) CRA, THEN LABOR & COMMERCE  
 05/03/91 01089 (S) CRA RPT SCS 3DP SAME TITLE  
 05/03/91 01089 (S) PREVIOUS H. ZERO FN APPLIES TO SCS (DCED  
 05/03/91 01089 (S) REFERRED TO LABOR & COMMERCE  
 03/13/91 HOUSE JOURNAL PAGE 0471  
 MARCH 13, 1991 HOUSE JOURNAL 471

CSB 140(L&C)

CSB 140(L&C) WAS READ THE THIRD TIME.

REPRESENTATIVE CARNEY MOVED AND ASKED UNANIMOUS CONSENT THAT HE BE ALLOWED TO APOCALYPTIC FROM VOTING DUE TO A CONFLICT OF INTEREST. OBJECTION WAS HEARD, AND REPRESENTATIVE CARNEY WAS REQUIRED TO VOTE.

THE QUESTION BEING: "SHALL CSB 140(L&C) PASS THE HOUSE?" THE VOTE WAS TAKEN WITH THE FOLLOWING RESULT:

CSB 140(L&C)  
 THIRD READING  
 FINAL PASSAGE

YEAS	29	BAKER, BOYER, BROWN, BRUCKMAN, CARNEY, CHOQUETTE, DAVIDSON, S.DAVIS, G.DAVIS, DONLEY, ELLIS, FINKELSTEIN, GRUENBERG, GRUSSENDORF, HUDSON, IVAN, KOPOWEN, KUBINA, LARSON, LEMAN, MACKIE, MACLEAN, M.W.HILLER, MOYER, NAVARRE, FARWELL, R.PHILLIPS, SHARP, ULNER
NAYS	10	BARNES, FOSTER, GONZALES, HANLEY, JACKO, MARTIN, M.A.HILLER, G.PHILLIPS, TAYLOR, ZAWACKI
EXCUSED	1	LINCOLN
ABSENT	0	

AND SO, CSB 140(L&C) PASSED THE HOUSE.

REPRESENTATIVE HANLEY GAVE NOTICE OF RECONSIDERATION OF HIS VOTE ON CSB 140(L&C).

THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE CONSIDERED CS FOR HOUSE BILL NO. 140 (L&C) (AN ACT RELATING TO RATE REVIEW BY THE ALASKA PUBLIC UTILITIES COMMISSION FOR SOLID WASTE RECOVERY AND RECYCLING SERVICES OF PUBLIC UTILITIES) AND A MAJORITY OF THE COMMITTEE RECOMMENDED IT BE REPLACED WITH

SENATE CS FOR CS FOR HOUSE BILL NO. 140 (CRA)

AND DO PASS. THE REPORT WAS SIGNED BY SENATOR FRANK, CHAIR, AND CONCURRED IN BY SENATORS STURGILEWSKI AND ZHAROFF.

PREVIOUS HOUSE ZERO FISCAL NOTE APPLIES TO THE SENATE COMMITTEE SUBSTITUTE.

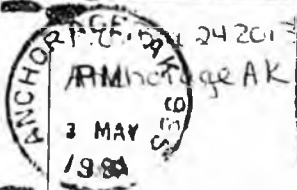
CS FOR HOUSE BILL NO. 140 (L&C) WAS REFERRED TO THE LABOR AND COMMERCE COMMITTEE.

PAUL CEZANNE (1839-1906)  
Still Life with Water Jug  
THE TATE GALLERY, LONDON

Honorable Dave Pearce,

I am requesting that a  
hearing of HB 140 be scheduled  
so that it can move on to the  
Senate Labor and Commerce.  
I fully support HB 140  
Alaska needs HB 140 to help  
pollution prevention and  
reduce the amount of "trash"  
filling our landfills. Reduce,  
Reuse, Recycle.

Sincerely,  
Caryn Smith



Hon. Dave Pearce

Alaska State Legislature

P.O. Box V

Juneau AK 99811



MAY 6 1991

ROD

May 3, 1991

Senator Drue Pearce  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

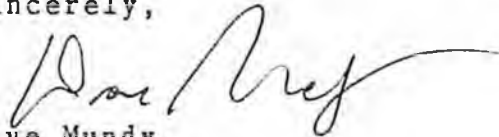
Dear Senator Pearce,

I am writing to you to request your support of HB 140, HB 139, and HB 138. Alaska is in need of expanding and improving its waste reduction and recycling programs. These bills would help develop in-state markets for recycled products, encourage innovative waste reduction and recycling methods, and build mechanisms to provide stable funding sources for recycling efforts.

Local, state, and federal governments need to encourage businesses and individuals to recycle and reduce the amount of waste they produce, and to provide incentives and recognition awards to those who do. If these bills are passed, Alaska will have the opportunity to set a national example for recycling, pollution prevention, and hazardous waste reduction policies.

Please support HB 140, HB 139, and HB 138 for a cleaner, healthier Alaska.

Sincerely,



Dave Mundy  
H.C. 64 Box 26  
Cooper Landing, AK 99572

# SENATE COMMITTEE REPORT

DATE: 5/3/91

FURTHER:

DATE TURNED INTO OFFICE: \_\_\_\_\_

L&C Committee considered HOUSE BILL NO. 140

"An Act relating to rate review by the Alaska Public Utilities Commission for solid waste recovery and recycling services of public utilities."

and recommended:

- |   |   |
|---|---|
| <input type="checkbox"/> replace with _____ CS _____    | <input type="checkbox"/> same title                       |
| <input type="checkbox"/> or adopt _____ CS _____        | <input type="checkbox"/> new title                        |
| <input type="checkbox"/> attached amendment(s)          | <input type="checkbox"/> technical title change (HB only) |
| <input type="checkbox"/> _____ letter of intent adopted |   |

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

**ATTACHES NEW FISCAL NOTE(S):**

- Dept/Date:
- fiscal note(s) \_\_\_\_\_
  - zero fiscal note(s) \_\_\_\_\_
  - appropriation-no fiscal note

**APPROVES PREVIOUS:**

- Dept/Date:
- fiscal note(s) \_\_\_\_\_
  - zero fiscal note(s) COMH/2-17-91
  - Governor's bill w/fiscal note

**SIGNING DO PASS:**

*[Signature]*

**OTHER RECOMMENDATIONS:**

*[Signature]* no rec.

*[Signature]*  
Chair: Signature and Recommendation



Official Business

# Alaska State Legislature

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

## MEMORANDUM

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

From: Representative David Finkelstein

Date: May 6, 1991

Re: HB 140; "An Act Relating to Rate Review by the Alaska Public Utilities Commission for Solid Waste Recovery and Recycling Services of Public Utilities."

