

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8099 HOUSE RESOURCES - HOUSE RULES

ANS EXPORT BAN AND WEST COAST OIL PRICE EQUILIBRIUM

At the heart of the dispute over the "correct" value for crude oil in California during the 1980's and the part ANS played in determining value was the influence of two major institutional handicaps placed on the crude oil market--the AN' export ban, and the Jones Act. These two barriers have penalized oil producers on the U.S. West Coast directly by forcing the West Coast market to a Gulf Coast pricing basis rather than the much closer Pacific Rim market with the resulting lower oil price and at the same time reducing resource value in Alaska by requiring the use of expensive Jones Act tankers.

This double whammy on production profitability has supply side impacts which have additional negative impacts on the regional and national economy. Clearly the export ban combined with the Jones Act continues to hobble the economic potential of not only Alaska but of the entire U.S. West Coast.

In the remainder of this paper I will attempt to quantify the impact in foregone revenue and barrels of oil that the ANS export ban and the Jones Act have resulted in. The model used to estimate the equilibrium oil price on the US West Coast leaves in place the Jones Act but allows the export of ANS in foreign tankers.

A SIMPLE WORLD PRICE EQUILIBRIUM MODEL APPLIED TO ANS

The value and production effect of the export ban is a function both of the deadweight loss due to imposition of additional transportation costs on ANS marketing and the pecuniary effect the ban has on ANS West Coast price.

Other studies have simply assumed that if the export ban were lifted West Coast oil prices would reach world levels. In this section several alternative theoretical links to the World market are explored and tested with empirical data.

The model assumes that world oil prices (specifically sour crude oil) are established by the supply of and demand for Middle Eastern crude oil. All other world oil producers are assumed to be price takers and prices will be determined primarily by relative transportation costs to alternative world markets. Oil will flow to those markets which maximize the wellhead value of production subject to market competition which insures that in equilibrium the wellhead value from all sales is the same.

This model as applied to ANS uses the Pacific Rim as the basing point for West Coast oil prices in the event that exports were allowed. Another alternative would be to use the landed cost of Middle Eastern crude oil as the basis for determining West Coast oil prices. This alternative is untidy given the fact that there

continues to be excess supply on the West Coast. The final alternative is the Gulf Coast netback approach first suggested in 1982 by ARCO.

The relevant oil price and transportation parameters to calculate these alternative theoretical West Coast prices are contained in Table 1 and are taken from Platt's Oilgram Price Report, the 1992 World Scale for international tankers and the American Tanker Rate Schedule. Tanker rates are based on use of VLCC's and adjusted by USFRA for the U.S. fleet and the Tanker Charter Record spot index for the international fleet. It is further assumed that Dubai and ANS are directly comparable crude oils.

Table 1. Oil Prices and Transportation Costs Spring 1992

	Jan	Mar	May
Oil Price (Dubai)	\$15.20/bbl	\$15.70/bbl	\$17.50/bbl
Transportation Costs			
Valdez to U.S. Gulf (Jones)	\$2.97/bbl	\$2.99/bbl	\$3.12/bbl
Valdez to U.S. West (Jones)	0.72	0.66	0.76
Valdez to U.S. Gulf (Int'l)	1.45	1.27	1.35
Valdez to U.S. West (Int'l)	0.26	0.19	0.22
Valdez to Far East	0.42	0.31	0.36
Middle East to Far East	0.70	0.52	0.60
Middle East to U.S. Gulf	1.09	0.81	0.93
Middle East to U.S. West	1.10	0.82	0.94

Source: USFRA, Worldscale, Tanker Charter Record

The following table compares alternative theoretical West Coast oil prices based on the information in Table 1 with the actual ANS spot price for the sample months.

Table 2. Alternative West Coast ANS Prices

	Jan	Mar	May
U.S. Gulf Base (Jones)	\$14.04/bbl	\$14.18/bbl	\$16.07/bbl
U.S. Gulf Base (Int'l)	15.10	15.43	17.30
Pacific Rim Base (Jones)	16.20	16.57	18.50
Pacific Rim Base (Int'l)	15.74	16.10	17.96
Landed Cost West	16.30	16.52	18.44
ANS West Spot	14.92	15.50	18.03

Note: (Jones) assumes Jones Act Tankers on the Valdez to Lower 48 route. (Int'l) assumes International Tankers on all ANS routes

There are three major conclusions suggested by these alternative specifications of ANS West Coast price.

1. The pure Gulf based price is of interest when the export ban is in place since ANS surplus to West Coast needs is disposed of in this market. The average difference in price of \$1.18/bbl. between using international and domestic tankers in the ANS trade is a direct estimate of the theoretical depressing effect on ANS West Coast price of the Jones Act.

2. The West Coast landed cost of Middle Eastern crude oil will exceed a Pacific Rim based ANS West Coast price if the net transportation cost difference between Valdez to West or Far East destinations is less than the incremental cost of shipping Middle East Crude oil to a West Coast rather than Far East destination.

Clearly this is the case if international tankers are used on all routes. However use of Jones act tankers results in a Pacific Rim based price higher than the landed cost of Middle Eastern crude in two of the three months sampled (although not by much).

Obviously in this case no ANS would be sold domestically since the Valdez netback from the Pacific Rim is higher than the netback of a West Coast landed Middle East crude, however since the break price is so close on the West Coast, it could be assumed in this example that competition between ANS and Dubai for Far East delivery would eventually establish a price at the U.S. roughly equal to an the ANS Far East netback price plus transportation cost to the West Coast.

Generally speaking then, using a Pacific Rim basing point price model is the preferred way of linking ANS West Coast pricing to the world market as long as there is surplus ANS on the West Coast. Logically no ANS would be sold at the U.S. Gulf Coast if exporting were allowed.

3. Comparing the Pacific Rim based ANS West Coast prices with actual spot ANS illustrates two things. First that the market for ANS on the West Coast continues to support some form of oligopolistic behavior and second that the export ban continues to depress West Coast prices by an average of roughly \$1.00/bbl.

REVENUE IMPACTS OF THE ANS EXPORT BAN

As stated previously, the export ban directly impacts the value of production in Alaska by reducing the market value of the crude oil sold on the U.S. West Coast, and by increasing the costs of shipping the oil to market. Derivatively, since ANS is the incremental barrel of crude oil coming into the West Coast, the value of California production is also depressed.

This direct revenue impact is estimated using a Pacific Rim basing point for price and assumes that Jones Act tankers are used for domestic sales of ANS while international tankers are used to export ANS. The estimates are based on relevant prices and costs effective averaged over January, March, and May 1992. ANS production is assumed to be 1.75 million bbl/day and California production is assumed to be 0.80 million bbl/day. It is assumed that 0.20 million bbl/day of ANS production is currently being sold at the U.S. Gulf.

**Table 3. Oil Production Revenue Impact of the ANS Export Ban
(Millions \$/Yr)**

	State	Producers	Federal	Total
Alaska Impact				
Transport Savings	47.5	90.5	46.5	184.7
Sales Price	136.3	260.6	44.3	531.3
Total	184.5	351.1	180.9	716.5
California Impact				
California Impact	13.4	188.1	96.9	298.4
Total Impact	197.9	539.3	277.8	1014.9

The export ban lowers the value of annual production in Alaska and California by approximately \$1.0 billion/year or about \$1.10/bbl. If this estimate were applied to all ANS and California production since 1977, the ban has artificially reduced the value of production in both states by over \$12.5 billion. This is probably a very conservative estimate based on the historic spread between world crude oil prices and ANS West Coast price outlined previously in Figure 1.

