

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8673 HOUSE LABOR & COMMERCE

April 5, 1995

Tom L. Pittman  
3328 Glacier Hwy, Apt. 39  
Juneau, Ak. 99801

Committee on Commerce and Labor  
Alaska House of Representatives  
Juneau, Alaska 99801

Re: CSNB 251

Dear Committee Members;

The working draft of CSNB 251 version of March 30, 1995 contains language which will place excessive burden on dissenting shareholders. On page 2 of the draft, lines 26-28 include the following: "The notice must state in detail the purpose of the special meeting and include a copy of the petition or request and all materials to be used in connection with the solicitation."

As "all materials" will be interpreted to include any posters or fliers created by local supporters of a petition, any such petition or request could subject its sponsors to the penalties as provided in Sections 3 through 7. I strongly urge deletion of the clause "and all materials," as unnecessary.

Given the inalienable nature and even distribution of stock holdings in Native corporations protection must be afforded minority shareholders. These shareholders are not able to divest themselves of stock in a corporation whose management they disapprove, so must exert influence on the direction of these corporations.

Directors of these corporations may better discharge their responsibilities by dissemination of information and responsiveness to shareholder concerns than by using shareholders' assets to promote restrictive and punitive laws.

Thank you for your attention.



Tom L. Pittman

# SELDOVIA NATIVE ASSOCIATION, INC.

P.O. DRAWER L

SELDOVIA, ALASKA 99663  
(907) 234-7625 • 234-7890

REC'D

APR 13 1995

File #.....

April 5, 1995

Honorable Rep. Carl Moses  
Honorable Rep. Bill Williams  
Honorable Rep. Eileen Maclean

Subject: HB 251

The Seldovia Village Tribe (SVT) and Seldovia Native Association, Inc. (SNA) are strongly opposed to HB 251.

We request your help as the sponsors, to reconsider your Bill and stop passage of this legislation in any form. HB 251 is very discriminatory in that it targets Alaskan Natives only, and not other Alaskan corporations.

HB 251 oppresses Native shareholders that are concerned about their corporation and are willing to strengthen or help them.

All Alaskan Native Corps are unique in that all the shareholders are captive shareholders. Passage of HB 251 will divide the Native community more than it already is. We already have the "haves" and the "have nots" in our ANCSA corporations.

During the days of slavery in the United States, it was not only the white slave owners that oppressed the slaves. There were Black Freedmen that owned slaves also. It was these Black slave owners that were cruelest to their own people.

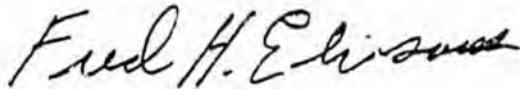
Passage of HB 251 is the same as slavery oppression to the ANCSA corporation shareholders. In this case (HB 251), the slave masters (corporation Managers) are requesting legislation to make it harder, if not impossible, for the captive slaves (shareholders) to participate in their own destiny.

If ten percent (10%) of any shareholder group is upset with a corporation's management or operation, there is certainly something wrong or worth looking at in that corporation.

Isn't it interesting that the people requesting your sponsorship of this Bill are also advocating a Native Justice Center. Where's the justice here? **HB 251 is not good legislation.**

Please kill HB 251 and any similar legislation.

Sincerely,

A handwritten signature in cursive script that reads "Fred H. Elvsaa".

Fred H. Elvsaa, President  
Seldovia Native Association, Inc.

cc: All Legislators

TO: THE LABOR AND COMMERCE COMMITTEE FAX (907) 465-2819

REGARDING: HB251

FROM: SHARON P. KAY, COOK INLET REGION INC., SHAREHOLDER

I AM OPPOSED TO HB251. IT WILL CAUSE AN INCONSISTENCY WITH:

1. CIRI'S ARTICLE'S OF INCORPORATION.
2. CIRI'S BY-LAWS.
3. THE ALASKA NATIVE CLAIMS SETTLEMENT ACT.
4. THE TEMPORARY AND SPECIAL ACTS, CHAPTER 70.

FOLLOWING ARE THE FACTS TO BACK THIS UP:

FACT 1. CIRI'S ARTICLE'S OF INCORPORATION, ARTICLE II STATES, "THE PURPOSES FOR WHICH THE CORPORATION IS ORGANIZED ARE: 1. TO ENGAGE IN ANY BUSINESS CORPORATION UNDER THE ALASKA BUSINESS CORPORATION, SO LONG AS THE SAME IS NOT INCONSISTENT WITH, OR PROHIBITED BY, THE ALASKA NATIVE CLAIMS SETTLEMENT ACT;

FACT 2. CIRI'S BY-LAWS UNDER SECTION 3 SPECIAL MEETINGS STATES, "THE HOLDERS OF NOT LESS THAN ONE-TENTH OF ALL THE SHARES ENTITLED TO VOTE AT SUCH MEETING." THEREFORE, TWENTY-FIVE PERCENT WILL CAUSE AN INCONSISTENCY TO CIRI BY-LAWS.

FACT 3. IN THE ANCSA PAGE 419 (SEE ATTACHED) THE FIRST NOTE... THEREOF SIGNED BY THE HOLDERS OF AT LEAST TEN PER CENTUM OF THE OUTSTANDING SHARES OF SETTLEMENT COMMON STOCK,".... ALSO UNDER THE SECOND NOTE "(C)" "NO PROVISION OF THIS ACT SHALL LIMIT THE RIGHT OF A REGIONAL CORPORATION TO TAKE AN ACTION AUTHORIZED BY THE LAWS OF THE STATE UNLESS SUCH ACTION IS INCONSISTENT WITH THE PROVISIONS OF THIS ACT."

FACT 4. THE TEMPORARY AND SPECIAL ACTS, CHAPTER 70 (SEE ATTACHED) SPEAKS FOR ITSELF. IT CLARIFIES THE INCONSISTENCIES THAT WILL BE CREATED THROUGH HB251. NOTICE TOO THAT IN SECTION 1, THE LAST SENTENCE STATES, "IT IS THE PURPOSE OF THIS ACT TO COMPLEMENT THROUGH STATE POLICY, IN A REASONABLE AND FAIR MANNER, THE FEDERAL POLICY EXPRESSED IN THAT ACT.

ALASKAN LEGISLATORS, PLEASE REMEMBER THAT YOU REPRESENT ALL PEOPLE OF OUR GREAT STATE, AND THAT YOU ARE LAW-MAKERS NOT LAW-BREAKERS.

SINCERELY,

*Sharon P. Kay*

SHARON P. KAY  
17400 SPAIN DRIVE  
ANCHORAGE, ALASKA 99516  
(907)345-7848

*April 10, 1995*

ENC: TEMPORARY AND SPECIAL ACTS, CHAPTER ~~7~~ 70  
PAGE 419 OF THE ANCSA.

Ch. 67 Temporary and Special Acts

CHAPTER 70

AN ACT Implementing the ANCSA; And providing for an effective date.

Be it enacted by the Legislature of the State of Alaska;

Section 1. PURPOSE. It is the purpose of this Act to implement the Alaska Native Claims Settlement Act (P.L. 92-203; 85 STAT. 688; 43 U.S.C. 1601 et seq.) by amending state law to resolve those ambiguities, conflicts and problems directly or impliedly created by the enactment by Congress of the Alaska Native Claims Settlement Act. It is also the purpose of this Act to complement through state policy, in a reasonable and fair manner, the federal policy expressed in that Act.

Sec. 2-7. Permanent laws. See Table of Disposition of Acts

Sec. 8. To the extent of an inconsistency between a provision of this Act or AS 10.05 or 10.20 and a provision of the Alaska Native Claims Settlement Act (P.L. 92-203; 85 Stat. 688; 43 U.S.C. 1601 et seq.) or a provision in the articles of incorporation or bylaws required by the U.S. Secretary of the Interior under sec. 7(a) of the federal Act, the federal Act or the required provision in the articles or bylaws prevails with regard to a corporation organized under Alaska law pursuant to the federal Act. To the extent of an inconsistency between a provision of this Act and a provision of AS 10.05 or 10.20, this Act prevails with regard to a corporation organized under Alaska law pursuant to the federal Act.

Sec. 9 Permanent law. See Table of Disposition of Acts.

Sec. 10. If an Act is passed by the Seventh Alaska Legislature repealing provisions of AS 13.30, AS 13.30.115 (changed to AS 13.16.705) enacted in sec. 2 of this Act, is unaffected unless specifically referred to in the repealer, and the revisor of statutes shall make an appropriate relocation of the section.

Sec. 11. AS 13.30.115 [changed to AS 13.16.705], enacted in sec. 2 of this Act, is retroactive to December 18, 1971.

Sec 12. This Act takes effect on the day after its passage and approved or on the day it becomes law without approval.

Approved May 18, 1972  
Effective May 19, 1972

legislative committee report--For  
report on ch. 70 SLA !(&@ (CSHB  
731), see 1972

insurances; the outstanding shares of Settlement Common Stock will represent less than a majority of the total voting power of the corporation for the purpose of electing directors.

(3) Disclosures Requirements—(A) An amendment to the articles or incorporation of a Regional Corporation authorized by paragraph (2) shall specify—

(i) the maximum number of shares of any class or series of stock that may be issued; and

(ii) the maximum number of votes that may be held by such shares.

(B) If the board of directors of a Regional Corporation intends to propose an amendment pursuant to paragraph (2) which would authorize the issuance of classes or series of stock that, singly or in combination, could cause the outstanding shares of Settlement Common Stock to represent less than a majority of the total voting power of the corporation for the purposes of electing directors, the shareholders of such corporation shall be expressly so informed.

(C) Such information shall be transmitted to the shareholders in a separate disclosure statement or in another informational document in writing or in recorded sound form both in English and any Native language used by a shareholder of such corporation. Such statement or informational document shall be transmitted to the shareholders at least sixty days prior to the date on which such proposal is to be submitted for a vote.

(D) If not later than thirty days after issuance of such disclosure statement or informational document, the board of directors receives a prepared concise statement setting forth arguments in opposition to the proposed amendment, the issuer shall arrange for distribution of the statement to the holders of at least 10 per centum of the outstanding shares of Settlement Common Stock. The board shall

notify such shareholders of the distribution of the statement and shall also provide to the requesting shareholder a list, at all, shareholder names and addresses so that they may request shareholder names and addresses for the statement.

(E) SAVINGS—(A) No shares of stock issued pursuant to paragraph (2) shall be eligible to share in distributions made to the shareholders pursuant to subsection (j) and (m). No shares of stock issued pursuant to paragraph (2) shall carry such rights unless authorized pursuant to paragraph (2)(B)(iv).

(F) Notwithstanding this issuance of additional shares of stock of the issuer, the issuer shall not be deemed to have issued additional shares of stock of the issuer pursuant to subsection (m) prior to the date of the enactment of the Alaska Native Claims Settlement Act amendments of 1987 for purposes of distributing funds pursuant to subsections (j) and (m).