I would like to request that HB 140 be scheduled in your committee.

Waste disposal in Alaska is a major problem. The ecological and economic costs of landfills are rising, and we could soon be facing a crisis. Solid-waste recovery and recycling are important parts of the solution to this problem. HB 140 would allow utilities to include reasonable costs associated with waste recovery and recycling in their rates, which they are not now able to do.

By initiating recycling, consumers will be reducing the need for more landfills and higher landfill fees in the future. In cases where the utility chooses to do so, HB 140 would allow recycling and waste recovery to be treated as normal functions of the utility.



# Alaskans for Litter Prevention and Recycling

## Keeping Alaska Beautiful

To: Senator Drew Pearce, Chairman  
Labor and Commerce Committee

From: Roger Briley

Date: May 8, 1991

Subject: House Bill 140

My name is Roger Briley, I am appearing here today as President of ALPAR (Alaskans for Litter Prevention and Recycling) on behalf of House Bill 140. Alpar is a statewide organization with business and civic membership. We have been involved in recycling in the state for the last eight years.

In regards to this bill, the Alpar Organization is firmly in favor of its passage. HB 140 will help us continue to promote recycling in Alaska. Retrieval of trash at the curbside and the costs related to that are an acceptable base for rates at the APOC. It is the opinion of Alpar that the costs related to the pick up and retrieval of recyclables, is the responsibility of the consumer, just as the cost of trash pick up currently is charged to the user group.

We applaud and thank our legislative bodies for their support and assistance in helping us to realize the dream of improved recycling in Alaska. It is definitely our opinion that House Bill 140 will do just that.

Alpar realizes that this is a very busy time for you, but also realizes the significance of House Bill 140. We would appreciate your support in scheduling this bill so it can be passed in 1991.

Post-It™ brand fax transmittal memo 7671 # of pages ▶

To: Drew Pearce	From: Roger Briley
CO: AL Service	CO: ALPAR
Dept: Labor/Commerce	Phone: 522-1212
PAGE: 463-5352	FAX: 344-6662

P.O. Box 23123  
Anchorage, Alaska 99523

### EXECUTIVE DIRECTOR

Audrey Lee

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Manager of Network Services  
TransAlaska Network Services, Inc.

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Commercial Print Manager  
Anchorage Daily News

Tom Barry, 2nd VP  
Sales Manager  
Totem Ocean Travel Express

Art Buswell, Secretary  
District Governor  
Rotary International

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System Analyst  
ARCO Alaska

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Vice President, Division Manager  
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\*Past Presidents

**Municipality  
of  
Anchorage**



**ANCHORAGE ASSEMBLY**  
P.O. BOX 196650  
ANCHORAGE, ALASKA 99519-6650  
(907) 343-4311

**MARK BEGICH**

P.O. Box 201627  
Anchorage, Alaska 99520  
Phone (907) 337-6748

May 10, 1991

Senator Drue Pearce, Chair  
Senate Labor and Commerce Committee  
PO Box V  
Juneau, Alaska 99801

Dear Chair Pearce,

I recently received a letter dated April 30, 1991, from Mr. Crawford, the Municipal Manager, opposing HB 140. I would like you to be aware the Assembly has not taken a position at this time on HB 140. The position mentioned in Mr. Crawford's letter is the position of the Administration.

As an assembly member, I support HB 140. My understanding of the bill indicates that it will have no effect on the municipal-owned utilities because we, the local government, already determine the type of service that would be available in the municipality. HB 140 would not mandate recycling. Recycling can only benefit and lengthen the life of our municipal landfill. I support the efforts to encourage recycling in Anchorage.

Thank you for allowing me an opportunity to comment on HB 140, and if there is anything I can do, please feel free to contact me.

Sincerely

A handwritten signature in dark ink, appearing to read "Mark Begich". The signature is fluid and cursive, with a long horizontal stroke at the end. Below the signature, the name "Mark Begich" is printed in a simple, sans-serif font.

Mark Begich

SENATE CS FOR CS FOR HOUSE BILL NO. 140 (CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 5/3/91  
 Referred: Labor and Commerce

Sponsor(s): REPRESENTATIVES FINKELSTEIN, Brown, Boyer, Ulmer, Koponen, Ellis, Bruckman

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to rate review by the Alaska Public Utilities Commission for solid waste  
 2 recovery and recycling services of public utilities."

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

4 \* Section 1. AS 42.05.431 is amended by adding new subsections to read:

5 (f) In the establishment of rates of a utility furnishing solid waste material collection and  
 6 disposal service, the commission shall permit recovery of reasonable, net capital and operating  
 7 costs relating to solid waste recovery and recycling services after considering the utility's  
 8 recovery of revenue associated with the service.

9 (g) In the establishment of rates under this chapter, the commission shall promote cost-  
 10 effective solid waste recovery and recycling services.

H B

1 5 8

# UNIVERSITY OF ALASKA FAIRBANKS



## Mechanical Engineering

559 Duckering • Fairbanks, Alaska 99775-0660 • (907) 474-7209

November 30, 1990

Representative Niilo Koponen  
119 North Cushman Street  
Suite 207  
Fairbanks, Alaska 99701

Dear Representative Koponen:

The faculty of the Schools of Engineering at University of Alaska Fairbanks ask for your help during this coming legislative session in revising AS08.48 concerning Architects, Engineers and Land Surveyors as prescribed on the attached page. As now written, it provides no public good with respect to engineering education and only serves to tremendously complicate the difficult and costly process of hiring and retaining new engineering faculty. For additional background, we are enclosing a copy of a letter we sent to you last April.

Of the permanent full-time engineering faculty at UAF, 37 out of 44 support this amendment. In the School of Engineering, none of the 25 permanent faculty supported HB 182 which created this problem for us. We are dismayed that no one bothered to contact us about this bill before its passage. At national meetings of department heads in Electrical and Mechanical Engineering, the sentiment has essentially been unanimous against requiring engineering faculty to be registered.

At the 1990 regional department heads meetings for Mechanical Engineering across the U.S., all 12 regions voted no to the idea of requiring faculty teaching engineering design courses to be registered. For 11 of the 12 regions, the vote was either unanimous or 20 to 1 against requiring the P.E. The department heads from regions IV - XI passed a resolution 16 to 0 with 4 abstentions that the National Society for Professional Engineering (NSPE) stop asking the M.E. Department Heads to take action on professional registration.