Although basic geological good fortune and increased environmental costs have probably a bigger impact on the long term supply function, clearly this kind of a depressing effect on resource value has been a contributing factor in the declining level of production from these two regions. Certainly the inefficiency of forcing ANS to be moved to a more distant market puts the global economy even further away from the production possibility frontier.

In terms of national cost and benefits, some of this billion dollar a year loss is offset by revenues earned by the domestic tanker industry, and either regional petroleum product consumers or regional petroleum refiners. It might even be argued that since petroleum product prices are linked to the global market i.e. they can be freely traded, that a large amount of the implied refiner margin has gone to compliance with stringent environmental regulations in the California market.

IMPACT ON PRODUCTION OF THE EXPORT BAN

Tussing et. al., in 1987 estimated that the export ban would increase the wellhead price of ANS oil by up to \$4/bbl and that this increase would increase production by 460 million bbls. in Alaska and 280 million bbls. in California over the period 1987--2000. The estimates made in this paper are considerably lower primarily because the amount of ANS going to the Gulf Coast market is lower currently due to the decline in ANS production and the continued growth in West Coast crude oil demand.

At current prices of roughly between \$17.00/bbl and \$19.00/bbl, an increment of \$1.00/bbl would add roughly 60 million bbls of California production and 110 million bbls of Alaskan production between 1992 and 2000 assuming production price elasticities of 0.5 (Tussing, et. al.) and 0.3 respectively (State of Alaska).

CONCLUSIONS

The ANS Export Ban has remained in effect over the life of production from North America's largest oil field. The economic evidence has always indicated that the ban is inefficient and results in economic waste and a reduction in the overall level of global economic activity.

Given the current global market structure, the ban continues to depress Alaskan and California crude oil prices by nearly \$1.00/bbl. At the same time the approximately 200,000 bbls/day of ANS forced into Eastern U.S. markets incurs approximately \$2.70/bbl more in transportation charges than if it were exported to Pacific Rim countries in international tankers.

Taken together, the effect of deadweight transportation cost loss and reduced crude oil price reduces annual producer profit by roughly \$540 million, annual state revenues in Alaska and California by \$200 million, and annual Federal revenues by \$275 million. The higher wellhead values resulting from lifting of the ban could result in another 750 million bbls of production in Alaska and California.

At some point in the near future ANS will no longer be in surplus on the West Coast. At that time the price should rise to world levels. However it is possible that if the export ban is still in effect at that time that the reduction in potential buyers for ANS in a market as concentrated as the U.S. West Coast may continue to result in a West Coast discount relative to global prices.

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The Anchorage Times

Publisher: BILL J. ALLEN

"Believing in Alaskans, putting Alaska first"

Editors: DENNIS FRADLEY, PAUL JENKINS, WILLIAM J. TOBIN

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End export ban

12/20/93

AS THE CLINTON administration sets out to do yet another study of the effects of the ban against exporting Alaska's North Slope oil, we bring to your attention two other recent economic studies of the subject: one was prepared last year by the Alaska Department of Revenue. The other, still in draft form, is the work of Economic Insight, Inc., a Portland, Ore., economic consulting firm.

Both analyses come to the same conclusion: the prohibition on the export of Alaska oil is detrimental to both Alaska and California oil production and economies, and more important, to the nation's long-term energy security.

"The ban flies in the face of market efficiency and is a classic example of political rather than economic reasoning," is how the Alaska report sums it up.

"The artificial inhibition of U.S. oil production has severe consequences for jobs and economic growth," says the Portland study. "The cost could be as high as \$200 billion and amount to hundreds of thousands of well-paid jobs in petroleum development, oil-field services, manufacturing and transportation."

Stated simply, both studies conclude that the ban results in an ongoing oversupply of heavy crude available for refineries on the West Coast. That oversupply reduces the market value of Alaska's and California's production.

If Alaska's oil were free to compete on the world market and, say, be sold in Japan, the wellhead value for each barrel of oil produced in Alaska would increase by an estimated \$1-to-\$5 per barrel.

The total impact of this additional value per barrel, according to the state study, would be in the neighborhood of just under \$200 million in additional state revenues, almost \$300 million for the federal government and more than \$500 million for the producers.

Both studies project that the incentive of a better return for the producers would mean additional investments to explore for new oil in remote areas of Alaska and would provide more impetus for the industry to undertake the more costly development of reservoirs such as the West Sak field.

The oil industry has already invested some \$67 billion developing Alaska oil fields and transportation facilities, the Portland study notes. Continuation of the export ban — and thus the disincentive to produce Alaska oil — diminishes the prospect that additional significant investments will be made.

"The export ban of oil threatens to inhibit the development of as much as 10 billion barrels in Alaska and California over the next several decades," says the report. In an era of budget deficits and constrained public spending "it is nothing less than thickheaded imperviousness" to continue the ban, it concludes.

Let's trust President Clinton's team can come to the same conclusion.

12/17/93

Voice

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Publisher: BILL J. ALLEN

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Editors: DENNIS FRADLEY, PAUL JENKINS, WILLIAM J. TOBIN

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Rethinking oil export

ALASKANS FOUND not much in the way of a silver lining in the cloud of gobbledegook as the Clinton administration last week unveiled its national energy strategy. Only one item held hope for this state: a new study of the potential benefits of lifting the ban against the export of Alaska North Slope oil.

The secretary of Energy announced the president's energy plan amid national anticipation the strategy would address the alarming exodus of the oil industry from the United States and the collapse of crude oil prices worldwide. The plan did neither.

It gave lip service to the importance of domestic energy sources and the concern that almost a half-million jobs have been lost in recent years in the oil and gas industry. But it contained little mention of meaningful incentives to attract industry to explore and develop domestic oil reserves.

Ironically, the plan identified deepwater portions of the Gulf of Mexico as having the best potential for a new domestic oil supply — even though the necessary technology for deepwater operations has yet to be developed. But the so-called energy plan made no mention at all of the potential of giant oil discoveries under the coastal plain of the Arctic National Wildlife Refuge — where the industry has proven it has the technology to operate successfully.

Even the one positive item — the announcement of another study to evaluate export of North Slope crude — came not because of any possible value to Alaska, but rather in response to complaints from California oil producers contending they have been hurt by shipments of Alaska crude to the West Coast.

"Permitting ANS exports in the near term will potentially stimulate onshore California production, and could initiate a less volatile transition away from imports in general," the report states.

We would have presented the case differently, saying:

- Alaska's North Slope presently accounts for more than 20 percent of the oil produced in the United States -- and has for some time.
- North Slope production is on the decline.
- Many areas of Alaska with potential oil reserves remain to be explored and developed — including the coastal plain of ANWR.
- New discoveries and production in Alaska would make it possible for Alaska to maintain its role as a key supplier of energy well into the next century.
- The oil export ban results in depressing the value of Alaska oil, thus creating a disincentive for industry to explore for new oil.

That the Clinton administration chose to focus on the oil export ban's adverse impacts on California, rather than on Alaska, probably has more to do with politics than national energy security.

Nonetheless, we'll take a little silver lining where we can find it.

11/19/93

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Free trade for Alaska

CONVENTIONAL WISDOM has it that the North American Free Trade Agreement should have little if any impact on this state.

Alaska has good reason to argue that just the opposite is true — NAFTA should be the catalyst to overturn a trade inequity that has penalized this state for two decades.