(G) The issuance of additional shares of stock pursuant to paragraph (2) shall not affect the division and distribution of the issuer's assets pursuant to subsection (j) and (m) of this Act.

(H) Notwithstanding this Act shall limit the right of a Regional Corporation to take an action authorized by the laws of the State in which it is organized or to take any action authorized by the laws of any other State in which it is organized.

(I) Notwithstanding this Act shall not affect the right of a Regional Corporation to take an action authorized by the laws of the State in which it is organized or to take any action authorized by the laws of any other State in which it is organized.

SETTLEMENT COMMON STOCK

Section 100-241(b) is amended to read as follows: (b) Section 7(4)(B)(i)(C) is amended to read as follows: (i) The issuer shall not be deemed to have issued additional shares of stock of the issuer pursuant to subsection (m) prior to the date of the enactment of the Alaska Native Claims Settlement Act amendments of 1987 for purposes of distributing funds pursuant to subsections (j) and (m).

VOTE #1

NOTICE

Monday, April 10, 1995

George  
file w/ 251  
folder

To:  
Representative Pete Kott  
State Capitol RM: 432  
Juneau, AK 99801  
Fax: 907-465-2819  
From:  
Concerned Citizens and Shareholders of NANA Regional Corporation

We, the undersigned Citizens, and shareholders in NANA Regional Corporation are opposed to the passage of HB251 which is now before the Alaska State House of Representatives. We are opposed to the amendments to Sections 2 through 7 of Article 10.06.480. It is our opinion that these amendments serve only to consolidate the power of the corporate board over the shareholders. Further more, we believe that the amendments to Section 1 are necessary to protect Native Shareholders from unscrupulous acts of corporate boards. But, because of the other amendments attached to HB251 we must ask you to vote down this bill when it comes before the House. We respectfully submit the names of Citizens, and Shareholders who request that you vote this bill down.

1	Print Name: Ray 78 Dorzenko, NANA 99752	Signature Don	Address: DONALD FERGUSON, SR	Phone:
2	Print Name: George Downey	Signature George Downey	Address: 224 West 94th #2A10C	Phone: 276-1450
3	Print Name: MILNIE GRACE SKIBBER 99519	Signature Milnie Skibber	Address: P.O. Box 103122 Anchorage AK 99510-3122	Phone: 276-9585
4	Print Name:	Signature:	Address:	Phone:
5	Print Name:	Signature:	Address:	Phone:
6	Print Name:	Signature:	Address:	Phone:
7	Print Name:	Signature:	Address:	Phone:
8	Print Name:	Signature:	Address:	Phone:
9	Print Name:	Signature:	Address:	Phone:

# Kinko's

# fax cover sheet

Date: April 10 / 95

Pages: \_\_\_\_\_ (including cover sheet)

To: Rep. Peter Scott

From: Miss Patterson

Company: Labor & Commerce Clinic

Company: J

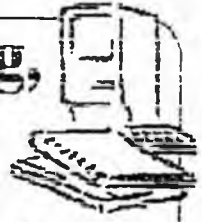
Fax: 465-2819

Fax: \_\_\_\_\_

Phone: 465-3727

Phone: 337-5900

Coworker Initials: \_\_\_\_\_



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Monday, April 10, 1995

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1	Print Name: Frank H Burns MSC 399	Signature: Frank H Burns
	Address: Box 1189 Kotzebue, AK	Phone: (907) 426-2125 (home)
2	Print Name: Alice Sumner	Signature: Alice Sumner
	Address: BOOGIE LN	Phone:
3	Print Name: Frances Oralik	Signature: Frances Oralik
	Address: Box 23 Noatak, AK	Phone:
4	Print Name: Benjamin Sherman Sr.	Signature: Benjamin Sherman Sr.
	Address: Noatak, AK 99761	Phone:
5	Print Name: Robert W. Wicket	Signature: Robert W. Wicket
	Address: 926 W 26th St Anch. AK 99507	Phone:
6	Print Name: Ray McLean	Signature: Ray McLean
	Address: 1209 W 16th Ave Anch. AK	Phone:
7	Print Name: Lillian J. Harvey	Signature: Lillian J. Harvey
	Address: P.O. Box 113 Kluane Alaska	Phone:
8	Print Name: Hardy Beldet Sr	Signature: Hardy Beldet Sr
	Address: BX 1160 Noatak, AK	Phone:
9	Print Name: Ruth A Schaeffer	Signature: Ruth A Schaeffer
	Address: 7420 Tangle Ct. Anch. AK 99504	Phone: 337-0557

10	Print Name: William N. Cross	Signature: William N. Cross
	Address: P.O. Box 219 P.O. Box 1184 Kotzebue AK Phone: 907-426-2121	
11	Print Name: Rodney Tickett Sr.	Signature: Rodney Tickett Sr.
	Address: Box 142652 Anch. AK. 99514 Phone: 907 272 1641	
12	Print Name: CHRISTINA MILLS	Signature: Christina Mills
	Address: Box 104 Noatak, AK 99761 Phone: 907-485-2165	
13	Print Name: Kit Young	Signature: Kit Young
	Address: P.O. Box 520011 Big Lake, AK Phone: 907-872-7487	
14	Print Name: John A. Nelson III	Signature: John A. Nelson III
	Address: P.O. Box 1294 Kotzebue, AK 99752 Phone:	
15	Print Name: Edith N. Brown	Signature: Edith N. Brown
	Address: Kotzebue, AK. 99752 Phone: N/A	
16	Print Name: David Schaeffer	Signature: David Schaeffer
	Address: Kotzebue AK. 99752 Phone:	
17	Print Name: Thomas E. Karmun	Signature: Thomas E. Karmun
	Address: P.O. Box 68031 Fair, AK. 99711 Phone: 907-488-0371	
18	Print Name: Rachel Nelson	Signature: Rachel Nelson
	Address: 3701 Eureka Sp 39 C Anch, AK 99503 Phone: 561-5657	
19	Print Name: APRIL J BARR	Signature: April Barr
	Address: Box 5 DEERING, AK 99736 Phone: 363-2152	
20	Print Name: Geraldine Reich	Signature: GERALDINE REICH
	Address: P.O. Box 96 KOTZEBUE AK 99752 Phone:	
21	Print Name: Wallace Field, Sr.	Signature: Wallace Field, Sr.
	Address: Box 60 NOORUK, AK. 99763 Phone: 907-636-2134	
22	Print Name: JOE J. NAZUVUK	Signature: Joe J. Nazuvuk
	Address: PO Box 55 Noorvik AK 99763 Phone: 636-2220	
23	Print Name: CHESTER TICKETT SR	Signature: Chester Tickett Sr
	Address: Box 157 STRAWIK, AK 99770 Phone: 484-2192	
24	Print Name: ROBERT C. DAVIES	Signature: Robert C. Davies
	Address: 6700 Cottonwood St Wasilla Phone: 745-5154	
25	Print Name: Tami M. Jones	Signature: Tami M. Jones
	Address: Box 409 Kotzebue, AK 99752 Phone: 442-6010	
26	Print Name: Celesta Stone	Signature: Celesta Stone
	Address: Box 161 Noorvik AK 99763 Phone: 636-2137	
27	Print Name: James W. Jackson	Signature: James W. Jackson
	Address: P.O. Box 93 Kiana, AK 99749 Phone (907) 475-2166	

28	Print Name: STANLEY NORTON	Signature: Stanley Norton	Address: P.O. Box 69 NORTON, AK 99761	Phone: 485-2164
29	Print Name: LEVIN NAYLOR	Signature: Levin Naylor	Address: PO Box 244 Kotzebue AK	Phone: 487 486 2167
30	Print Name: GUYTON CLEVELAND	Signature: Guyton Cleveland	Address: PO. Box 56 Shungnak AK 99773	Phone: 437-2181
31	Print Name: IVAN LEE	Signature: Ivan Lee	Address: Box 20 Shungnak, AK 99773	Phone:
32	Print Name: Henry Sherman	Signature: Henry Sherman	Address: Box 366 Kotz, AK	Phone: 442-3350
33	Print Name: SIM BAUDWIN	Signature: Sim Baudwin	Address: Box 40 KIANA, AK	Phone: (907) 475-2215
34	Print Name: CHARLIE ATORUK	Signature: Charlie Atoruk	Address: P.O. Box 194 KIANA, AK	Phone: (907) 475-2229
35	Print Name: THEODORE BULL	Signature: Theodore Bull	Address: Box 106 Ambler AK 99786	Phone: 907-445-2152
36	Print Name: CALVIN SCHAEFFER	Signature: Calvin Schaeffer	Address: 1052-1 Delwood St. WASILUA, AK. 99659	Phone: 907-373-1484
37	Print Name: ROBERT A. LEE	Signature: Robert A. Lee	Address: 525 N. BOGAWAY ST AK, AK	Phone: 907-258-6250
38	Print Name: HAROLD THUNSON	Signature: Harold Thunson	Address: Ambler AK	Phone: 907-445-7127
39	Print Name: EDWIN H DOUGLAS	Signature: Edwin H Douglas	Address: 402-31 LAUREL ST. #205 AK #	Phone: 562-9659
40	Print Name: OSCAR HAWLEY JR.	Signature: Oscar Hawley Jr.	Address: 631 W. 99th North AK 99515	Phone: 344-7805
41	Print Name: WILLIAM ESCHERICH	Signature: William Escherich	Address: P.O. Box 97 Ambler AK 99786	Phone: NA
42	Print Name: HAROLD DOUGLAS	Signature: Harold Douglas	Address: 44530 Soldotna AK. 99669	Phone: 262-6780
43	Print Name: JOHNNY COLEMAN JR.	Signature: Johnny Coleman Jr.	Address: 20 Box 164 NORTON AK 99761	Phone: 485-2198
44	Print Name: CHARLES K. WESLEY	Signature: Charles K. Wesley	Address: BOX 11 NORTON 99761	Phone:
45	Print Name: RALPH RAMOTH JR.	Signature: Ralph Ramoth Jr.	Address: 7410 Woburn Anc. AK 99502	Phone: 248-2134