As we have to compete for qualified faculty in a national market, we do not want to further compound our difficult recruiting task with an additional impediment. We also have our own rigorous internal evaluation procedure plus an external periodic review by the National Accreditation Board for Engineering and Technology (ABET) evaluation team. This helps assure the competency of our faculty so that we graduate qualified engineers. As an example of our success, the pass rate of our students taking the Engineer in Training (EIT) exam is around 90%. The national average pass rate is 71%.

A professional working for an engineering firm is not required by State law to become registered as a condition of employment. In fact, some of our largest


**Mechanical Engineering**

Page Two  
Representative Niilo Koponen  
November 30, 1990

employers have only a small minority of their engineers registered as professional engineers. Many engineering faculty perform research and develop new courses or portions of courses in specialized fields. There may not be an expert available to supervise such work. This is all part of being at the forefront of knowledge and advancing the state of the art. It is unreasonable to expect such faculty to work under the "direct" supervision of another faculty member, who has a P.E., in developing an advanced engineering course. This is the only way such faculty could legally be allowed to teach upper level engineering courses under the current law.

Three of us discussed these issues with the Board of Registration of Architects, Engineers and Land Surveyors at their November 29 meeting in Anchorage. At the close of that meeting, the Board voted unanimously not to oppose our offering this attached amendment. We now ask for your help in rectifying this unacceptable situation.

Yours truly,



Dr. Ron Johnson, P.E.  
Department Head  
Mechanical Engineering  
School of Engineering

RJ/wr  
Attachment



UNIVERSITY OF ALASKA FAIRBANKS

School of Engineering  
539 Duckering Bldg. • Fairbanks, Alaska 99775-0660

27 March, 1991

Representative Niilo Koponen  
P.O. Box V  
Juneau, Alaska 99811

Dear Representative Koponen:

I am writing to express my **STRONG** support for HB 158 that would repeal the requirement the university professors be licensed Professional Engineers (P.E.) to teach upper division courses. Such a requirement would have long lasting detrimental effects on the University, while serving no functional purpose.

A Professional Engineer's stamp (please see bottom of page two) is the State's assurance that a design, which will be constructed and subject the public to the design, has been checked by a qualified individual. However, one does not have to be licensed to be qualified. When an Engineer uses a Professional Engineer (P.E.) Stamp, he/she is certifying that the design and the drawings for the design have been reviewed. Using a P.E. stamp means that the engineer assumes personal and professional liability - **it does not indicate that the licensed Professional Engineer is any more qualified than an Engineer who is not registered - it only serves as an assumption of liability and the State's approval to assume that liability.**

At the University of Alaska, a candidate's credentials are reviewed extensively before an individual is hired. This review includes examination of the applicant's education, teaching and professional experience. Only well qualified, experienced engineers are hired to teach engineering courses. This system is used in every other state at every major University. As a result of our rigorous review and high standards for employment as a tenure-track faculty member, the University of Alaska Fairbanks has a highly qualified, professional faculty in the School of Engineering.

What then, is the impetus for mandating professional registration? The national board responsible for accrediting engineering schools in this country (ABET) does not even require licensing for engineering professors. The concept of mandating registration is supported and promoted by only a few individuals within the faculty. They somehow feel that registration would advance the professional nature of the school. This is not the case. Experienced engineers and well qualified professors advance the quality and prestige of our school, not state registration. We have many highly experienced engineers, who have practiced in the consulting world, who are not licensed Professional Engineers. In business and industry, only one PE is required for a project that employs hundreds of engineers. That one PE accepts the responsibility for overall review and personal and professional liability for the design when constructed.

The activities of the engineering faculty at UAF does not include design of structures for construction. While we teach design principles that will ultimately be employed in construction, the design engineer who stamps the drawing for construction needs to be licensed by the state - not the professor who taught the course. Remember, registration says nothing about an individual's actual qualifications, it only indicates that the State has recognized this individual's right to accept liability and sanctions her/his review.

It is also important to note that the requirement for registration will not affect me - I am already registered in both Alaska and California. I am registered because I practice engineering outside the University as a private consultant, and I did so in California before I moved to Alaska. My support for HB 158 is based in a deep respect for my colleges and a recognition of the importance of Professional Registration for Engineers doing design in the field. However, my registration does nothing to enhance my ability to teach. It is my professional experience I draw upon when teaching advanced courses - not the State's approval for me to review designs as embodied in my Professional Engineer's licence.

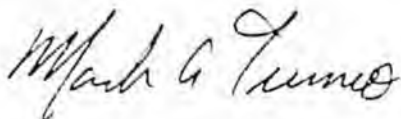
The only effect mandating registration for engineering Professors will have is to destroy the University's ability teach engineering. It is a meaningless requirement that has already resulted in the Department of Commerce and Economic Development threatening the University with a cease and desist order to stop us from teaching upper division engineering classes.

If House Bill 158 is not passed this session, the Legislature can expect that next year the University of Alaska Fairbanks will not be able to fulfill its duty to educate the next generation of engineers for this State - not because we are not qualified or able to do so - but because a vocal minority has succeeded in imposing a meaningless and unnecessary bureaucratic requirement on the faculty.

The long-term effects of failing to pass HB 158 are even more devastating: Why should highly qualified engineers who are not registered, as many are because registration is not required to practice engineering, only to officially review and stamp drawings, come to Alaska to teach if the state is going to impose a draconian and unnecessary registration requirement? The University of Alaska is at a cross-road. We have the opportunity to continue to move forward, advance the economic base of the state, and increase the national and international prestige of this institution through continued research, professional teaching, and a highly qualified faculty and staff. However, if HB 158 is not passed, we will be thrown back to a time when the School of Engineering could not attract and retain qualified engineering professors and could not offer the necessary slate of upper-division engineering courses. Alaska will lose some of its most talented and promising individuals to schools outside the state simply because a few individuals wanted Professors to be registered.

Please avoid this scenario and pass HB 158 with all due haste.

Sincerely,



Mark A. Tumeo, P.E., Ph.D.  
Assistant Professor, Department of Civil Engineering

Civil Engineering



UNIVERSITY OF ALASKA FAIRBANKS

School of Engineering  
539 Duckering Bldg. • Fairbanks, Alaska 99775-0660

March 26, 1991

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

Dear Rep. Koponen

I am writing to you to express my support for HB 158. I am currently employed as an Assistant Professor of Civil Engineering at the University of Alaska Fairbanks (UAF). Prior to my employment at UAF I was a graduate student at Colorado State University (CSU) where I received both my Master's and Ph.D in Civil Engineering. Prior to my attendance at CSU I was employed for three years as a DESIGN STRUCTURAL ENGINEER at Stone and Webster Engineering Corporation - a large consultant to the Utility Industry.