We speak, of course, of the ban on the export of North Slope crude oil.

The 1973 law that authorized construction of the trans-Alaska pipeline prohibits the export of North Slope crude oil, a ban that financially damages state interests. Based in this contention, Gov. Walter Hickel is suing the federal government for \$2.5 billion — the amount he believes Alaska has lost as a direct result of the export ban. The lawsuit is pending in U.S. district court in Anchorage.

An additional argument for a congressional lifting of the ban is that sale of North Slope crude in Asia, for example, would open U.S. markets to petroleum imports from Mexico, at a lower cost to American consumers.

PRESIDENT BILL Clinton has the opportunity to demonstrate his commitment to free trade policies with our North American neighbors by taking the lead to lift the ban.

By advocating the elimination of the export ban, Clinton would also affirm U.S. free trade objectives with our trading partners in Asia. The president is meeting today with Asian leaders in Seattle to discuss trade issues.

According to Sen. Frank Murkowski, who discussed this issue with Mr. Clinton Thursday at the White House, the Alaska oil export ban "is the most obvious example of a protectionism trade policy" that the United States has. By lifting the ban, he told the president, "we could improve the efficiency of our energy supplies, bring in more tax revenues and do so with few negative impacts."

Alaskans recognize that lifting the ban on the export of North Slope oil might not automatically result in Alaska's oil being shipped to the Far East. Market forces would ultimately determine where North Slope crude goes and what prices are paid for it. However, lifting the ban would remove a cumbersome regulatory burden and give U.S. producers the flexibility to respond to changes in the international market place. It would give Alaska full market value for its resource.

It would also demonstrate this nation's commitment to free trade and fair competition — both with our North American neighbors and the nations of the Pacific Rim.

And it would give Alaskans something to cheer about in NAFTA.

Mar. 19, 1993

The Anchorage Times

Publisher: BILL J. ALLEN

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Serving notice

AS IT HAS every few years since 1974, Congress last week re-
newed the ban on the export of Alaska North Slope crude oil as
part of the reauthorization of the Export Administration Act.

The ban was a bad law when Congress wrote it almost 20 years
ago. It is bad law today.

Rather than engaging in an exercise in futility, Alaska's three-
member congressional delegation did not attempt a showdown vote
to delete the prohibition. Our representatives knew better.

During the Reagan and Bush administrations, when there was
support from the White House for lifting the prohibition, there were
still insufficient votes in Congress to overcome the influence of the
maritime lobby, which champions the ban. With the new president
yet to take a strong position on the issue, there was no chance this
year of finding enough votes to remove it.

However Sen. Frank Murkowski served notice that he intends to
seek an exemption to allow export of a portion of the oil. Before the
Export Administration Act comes up for renewal again in June
1994, he wants the Senate to hold hearings on a proposal to allow
this state to export its royalty share of oil from the Slope.

THE PLAN might serve to draw national attention to the dam-
aging consequences of the export ban to Alaska's and California's
economies, and to the nation's energy security. It could result in lift-
ing the ban altogether.

Few realize that as a result of the oil export ban, the market value
of domestic oil on the West Coast has been depressed for some time.
Oil produced in Alaska and in California sells for about \$1 less per
barrel than it would if it were free to compete on the world market.

That would amount to something like \$12 billion lost for oil pro-
duction in the two states over the last 18 years.

If the ban were lifted, and the value of oil production allowed to
increase, there would be an incentive for the oil industry to increase
exploration and production in both Alaska and California. National
energy security would be improved as a result of more domestic pro-
duction capability.

Exporting Alaska oil would also help offset the U.S. trade deficit
with Pacific Rim nations.

A SENATE hearing on Alaska's request to export its royalty oil
could help bring these points to the public's attention. Sen.
Murkowski should follow through on his plan.

At the same time, the governor must continue to push forward
with his lawsuit against the federal government. Not only is the ban
bad law, it's unconstitutional.

If Congress can't be persuaded to see that, the U.S. Supreme
Court may order it to do so.

California starts exports; is Alaska next?

Los Angeles Daily News

LOS ANGELES — California oil producers can start exporting their crude to Asia this month for the first time in almost two decades.

Exporting domestic oil largely is banned by the federal government as a hedge against embargoes such as the one imposed by Arab countries in the early 1970s. This position was relaxed somewhat in late October when President Bush issued a memorandum that permits the export of up to 25,000 barrels daily of heavy California crude.

While there won't be a rush of domestic oil to foreign shores, the decision could pump some cash into California's independent oil industry. Federal officials estimate that if 25,000 barrels of crude oil were exported daily, it would be equal to about \$138 million a year in export sales.

But Tom Hunt, executive vice president of the California Independent Petroleum Association, says that the president's action is not going to create a windfall for state oil producers.

"You're talking about a very ugly crude and it has a

very limited refining capacity throughout the world," Hunt said. "California built itself around this type of crude so we have the type of refineries to take it on. But 25,000 barrels per day is a good start to establish your marketplace."

What Hunt's group would really like to see is an easing of the ban on crude oil from Alaska's North Slope oil fields. And allowing the export of California crude is being viewed as a step in this direction.

Alaska crude is a lighter

Please see Page C-6. EXPORTS

EXPORTS: California able to start shipping oil

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oil — it's what Atlantic Richfield Co. refines its gasoline from — so the market potential is greater.

"We're building a case in Washington and California about this arcane law," Hunt said of the Alaska crude ban. "It's a law that certainly outlived whatever usefulness it might have had."

Hunt estimates that about 1.7 million barrels of Alaska crude flow into California each day, much more than the 1.1 million barrels the state consumes. "It just drowns California in crude," he said.

This influx of Alaska crude and oil from fields off the Santa Barbara, Calif., coast have kept prices for California crude depressed, Hunt said.

He's got an ally in Alaska Attorney General Charlie

Cole, who earlier this year sued the federal government over the export ban.

When Alaska became a state it was granted mineral rights to 103 million acres and was to use the proceeds from the oil sales to finance government services. The export ban scotched this plan.

"We no more got under way making those lands productive to support civil government when the federal government said, 'Oh, by the way, we're going to restrict how you are going to deal with those resources,'" Cole said.

California crude fetches about \$13.75 a barrel at the wellhead, but it will cost about \$16 a barrel when shipping costs are added in, making the low-quality oil rather expensive. Alaska crude delivered to the West Coast costs about \$17.30 a barrel, but \$18.50 if it is shipped the Gulf Coast.



HOUSE RESOURCES COMMITTEE

DATE: 2/16/94

PLACE: Capitol, Room 124

SUBJECT OF MEETING:
 SB 77 - INTENSIVE MANAGEMENT OF BIG GAME
 SJR 13 - OPPOSING EXPORT BAN ON AK NORTH SLOPE CRUDE OIL

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Joel Bennett	self	114 W. 6 th Juneau		586-1255		(Y) N	SB 77
WM BURK	SELF	PO BOX 240742	824	780 6019		(Y) N	SB 77
John George	Territorial / Sportsman/AC	9515 Mountain Way Juneau	99801	784-0172		(Y) N	SB 77
Jim BARR	AEL.	POB. 210371 A. 1/2 way	99821	790-2858		(Y) N	SB 77
Chip Thoma	self	Juneau				Y N	SJR-13
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	

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(9)

Date Referred: February 11, 1994

FURTHER REFERRALS:

Date of Committee Action: 2/14/94

The RESOURCES Committee considered:

SJR 40

CS FOR SENATE JOINT RESOLUTION NO. 40(RES)

URGE CONGRESS TO AMEND OIL POLLUTION LAW

Urging the Congress to amend the Oil Pollution Act of 1990 with respect to the financial responsibility requirements for offshore exploration and production facilities.