46	Print Name: <i>Walter R. ...</i>	Signature: <i>Walter R. ...</i>	Address: <i>Box 41 Aniak AK 99743</i>	Phone: <i>626 7132</i>
47	Print Name: <i>Walter Barr</i>	Signature: <i>Walter Barr</i>	Address: <i>Box 21 Kiana AK 99749</i>	Phone: <i>0 0</i>
48	Print Name: <i>Richard Little</i>	Signature: <i>Richard Little</i>	Address: <i>4203 W. Diamond Blvd Anch</i>	Phone: <i>248-7052</i>
49	Print Name: <i>Charlene Barr</i>	Signature: <i>Charlene Barr</i>	Address: <i>1400 Sanya Cir. Little Anch AK 99508</i>	Phone: <i>353-3053</i>
50	Print Name: <i>John Bradley</i>	Signature: <i>John Bradley</i>	Address: <i>Box 36 Buckland</i>	Phone: <i>494-7014</i>
51	Print Name: <i>Aulton Jack</i>	Signature: <i>Aulton Jack</i>	Address: <i>Box 44 99744 RD. 1473</i>	Phone: <i>(907) 224-2087</i>
52	Print Name: <i>DAVID S. KELSEY</i>	Signature: <i>David S. Kelsey</i>	Address: <i>P.O. Box 172 Kotz. AK.</i>	Phone: <i>907-442 3253</i>
53	Print Name: <i>DAVID WALTON</i>	Signature: <i>David Walton</i>	Address: <i>P.O. Box 30 NIK AK</i>	Phone: <i>485-2181</i>
54	Print Name: <i>WILLARD R. COMMACK</i>	Signature: <i>Willard R. Commack</i>	Address: <i>100 BUNNELL AVE AK</i>	Phone: <i>337-2301</i>
55	Print Name: <i>PETER R. NELSON JR.</i>	Signature: <i>Peter R. Nelson Jr.</i>	Address: <i>3101 EUREKA ST AK</i>	Phone: <i>(407) 561-5000</i>
56	Print Name: <i>David E. Commack</i>	Signature: <i>David E. Commack</i>	Address: <i>5211 Mackintosh DR. # 011</i>	Phone: <i>N/A</i>
57	Print Name: <i>Dona Id Lee Volkheimer</i>	Signature: <i>Dona Id Lee Volkheimer</i>	Address: <i>4611 Ingot St. #5 Anch. AK 99503</i>	Phone: <i>561-4501</i>
58	Print Name: <i>TIMOTHY LEE SKULL</i>	Signature: <i>Timothy L. Skull</i>	Address: <i>PO BOX 220 261 ANNAK AK</i>	Phone: <i>907 242-5743</i>
59	Print Name: <i>SPINA SIM</i>	Signature: <i>Spina Sim</i>	Address: <i>Box 95 NATAL AK 99761</i>	Phone: <i>(907) 485-2141</i>
60	Print Name: <i>Ronald M. Booth</i>	Signature: <i>Ronald M. Booth</i>	Address: <i>PO Box 37 NOME AK 99761</i>	Phone: <i>485-2207</i>
61	Print Name: <i>Nelson L. Jellner Jr</i>	Signature: <i>Nelson L. Jellner Jr.</i>	Address: <i>Box 96 Kigama AK 99749</i>	Phone: <i>907 475 2821</i>
62	Print Name: <i>Tina Hoffman</i>	Signature: <i>Tina Hoffman</i>	Address: <i>Box 5 NOME AK 99763</i>	Phone: <i>636-2236</i>
63	Print Name: <i>Lois Douglas</i>	Signature: <i>Lois Douglas</i>	Address: <i>6713 SANDWICH AK 99703</i>	Phone: <i>439-2127</i>

64	Print Name: FEGLOVE	Signature: <i>Feglove</i>
Address: 302 54 SHANAHAN AK 99773		Phone: 907 437 2130
65	Print Name: WALTER CILEWIS	Signature: <i>Walter Cilewis</i>
Address: 4501 HONEY, WILMINGTON, AK 99764		Phone: 907-326-7057
66	Print Name: Linda Cleveland	Signature: <i>Linda Cleveland</i>
Address: BOX 22 NOORUVIK, AK 99763		Phone: 607a-2229
67	Print Name: JASON T. SCHWARTZ	Signature:
Address: P.O. BOX 77 3432 Eagle River AK 99757		Phone:
68	Print Name: STEVEN D SAMSON	Signature: <i>Steven D. Samson</i>
Address: Box A-5C KOTzebue, AK 99702 #134		Phone:
69	Print Name: KENNY T. WELLS Sr	Signature: <i>Kenny T. Wells Sr.</i>
Address: 21, Box 12 Noorvik AK 99765		Phone: 907) 634-2238
70	Print Name: Charles Samsen	Signature: <i>Charles Samsen</i>
Address: Box 400 Kotzebue, AK 99702		Phone: 907-3531
71	Print Name: EVANS BALLOT JR	Signature: <i>Evans Ballot Jr.</i>
Address: Box 30, BUCKLAND, AK 99727		Phone: (907) 494-2461
72	Print Name: LOUIS HALLUM IV	Signature: <i>Louis Hallum IV</i>
Address: PO Box 59 BUCKLAND AK 99727		Phone: (907) 494-2204
73	Print Name: JEFF RAMOTH	Signature: <i>Jeff Ramoth</i>
Address: PO Box 12 Seldovia, AK 99780		Phone: 484-2102
74	Print Name: Randy Black	Signature: <i>Randy Black</i>
Address: 70, Box 61 Kiguk AK 99774		Phone:
75	Print Name: Lawrence Jones	Signature: <i>Lawrence Jones</i>
Address: ARL Box 105 Seldovia		Phone: 445-2175
76	Print Name: Sylvester A Swan Jr	Signature: <i>Sylvester A. Swan Jr.</i>
Address: General Delivery Kivalina AK 99750		Phone: (907) 645-2126
77	Print Name: Lynn Barr Jr	Signature: <i>Lynn Barr Jr.</i>
Address: King AK Box 26 99749		Phone: 475-2126
78	Print Name: RAYMOND BARR JR	Signature: <i>Raymond Barr Jr.</i>
Address: KANA AK Box 154 99749		Phone: 475-2161
79	Print Name: Dennis Newill	Signature: <i>Dennis Newill</i>
Address: P.O. Box 11314 Anchorage, AK 99511		Phone: 907-344-5207
80	Print Name: FRANK S. SAMPSON	Signature: <i>Frank S. Sampson</i>
Address: Box 5 NOORUVIK, AK 99763		Phone: 696-3149
81	Print Name: CLYDE F. RAMOTH	Signature: <i>Clyde F. Ramoth</i>
Address: P.O. Box 96 Seldovia, Alaska 99780		Phone: 907-484-2102

HB251 Native Corporations  
ATTENTION: Pete Kott

Please note sponsor summary of Carl Moses. He states, "Unique conditions exist for Native Corporations"...Shareholders who lose confidence in management simply cannot sell their shares and walk away, as can be done by dissatisfied shareholders of other corporations. In order to inspire the confidence of the shareholders and show that "consideration has been given for shareholder rights" (See Carl Moses summary), shareholders must be given the broadest freedom to participate and be given access to information so they may be able to participate in an informed manner. Why would a reasonable shareholder want to take a risk trying to get information? Shareholders would be under an extreme risk if they need to file materials before starting a campaign. If a Shareholder turned in materials and later learned he needed more information (material) and attempted to obtain them, it would be perjury. This Bill restricts the rights of the Shareholders. Are these laws really the same as perjury? Introducing criminal penalties is totally excessive. **This Bill reads that if you fail to get the required signatures in 90 days (read carefully) there will be penalties involved.** How can an individual or group truly know until he tries, how much support is out there for his resolution? The Corporations are not required to consider or submit to vote a shareholder resolution or proposal. Any proposal dealing with the same subject matter could not be reintroduced for a vote for two preceding years. What does "substantially same subject matter" really mean? What is the definition of this and who decides the subject? Does the Corporation or is it police power? The Corporations could help the shareholders by printing unaltered resolutions submitted by the Shareholders (see resolutions submitted by Concerned Shareholders For CIRI) and submitting them for a vote. Our rights are being restricted by incredibly powerful corporations. This bill is the opposite of what Mr. Moses states in his summary. This Bill is against those who attempt to participate in their corporations. HB251 creates a "Chilling Effect" It does not encourage participation. It Discourages! Imposing penalties creates the "Chilling Effect" and no reasonable shareholder will ever again raise his voice in protest or attempt to participate in doing his job as a shareholder. Remember shareholders cannot sell our shares and walk away like other corporations. This legislature should be concerned about protecting all shareholder's rights to participate and understand what is going on (See Concerned Shareholders For CIRI resolutions and letters to the Corporation).

Bobbie Oskolkoff  
P.O. Box 266  
Kenai, Alaska 99611-0266  
9097-283-7748

April 12, 1995

TESTIMONY TO HOUSE ~~COMMERCE~~ LABOR & COMMERCE COMMITTEE

Mr. Chairman, Members of the committee:

Thank you for giving me the opportunity to come before you and testify on House Bill 251. My name is Willie Goodwin Jr. I represent Kikiktagruk Inupiat Corporation, a village corporation created under ANCSA. We have over 1,900 shareholders who are enrolled in our corporation. We strongly oppose this legislation. We firmly believe that we should not make it any more difficult for our shareholders to address issues that may be and important to them. The existing statutes provide for adequate procedures for this process and adequate balance between the shareholder and administration or Board of Directors. The proposed requirement of 25% of the represented shares needed to call a special meeting is unreasonable because it makes it more difficult for proponents of a special meeting to gather the signatures.

The sponsor and various corporate executives or boards refer to corporate stability. We must keep in mind that a vast majority of these administrators and board members have held their positions for over twenty years. How much more stability do you want?

We are cognizant of the fact that not every shareholder will be satisfied or happy with the decisions being made but if the directors and administrators are doing their jobs properly they should have nothing to worry about.

## TESTIMONY TO HOUSE LABOR &amp; COMMERCE COMMITTEE

We also believe that any issue should be brought before a special meeting at any time whether it was defeated or dealt with and should not have a two year limitation. Shareholders or dissenters should not be a subject to penalties when all they are asking is to be heard on issues that affect the everyday shareholder.

This legislation is special interests legislation and should not be passed because it makes it more difficult for that shareholder who might have a legitimate concern to be heard. Internal corporate policy and management needs or changes can and should be made by individual corporations if a corporation cannot adequately handle its affairs satisfactorily with its shareholders.

Our purpose statements reads "To Optimize Profits and Benefits to Shareholders." The Board strongly believes in this. Communication and openness is vital and furthermore, this legislation is seriously at odds with this purpose. We cannot in good faith sit back and allow this proposed legislation to move forward without speaking against it.

We have worked hard to foster communications and openness with shareholders and this proposes the opposite by making it harder for our shareholders to let us know we are not doing our jobs. Furthermore, it proposes to penalize shareholders for telling us we are not doing our jobs.

Thursday, April 13, 1995

The Honorable Representative Pete Kott  
State Capitol RM: 432  
Juneau, AK 99801  
Ph. (907) 465-3777  
Fax (907) 465-2819

Ruth C. Schaeffer  
7420 Tangle Court  
Anchorage, AK 99504-3527  
Ph. (907) 337-0559

Dear Representative Kott:

Thank you very much for authorizing those of us at the Red Dog Mine to sit in on the Teleconference yesterday, it was very helpful. However, we did not get to testify. We listened to them working on changing the bill from 3 p.m. to approximately 6:30 p.m. they took a break, the next thing we knew, they adjourned the meeting without allowing any of us to testify.