During my tenure at Stone and Webster, I did not find it necessary to obtain my Professional Engineering License as I was not required to stamp design drawings. Only a single structural engineer per job was required to stamp design drawings. In many cases, this individual was in a strictly administrative role on the job and did not participate in actual design efforts. I think you will find that this situation is common among the larger consultants throughout the country and locally throughout the State of Alaska.

This does not mean that I do not support licensing of Professional Engineers - I strongly urge my students to become licensed and intend to obtain my P.E. License in the near future. It is only that I feel that it is inappropriate for legislation requiring my licensing to stand while I am not actively engaged in the preparation of stamped, design drawings. I fully believe that my teaching duties constitute the practice of engineering just as my design work at Stone and Webster was the practice of engineering. A license was not required then because I did not stamp design drawings. I do not accept the contention that a P.E. License is a requirement now to perform my duties at UAF since I am not involved in the preparation of stamped, design drawings.

There are a number of negative "trickle down" effects associated with the currently enacted legislation that will have a severely unfavorable impact on the University of Alaska system. These are too numerous to recount here and I am sure that you are already aware of many of them. I would merely like to ask "Why does Alaska need the legislation requiring registration of Faculty? Are the Faculty of MIT, PURDUE and GEORGIA TECH, who are not required to be licensed, somehow inferior to Faculty at Alaskan Institutions?"

Thank you for your support of HB 158 and your continuing efforts on behalf of the University of Alaska in other matters.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Curtis".

Kevin C. Curtis, Ph.D  
Assistant Professor  
Department of Civil Engineering  
University of Alaska Fairbanks

APR 24 1991

907-474-7137  
FAX 907-474-6087

Electrical Engineering Department

# UNIVERSITY OF ALASKA FAIRBANKS



School of Engineering • 539 Duckering Building • Fairbanks, Alaska 99775-0660

April 18, 1991

Honorable David Finkelstein, Chairman  
Labor & Commerce Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Finkelstein:

I am writing to express my strongest possible support for House Bill No. 158.

While I am a registered professional engineer and encourage electrical engineering faculty to become registered, I believe that legally requiring registration of engineering faculty will have a severely negative impact on the School of Engineering academic programs. Two prominent reasons follow.

1) It is extremely difficult to hire and retain excellent engineering faculty even without the registration requirement. The University of Alaska must compete nationally for candidates who are required to have a Ph.D. in their field as well as first-rate teaching, research and verbal and written communication skills. The available talent pool is initially very small and many engineering Ph.D. graduates elect the higher salaries and other benefits typically available in the non-academic engineering world.

Adding the legal requirement of registration to the above expectations (which, I believe, are much more difficult to meet) is insulting to a truly qualified candidate for an engineering faculty position and would make future recruiting more difficult.

2) If House Bill No. 182, passed in the last legislative session, is not amended by current HB 158, the School of Engineering will be effectively shut down after the December 31, 1991 deadline for faculty registration that was established by HB 182.

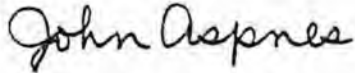
I attended the annual meeting of the national electrical engineering department heads association last spring. Not one of the approximately 150 department heads in attendance spoke in favor of mandatory registration.

There is already rigorous internal examination of engineering academic programs at the University of Alaska Fairbanks (UAF) in addition to a thorough periodic external review by a team of national Accreditation Board for Engineering and Technology (ABET) evaluators. Our programs must meet the same standards as MIT, Stanford, the University of California at Berkeley, and a host of other well-known schools (none of which require professional registration for their engineering faculty).

All B.S. degree candidates in the UAF School of Engineering are required to take the nationally-administered Engineer-in-Training (EIT) examination. The pass rate of our students is typically about 90%. The national average pass rate is just above 70%.

Please help us to continue to provide Alaskans with an opportunity for excellent engineering education. Your efforts to help pass HB 158 will be appreciated by myself and the vast majority of my engineering faculty colleagues.

Sincerely,



John Aspnes, P.E., Ph.D.  
Head, Electrical Engineering Dept.

cc.	Rep. Kevin Parnell	✓ Sen. Drue Pearce
	Rep. Betty Bruckman	Sen. Virginia Collins
	Rep. Dave Donley	Sen. Richard Eliason
	Rep. Ivan Ivan	Sen. Rick Halford
	Rep. Robin Taylor	Sen. Jalmar Kertula
	Rep. James Zawacki	

# UNIVERSITY OF ALASKA FAIRBANKS



## Mechanical Engineering

539 Duckering • Fairbanks, Alaska 99775 • (907) 474-7209

April 23, 1990

Senator Steve Frank  
Room 514, Capitol  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Frank:

We urge the legislature to revise the recently enacted amendments to AS08.48 concerning Architects, Engineers and Land Surveyors. HB 182 was recently (Feb 2) signed into law by the governor. We are opposed to the latest law because exemption (4), Sec. 08.48.331 of the former law has been omitted. This exemption read: "This chapter does not apply to... (4) an officer or employee of the state practicing architecture, engineering or land surveying as required by that person's official capacity if registration is not required by that person's job description or by AS 38.95.150 or 38.95.160." This exemption is important to the faculty of the Schools of Engineering in Alaska and we ask that it be reinstated with the following changes: insert "faculty" before job description, and delete <or by AS 38.95.150 or 38.95.160>.

The exemption in question allowed the Schools of Engineering to utilize faculty not registered as professional engineers to teach upper division and graduate engineering courses if such registration is not explicitly required by their job descriptions. This provides the University the opportunity to recruit and utilize qualified faculty from other U.S. engineering schools, many of whom are not registered. It also allows us to hire new Ph.D's who may not even be eligible for registration for 3 or more years.

Moreover, the new law specifically requires (Sec. 4., 08.48.255) that those teaching engineering at post secondary institutions become registered within 18 months. It also repeals Sect 08.48.261 of the former law allowing for a waiver by a department head for state employees.

If this new version of the law remains, the only way the Schools of Engineering could employ a non-registered faculty member would be on a temporary basis. This would be a serious impediment to the hiring of top-notch faculty from other U.S. Schools of Engineering if we could otherwise persuade them to teach at UAF. At a March 1990 meeting of Mechanical Engineering Department Heads from the Western Region of the U.S., the vote was 16 to 1 against requiring ME faculty to be registered.