RECOMMENDATIONS: the same title
be replaced with _____ a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) Senate Resources / 1-28-94

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Bill Hudson</i> Hudson ✓	✓	<i>Finkelstein</i> Finkelstein ✓		✓	
<i>Pat Carney</i> Carney ✓	✓				
<i>Green</i> Green ✓	✓				
<i>Bunde</i> Bunde ✓	✓				
<i>W.R. Williams</i> Williams ✓	✓				

W.R. Williams
CHAIRMAN'S SIGNATURE

BILLS/SUBJECTS DISCUSSED

CAPITAL BUILDING MATTERS

CONFIRMATION - J. FRANK PREWITT,
COMMISSIONER OF DEPT. OF CORRECTIONS

TELEPHONE PURCHASE/LEASE

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BILLS NOT DISCUSSED - INCLUDES THOSE THAT GOT CALENDARED AS
WELL AS THOSE THAT DIED IN COMMITTEE
(FILES NOT MICROFICED; ORIGINALS
AVAILABLE IN ARCHIVES. MATERIAL IN
FILES LARGELY DUPLICATES THAT FROM
PRIOR COMMITTEES)

CONFIRMATION - DAMM, BOARD PUB. ACCOUNTANCY

CONFIRMATION - FUHS, COMMISSIONER DEPT. C&ED

CONFIRMATION - MURPHY, AK. NATL. GUARD

CONFIRMATION - OGLE, BOARD PUB. ACCOUNTANCY

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EXECUTIVE ORDER 83

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SCR 16

SCR 17

SJR 13

SJR 17

SJR 19

SJR 27

SJR 29

SJR 39

SJR 46

SJR 51



RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

Jerry Duncan
Signature of Camera Operator

10/1/97
Date

Capital

Blldg.

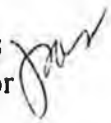
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ALASKA STATE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY
Office of the Executive Director

130 Seward St., Suite 313
Juneau, AK 99801-2197
(907) 465-3800

M E M O R A N D U M

TO: Representative Carl Moses, Chairman
House Rules Committee

FROM: Pamela A. Stoops 
Executive Director

DATE: March 17, 1994

SUBJECT: Replacements and Electrical Upgrade

House Rules Committee approval is requested on the below three items:

1. **Copier Replacement** - We have two copiers that have had numerous service calls and are on their last leg. The troublesome copiers are located on the 1st floor by House Judiciary and on the 4th floor by Rep. Gary Davis's office.

Sole source approval is requested to lease purchase two Xerox 5345's. Xerox has six technicians in Juneau. Pitney Bowes has one technician. We have had problems getting quick service from Pitney Bowes.

Motion: Sole source approval to Xerox for two 5345 copiers for a three year lease purchase.

2. **4th Floor House Electrical Upgrade** - The 4th floor space vacated by the Department of Law needs sufficient outlets available for equipment in staff and legislator's areas. This upgrade will replace existing exposed wiring. This is the only area in the Capitol that has not be upgraded.

Motion: Upgrade electrical on the 4th floor not to exceed \$25,000.

3. **Carpet Replacement** - Old floor tile beneath the carpet on the 1st floor corridor has deteriorated and caused the carpet to wrinkle. It is estimated the replacement cost will not exceed \$7,000.

Motion: Approve carpet replacement on the 1st floor corridor not to exceed \$7,000.

Confirm.

... Prewitt

... Corrections

Alaska State Legislature

Representative Carl E. Moses



CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL FISHERIES COMMITTEE

MEMBER
FINANCE SUBCOMMITTEES
FISH AND GAME
PUBLIC SAFETY

SESSION:
CAPITOL BUILDING, ROOM 204
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-4451
FAX: (907) 465-3445

INTERIM:
P.O. BOX 109
UNALASKA, ALASKA 99885
PHONE: (907) 581-1234
FAX: (907) 581-2875

April 22, 1993


The Honorable Ramona L. Barnes, Speaker
Alaska House of Representatives
State Capitol #208
Juneau, AK 99801-1182

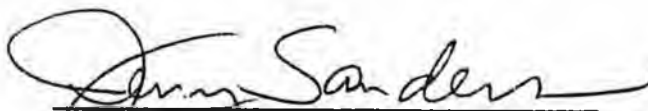
Dear Speaker Barnes:

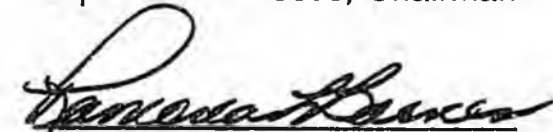
The House Rules Committee met on April 22nd, and reviewed the nomination of Mr. J. Frank Prewitt, Jr. for the position of Commissioner of the Alaska Department of Corrections.

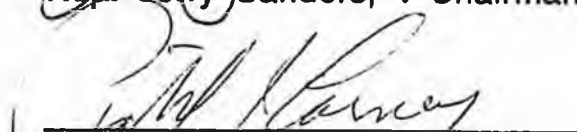
The committee makes no recommendations for or against Mr. Prewitt at this time, but supports the advancement of his nomination to a joint meeting of the House and Senate for the purposes of confirmation at such time as is appropriate.

Sincerely,

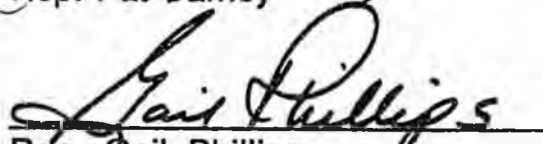

Rep. Carl E. Moses, Chairman

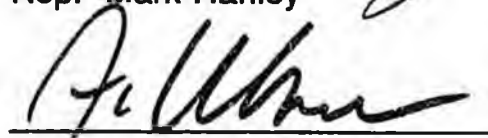

Rep. Jerry Sanders, V-Chairman


Rep. Ramona L. Barnes


Rep. Pat Carney


Rep. Mark Hanley


Rep. Gail Phillips


Rep. Fran Ulmer

CEM/tb/L02

WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 22, 1993

*The Honorable Ramona Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182*

Dear Speaker Barnes:

In accordance with AS 39.05.080 and Article III, Sections 25 and 26, of the Alaska Constitution, I submit the following name for legislative confirmation of appointment to the position noted:

COMMISSIONER, DEPARTMENT OF CORRECTIONS

Frank J. Prewitt, Jr.

The résumé for this appointment has been submitted to the offices of the Senate Secretary and the House Clerk.

The name of Lloyd G. Rupp for this position is hereby withdrawn.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel
Governor

J. FRANK PREWITT, JR.
12620 SAUNDERS ROAD
ANCHORAGE, ALASKA 99516
Ho: (907)345-2683 Wk: (907)561-1633

EDUCATION:

J.D. Law Degree, University of Puget Sound School of Law, 1982

*M.S., Interdisciplinary Studies (Forensic Social Work Emphasis), 1979
University of Oregon*

B.S., Bachelor of Science, Sociology, Western Baptist College, 1971

PROFESSIONAL EXPERIENCE:

10/1/92 to present
DIRECTOR/CHIEF EXECUTIVE OFFICER: Alaska Psychiatric Institute
2900 Providence Drive
Anchorage, Alaska 99508

130 bed JCAOH accredited psychiatric hospital providing acute and tertiary care, forensic evaluations and treatment; 270 staff with annual budget of 17 million dollars. Responsible to Governing Body for day-to-day hospital operations, planning, policy development and liaison. Member of Governing Body and Steering Committee for construction of new hospital scheduled to open in 1998.