I contacted the LJO office in Kotzebue this morning. Mary Vivcrious said that there is a possibility that there may be another day next week that they will hear testimonies also. If it would be possible, I will be on R&R in Anchorage. I would still like to be able to testify regarding different aspects of this bill.

I don't think that all of the House of Representatives realize exactly how hard it is to change anything in our corporations. The majority of the shareholders do not know what is going on, some don't care, some have been trying to make changes for many years without any success and have more or less just given up. A bill like HB 251 will only make matters worse for us.

To give a small example, I only have 217 shares with NANA Regional Corporation out of over 1,770,000 other shares. Unless I am able to meet with other shareholders and discuss my concerns, petition with other shareholders, we have absolutely no hope at all. Not only that, I do not even know who all the shareholders are, let alone where they live, nor do I have access to phone numbers. Many live out of state and vote by proxies, not knowing anything about what they are voting about. In order to get a hold of them, I would have to pay NANA Regional Corporation for a list of names and addresses for \$250.00 or more, then I would have to type all the names and addresses, stuff envelopes and pay for the postage which would be at least \$1,000. As a single parent, \$1,000 is a great amount of money to spend just to get a hold of other shareholders. That is not a large amount for NANA Corporation, so they have a great advantage. Not counting the employees that are paid by NANA Corporation that would do all the work typing their addresses, typing the material, stuffing all the envelopes, etc.

Running for the Board is a popularity contest more than a who is qualified to do business dealings, etc. We have the same board members that we have had 25 years ago.

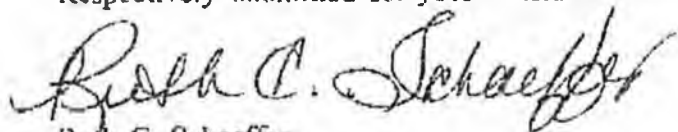
As you can see, that does not give me much of an impact when it comes to dealing with changes that may need to be made. I have been in constant contact with the representatives from our village (Kotzebue) but they are only 2 directors out of 23. They have a difficult time trying to make changes because everyone else votes against them.

Trying to get any type of information out of our own corporation is very hard even if we are part owners, and have a right to that information. We have requested many things, and received very little response from any of the Board Members. When talking to one of the Directors once, he said, "That is not my job. I am not paid to be a director!" then he more or less hung up.

Since the beginning of our corporation, I have only received 1 check a year at Christmas time for no more than \$250.00. This does not even pay for a turkey dinner with all the dressings! Besides that, exactly what has my corporation done for me except to spend all of the money given to them from the U.S. Government???? If I had my choice, and if it were possible, I would take all of my shares and the money with it out of NANA Regional Corporation and put it in with our Village Corporation, Kikiktagruk Inupiat Corporation. They have a very good board of directors that does the best it can to make money, and look out for the shareholders interests.

I am not saying that the House of Representatives should be able to change all that, but you could put a stop to HB 251 which will make it even harder to make necessary changes. The amendments to Section 1 are necessary to protect Native Shareholders from unscrupulous acts of corporate boards, but the amendments to Sections 2 through 7 of Article 10.06.480 leave us no choice but to ask for you to vote this bill down.

Respectively submitted for your consideration this 13th day of April 1995.



Ruth C. Schaeffer

Address at work:

Red Dog Mine #357  
P.O. Box 1189  
Kotzebue, AK 99752

Ph. (907) 426 9206  
Msg. 426-2170

(I work a 2 weeks on/1 week off schedule.)

P.O. BOX 1050  
KOTZEBUE, ALASKA 99752  
Phone (907) 442-3165, Fax (907) 442-2165

FAX COVER SHEET

TOTAL # OF PAGES  
WITH COVER SHEET

3

TO : Rep. Pete KATT

ATTN: Rep KATT

FAX # : 465-2319

FROM : Willie Goodwin

DATE: 7/19/95 TIME: \_\_\_\_\_

THIS IS A:

- FAX LETTER
- QUOTE REQUEST
- PURCHASE ORDER
- COPY
- CONFIRMATION
- ADD'L INFO CONCERNING

MESSAGE:

ACTION REQUIRED:

- CALL ME UPON RECEIPT OF FAX
- FAX YOUR REPLY
- ENTER THIS ORDER
- CALL IF YOU HAVE ANY QUESTIONS
- NO RESPONSE REQUIRED

TIMETABLE:

- URGENT/RUSH
- ASAP
- TODAY
- THIS WEEK
- BY \_\_\_\_\_

REPLY:

April 17, 1995

TESTIMONY TO HOUSE LABOR & COMMERCE COMMITTEE

Mr. Chairman, Members of the committee:

Thank you for giving me the opportunity to come before you and testify on House Bill 251. My name is Willie Goodwin Jr. I represent Kikiktagrak Inupiat Corporation, a village corporation created under ANCSA. We have over 1,900 shareholders who are enrolled in our corporation. We strongly oppose this legislation. We firmly believe that we should not make it any more difficult for our shareholders to address issues that may be important to them. The existing statutes provide for adequate procedures for this process and adequate balance between the shareholder and administration or Board of Directors. The proposed requirement of 25% of the represented shares needed to call a special meeting is unreasonable because it makes it more difficult for proponents of a special meeting to gather the signatures.

The sponsor and various corporate executives or boards refer to corporate stability. We must keep in mind that a vast majority of these administrators and board members have held their positions for over twenty years. How much more stability do you want?

We are cognizant of the fact that not every shareholder will be satisfied or happy with the decisions being made but if the directors and administrators are doing their jobs properly they should have nothing to worry about.

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## TESTIMONY TO HOUSE LABOR &amp; COMMERCE COMMITTEE

We also believe that any issue should be brought before a special meeting at any time whether it was defeated or dealt with and should not have a two year limitation. Shareholders or dissenters should not be subject to penalties when all they are asking is to be heard on issues that affect the everyday shareholder.

This legislation is special interest legislation and should not be passed because it makes it more difficult for that shareholder who might have a legitimate concern to be heard. Internal corporate policy and management needs or changes can and should be made by individual corporations if a corporation cannot adequately handle its affairs satisfactorily with its shareholders. Why should 200+ corporations be subject to special laws when less than 2% of them are having problems with the issues?

Our purpose statements reads "To Optimize Profits and Benefits to Shareholders." The Board strongly believes in this. Communication and openness is vital and furthermore, this legislation is seriously at odds with this purpose. We cannot in good faith sit back and allow this proposed legislation to move forward without speaking out against it. We have worked hard to foster communications and openness with shareholders and this legislation proposes the opposite by making it harder for our shareholders to let us know we are not doing our jobs. Furthermore, it proposes to penalize shareholders for telling us we are not doing our jobs.

P.O. Box 22184  
Juneau, AK 99802

April 18, 1995

RECEIVED  
APR 19 1995

Representative Pete Kott, Chairman  
House Labor & Commerce Committee

File #.....

Dear Representative Kott:

Upon our return home and after reading the newspaper back-issues for the month of March, as a Sealaska and Goldbelt, Inc. shareholder, I am compelled to also write in opposition to House Bill 251 relating to Native corporations.

I have learned interested Native members of the community have been attending L&C committee meetings to express their opposition to this proposal. Please make this letter part of the records on HB 251.

The decision of the Native corporate boards to run to the Alaska State Legislator to sponsor House Bill 251 is without the knowledge or consent of their shareholders. This action raises questions of control over the Alaska Native Claims Settlement Act (ANCSA) corporations.

At the very beginning, bylaws for each Native corporation was an important basic issue where board of directors should have asked shareholders to be involved in creating this important document. Among other things, bylaws define the relationships and distribution of power among the shareholders, the board of directors, and the officers. Directors who drew up this instrument reserved this right for themselves. Thus, when the board decides to change the bylaws to suit themselves, shareholders are not informed and their approval is never required.

In other words, directors gave themselves full reign to run our Native corporations without the concurrence of its shareholders. The only power shareholders have is to elect the directors. That same power is also the power to remove them. For the last 24 years shareholders have had no mechanism with which to limit the actions of their board of directors.

For example, our corporate election process has all but broken down. The election system that was supposed to protect shareholders works only to insulate the board of directors.

In the pay area, the board of directors do not link their board fees, benefits and retirement to company profit. The top executives, their lawyers, consultants and lobbyists made money implementing the act, but shareholders have received few financial benefits.

Margaret Gamble  
page 2

April 1995

When a member of the board is in conflict, the extent and nature of that conflict is never explained. Conflict of interest is abused when a board member serves on another Native corporation, or is employed and deals with other Native corporations.

Stocks were to become transferable as of December 1991, but at the request of the board of directors, the 1991 amendments changed the original terms. Our stocks may never reach the open market unless 50% plus one shareholders agree.

The 1991 amendments also provides, Native children born after December 18, 1971 and the Natives who missed the deadline, may also be enrolled. My understanding is the board in their judgment may enroll new people and left-outs. The current board of directors keep postponing this issue without explanation to shareholders. They hire technical pollsters to find out how shareholders feel about enrolling new people.

After reading HB 251 I believe the intent is to further severely restrict what is left of shareholder rights. It will give the elected board of directors complete power to refuse shareholder proposals and petitions unless they (shareholders) meet the proposed regulations in that bill. It also provides that shareholders will be punished if they violate these rules by paying fines up to \$2,500 for a single violation, or not more than \$25,000 for multiple violations; or "...who wilfully violates AS 10.06.960(m), upon conviction, is punishable by a fine of not more than \$5,000, or by imprisonment for not less than one year nor more than five years, or both." (emphasize is mine. mg)

Board of directors have it backwards that shareholders be punished. In general, as soon as they (board of directors) accepted the responsibility of serving as a director - they took on a fiduciary responsibility and may be personally liable for corporate acts, even ones OK'd during a board meeting that the director missed. Board of directors are all liable.

The State Department of Commerce & Economic Development, Division of Banking, Securities & Corporations has jurisdiction over corporate matters. I am curious as to what advise/recommendations they offered to the individuals who drafted HB 251. I'm sure they have numerous records of Native shareholder complaints (including records at the State Ombudsman's office), that could have been researched.

Shareholders want to have a voice in the destiny of their Native corporations. It's time for the board of directors to start communicating with its legal owners, the shareholders. They must start conducting informational meetings with all shareholders in mind. It's also time for the board to apologize for the times they have chastised (punished) shareholders when questioning their policies, their mistakes and money losses.

Margaret Gamble  
page 3

April 18, 1995

I respect and honor the leadership and supporters of the 1971 Alaska Native Claims Settlement Act. To name a few; Emil Notti, Willie Hensley, John Sackett, John Borbridge, Jr. Their hard work and efforts will be acknowledged and appreciated when the history for that era has been written. They themselves said ANCSA was not a perfect bill. But they did what they could when the bill was being swamped in Congress with amendments. #1, the bill brought back some of the land-base we needed to start our Native-owned corporations. The leadership who replaced them should have completed the work where they left off by correcting the deficiencies in ANCSA. The current board, in the last 24 years has had ample time to do so.