We already have difficulty recruiting engineering faculty because of our non-competitive salary structure and negligibly small equipment and travel budgets. Retention of this law without reinstating exemption (4) and eliminating Sec 08.48.255 would further compound this problem.

We are especially bothered that this bill became law without input from our faculty. We found out about its passage (after the fact) when one of us called the

Mechanical Engineering

Governor's office in Fairbanks to inquire about a summary of HB 182 which appeared in "Alaska Designs," a professional engineering publication in Alaska. We are dismayed that a bill as significant as this for the University of Alaska should pass with none of the Department Heads at UAF nor the Dean of Engineering at UAA being aware of the bill until after its passage.

~~Two years ago, a similar bill, HB 425, had language deleted from it which would have removed the exemption for licensing of engineering professors. A May 8, 1988 letter from Senator Frank to Dean Vincent Haneman confirms this deletion. Several of us had communicated with our legislators at that time urging that this controversial language be deleted.~~

After the passage of HB 182 in 1990, Dean Haneman directed the Board of Registration in Anchorage to urge them to alter their position on the licensing requirement for engineering faculty. We waited for the follow up letter from Board Chair Malcolm Menzies before writing this letter. That follow up letter (dated 3/22/90) only increased our concerns. The next to the last sentence read, in part, "However, to... teach an upper division level course in Alaska, registration is required." One of us, Dr. Ron Johnson, also received a letter from Gov. Cowper (3/30/90) saying that the Dean and other engineering school staff had met with the Board of Registration and that these talks "were very helpful in allaying... concerns with... HB 182." Such is not the case.

Hence, we need your help to rectify this situation by reinstating the modified exemption (4) of Sec 08.48.33F of the former law as discussed in the first paragraph of this letter.

Sincerely,

*Ron Johnson*  
Dr. Ron Johnson, Head  
Department of Mechanical  
Engineering

*Dr. Leroy Hulsey*  
Dr. Leroy Hulsey, Head  
Department of Civil  
Engineering

*John Aspnes*  
Dr. John Aspnes, Head  
Department of Electrical  
Engineering

*Sushant Banerjee* CE  
*Arant C. Beller* MS  
*Jack A. Walker* EE  
*Josh Lee* ME

*Assoc. Dean*  
Assoc. Dean, SOE

*Vidyaadhar Kamath*  
*Shishu Patil*

*Robert C. Frank, HEAD*  
DEPT. OF MINING + GEOLOGICAL  
ENGINEERING

*Randall Stomman, Head*  
Dept. of Petroleum Engineering  
*Debedra K. Das, Mechanical Engineer*

*P. C. A.*  
PROF. ENGINEERING, E.C.

# UNIVERSITY OF ALASKA FAIRBANKS



## Mechanical Engineering

539 Duckering • Fairbanks, Alaska 99775 • (907) 474-7209

October 22, 1990

Pat Kalen  
Board of Registration for Architects,  
Engineers and Land Surveyors  
State of Alaska

Dear Pat:

I am sending you this letter to convey to the Board the sentiments of the engineering faculty at UAF regarding HB 182. As you know, I met with the board on Sept. 13, 1990 and then some engineering faculty and you met with Rep. Koponen and selected staff members on Sept. 20. At the close of that meeting, I agreed to query our faculty as to how they felt concerning redefining the practice of engineering as to not include teaching. The results were mixed with a small majority of those voting believing that teaching engineering courses was as much the practice of engineering as many other engineering activities.

As an example, when one runs a computer code to provide data leading to an engineering design, one could just as well run this code as part of teaching a class as well as to complete an engineering project. If one performed this function while working for an engineering firm, he or she would receive credit toward the time required to obtain registration providing he or she was working under the supervision of a P.E. The same should be true for a faculty member. However, we must recognize that many engineering faculty perform research and develop new courses or portions of courses in very specialized fields. There may not be an expert available to supervise such work. This is all part of being at the forefront of knowledge and advancing the state of the art. The professional working for the engineering firm is not required by State law to become a P.E. as a condition of employment. In fact, some of our largest employers have a majority of their engineers not registered as professional engineers.

Hence, our faculty overwhelmingly support amending the current law established under HB 182 as outlined on the attachment. This attachment was part of a letter I distributed to the Board at the Sept. 13, 1990 meeting.

UNIVERSITY OF ALASKA FAIRBANKS

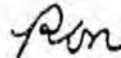
Mechanical Engineering

Page Two  
Pat Kalen  
October 22, 1990

Of our permanent full-time faculty at UAF, 37 out of 44 support this amendment. In the School of Engineering, none of the 25 permanent faculty supported HB 182. At national meetings of department heads in Electrical and Mechanical Engineering, the sentiment has essentially been unanimous against requiring engineering faculty to be registered. We hope you can work with us to amend the law as outlined. We are ready to meet with our legislators and the Governor during the next session to accomplish this.

As we understand, you will discuss this item at your November meeting. Please let us know what transpires.

Yours truly,



Dr. Ron Johnson  
Dept. Head  
Mechanical Engineering  
UAF  
10/22/90

ATTACHMENT

To October 22, 1990 Letter to Pat Kalen

We urge the legislature to revise the recently enacted amendments to AS08.48 concerning Architects, Engineers and Land Surveyors. HB 182 was signed into law by the governor on February 2, 1990. We are opposed to the latest law because exemption(4), Sec. 08.48.331 of the former law has been omitted. This exemption read: "This chapter does not apply to... (4) an officer or employee of the state practicing architecture, engineering or land surveying as required by that person's official capacity if registration is not required by that person's job description or by AS 38.95.150 or 38.95.160." This exemption is important to the faculty of the Schools of Engineering in Alaska and we ask that it be reinstated with the following changes: insert "faculty" before job description, and delete < or by AS 38.95.150 or 38.95.160>.

Moreover, the new law specifically requires (Sec 4., 08.48.255) that those teaching engineering at post secondary institutions become registered within 18 months. We ask that this section be repealed.

*Ron Johnson*  
UAF  
10/22/90

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(f) A corporation authorized to offer architectural, engineering or land surveying services under this chapter, together with its directors and officers for their own individual acts, is responsible to the same degree as the designated individual registered architect, engineer or land surveyor, and must conduct its business without misconduct or malpractice in the practice of architecture, engineering or land surveying as defined in this chapter.

(g) If the board, after a proper hearing, finds that a corporation holding a certificate of authorization has committed misconduct or malpractice, the board shall suspend or revoke the certificate of authorization. The board shall also suspend or revoke the certificate of registration of any registered individual architect, engineer or land surveyor who, after a proper hearing, is found by the board to have participated in committing the misconduct or malpractice.