10/1/87 to 10/1/92
DEPUTY COMMISSIONER: Department of Corrections
State of Alaska
42nd St.
Anchorage, Alaska 99508

Chief Operating Officer for Alaska's integrated system of jails, prisons, probation and parole services. Responsible for operations, planning, policy development and day to day management of 1300 employees and 110 plus million dollar annual budget.

1985 to 1987
ASSISTANT ATTORNEY GENERAL: Department of Law
Criminal Division State of Alaska
1031 W. Fourth Ave.
Anchorage, Alaska 99501

General legal counsel to Department of Corrections. Emphasis on Civil Rights defense; state torts claims; administrative procedure.

Page 2

1984 to 1985
INSTRUCTOR:

Anchorage Community College
University of Alaska
Anchorage, Alaska 99508

Instructed courses in Law, Justice, and corrections under full time contract.

ATTORNEY:

Limited private practice emphasizing work place liability workshops and mediation consultation.

MANAGING PARTNER:

Godroot Wetmoor & Green,
Landscape Construction
Anchorage, Alaska

Supervised seasonal construction business grossing \$1,000,000 in public and private sector contracts.

1983 to 1984
ATTORNEY:

John G. Davies Law Offices
Wasilla, Alaska

Civil law practice with commercial transactions and real estate emphasis.

1983
LAW EXTERN:

Alaska Court of Appeals
Judge James K. Singleton

Law Clerk to Judge James K. Singleton, currently serving as United States District Court Judge.

1975 to 1979
ADJUNCT INSTRUCTOR:

Anchorage Community College
Anchorage, Alaska

Instructed courses in Juvenile Delinquency, Criminology, Introduction to Criminal Justice at ACC, Elmendorf AFB Extension, and Fort Richardson.

1976 to 1979
MENTAL HEALTH CLINICIAN:

Alaska Psychiatric Institute
2900 Providence Drive
Anchorage, Alaska

Psychiatric Social Work Member of treatment team serving mentally disordered offenders. Responsibilities included competency exams, intake screening, group and individual therapy, court liaison, community education and program development.

Page 3

1975 to 1976
PROBATION OFFICER:

Department of Corrections
2200 E, 42nd Avenue
Anchorage, Alaska 99508-6202

Probation Officer, Southcentral Juvenile Probation Office; juvenile classification member.

1973 to 1974
DIRECTOR:

Kenai Peninsula Community Care Ctr.
Kenai, Alaska

Drafted and managed LEAA grants establishing full care residential treatment center for delinquent and dependent youth.

1970 to 1973
STATE TROOPER:

Oregon State Police
Eugene, Oregon

General patrol duties: Traffic control, accident investigation, criminal investigation, fish and game enforcement.

RELATED EXPERIENCE:

1965 to 1992

Correctional Academy Instructor, Anchorage.
Instruct courses in Practical Law for Correctional Officers; Employer/Employee Liability; Prisoner's Rights; Introduction to Criminal Justice.

1981:

Teaching Assistant to Professor Maximilian Walker, University of Puget Sound School of Law. Instructed first year law students in Jurisprudence and Legal Process.

1976 to 1979

Police Academy Instructor, Anchorage/Sitka. Developed mental health curriculum for the Trooper, Anchorage Police Department, and Division of Corrections Academies. Specifically, detection and handling of mentally disordered offenders.

ORGANIZATIONS and CERTIFICATIONS:

Alaska Bar Association
Federal Bar
Alaska Sentencing Commission, (delegate, 90-92)
Alaska Police Standards Council, (member, 87-92)
Alaska Police Standards certified Instructor

WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3600

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 22, 1993

*The Honorable Ramona Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182*

Dear Speaker Barnes:

In accordance with AS 39.05.080 and Article III, Sections 25 and 26, of the Alaska Constitution, I submit the following name for legislative confirmation of appointment to the position noted:

COMMISSIONER, DEPARTMENT OF CORRECTIONS
Frank J. Prewitt, Jr.

The résumé for this appointment has been submitted to the offices of the Senate Secretary and the House Clerk.

The name of Lloyd G. Rupp for this position is hereby withdrawn.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel
Governor

Telephone

Purchase.

LEASE

Alaska State Legislature

Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL FISHERIES COMMITTEE

MEMBER
FINANCE SUBCOMMITTEES
FISH AND GAME
PUBLIC SAFETY

SESSION:
CAPITOL BUILDING, ROOM 204
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-4451
FAX: (907) 465-3445

INTERIM:
P.O. BOX 109
UNALASKA, ALASKA 99685
PHONE: (907) 581-1234
FAX: (907) 581-2875

MEMORANDUM

DATE: May 8, 1993

TO: All Committee Members
House Rules Committee

FROM: Rep. Carl E. Moses, Chairman
House Rules Committee *CEM*

RE: Committee Meeting - Telephone Purchase/Lease

We will have a Rules Committee meeting on Monday, May 10th, at 9:30am in the Speaker's Chambers. The topic we will discuss is whether to purchase or lease telephone equipment for the Legislative Affairs Agency. Please review the attached summary prior to the meeting.

If you have any questions, please call Tim Benintendi of my staff at 3764, or Pam Stoops at 3850.

CEM/tb/m13

STATE OF ALASKA THE LEGISLATURE

130 Seward Street, Suite 313
Juneau, AK 99801-2197
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

TO: Representative Carl Moses, Chair
House Rules Committee

FROM: Pamela A. Stoops, Director *Jan*
Administrative Services

DATE: May 8, 1993

SUBJECT: House Phones Lease/Purchase

The following information is provided to assist you in making a decision on the House's purchase of phone equipment. We have received information from the Department of Administration, Division of Information Services that if Agencies are planning to purchase phone equipment and optional features in FY 93 we need to notify them prior to June 1, 1993.

In order to have sufficient time to notify the Division of Information Services with a detailed purchase report by extension please respond by May 24, 1993.

The House has already purchased 15 phones from the Capitol wiring credit. The fifteen already purchased are not in the below calculation.

	<u>House Phones</u>	<u>Annual Lease Cost</u>	<u>FY 93 Purchase Cost</u>	<u>FY 94 Purchase Cost</u>
Model 2008	110	\$5,500	\$33,110	\$34,430
Model 2616	44	\$3,080	\$18,436	\$20,768
Model 2616D	4	\$320	\$1,896	\$2,184
Model 2616M	9	\$810	\$5,571	\$5,571
Model 2616DM	<u>8</u>	<u>\$800</u>	<u>\$4,472</u>	<u>\$5,624</u>
	175	\$10,510	\$63,485	\$68,577

It would be to our advantage to purchase the phone sets rather than lease them since lease rates pay for the equipment/installation in six to seven years. There is also a 8% savings by purchasing the phones by June 1, 1993 versus purchasing them in FY 94. Session Expenses has sufficient funds to purchase this equipment. A Rules Committee meeting would be required to approve the purchase.

You might want to consider purchasing a portion of the House phones at this time. I am recommending that we lease voice mail at this time. It is not in the above calculation. It would take ten years to pay for voice mail if we lease it.