Shareholders want to improve the situation but have no options to do so. It appears their last resort, for whatever reason(s) is to recall Sealaska board of directors. No one should deny them that power.

Please do not pass this bill. Thank you.

*Margaret (Marge) Gamble*  
Margaret (Marge) Gamble  
P.O. Box 22184  
Juneau, AK 99802

Telephone: 907/586-1615

copies to: State Department of Commerce & Economic Development  
Division of Banking, Securities & Corporations  
Attn: Larry Carroll

Sealaska Corporation, % Leo Barlow, Presidne/CEO  
Goldbelt, Inc., % Bob Martin, Jr., Chairman  
Interested shareholders

Martina Ruhle  
P.O. Box 110102  
Anchorage, AK 99511

April 18, 1995

VIA LIO POUCH  
SERVICE

Representative Pete Kott  
House of Representatives  
State Capitol, Room 409  
Juneau, AK 99801-1182

Re: H.B. 251 re: Native Corporations

Dear Representative Kott:

PLEASE COPY AND DISTRIBUTE the following letter to the Labor and Commerce Committee.

I am a Sealaska and Shee Atika shareholder. I am writing this letter in opposition to House Bill 251 regarding Native corporations. This bill is an attempt to quash my rights FIRST as an AMERICAN and SECOND as an ALASKA NATIVE.

WHAT AMERICAN CORPORATION SHAREHOLDER WOULD STAND FOR THIS?

The present regulations require, among other things, 10% of outstanding shares to call a special meeting to get shareholder concerns called to attention. For example, if a corporation had 500,000 outstanding shares, that would mean 500 shareholders<sup>1</sup> would have to get organized and agree to pursue their concerns. If done correctly and within the law, this process sounds very much like a constitutional right to free speech.

If you let this bill pass, any non-ALASKA NATIVE shareholder in any corporation could be heard with lesser requirements and lesser sanctions. And if this non-ALASKA NATIVE shareholder was still disgruntled, he or she could sell his or her shares and get out.

If you COULD NOT sell and get out (as is the case with Native corporations) because of poor management or corruption, then what would you do? Voice your concerns in a special meeting? Well, read House Bill 251. Could you successfully jump the hoops that are being tossed into this Anti-American bill? Is this just

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<sup>1</sup> 10% of 500,000 = 50,000, divided by 100 shares per shareholder = 500 shareholders.

Representative Pete Kott  
Page 2  
April 18, 1995

another way to quash my rights as an AMERICAN to free speech?

WHY SHOULD ALASKA NATIVE SHAREHOLDERS BE SILENCED AGAIN?

Free speech is an AMERICAN concept. Then why can it NOT apply to ALASKA NATIVES? If you increase numbers and hurdles and impose fines and imprisonment, then WHO would question anything? Do I dare speak out against authority when the threat of imprisonment is eminent? Has the old Soviet Union moved to Alaska, where questioning authority (regardless of truth) subjects one to imprisonment?

Why is this just for ALASKA NATIVE shareholders? We cannot impose fines and imprisonment based on the fact that he or she is an ALASKA NATIVE shareholder -- it is racially discriminatory and undemocratic! Ask any Representative or Senator in Juneau if they would like to have these sanctions imposed on their involvement in Alaska corporations. I'm sure they all have been involved in the corporate structure. Why make laws that are just going to create lawsuits and bad feelings?

This bill is racist in nature and cannot be taken lightly. I am only one person and an ALASKA NATIVE person. If my rights as both an AMERICAN and an ALASKA NATIVE are sanctioned, then what can I do? I am only one person. Do you see my problem? If I cannot make a difference and change YOUR minds, as lawmakers, then how will I ever get my Native corporation to listen to me? I am only one person. Now wait a minute, I could try to collect 25% of all outstanding shares (not 500 people, but a mere 1,250 people) first, then submit my petition to the State of Alaska for further scrutiny and then if that's not what my corporation wants, then I could be thrown in jail. WHAT KIND OF RIGHT TO DUE PROCESS is this? Do you think YOU would want to question authority? Do you think I will be heard?

With trust that you will hear,

*Martina Ruhle*

Martina Ruhle, Shareholder

from Jean Mantel  
APR 21 1995

April 19, 1995

The Honorable Pete Kott  
House of Representatives  
State Capitol  
Juneau, AK 99801-1182

*New Recommendations  
By Bankings &  
Securities  
HB 251*

Dear Representative Kott:

Re: Division Draft Revisions to CS for  
HB 251 as Requested

Willis Kirkpatrick, Director of the Division of Banking, Securities and Corporations, has reviewed proposed CSHB 251 with the staff and has asked that we prepare this correspondence and the enclosed proposed draft amended CSHB 251 for consideration by you and members of the Committee.

We have made an effort to digest the concerns and practical considerations expressed by the sponsors of HB 251. Both the curtailment of disruptive, frivolous, and repetitive petition practices and preservation of basic redress rights of 70,000 plus Alaska Native Settlement Act (ANCSA) shareholders are paramount. We recognize the considerable testimony already presented on the proposed legislation, and have attempted to identify and condense the language to some basic elements that will impact the problem without impeding legitimate shareholder curative processes.

Our proposed Committee Substitute focuses primarily on the threshold requirements for signatures on petitions and distinguishes between corporate entities having fewer than 500 shareholders and those having 500 or more shareholders. The required percentage of outstanding shares required to call special meetings in the former would be 25 percent, and be reduced to 15 percent in the latter. The threshold would be raised for ANCSA Corporate entities, and would require more meaningful effort and participation by shareholders seeking special meetings for whatever purpose.

The only other amendment that we would suggest is to adopt the proposed language that allows a corporation to reject a particular proposal if offered more than once annually. In such a manner, the Corporations are protected from addressing issues repeatedly in any given year while shareholders are guaranteed the right to petition for any particular issue at least once annually as they see fit under the existing Corporate code. We would not seek any other amendments to either the Alaska Corporate Code, Alaska Statute (AS) 10.06 (ACC), or the Alaska Securities Act AS 45.55 (ASA).

We believe that these two elements are central to the issue of limiting frivolous petitions and curtailing disruptive processes while providing for essential Corporate governance. Elimination of all other amendments will simplify the administrative process, and avoid the necessity of submitting a fiscal note with the proposed legislation.

The division remains at the Committee's disposal to discuss these suggestions or any other recommendations effecting proposed HB 251, and we appreciate the opportunity to be heard on this matter.

Sincerely yours,

Lawrence P. Carroll  
Acting Director  
Division of Banking, Securities  
and Corporations

LPC/go329.bsc

041795a

Enclosure

cc: William L. Hensley, Commissioner  
Department of Commerce and  
Economic Development

The Honorable Eileen MacLean  
House of Representatives

The Honorable Carl E. Moses  
House of Representatives

The Honorable Bill Williams  
House of Representatives

CIRI  
Sealaska

### Section 1

This section amends AS 10.06.480(a)(1) which holds directors liable for voting for or assenting to distributions to shareholders in excess of the amounts that could be made without violating sections of the Alaska Corporations Code (ACC) dealing with shareholders. This amendment adds reference to special meetings called pursuant to the new subsections added by Section 2 of this bill.

### Section 2

This section amends AS 10.06.960 (Corporations organized under Alaska Native Claims Settlement Act) by adding two new subsections. The first subsection requires petitions for special meetings to contain signatures of 15% of all shares entitled to vote at the meeting if the corporation has 500 or more shareholders. Petitions for corporations with 499 or fewer shareholders would have to contain 25% of all shares entitled to vote at the meeting. The reasons for requiring a smaller percentage of shares for larger corporations are: (1) it would be prohibitively expensive to conduct a petition solicitation for large corporations with many shareholders, often including those living outside of Alaska, (2) a smaller percentage of a much larger number of shareholders equals a larger actual number of shareholders of the larger corporation signing petitions, and (3) the shareholders of small corporations often are geographically nearby, making it relatively easier to obtain signatures on a petition.

The second subsection limits to once within a 12-month period the requirement of corporations to submit to a vote shareholder proposals which deal with substantially the same subject matter. This prevents the disruption and expense of calling special meetings, or otherwise, voting on proposals which have already been dealt with during the previous 12 months. This subsection also addresses the time frame for solicitation of petitions for a special meeting, which was proposed in an earlier version of this bill. Specifically, this subsection makes moot any need to place additional restrictions on the time frame for solicitation, since the question can only come up once in a 12-month period. With the limitation on the ability to bring the same question before the shareholders, there is no further need to place a time limitation on the solicitation itself.

### Section 3

This section adds two new paragraphs to the definition section of the Alaska Securities Act (ASA), AS 45.55.990. The first paragraph adds the definition of proxy, which conforms to the definition of proxy currently in related regulations, with the addition of defining the word "signed."

The second paragraph adds the definition of "consents or authorizations" found at AS 45.55.139, to include petitions and related materials. While we have always required petitions to be filed with us for corporations with more than 500 shareholders, this definition will clarify current practice for everyone.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
DIVISION OF BANKING, SECURITIES AND CORPORATIONS  
SUGGESTED DRAFT REVISIONS

CS FOR HOUSE BILL NO. 251( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES MOSES, MacLean, Williams

A BILL

FOR AN ACT ENTITLED

"An Act relating to the meetings, shareholder proposals, and removal of directors of Native Corporations."

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

\*Section 1. AS 10.06.480(a) is amended to read:

(a) In addition to other liabilities, a director is liable in the following circumstances unless the director complies with the standard provided in AS 10.06.450(b) for the performance of the duties of directors:

(1) A director who votes for or assents to a distribution to the corporation's shareholders contrary to the provisions of AS 10.06.358, AS 10.06.360, AS 10.06.363, or AS 10.06.365 or contrary to a restriction in the articles of incorporation, is liable to the corporation, jointly and severally with all other directors voting for or assenting to the distribution, for the amount of the distribution that is paid or the value of the assets that are distributed in excess of the amount of the distribution that could have been paid or distributed without violation of AS 10.06.405 - AS 10.06.438, ~~AS 10.06.960(1)~~, or the restrictions of the articles of incorporation.

**DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
DIVISION OF BANKING, SECURITIES AND CORPORATIONS  
SUGGESTED DRAFT REVISIONS**

(2) A director who votes for or assents to a distribution to the corporation's shareholders during the liquidation of the corporation without the payment and discharge of, or making adequate provision for, all known debts, obligations, and liabilities of the corporation is liable to the corporation, jointly and severally with all other directors voting for or assenting to distribution, for the value of the assets that are distributed, to the extent that the debts, obligations, and liabilities of the corporation are not thereafter paid and discharged.