(h) Drawings, specifications, designs and reports, when issued in connection with work performed by a corporation under its certificate of authorization, shall be prepared by or under the responsible charge of and shall be signed by and shall be stamped with the official seal of a person holding a certificate of registration under this chapter.

(i) [Repealed, § 54 ch 37 SLA 1985.](§ 3 ch 179 SLA 1972; am § 54 ch 37 SLA 1985; am § 3 ch 2 SLA 1990)

Effect of amendments. — The 1990 amendment substituted "Drawings" for "Plans" at the beginning of subsection (h).

**Sec. 08.48.255. Teachers.** (a) A person who is hired by a postsecondary educational institution for a permanent position to teach advanced architectural, engineering, or land surveying courses has 18 months from the date of hire to fulfill the registration requirements of this chapter and may teach the courses during the 18-month period.

(b) A person who is not registered under this chapter and who is hired by a postsecondary educational institution as a visiting teacher for a period of up to one year does not violate the registration requirements of this chapter by teaching advanced architectural, engineering, or land surveying courses at the institution during that year.

(c) This section does not authorize a person to perform architectural, engineering, or land surveying services other than teaching without being registered under this chapter.

(d) In this section, "postsecondary educational institution" has the meaning given in AS 14.48.210. (§ 4 ch 2 SLA 1990)

Effective dates. — Section 4, ch. 2, SLA 1990, which enacted this section, took effect on May 2, 1990.

**KALEN & ASSOCIATES, Inc.:** Engineers & Surveyors

1041 Chena Ridge Road  
Fairbanks, AK 99709  
(907) 479-2628 / 479-2656

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CADD

May 7, 1991

Rep. Niilo Koponen  
P. O. Box V  
Juneau AK 99811

Ref: Licensing of teachers, HB 158

Dear Niilo:

The Board of Registration for Engineers, Architects and Land Surveyors has asked me to communicate to you their position regarding this subject. As you are no doubt aware, the engineering faculty is at odds with the National Society of Professional Engineers on the importance of registration of engineers. The majority of engineers in the private sector strongly support the notion that teaching of engineering is closely related to practice. In Alaska, this is evidenced by the fact that all graduating engineering students are required to take the Fundamentals of Engineering Examination. I believe that this also makes the student body tend to support registration.

However, some faculty members at the University of Alaska Fairbanks strongly oppose registration of faculty. I think that those who have earned a doctorate in a field of Engineering research feel that they have become full fledged engineers, and should not have to do anything more, such as obtaining registration. In addition, the faculty emphasizes that the six month time provision for acquiring registration adopted in AS 8.48 in 1989 by HB 182 of the Sixteenth legislature poses a severe recruiting problem for the university. The first point is the subject of considerable debate, the latter point has a lot of merit, and has the sympathy of the Board of Registration.

The Board does not agree on the total exemption of engineers from registration, particularly while AS 8.48.341 (8) includes teaching within the definition of the practice of engineering. This means that if the legislature passes HB 158 in its present form, teachers could count their teaching time toward obtaining registration, while not considering it to be practice because of the exemption. Engineers from the private sector do not feel that it is right for teachers to have it both ways.

The board recommends a compromise for a committee substitute that would delete all of Section 1 and insert the following:  
Sec. 08.48.255 Teachers. (a) A person who is hired by a post secondary educational institution for a permanent position to teach advanced architectural, engineering, or land surveying

courses has [18 months] five years from the date of hire to fulfill the registration requirements of this chapter and may teach the course during the [18 month] 5 year period.

And on Page 1 line 11 through Page 2, line 2: Delete all of Section 2. It is possible that the Board of Registration could also be willing to look at grandfather rights for current tenured faculty, if that is necessary to resolve this situation.

Concerning land surveying, the faculty members associated with the land surveying program at the University of Alaska take a more positive point of view concerning the importance of registration. The faculty is supported by the American Congress of Surveying and Mapping, Alaska Section. ACSM passed a resolution at its annual meeting asking for a change to definition of land surveying, AS 08.48.341 (9) as follows: "practice of land surveying means any service or work the adequate performance of which involves the application of special knowledge of the principles of mathematics, the related sciences, and the relevant requirements of law for adequate evidence of the act of measuring and locating land, geodetic and cadastral surveys for the location and monumentation of property boundaries, teaching of land surveying courses in institutions of higher learning, for the platting and planning of land and subdivisions, and for the preparation and perpetuation of maps, record plats, field notes records and property descriptions that represent these surveys;" It is hoped that this definition, encompassing teaching, can be incorporated into HB 158.

I had tried to make some of these points, but was rudely cut off along with several others by Rep. Carney on April 10 before I could testify on HB 158. I heard some misinformation at that hearing, and became rather frustrated by the fast gavel I heard that morning. I was in the middle of a trial when the next hearing came up on the bill.

Please give the thoughts of the Board, and of the vast majority of professional engineers some consideration. I strongly urge that HB 158 be passed in some form. We must address the perceived recruiting problem at the UAF. I am hopeful that the approach suggested by the Board of Registration will go a long way toward solving the problem.

Sincerely,

  
Patrick Kalen, PLS

Copy: Rob Boswell, Chair, AELS Board  
AELS Board Members  
Richard Heieren, Chair, ACSM  
Alaska State Representatives and Senators  
Dr. Vincent Haneman, UAF

Alaska State Legislature  
Representative Niilo Koponen

Pouch V  
Juneau, Alaska 99811  
(907) 465-4992

House District 21

119 N. Cushman, Suite 207  
Fairbanks, Alaska 99701  
(907) 456-8172

M E M O R A N D U M

TO: Senator Drue Pearce, Chair  
Senator Virginia Collins, Vice-Chair  
Senate Labor and Commerce Committee

FROM: Representative Niilo Koponen 

DATE: May 13, 1991

RE: House Bill 158, "An Act relating to the licensing requirements for architects, engineers, and land surveyors"

Please schedule a hearing for HB 158 at your earliest convenience. It is urgent that this measure pass this session.

Presently, Alaska Statutes require licensing of professional engineers, including faculty at the University of Alaska. This restriction prohibits the University from recruiting and hiring qualified but non-registered faculty from other U.S. engineering schools. Under present law, new Ph.Ds may not be eligible for Alaskan registration for 3 or more years, rendering a valuable talent pool unavailable to Alaskan university students. Non-registered faculty must become registered within 18 months of their date of hire.

Unless present law is amended, the Department of Commerce and Economic development could issue cease and desist orders to non-registered faculty as early as January, 1992. This action could effectively close down the University's engineering program, including mining engineering. Non-registered but tenured faculty would retain their jobs, but could not teach upper-level classes, requiring the hiring of additional faculty at a time when funds for new hires are scarce to non-existent.