I am anticipating that the Session Expenses appropriation will lapse over \$300,000. There is language in the reappropriation bill to reappropriate this \$300,000 from FY 93 to FY 94. This will increase your FY 94 authorized funding by the amount that is reappropriated. If your Rules Committee approves this purchase it would lower the anticipated balance by the amount approved.

It is recommended the House look at purchasing 75% of their phones for the following reasons:

1. Session funds are available now and a purchase will reduce our future operating costs when budgets could be smaller;
2. Maintenance on the equipment is covered whether we purchase or lease the equipment;
3. Purchasing 75% of the equipment will give us some flexibility on reducing the number of phones or types of equipment in future years; \$47,600 would be the purchase price of approximately 75% of the current House phones;
4. The Division of Information Services says the new phone system will continue to be upgraded with software and additions and will not be obsolete 15 years from now.

A similar memo with their calculation was sent to the Senate. This morning, Senate Rules Committee approved the purchase of approximately 75% of the Senate phones. The amount approved was \$29,000.

Please call me at 465-6622 if you have any questions.

Alaska State Legislature

Representative Carl E. Moses



CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL FISHERIES COMMITTEE

MEMBER
FINANCE SUBCOMMITTEES
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House Rules Committee

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CEM/tb/m13


STATE OF ALASKA
THE LEGISLATURE

130 Seward Street, Suite 313
Juneau, AK 99801-2197
907 465-3800

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Alaska State Legislature

Representative Carl E. Moses



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HOUSE RULES COMMITTEE

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CEM/tb/m13

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THE LEGISLATURE

130 Seward Street, Suite 313
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907 465-3800

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	175	\$10,510	\$63,485	\$68,577

It would be to our advantage to purchase the phone sets rather than lease them since lease rates pay for the equipment/installation in six to seven years. There is also a 8% savings by purchasing the phones by June 1, 1993 versus purchasing them in FY 94. Session Expenses has sufficient funds to purchase this equipment. A Rules Committee meeting would be required to approve the purchase.

You might want to consider purchasing a portion of the House phones at this time. I am recommending that we lease voice mail at this time. It is not in the above calculation. It would take ten years to pay for voice mail if we lease it.

I am anticipating that the Session Expenses appropriation will lapse over \$300,000. There is language in the reappropriation bill to reappropriate this \$300,000 from FY 93 to FY 94. This will increase your FY 94 authorized funding by the amount that is reappropriated. If your Rules Committee approves this purchase it would lower the anticipated balance by the amount approved.

It is recommended the House look at purchasing 75% of their phones for the following reasons:

1. Session funds are available now and a purchase will reduce our future operating costs when budgets could be smaller;
2. Maintenance on the equipment is covered whether we purchase or lease the equipment;
3. Purchasing 75% of the equipment will give us some flexibility on reducing the number of phones or types of equipment in future years; \$47,600 would be the purchase price of approximately 75% of the current House phones;
4. The Division of Information Services says the new phone system will continue to be upgraded with software and additions and will not be obsolete 15 years from now.

A similar memo with their calculation was sent to the Senate. This morning, Senate Rules Committee approved the purchase of approximately 75% of the Senate phones. The amount approved was \$29,000.

Please call me at 465-6622 if you have any questions



RECORDS



CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

Jerry Duncan
Signature of Camera Operator

10/1/97
Date

HB

2

CS FOR HOUSE BILL NO. 2()

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVE PHILLIPS

A BILL

FOR AN ACT ENTITLED

1 **"An Act requiring drug and alcohol tests for school bus drivers."**

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

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

4 (1) over 40,000 Alaska children ride school buses every school day;

5 (2) road, weather, and driving conditions can be extremely hazardous;

6 (3) the state expects school bus drivers to operate their vehicles without drug

7 or alcohol-induced impairment of physical or mental condition;

8 (4) the federal Department of Transportation has adopted drug testing

9 regulations for operators of commercial vehicles, including interstate buses, in 53 FR 47002;

10 (5) Alaska has a compelling interest in the safety of its children riding school

11 buses.

12 (b) The purpose of this Act is to enact a drug and alcohol testing program for all

13 school bus drivers.

14 *** Sec. 2. AS 14.09 is amended by adding a new section to read:**

1 Sec. 14.09.025. DRUG TESTING FOR SCHOOL BUS DRIVERS. (a) A
2 school district or regional educational attendance area that provides for the
3 transportation of pupils shall require that the drivers of motor vehicles used to transport
4 pupils submit to testing for the use of drugs and alcohol. The testing program must
5 include random testing. A driver who tests positive for the improper use of drugs or
6 alcohol may be disciplined, including termination from employment.

7 (b) The department shall adopt regulations to implement this section. The
8 regulations must include a provision for a hearing before discipline is imposed.

9 (c) In this section, "improper use of drugs or alcohol" means use that
10 constitutes a criminal offense and use that violates regulations adopted by the
11 department under this section.

Alaska State Legislature

Representative Carl E. Moses



CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL FISHERIES COMMITTEE

MEMBER
FINANCE SUBCOMMITTEES
FISH AND GAME
PUBLIC SAFETY

SESSION:
CAPITOL BUILDING, ROOM 204
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-4451
FAX: (907) 465-3445

INTERIM:
P.O. BOX 109
UNALASKA, ALASKA 99685
PHONE: (907) 581-1234
FAX: (907) 581-2875

M E M O R A N D U M

DATE: April 6, 1993

TO: Representatives Barnes, Carney, Hanley, Phillips,
Sanders and Ulmer
House Rules Committee Members

FROM: Rep. Carl E. Moses, Chairman *CEM*
House Rules Committee

RE: Today's Rules Committee Meeting - Proposed CS for
House Bill 2

Representative Phillips will ask consideration for a Rules CS for HB 2, the bill to require drug and alcohol testing for school bus drivers. The draft CS, attached, adds a findings section, and defines "improper use of drugs or alcohol."

Included in your folder is a bill history, and minutes from House HES and JUD hearings. House JUD also issued a Letter of Intent.

If there are questions, please contact Tim Benintendi of my staff at 3764.

CEM/tb/m12

8-LS0003VO
Cramer
4/5/93

CS FOR HOUSE BILL NO. 2()
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE PHILLIPS

A BILL

FOR AN ACT ENTITLED

1 **"An Act requiring drug and alcohol tests for school bus drivers."**

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

3 *** Section 1. FINDINGS.** The legislature finds that

- 4 (1) over 40,000 Alaska children ride school buses every school day;
- 5 (2) road, weather, and driving conditions can be extremely hazardous;
- 6 (3) the state expects school bus drivers to operate their vehicles without drug
- 7 or alcohol-induced impairment of physical or mental condition;
- 8 (4) the federal Department of Transportation has adopted drug testing
- 9 regulations for operators of commercial vehicles, including interstate buses, in 53 FR 47002;
- 10 (5) Alaska has a compelling interest in the safety of its children riding school
- 11 buses and therefore enacts a drug and alcohol testing program for all school bus drivers.

12 *** Sec. 2.** AS 14.09 is amended by adding a new section to read:

13 **Sec. 14.09.025. DRUG TESTING FOR SCHOOL BUS DRIVERS.** (a) A
14 school district or regional educational attendance area that provides for the

1
2
3
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5
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7
8
9

transportation of pupils shall require that the drivers of motor vehicles used to transport pupils submit to testing for the use of drugs and alcohol. The testing program must include random testing. A driver who tests positive for the improper use of drugs or alcohol may be disciplined, including termination from employment.