(3) A director who votes for or assents to a loan of assets of the corporation to an officer or employee or a loan secured by the corporation's shares contrary to the provisions of AS 10.06.485 or contrary to a restriction in the articles of incorporation, is liable to the corporation, jointly and severally with all other directors voting for or assenting to the loan, for the amount of the loan that is in excess of a loan that could have been extended without a violation of AS 10.06.485 or the restriction in the articles of incorporation.

**\*Sec.2.** AS 10.06.960 is amended by adding new subsections to read:

(1) Notwithstanding AS 10.06.405 and AS 10.06.465(c), special meetings of the shareholders of a corporation organized under the Act may only be called by the board, the chair of the board, the president, a petition of the holders of not less than fifteen percent (15%) of all the shares entitled to vote at the meeting if the corporation has five hundred (500) or more shareholders, a petition of the holders of not less than twenty-five percent (25%) of all the shares entitled to vote at the meeting if the corporation has fewer than five hundred (500) shareholders, or other persons as may be authorized in the articles of incorporation or the bylaws.

**DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
DIVISION OF BANKING, SECURITIES AND CORPORATIONS  
SUGGESTED DRAFT REVISIONS**

(m) A corporation that is organized under the Act is not required to consider or submit to a vote of the shareholders a shareholder proposal that deals substantially with the same subject matter as a proposal that was submitted to a vote of, and voted upon by, the shareholders within the previous twelve (12) consecutive months preceding receipt of the proposal or the signed petitions calling for a vote on the proposal at a meeting.

\* **Sec. 3.** AS 45.55.990 is amended by adding new paragraphs to read:

(14) "proxy" means a written authorization which may take the form of a consent, revocation of authority, or failure to act or dissent, signed by a shareholder or his attorney-in-fact and giving another person power to vote with respect to the shares of the shareholder; "signed" for the purpose of this paragraph means the placing of the shareholder's name on the proxy by manual signature by the shareholder or the shareholder's attorney-in-fact;

(15) "consents or authorizations" include a petition or other request for a special meeting of shareholders under AS 10.06.960(l) and material distributed in connection with the petition or request or with the solicitation of support for the petition or request;

LPC/ro329bec.3rd  
041995a

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**COOK INLET REGION, INC.**

VIA TELECOPY - (907) 465-2819

April 20, 1995

The Honorable Pete Kott  
House of Representatives  
State Capitol, MS 3100  
Juneau, AK 99801-1182

Re: HB 251

Dear Chairman Kott:

Thank you for this opportunity to comment on the draft CS for HB 251 submitted by Lawrence P. Carroll, Acting Director, Division of Banking, Securities and Corporations.

We believe that the draft CS is seriously defective in several respects:

1. It omits Section 2(h) of the prior CS, which required that, where a corporation has a classified board of directors (one with staggered terms), cause must be shown for the recall of directors prior to the expiration of their terms. This provision protected shareholders from sudden, sweeping changes without cause, and from the needless expense and disruption of repetitive petition drives.

At the hearings held by your Committee on the former CS, Willis Kirkpatrick, Director of the Division, testified that he supported Section 2(h). The omission of the provision from the new draft CS by the Division is both unnecessary and insupportable. We would request that this provision be reinstated.

2. CIRI endorsed the removal of criminal penalties from Section 6 of the former CS. However, the Division's new draft CS omits not just the criminal penalties, but also all of the procedural requirements of Section 2(m) of the former CS, all of the enforcement mechanisms of Sections 3 through 5 of the former CS, and the civil sanctions of Section 6 of the former CS. These omissions essentially gut the bill of any requirement that the Division take action when false and misleading material is distributed, and leaves the groups that distribute such material free to do so with impunity.

This certainly protects people who want to distribute false and misleading material, but those people are not really deserving of protection. It also protects the Division's interest in taking little or no action to halt repeated proxy violations by these people, and instead to merely be the repository for filings. But it is the

The Honorable Pete Kott  
April 20, 1995  
Page 2

historical failure of the Division to act to curb proxy abuses by these groups that gave rise to the need for the bill to begin with.

The one group that is not protected by these omissions is the people the proxy rules are designed to protect in the first place, the recipients of proxy materials, who are entitled to receive materials that are complete, accurate and not misleading.

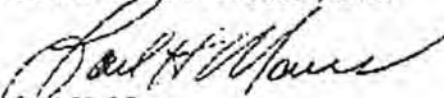
3. We see little basis for the reduction from 25 percent to 15 percent, in Section 2(l) of the new draft CS, of the number of shares required to call a special meeting of shareholders. The 25 percent figure was derived from a close analogy to the petition process provided in the Alaska Native Claims Settlement Act ("ANCSA"). The 15 percent figure was suggested by Mr. Kirkpatrick because it seemed reasonable to him. However, this is not, we would submit, an adequate basis nor nearly as sound a basis as conforming state law to analogous ANCSA procedures.

If, after its consideration, the Committee feels that a lower figure than 25 percent is appropriate, we would respectfully suggest 20 percent, which is more closely analogous to the ANCSA figure and is halfway between the two suggested figures.

If you have further questions, or desire the submission of further information, we would be pleased to respond.

Sincerely,

COOK INLET REGION, INC.



Carl H. Marrs  
President and Chief Operating Officer

CHM/pk/01/120

cc: The Honorable Carl E. Moses  
House of Representatives

The Honorable Bill Williams  
House of Representatives

The Honorable Eileen MacLean  
House of Representatives

William L. Hensley, Commissioner  
Department of Commerce and Economic Development

Lawrence P. Carroll  
Acting Director  
Division of Banking, Securities and Corporations

Sealaska

HB 251

April 23, 1995

About the adversity Cook Inlet Region, Inc., and Sealaska Corporation have released upon the Indian people with HB 501 (last year) and HB 251 (now). As an Alaskan Native, I thought we would make some provisions for the board members (which participated) exactly the same as those they propose be forced upon all Alaskan Eskimos, Indians and Aleuts in Alaska. When a man in a business suit makes a half million dollars, and goes to the Alaskan Legislature telling that he no longer wants to hear from shareholders, we do not have to ask why. You spend those hundreds of thousands of dollars fighting the criticism you receive from the different Indian tribes that were forced to make you rich, while you keep them poor and without their Indian land. We've only asked for our Indian land and our traditional Native life to survive, the things that Congress promised us. Let us even the game score here and make each of your board seats so that:

- 1) You have 180 days to get our votes for your campaigns, done on your own funds to get to the board seat.
- 2) You get fined \$2,500 to \$25,000 for not carrying out your campaign promises; for straying from accomplishing the promises of the Claims Act; for saying that Alaskan Natives were all for just the democratic party at election time (when they were not); for paying for their campaign out of OUR aboriginal claims money. Yes, for such things you will get a minimum of 1 year in jail, but no more than five, under the law of order on MISLEADING STATEMENTS.
- 3) Each of you must have a total of 25% of all Sealaska shareholders preliminarily for you before you can get on the ballot even, that may ensure that we will never see you on the ballots or hear from you again - a situation well deserved by you since we've seen the hidden permanent shut out you masquerade on us with HB 251. This will provide a *CLEAR ROAD MAP* for our not having to see you ever again, as Maxine Richert put it, *WHERE NON EXISTED BEFORE*.
- 4) If you fail to get on the board, each of you will no longer be able to campaign, except until two years pass. It is already about \$15,000+ to get on, and about that much to petition to get you off - we'll even the odds making some of them against YOU.

Then, we'll take these Native-sensitive amendments to a Labor & Commerce Committee of seven members, which are all non-Natives, with the exception of one Native and her friends that fight for you on the committee (Masek). This committee will be 56.8% against supporting you before the hearings even begin, with a chance possibility a minority 42.6% of the committee may be for you, and give them the deciding vote on whether to incorporate the above amendments on a Native minority group of people. You board member corporations, have forgotten about the INDIAN, have you ever heard of the words *sedition* and *treason*?

*Crystal E. Kristovich*

Crystal Kristovich  
c/o Box 34711  
Juneau, AK 99803-4711  
586-3506

**KIKIKTAGRUK INUPIAT CORPORATION**

373A Second Avenue • P.O. Box 1050 • Kotzebue, Alaska 997  
(907) 442-3165 • Fax (907) 442-2165

April 24, 1995

Rep. Pete Kott, Chair  
House Labor and Commerce Committee  
State Capitol  
Juneau AK 99801-1182

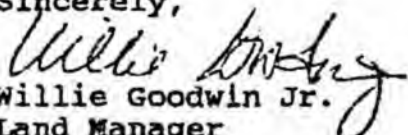
RE: CS for House Bill No. 251 (L&C)

Dear Rep. Kott:

We are strongly opposed to the above referenced bill being considered by the House Labor and Commerce Committee. The existing statutes provides the shareholders, Boards of Directors, and administrators the avenues needed to resolve disputes or disagreements. Furthermore, the statutes provide an opportunity for amendments to the Articles of Incorporation be made by a positive vote of the shareholders to accommodate portions of this proposed legislation.

It is our sound belief that an open door policy and good communication is essential to optimize profits and benefits to our shareholders. This bill, even in its compromised form insinuates the opposite of our purpose.

Sincerely,

  
Willie Goodwin Jr.  
Land Manager

WGJr/as

April 24, 1995

HB 251

Dear Editor:

To most Americans, the Native peoples of Alaska—Eskimos, Aleuts, and Indians—are out of sight and out of mind. Yet, since the enactment of the Alaskan Native Claims Settlement Act (ANCSA) in 1971, they have been on the brink of what may be a tremendous disaster, rivaling the worst that happened to the Indians in the Lower 48 during the nineteenth century. In 1971, all stockholders expected the regional corporations to protect traditional ways of life and ancestral lands used for subsistence. Yet, they have remained just "business" aligned - our culture and our people disappearing with each minute, each day, that passes. It is our profound desire to be ourselves, to be true to our own values, that has led to the present confrontation between the Natives and the corporations. Far from deploring our failure to become what strangers wish us to be, we should be regarded as a triumph of the human spirit.

HB's 501 and 251, which two Native corporations (CIRI & Sealaska) masquerade a hidden, permanent shut out of the Native people, is like a hostile takeover of a Native corporation by board managements. The boards will now own the Native corporations legally in unspoken word. This legislation, if enacted into law, bars the Alaskan Natives from steering their settlement, and directly violates the promises of ANCSA as stated to us in Section 2(b) that the settlement was required to be accomplished rapidly with certainty, in conformity with the real economic and social needs of Natives, without litigation, with maximum participation by Natives in decisions affecting their rights and property.