This bill would exempt from registration faculty employed by postsecondary educational institutions to teach engineering courses for the period of their employment. This approach is taken by most other U.S. engineering schools, including MIT, Purdue and Georgia Tech. This bill does not authorize faculty to perform engineering services other than teaching and performing normal academic duties, including research.

Please schedule a hearing in your committee for this bill as quickly as possible. If you require further information, please let me know.

Drue -

I spoke with Ron Clarke in Niilo's office concerning HB 158, Licensing of architects, engineers and land surveyors.

He didn't impress me that they were pushing the bill the way Wendy Redman seems to be. He suggested that maybe the legislature should convey the message to both parties, the University and the Board, that they should sit down and resolve this issue.

Wendy says that Niilo's bill last year makes it so that all engineers at the University had an "insufficient" 18 month period to get licensed and those who didn't must be let go. This will also make it difficult for the university to find a sufficient number of instructors.

A handwritten signature or set of initials, possibly "Wendy", written in light ink or pencil. The signature is cursive and somewhat faint.

# ***KALEN & ASSOCIATES, Inc.:*** Engineers & Surveyors

1041 Chena Ridge Road  
Fairbanks, AK 99709  
(907) 479-2628 / 479-2656

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May 14, 1991

Rep. Niilo Koponen  
P. O. Box V  
Juneau AK 99811

Ref: Licensing of teachers, HB 158

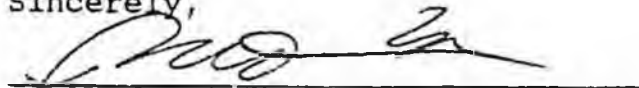
Dear Niilo:

Since I wrote a letter expressing the position of the Board of Registration on May 7 concerning this bill, proposing potential avenues of compromise, the legislation has undergone revisions. I was not aware that the Labor and Commerce committee versions had put architects and land surveyors back into the exemption language concerning teaching.

It is not acceptable to exempt teaching of land surveying from a requirement to be registered. There is no way that the land surveying profession can support HB 158 with a provision to exempt teachers. In the first year of the four year degree program that has been begun at the University of Alaska Anchorage, new faculty were hired with the condition that they obtain registration as a Professional Land Surveyor from Alaska. Registration defines what a land surveyor is. The idea that an unlicensed individual should be allowed to teach students to become professional land surveyors is ludicrous.

I hope that you can help to rectify this affront to the land surveying profession before HB 158 goes any further. As for architects, I believe that they also think that teaching of architecture is an integral part of their professional practice. (Architects do not have a scientific branch with individuals obtaining doctorates in architecture). Since there is not a school of architecture in Alaska, strong feelings are not involved. The legislature may ignore the normal practice for teaching of architecture in the United States, but please do not associate land surveyors with a local problem peculiar to engineering scientists.

Sincerely,



Patrick Kalen, PLS

Copy: Richard Heieren, Chair, ACSM  
Senator Drue Pearce, Chair, Senate Labor and Commerce  
Alaska State Representatives and Senators

# KALEN & ASSOCIATES, Inc.: Engineers & Surveyors

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XEROX TELECOPIER 295 TRANSMITTAL

Date: 5/19/91

Time: 9:08

No. of pages, including this one: 2

Job No.: \_\_\_\_\_

FROM: PATRICK KALEN  
AELS BOARD

TO: \_\_\_\_\_  
Senator Pearce

Attn: Tally Johnson

FAX No.: 463-5352

MESSAGE: PLEASE REPLACE THE FAX I SENT  
YESTERDAY WITH THIS ONE - I HAD A  
BIG TYPO IN YESTERDAY'S.

Bill/Resolution History

11:06 AM 05/15/91

Page 1

BILL: HB 158

SHORT TITLE: EXEMPT ARCH/ENGR/SURVY/OCCUPAT'L LICENSES

NAME: CSHB 158(L&C) AM

TITLE: "An Act relating to the licensing requirements for architects, engineers, and land surveyors."

PRIME SPONSOR: KOPONEN

CO-SPONSOR: ELLIS, MOYER, SHARP, M.A. MILLER

CURRENT STATUS: (S) L&C

STATUS DATE: 05/13/91

5/15

10:55am

Sukumar Bandopadhyay  
4018 Dunlap Ave  
Fbks, AK 99709  
~~479-0011~~ 479-0011

message: Please pass this bill in  
its present form.

**IEEE**

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, INC.

**ALASKA SECTION**

PLEASE REPLY TO:  
P.O. Box 230367  
Anchorage, Alaska 99523  
(907) 373-5746

**RESOLUTION**

The Alaska Section of the Institute of Electrical and Electronics Engineers (IEEE) strongly supports passage of CSHB 158(L&C) AM, which exempts postsecondary educational faculty from professional engineering registration requirements in Alaska. The IEEE has over 300 members in Alaska. It is the world's largest professional organization and the largest publisher of technical information.

Professional engineering registration is primarily justified by public safety considerations. Those who design public works involving public safety must be well qualified to do so. Public works design is not required of engineering faculty. Mandating faculty registration is not appropriate.

Professional engineering registration does not qualify an individual for engineering faculty positions in accredited postsecondary engineering programs. Registration can be obtained without formal university training. Professional registration in itself does not rise to the level of education and expertise required for faculty positions.

A number of IEEE members are employed as engineering faculty at the University of Alaska Anchorage and the University of Alaska Fairbanks. It is uncommon for faculty track individuals in some engineering disciplines, to consider professional registration at any time during their careers. This is especially true for many members of IEEE who work in highly technical positions not involved with public works. A registration requirement could be a barrier to the recruitment of contemporary faculty.

The Alaska Section of IEEE believes that qualification standards for engineering faculty positions should be set in academic forums. If HB 158 is not passed, the net result may be a decrease in quality of engineering faculty. That in turn would adversely impact our profession and the public well being.

Richard M. Brown May 15, 1991  
Chairman

\*\*\* FAX MEMO \*\*\* pages 2  
 TO SEN. DREW PEARCE  
 fax 463-5352 phone \_\_\_\_\_  
 FROM BOB BALDWIN - IEEE  
 fax 561-2482 phone 562-2482

Alaska Section IEEE  
 Resolution in support  
 of HB158.