(b) The department shall adopt regulations to implement this section. The regulations must include a provision for a hearing before discipline is imposed.

(c) In this section, "improper use of drugs or alcohol" means use that constitutes a criminal offense and use that violates regulations adopted by the department under this section.

Alaska State Legislature

Representative Carl E. Moses

TIM

CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL FISHERIES COMMITTEE

MEMBER
FINANCE SUBCOMMITTEES
FISH AND GAME
PUBLIC SAFETY



SESSION:
CAPITOL BUILDING, ROOM 204
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-4451
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INTERIM:
P.O. BOX 109
UNALASKA, ALASKA 99685
PHONE: (907) 581-1234
FAX: (907) 581-2875

MEMORANDUM

DATE: March 31, 1993

TO: Representatives Barnes, Carney, Hanley, Phillips,
Sanders and Ulmer
House Rules Committee Members

FROM: Rep. Carl E. Moses, Chairman *CEM*
House Rules Committee

RE: Rules Committee Meeting

I have scheduled a Rules Committee meeting to discuss CSHB 2 (FIN), the measure requiring drug and alcohol tests for school bus drivers.

We will meet on Tuesday, April 6th, in the Speaker's Chambers at 3:00pm. Please be prompt.

If there are questions, please contact Tim Benintendi of my staff at 3764.

cc: Chief Clerk

CEM/tb/m12

CS FOR HOUSE BILL NO. 2 (IN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/26/93

Referred: Rules

Sponsor(s): REPRESENTATIVE PHILLIPS

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring drug and alcohol tests for school bus drivers."

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

3 * Section 1. AS 14.09 is amended by adding a new section to read:

4 Sec. 14.09.025. DRUG TESTING FOR SCHOOL BUS DRIVERS. (a) A
5 school district or regional educational attendance area that provides for the
6 transportation of pupils shall require that the drivers of motor vehicles used to transport
7 pupils submit to testing for the use of drugs and alcohol. The testing program must
8 include random testing. A driver who tests positive for the illegal use of drugs or
9 alcohol may be disciplined, including termination from employment.

10 (b) The department shall adopt regulations to implement this section. The
11 regulations must include a provision for a hearing before discipline is imposed.

Alaska State Legislature

House of Representatives

Official Business



State Capitol
Juneau, Alaska 99801-1182
(907) 463-3718

House Majority Leader

TO: Representative Carl Moses, Chairman *Carl Moses* 3/30/93

FROM: Representative Gail Phillips *Gail*

RE: Request For Rules Committee Meeting

As the Sponsor of CSSS HB 2 (FIN), I would like to request a Rules Committee meeting for the purpose of considering a possible Rules Committee Substitute before the bill goes to the Floor for a vote.

Thanks!

Rules

Moses - Yes 3:00

Sanders - ~~3~~ Yes 3:00

Phillips - 3:00 Yes

Barnes - yes

Hanley - ~~Finance~~ ^{Finance} 3:00 tentative

Ulmur - 3:00 Yes

Carney - 3:00 Yes

April 6TH

Tues @ 3:00

(TB)

Carl's calendar

Alaska State Legislature



House of Representatives
House Judiciary Committee

State Capitol, Room 120
Juneau, Alaska 99801-1182
(907) 465-4990

HOUSE JUDICIARY COMMITTEE LETTER OF INTENT FOR H. B. 2

It is the intent of the House Judiciary Committee in passing HB 2, that the random testing for drugs and alcohol called for in the bill be done in a nonpredictable manner. That is, merely because a person is tested today does not mean they may not be tested again tomorrow. The legislature does not want to create a situation where someone subject to this act feels that, once tested, they will not be tested again until the next annual cycle.

In addition, the Committee has special concerns that the regulations promulgated to implement H. B. 2 should provide for careful attention to the handling of samples and other testing procedures to preclude the possibility of someone becoming ^{falsely} ~~fasley~~ incriminated in the use of drugs or alcohol.

A handwritten signature in cursive script that reads "Brian D. Porter".

Representative Brian Porter
Chairman, House Judiciary Committee

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 1
Bill Version: HB 2
(H) Publish Date: 2/10/93

Revision Date: _____ Dept. Affected: Education
Title: Drug/Alcohol Tests for BRU: Executive Administration
School Bus Drivers Component: Administrative Services
Sponsor: Rep. Gail Phillips
Requestor: _____ COMPONENT SERIAL NO. 157

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	135.6	135.6	135.6	135.6	135.6	135.6
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	135.6	135.6	135.6	135.6	135.6	135.6
CAPITAL						
REVENUE FUND SOURCE:	GF	GF	GF	GF	GF	GF

FUNDING:	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF	135.6	135.6	135.6	135.6	135.6	135.6
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	135.6	135.6	135.6	135.6	135.6	135.6

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: Garv Bader *Garv M. Bader* 1/25/93 Phone: 465-2875
Division: Administrative Services Date: 1/25/93
Approved by Commissioner: *Wes McMillan* Date: 1/26/93
Agency: Education

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COMMITTEE COPY

F.N. HB 2

STATE OF ALASKA
DEPARTMENT OF EDUCATION

HB 2
Fiscal Note - 1/25/93

\$135,600 Annual Cost

HB 2
No. 1
p. 2 of 2

ASSUMPTIONS:

1. Each driver would receive an alcohol/drug test prior to his/her employment as a school bus driver.
2. An alcohol/drug test would be required annually for each individual employed as a school bus driver. All drivers in a district would be tested. Selection of districts would be random, with each district selected sometime during each year.
3. Post-accident and reasonable cause testing could also be conducted.
4. The alcohol/drug test would be a urine test.
5. The estimated cost for one test is \$80 to cover initial testing, shipping to lab, record keeping, and follow-up testing if results come back positive. A more accurate estimate of actual cost could be made after the question listed below is answered and quotations are obtained from laboratories.

CALCULATION OF \$135,600 ANNUAL COST:

Pre-Hire Tests:

Estimated number of pre-hires based on number of original school bus driver permits issued annually by Department of Public Safety, Division of Motor Vehicles:	480
---	-----

Random Tests:

Estimated number of individuals employ as school bus drivers on any day of the school year:	840
---	-----

Estimated total number of annual alcohol/drug tests to be conducted:	1,320
--	-------

X estimated cost for test	X	\$80
---------------------------	---	------

Estimated annual cost for tests	\$ 105,600
---------------------------------	------------

Estimated annual cost to contract for administration of program	<u>30,000</u>
---	---------------

TOTAL ESTIMATED ANNUAL COST TO STATE	\$ 135,600
--------------------------------------	------------

QUESTION:

What constitutes "improper use of drugs and alcohol?" The answer is needed to determine: (a) what we are testing for, such as illegal use of drugs, blood alcohol content above a certain level, presence of any kind of medication that would have an adverse effect on psycho-motor skills to safely operate a school bus, etc.; (b) the method of testing required, such as blood, urine, saliva or combination thereof; (c) regulations that would need to be promulgated; and (d) determination of cost to state for tests conducted and administration of program.