The Natives know that under ANCSA their aboriginal rights were extinguished and that many uncontrolled and perhaps uncontrollable forces now threaten their way of life. ANCSA has failed them, and its goals are at cross purposes with their own. The expectations that Alaska Natives had, prior to ANCSA, for a settlement of their claims and the values they sought to protect, and the moral and ethical principles upon which their claims were founded, need to be examined by these corporations, and they need to remember, that "our past, our existence from times immemorial and desire to maintain our Native existence," are the only reasons they are sitting in those board seats, and flashing moral disloyalty and disrespect to the Alaskan Indians around the capitol, governor's office, and legislature. Why not heed the criticism, and begin to do obvious things in the legislature to protect the individual values and spirit of the Alaskan Natives, before every last one of them are gone? HB 501 and 251, bar the Natives from their Settlement, and refuse them the promises of the Claims Act. We cannot have you claiming to do one kind thing on the one hand, but really you are doing a cruel thing in the other. You have caused my family, friends, and I, great anguish with HB 251. To think my grandmother died with nothing from the Claims Act, separated without anyone to so much as speak her Indian language with. To see the tribal histories now disappearing, I can't help but think how they gave it all up for this. If it wasn't for this bill, I would not be so bold as to be here telling you, that to be our friend, is to treat us how you would want to be treated. Put one of our shoes on one of your feet.

*Joan Mantei*

Joan Mantei  
Box 34711  
Juneau, AK 99803-4711  
586-3506

House Bill 151

Alaska State Legislatures  
Juneau, Alaska

Ladies and Gentlemen;

4-24-95

I want to thank our State Legislatures and House Representatives gathered in this historic political arena for taking the time to listen to our testimonies. I deeply respect and appreciate the freedom we enjoy and liberty available to be able to testify before each one of you. Thank you!

First my name is Franklin Williams I was born and raised in the Native village Kake, Alaska. We wife Emma and children moved here to Juneau over twenty-five-years ago. My Tlingit name is "Shkane" a descendant of the Kaach-Adi-Nation and Raven by virtue of our Tlingit custom. As you can see our 1971 Alaska Native Claims Settlement Act (ANCSA) did not extinguish my birthrights, heritage and blessings.

My testimony: I also came here to express my own feelings regarding "House Bill 151." As you all know it it is a bill that could decide the destiny of Natives as corporation shareholders one way or another. Ladies and gentlemen its crystal clear that this bill that awaits your decision is definitely not the kind that will promote the principles of our valued American Democracy and Justice. A Democracy that was established on fairness and equal opportunities in all areas of our lives. Why do I claim this condition? The answer to this question can be answered in more ways than one.

Forinstance, this bill that came from almost nowhere is asking our State Legislatures special privilege and favor. To provide and create a law that will allow our Regional Native Business Corporations to fine its own ANCSA Native shareholders. Mainly concerned shareholders sometimes formed according to guidelines set up in their own Corporation By-Laws. Members of this noble Legislative body I urge each of you to examine both sides carefully and sincerely. It appears the left side will only solidify the wall that already exist between shareholders and their own Regional Business Corporations. Surely your job as law-makers is directed to uphold Democracy rather than the type of totalitarian form activity House Bill 151 reflects. The kind that robs a people justice and freedom. You must remember that we are a people that still live within A Nation or a new Nation still conceived in liberty to give new births of freedoms to all its people regardless of race, color or creed.

Surely I don't have to remind anyone here but as you already know it shareholders organized forming a group to recall Board Directors of any corporation is a normal and healthy business practice exercised in the corporate world even here in America. This does not warrant government involvement or interference. Maybe unless the possibility of fraud or embezzlement is found. Corporation By-Laws endorses this kind of shareholder actions. It is not a crime or violation of Business Laws available to shareholders. Therefore, as you can see, approving House Bill 151 will only criminalize Business Laws that suppose to protect shareholders' rights and will definitely undermine our freedom, as well. We are not nor wish to be deceived continually we

(2.)

know House Bill 151 will merely bail out a few from embarrassment they may be suffering. After twenty-one-years of slumbering complacency and greed at the expense of the same shareholders they want out of the way, today. As a result certain Regional Native Corporation Board Directors and management are supporting this bill, behind closed doors, and they definitely want to remain solely independent separated from the corporation owners. The concerned Native shareholders, involved.

Obviously, Goldbelt, Kake Tribal and others that gave shareholders power to participate in all areas of their corporations is the kind of fairness our Regional Corporation lacks, miserably. They lack the faith and determination our smaller Native Corporations exhibit and it frightens them a lot. The result is we do not see economic growth or prosperity in the areas where Native shareholders live. But what we see today is a wealthy arrogant and complacent Regional Corporation that brags about things like huge bonuses they been telling us about the past twenty-one-years.

Ladies and gentlemen its also self-evident that Native Alaskans are in need of a better form government other than the kind our complex 1971 ANCSA formed. Steve Cooper during his honorable governorship tenure expressed a powerful statement that may help us to understand the nature of the problems facing Native Alaskans, today. When he advised again troubled Natives this: He said, Quote: "The problems that Native Alaskans are facing today are the same kind that lead to the Founding Fathers." unquote Surely this statement applies again today the House Bill 151 is the physical evidence and proof. A powerful advise that invoked Greater Self-Determination Law also available. A law that has the ability to resolve the basic problems that came with our complex 1971 ANCSA. We cannot deny that the mother to all State-Chartered Native Corporations is definitely the 1971 ANCSA. A complex law that identifies the Articles of Confederation that was scrapped at the American Constitutional Convention 1787. After the Founding Fathers decided it was a primitive law. As we all know it it also paved the way for the most profound Constitutional Democracy that protects our freedom and basic fundamental rights.

Ladies and gentlemen, as we all know it fairness also demonstrates wisdom that we often lack. In closing I want to leave with each one of us gathered in this noble political arena these precious words found in the Sacred Writings, as follows, Quote: "Bless the name of God for power and wisdom belong to Him. He removes kings and establishes kings. He gives wisdom to wisemen and knowledge to men of understanding. It is He who reveals the profound and hidden things. He knows what is in the darkness and the light dwells with Him." unquote

Thank you! This ends my testimony.

Franklin S. Williams, Sr.

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES AND CORPORATIONS

TONY KNOWLES, GOVERNOR

P.O. BOX 110807  
JUNEAU, ALASKA 99811-0807  
Banking & Securities (907) 465-2521  
Corporation Section (907) 465-2530

ANCHORAGE  
Corporation Information (907) 563-2161  
TDD: (907) 465-5437

April 7, 1995

The Honorable Beverly Masek  
House of Representatives  
State Capitol  
Juneau, AK 99801-1182

Dear Representative Masek:

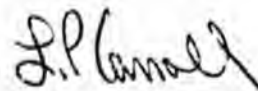
Re: Response to Information Request CSHB 251

Pursuant to your April 26, 1995, memorandum requesting additional information on CSHB 251, we enclose, herewith, as requested, a copy of the original executed fiscal note submitted March 24, 1995, in conjunction with CSHB 251. In addition, we furnish a copy of our transmittal letter of April 19, 1995, together with the division's draft recommendations and accompanying draft fiscal note. Finally, we also enclose a zero fiscal note dated April 28, 1995, as requested by the House Labor and Commerce Committee in response to CSHB 251(L&C) as amended, and passed out of the Committee on April 27, 1995.

You have also requested an analysis on the effect of CSHB 251(L&C) on the ability of shareholders to petition for the recall of directors, and whether such ability is unique with respect to other Alaska Corporate entities. Section "N," of proposed CSHB 251, excuses ANCSA Corporations, who have adopted staggered terms of office for their directors (most have), from the provisions of Alaska Statute (AS) 10.06.460, providing among other things for the recall of directors without cause. The ultimate result of this provision is that for these corporations' directors may be removed then, for cause only. The only provision for removal for cause is found at AS 10.06.463, and provides for court removal. Thus, shareholders seeking removal will need to bring Court action and meet judicial standards to affect removal of one or more directors. The inability to petition and recall a board with a majority vote will be unique to ANCSA corporations only.

We trust that this information is responsive to your request, and that you will not hesitate to contact this office if we may offer any further information or assistance.

Very truly yours,



Lawrence P. Carroll  
Senior Securities Examiner

LPC/go349.bsc  
042795a

Enclosures: Draft transmittal of April 19, 1995  
Original Fiscal Note of March 24, 1995  
New Zero Fiscal Note of April 28, 1995

04/12/95

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM

LTN1150

15:54:51

PARTICIPANT LIST (ALL PARTICIPANTS)

BY:ANC

TCN:50555

SCHEDULED FOR:04/12/95 15:00 TO 21:00

FOR:ANC

PUBLIC HEARING

HOUSE LABOR & COMMERCE

UPDATE # 2

LOCATION:ANCHORAGE

HB 251	MARK	KROLOFF	CIRI	TESTIFY
HB 251	JIMMIE	HARTLEY		TESTIFY
HB 251	RON	BARNES		TESTIFY
HB 251	DIANE	SHRADER		TESTIFY
HB 251	MARY ANN	MILLS		TESTIFY
HB 251	HAROLD	RANDOLP		TESTIFY
HB 251	SHARON	KAY		TESTIFY
HB 251	DWAYNE	ADAMS		TESTIFY
HB 251	DELICE	CALCOTE		TESTIFY
HB 251	JIM	CARLSON		TESTIFY

03/29/95

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM

LTN1150

16:40:57

PARTICIPANT LIST (ALL PARTICIPANTS)

BY:ANC

TCN:50497

SCHEDULED FOR:03/29/95 15:15 TO 17:00

FOR:ANC

PUBLIC HEARING

HOUSE LABOR & COMMERCE

LOCATION: ANCHORAGE

HB 251	JIMMIE	HARTLEY ✓	TESTIFY
HB 251	SAMMY	KALLANDER ✓	TESTIFY
HB 251	PATTI	PRINCE ✓	TESTIFY
HB 251	MERLIN	PRINCE ✓	TESTIFY
HB 251	STEPHANIE	THOMPSON ✓	TESTIFY
HB 251	SHARON	KAY ✗	TESTIFY
HB 251	HAROLD	RUDOLPH ✗	TESTIFY
HB 251	ALMA	MCCORMICK ✗	TESTIFY
HB 251	LYNETTE	WATSON ✗	TESTIFY
HB 251	MARK	KROLOFF ✓	TESTIFY
HB 251	DELICE	ALEXANDER-CALCOTE ✗	TESTIFY
HB 251	W. JOHN	HARRIS ✗	TESTIFY
HB 251	JO DENE	KERR ✗	TESTIFY
HB 251	GLENN	KERR ✗	TESTIFY
HB 251	JACKIE Archie	GUZLIAK ✓ Nielson	TESTIFY

ALSO ON LINE WISHING TO TESTIFY  
ON HB 251:

~~RUEH SCHAFFER IN RED DOG~~

04/12/95 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
15:13:50 PARTICIPANT LIST (ALL PARTICIPANTS) BY:FBX  
TCN:50555 SCHEDULED FOR:04/12/95 15:00 TO 21:00 FOR:FBX  
PUBLIC HEARING HOUSE LABOR & COMMERCE  
LOCATION:FAIRBANKS  
HB 251 MR. HUGH WALKER DOYON TESTIFY