LABOR AND COMMERCE - Letter of Intent

HB 158 - Engineers, Architects, and Land Surveyors

The Labor and Commerce Committee recognizes the authority of the Board of Regents to make final determinations on the curriculum and faculty qualifications for University of Alaska instructional programs. There is no precedent in statute for intervening in the determination of faculty qualifications, and establishing such a precedent would open the academic process to unnecessary and inappropriate interference.

At the same time the Labor and Commerce Committee feels it is particularly appropriate for the Board of Regents to assure that faculty in professional areas have demonstrated expertise in the application and practice of their disciplines. It is the belief of the Labor and Commerce Committee that the education of university students in the professions will be enhanced by faculty with proven private sector experience and expertise.

It is the understanding of the Labor and Commerce Committee that the University works closely with professional organizations and national accrediting associations in the professional disciplines -- engineering, teacher education, business, nursing and health sciences, and social work -- in determining appropriate curriculum and faculty qualifications. ~~It is also the understanding of the Labor and Commerce Committee that the Alaska Chapter of the National Society of Professional Engineers has not directed its concerns regarding their preference for professional licensing of engineering faculty to the Board of Regents.~~ Given the preference of the legislature for allowing the University to maintain its authority for academic issues, and its desire for professional programs to be closely linked to the needs of the private sector, the Labor and Commerce Committee directs the National Society of Professional Engineers and the Board of Regents to meet and discuss the issue of registration for senior engineering faculty. It is the expectation of this committee that the issues raised by the Alaska Chapter of the National Society of Professional Engineers will be given serious review and consideration by the Board of Regents.

907-474-7137  
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Electrical Engineering Department

# UNIVERSITY OF ALASKA FAIRBANKS



School of Engineering • 539 Dockering Building • Fairbanks, Alaska 99775-0660

May 16, 1991

Honorable Dick Eliason  
Labor & Commerce Committee  
Alaska State Legislature  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Eliason:

Please distribute the enclosed resolution on HB 158 to the other members of the Labor & Commerce Committee. We understand that it has been sent to this committee but are unsure whether it was faxed or mailed. We want to make sure it reaches you before the hearing today at 3:30.

Thank you very much.

Sincerely,

*John Aspnes*

John Aspnes, Head  
Department of Electrical Engineering

JA:DP



**IEEE**

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, INC.

**ALASKA SECTION**

PLEASE REPLY TO:  
P.O. Box 230367  
Anchorage, Alaska 99523  
(907) 373-5746

**RESOLUTION**

The Alaska Section of the Institute of Electrical and Electronics Engineers (IEEE) strongly supports passage of CSHB 158(L&C) AM, which exempts postsecondary educational faculty from professional engineering registration requirements in Alaska. The IEEE has over 300 members in Alaska. It is the world's largest professional organization and the largest publisher of technical information.

Professional engineering registration is primarily justified by public safety considerations. Those who design public works involving public safety must be well qualified to do so. Public works design is not required of engineering faculty. Mandating faculty registration is not appropriate.

Professional engineering registration does not qualify an individual for engineering faculty positions in accredited postsecondary engineering programs. Registration can be obtained without formal university training. Professional registration in itself does not rise to the level of education and expertise required for faculty positions.

A number of IEEE members are employed as engineering faculty at the University of Alaska Anchorage and the University of Alaska Fairbanks. It is uncommon for faculty track individuals in some engineering disciplines, to consider professional registration at any time during their careers. This is especially true for many members of IEEE who work in highly technical positions not involved with public works. A registration requirement could be a barrier to the recruitment of contemporary faculty.

The Alaska Section of IEEE believes that qualification standards for engineering faculty positions should be set in academic forums. If HB 158 is not passed, the net result may be a decrease in quality of engineering faculty. That in turn would adversely impact our profession and the public well being.

Richard M. Brown May 15, 1991  
Chairman

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. HB 158

Revision Date: \_\_\_\_\_ Department Affected: Commerce & Economic Dev.  
 Title: Relating to the licensing requirements for architects, engineers and land surveyors BRU: Occupational Licensing  
 Sponsor: Reps. Koponen, et al. Component: Administration  
 Requestor: House HESS COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

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

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

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

POSITIONS:

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

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

New funds are not required to implement the provisions of HB 158.

Prepared By: Jennifer Strickler, Administrative Officer Phone: 465-2144  
 Division: Occupational Licensing Date: \_\_\_\_\_  
 Approved by Commissioner: Glenn A. Olds  
 Agency: Department of Commerce & Economic Development Date: 4-10-91

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

MAY 13 1991

Alaska State Legislature  
Representative Niilo Koponen


Pouch V  
Juneau, Alaska 99811  
(907) 465-4992

House District 21

119 N. Cushman, Suite 207  
Fairbanks, Alaska 99701  
(907) 456-8172

M E M O R A N D U M

TO: Senator Drue Pearce, Chair  
Senator Virginia Collins, Vice-Chair  
Senate Labor and Commerce Committee

FROM: Representative Niilo Koponen 

DATE: May 13, 1991

RE: House Bill 158, "An Act relating to the licensing requirements for architects, engineers, and land surveyors"

Please schedule a hearing for HB 158 at your earliest convenience. It is urgent that this measure pass this session.

Presently, Alaska Statutes require licensing of professional engineers, including faculty at the University of Alaska. This restriction prohibits the University from recruiting and hiring qualified but non-registered faculty from other U.S. engineering schools. Under present law, new Ph.Ds may not be eligible for Alaskan registration for 3 or more years, rendering a valuable talent pool unavailable to Alaskan university students. Non-registered faculty must become registered within 18 months of their date of hire.

Unless present law is amended, the Department of Commerce and Economic development could issue cease and desist orders to non-registered faculty as early as January, 1992. This action could effectively close down the University's engineering program, including mining engineering. Non-registered but tenured faculty would retain their jobs, but could not teach upper-level classes, requiring the hiring of additional faculty at a time when funds for new hires are scarce to non-existent.

This bill would exempt from registration faculty employed by postsecondary educational institutions to teach engineering courses for the period of their employment. This approach is taken by most other U.S. engineering schools, including MIT, Purdue and Georgia Tech. This bill does not authorize faculty to perform engineering services other than teaching and performing normal academic duties, including research.

Please schedule a hearing in your committee for this bill as quickly as possible. If you require further information, please let me know.

Alaska State Legislature  
Representative Niilo Koponen

Pouch V  
Juneau, Alaska 99811  
(907) 465-4992

House District 21

119 N. Cushman, Suite 207  
Fairbanks, Alaska 99701  
(907) 456-8172

SPONSOR STATEMENT

House Bill 158

"An Act relating to the licensing requirements for  
architects, engineers, and land surveyors"

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