FISCAL NOTE

No. 2
 Bill Version: CSHB 2 (FI:)
 (H) Publish Date: 3/26/93

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

Revision Date: 3/16/93

Title: Drug and Alcohol Testing for School Bus Drivers

Sponsor: Representative Gail Phillips

Requestor: _____

Department Affected: Education

BRU: Executive Administration

Component: Administrative Services

COMPONENT SERIAL NO. 157

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	15.0	15.0	15.0	15.0	15.0	15.0
TRAVEL	3.0	3.0	3.0	3.0	3.0	3.0
CONTRACTUAL	79.0	79.0	79.0	79.0	79.0	79.0
SUPPLIES	2.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	99.0	99.0	99.0	99.0	99.0	99.0

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

REVENUE FUND SOURCE:	GF	GF	GF	GF	GF	GF
----------------------	----	----	----	----	----	----

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	99.0	99.0	99.0	99.0	99.0	99.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	99.0	99.0	99.0	99.0	99.0	99.0

POSITIONS:

FULL-TIME	.25	.25	.25	.25	.25	.25
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared by: Gary Bader *Daryn M. Barber* Phone: 465-2875
 Division: Administrative Services Date: 3/16/93

Approved by Commissioner: Jerry Covey *Jerry Covey* Date: 3-16-93
 Agency: Education

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CS HB 2 (Fin)
NO. 2
pg 2 of 2

ALASKA DEPARTMENT OF EDUCATION
HB 2
Drug/Alcohol Testing of School Bus Drivers
Revised Fiscal Note - 3/16/93
\$99,000 Annual Cost

ASSUMPTIONS:

1. Each driver would receive an alcohol/drug test prior to his/her employment as a school bus driver.
2. Random testing would be conducted throughout the year. The number of random tests administered each year would approximate 50% of the total number of persons employed as school bus drivers.
3. Post-accident and reasonable cause testing could also be conducted.
4. The drug/alcohol test would be a urine test.
5. The estimated cost for one test is \$80 to cover taking of sample, shipping to lab, analysis, record keeping, and follow-up testing if results come back positive.

CALCULATION OF \$99,000 ANNUAL COST:

<u>Pre-Hire Tests:</u>	480
Estimated number of pre-hires based on number of original school bus driver permits issued annually by Department of Public Safety, Division of Motor Vehicles	
<u>Random Tests:</u>	+ 420
Estimated number of individuals employed as school bus drivers on any day of the school year: 840 drivers x 50% = 420 random tests	
Estimated total number of annual alcohol/drug tests to be conducted:	<u>900</u>
x estimated cost for test	x \$80
Estimated annual cost for tests	\$72,000
Estimated annual cost to administer the program: (Hearing Officer \$5,000; personal services \$15,000; travel \$3,000; supplies \$2,000; printing, telephone, etc. \$2,000)	<u>27,000</u>
TOTAL ESTIMATED ANNUAL COST TO STATE	\$99,000

HB

79

Alaska State Legislature

Representative Carl E. Moses



CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL FISHERIES COMMITTEE

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SESSION:
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INTERIM:
P.O. BOX 109
UNALASKA, ALASKA 99685
PHONE: (907) 581-1234
FAX: (907) 581-2875

MEMORANDUM

DATE: April 7, 1993

TO: Representatives Barnes, Carney, Hanley,
Phillips, Sanders, Ulmer

FROM: Rep. Carl E. Moses, Chairman *CEM*
House Rules Committee

RE: Rules Committee Meeting

I have scheduled a Rules Committee meeting to discuss proposed Committee Substitutes for HB 79, the bill relating to damage to property by minors, and HB 236, relating to newspapers of general circulation.

We will meet in the Speaker's Chambers on Tuesday, April 13th, at 4:00pm.

If there are questions, please contact Tim Benintendi of my staff at 3764.

cc: Chief Clerk
Rep. Bunde
Rep. Hudson

CEM/lb/m12



House of Representatives

Sponsor Summary of House Bill 79

This statute has been on our books since 1957. This bill is a victim's rights bill which will encourage responsibility among parents and juveniles. The principal behind the statute is that the parents or legal guardians of juveniles that have caused property damage are monetarily responsible for the damages caused by the juvenile. Almost every state in the country has a statute similar to this. The dollar amounts may vary somewhat but they generally tend to average around \$10,000 - \$15,000.

The bill was originally written to increase the dollar amount from \$2000 to \$50,000 or the maximum allowed in district court. Many people believe that \$50,000 is too high; I am open to amending the amount to \$10,000. I do believe the \$5,000 amount (changed in House Finance) must be increased to a more reasonable level. It should reflect the cost of living increases and the sophisticated actions of many of today's juveniles. This amended amount would be closer to the national average and would ensure that victims of property damage could recover a greater amount of their total damages.

Under the current statute, the \$2000 limit leaves victims without the ability to recover the total amount for their damages. The owner of the damaged property must make up the difference either out of their own pocket or from their insurance company, if they are covered. The victims, property owners, should not be cornered into paying for damages caused by someone else.

REPRESENTATIVE CON BUNDE
CO-CHAIR HEALTH, EDUCATION
& SOCIAL SERVICES

Alaska State Legislature



DURING SESSION:
STATE CAPITOL
JUNEAU, ALASKA 99801-1182
CAPITOL ROOM 112
OFFICE (907) 465-4843

House of Representatives

Amendment

By Representative Con Bunde for House Bill 79 (FIN)

Line 7 delete the amount "\$5,000"

Line 7 insert the amount "\$10,000"

CS FOR HOUSE BILL NO. 79(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/29/93

Referred: Rules

Sponsor(s): REPRESENTATIVES BUNDE, Toohey, Potter, Olberg, Green

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to recovery from a parent or legal guardian of wilful or
 2 malicious destruction of property by a minor."

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

4 * Section 1. AS 34.50.020(a) is amended to read:

5 (a) A person, municipal corporation, association, village, school district, or
 6 religious or charitable organization, incorporated or unincorporated, may recover
 7 damages in a civil action in an amount not to exceed \$5,000 [~~\$2,000~~] and court costs,
 8 from either parent or both parents or the legal guardian or person having the legal
 9 custody of an emancipated minor under the age of 18 years, who maliciously or
 10 wilfully destroys real or personal property belonging to the person, municipal
 11 corporation, association, village, school district, or religious or charitable organization.

HB

205

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 5, 1993

FURTHER REFERRALS:

Date of Committee Action: 3-16-93

The RULES Committee considered:

HB 205

HOUSE BILL NO. 205

ALTERNATES FOR LEGISLATIVE COUNCIL

"An Act relating to alternate members of the Alaska Legislative Council; and providing for an effective date."

RECOMMENDATIONS: [] the same title
 be replaced with _____ [] a new title

[] have attached amendments(s)

[] do pass

[] do not pass

[] no recommendations

[] Individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

[] fiscal impact _____

[] fiscal note(s) _____

[] zero fiscal note _____

[] zero fiscal note(s) L.A.A. 3-16-93

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Tom Sanders</i>	✓	<i>Paul Harvey</i>		✓	
<i>Paul E. Moses</i>	✓	<i>John Palmer (magnum...)</i>		X	
<i>Neil Phillips</i>	✓				

Paul E. Moses
 CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO: HB205

Revision Date: _____
Title: "An Act relating to alternate members
of the Alaska Legislative Council; and providing ...
Sponsor: Rules by Request Legis. Council
Requestor: Rep. Mulder

Department Affected: Legislative Affairs Agency
BRU: Legislative Council

Component: Council & Subcommittees

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

REVENUE FUND SOURCE	0	0	0	0	0	0
----------------------------	----------	----------	----------	----------	----------	----------

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

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

Pamela A. Stoops

Phone: 465-3850
Date: 3/16/93

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

Warren W. Endicott

Date: 3/16/93

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