04/12/95 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
15:15:04 PARTICIPANT LIST (ALL PARTICIPANTS) BY:PSG  
TCN:50555 SCHEDULED FOR:04/12/95 15:00 TO 21:00 FOR:PSG  
PUBLIC HEARING HOUSE LABOR & COMMERCE  
LOCATION:PETERSBURG  
HB 251 MR. MICHAEL LOPEZ TESTIFY

04/12/95 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
15:07:41 PARTICIPANT LIST (ALL PARTICIPANTS) BY:KOT  
TCN:50555 SCHEDULED FOR:04/12/95 15:00 TO 21:00 FOR:KOT  
PUBLIC HEARING HOUSE LABOR & COMMERCE  
LOCATION:KOTZEBUE  
HB 251 MR. WILLIE GOODWIN KIKIKTAGRUK CORPTESTIFY  
HB 251 MR. BOBBY SCHAEFFER SELF TESTIFY

03/27/95 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
 15:32:37 PARTICIPANT LIST (ALL PARTICIPANTS) BY:ANC  
 TCN:50515 SCHEDULED FOR:03/27/95 15:30 TO 17:00 FOR:ANC  
 PUBLIC HEARING HOUSE LABOR & COMMERCE  
 LOCATION: ANCHORAGE  
 HB 251 DELIEE M: CALCOTE ✓ CIRC TESTIFY  
 HB 251 JUDITH J. KALKINS ✓ TESTIFY  
 HB 251 G. JANE IGTANLOC ✓ GOLDBACK TESTIFY  
 HB 251 HAROLD RUDOLPH ✓ CIRC TESTIFY  
 HB 251 SHARON KAY ✓ CIR TESTIFY  
 HB 251 EDWARD DALE CAKEY<sup>S</sup> TESTIFY  
 HB 251 JIMMIE D HARTLEY TESTIFY  
 HB 251 HELEN G HARTLEY TESTIFY

03/27/95 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
 15:25:48 PARTICIPANT LIST (ALL PARTICIPANTS) BY:GLN  
 TCN:50515 SCHEDULED FOR:03/27/95 15:30 TO 17:00 FOR:GLN  
 PUBLIC HEARING HOUSE LABOR & COMMERCE  
 LOCATION: GLENNALLEN  
 HB 251 MR. ROY EWAN *Declined* TESTIFY

03/27/95 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
 15:24:48 PARTICIPANT LIST (ALL PARTICIPANTS) BY:SOL  
 TCN:50515 SCHEDULED FOR:03/27/95 15:30 TO 17:00 FOR:SOL  
 PUBLIC HEARING HOUSE LABOR & COMMERCE  
 LOCATION: KEN/SOL ;  
 HB 251 MS. BOBBIE OSKOLKOFF ✓ SELF TESTIFY

03/29/95 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
15:26:31 PARTICIPANT LIST (ALL PARTICIPANTS) BY:COR  
TCN:50497 SCHEDULED FOR:03/29/95 15:15 TO 17:00 FOR:COR  
PUBLIC HEARING HOUSE LABOR & COMMERCE

LOCATION:CORDOVA  
HB 251 MR BOB HENDRICHS SELF TESTIFY

03/29/95 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
15:34:31 PARTICIPANT LIST (ALL PARTICIPANTS) BY:SOL  
TCN:50497 SCHEDULED FOR:03/29/95 15:15 TO 17:00 FOR:SOL  
PUBLIC HEARING HOUSE LABOR & COMMERCE

LOCATION:KEN/SOL  
HB 251 MS BOBBIE ✓ OSKOLOFF TESTIFY  
HB 251 MS ELIZABETH ✓ OSKOLOFF TESTIFY

03/29/95 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
16:50:19 PARTICIPANT LIST (TESTIFIERS ONLY) BY:JNU  
TCN:50497 SCHEDULED FOR:03/29/95 15:15 TO 17:00 FOR:COR  
PUBLIC HEARING HOUSE LABOR & COMMERCE

LOCATION:CORDOVA  
HB 251 MR BOB HENDRICHS SELF TESTIFY

03/29/95 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150  
16:51:00 PARTICIPANT LIST (TESTIFIERS ONLY) BY:JNU  
TCN:50497 SCHEDULED FOR:03/29/95 15:15 TO 17:00 FOR:SOL  
PUBLIC HEARING HOUSE LABOR & COMMERCE

LOCATION:KEN/SOL  
HB 251 MS BOBBIE OSKOLOFF TESTIFY  
HB 251 MS ELIZABETH OSKOLOFF TESTIFY

04/10/95 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN115 J  
14:56:52 PARTICIPANT LIST (ALL PARTICIPANTS) BY: SOL  
TCN: 50525 SCHEDULED FOR: 04/10/95 15:00 TO 17:00 FOR: SOL  
PUBLIC HEARING HOUSE LABOR & COMMERCE  
LOCATION: KEN/SOL  
HB 251 MS. BOBBIE OSKOLKOFF SELF TESTIFY



# Alaska State Legislature

House of Representatives

LABOR & COMMERCE  
Transportation Committee

DATE: 3/27/95

PLACE: Capitol Room 17

SUBJECT OF MEETING:  
HB 251  
NATIVE CORPORATIONS

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
✓ Burtin Ingo	Tlingit	9464 Brady Pl 9	99801		886 5260	(Y) N	HB 251
✓ Anita Nelson	" "	Box 20505 Jew 99802	99802			(Y) N	" "
<del>Pat Sierra</del>	<del>Indian</del>	<del>98155 C to Box 24711</del>	<del>99802</del>			<del>(Y)</del> N	<del>251</del>
✓ Mike Mann	Koonuk					(Y) N	251
<del>Pat Brown</del>						Y N	1
✓ Roy Hindorf	CIRI	PO Box 93330 Anch 99509				(Y) N	251
✓ Pat Sierra	Indian	10 Box 34711 Junction 99803				(Y) N	251
✓ Mark Kroloff	CIRI	PO Box 93330 Anch 99509				(Y) <del>(N)</del>	251
✓ Ada Patterson	Tlingit	PO Box 020508 Junction 99802		783-2800		(Y) N	HB 251
Wills Kirkpatrick	DCE-D	Badenig Securities Corporation				(Y) N	HB 2521
						Y N	



# Alaska State Legislature

House of Representatives

LABOR & COMMERCE  
Transportation Committee

DATE: 3-27-95

PLACE: Capitol Room 17

SUBJECT OF MEETING:  
HB 251:  
Native Corps Pg 1

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
<del>John Doe</del>	Indians	<del>2805 ...</del>	<del>99501</del>	<del>287-0315</del>		(Y) N	257
<del>John Doe</del>	-	<del>...</del>	→	<del>...</del>		(X) N	-
<del>John Doe</del>	-	^	→	<del>...</del>		(X) N	-
<del>John Doe</del>	-	J -	→	<del>...</del>		(X) N	-
✓ Charles Wharton	Indians	40. ...	99505	581-2794		(Y) N	251
✓ Dorothy Zwick	Full Indians	2140 Lawson Ct. Douglas	99824	304-3878		(Y) N	251
✓ Ike Cropley	Shareholder	4104 Birch Ln. Juneau	99801	789-0850		(Y) N	251
✓ Kathy Falk	Self-employed	PO Box 32677	99803	789-0130		(Y) N	251
<del>Pat Stone</del>	<del>Indians</del>	<del>2805 ...</del>				Y N	
✓ Sonya Smith	Indians	General Delivery Juneau - AK 99802	902	586-3914		(Y) N	257
✓ Susan Marten	Indians	Box 34771 Juneau	99805	483-7351		(Y) N	251

Roll 7





Alaska State Legislature  
House of Representatives

~~Transportation Committee~~

DATE: 2/29/99

PLACE: Capitol Room 17

SUBJECT OF MEETING:  
HB 251  
NATIVE CORP.

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Willis Kirkpatrick	DC ED	Div. Banking Securities & Corp 2521				(Y) N	HB 251
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
Dorothy Zura	Natives	2140 LAWSHARK	99824	361-3898		(Y) N	# 251
Iko Corp Co	"	4104 Birch Ln	99801	787-6858		(Y) N	# 251
						Y N	
						Y N	



Alaska State Legislature  
House of Representatives

~~Transportation Committee~~

DATE: 3/29/95

PLACE: Capitol Room 17

SUBJECT OF MEETING:  
HB 251  
NATIVE CORP.

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Kath Pall	self	PO BOX 32677	99603	7890134		Y	N	
Loretta Wallin						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	

**HB**

**253**

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. HB 253

Revision Date: \_\_\_\_\_ Dept. Affected: Department of Law  
 Title: "An Act relating to the purchase of authentic BRU: Criminal Division, Civil Division  
Native handicrafts on certain licensed premises..." Component: Criminal Division, General Legal Services  
 Sponsor: Representative Nicholia  
 Requester: Representative Nicholia COMPONENT SERIAL NO. 2085, 2087

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	2.6	2.6	2.6	2.6	2.6	2.6
TRAVEL						
CONTRACTUAL	0.3	0.3	0.3	0.3	0.3	0.3
SUPPLIES	0.1	0.1	0.1	0.1	0.1	0.1
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1007 IA Receipts	3.0	3.0	3.0	3.0	3.0	3.0
<b>TOTAL</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

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

**ANALYSIS:** (Attach a separate page if necessary)

This bill adds a new section to AS 04.16 prohibiting a person from offering to purchase or purchasing authentic Native handicrafts if the offer or purchase is made on premises that are licensed to sell alcoholic beverages under AS 04.11.090. A first offense would be punishable by a fine of \$300 and up to 90 days in jail. Repeat offenses would be punishable by a fine of \$600 and up to one year in jail for each offense after the first offense. A person who is not an individual (commercial enterprises) who violates the prohibition would be subject to a fine of \$1,000 for the first offense and a fine of \$2,000 for each repeat offense.

In addition to the penalties described above, the bill also provides that the Alcoholic Beverage Control Board shall suspend the license to sell alcoholic beverages on the premises where the violation occurred for 45 days for a first offense and revoke the license for the second offense if: (1) the licensee violates the prohibition against offering to purchase or purchasing authentic Native handicrafts on the licensed premises or, (2) a person employed to work on the licensed premises violates the prohibition while working on the licensed premises.

Prepared by: Richard I. Peques, Director Phone: 465-3672  
 Division: Administrative Services Division Date: 2/12/96  
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 2/12/96  
 Agency: Department of Law

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FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. HB 253

ANALYSIS CONTINUATION:

The amount of work that the bill may cause for the Department of Law, and the resultant cost is unknown. It seems reasonable, however, that there will be some impact. For example, violations will result in actions against liquor licenses. At a minimum, this will require from 10 to 50 hours annually (if there are only a few violations) of attorney time assisting the Alcoholic Beverage Control Board at \$100 per hour. For the purposes of this analysis, we are estimating 30 hours, or \$3,000, in additional legal service costs. Because the ABC Board is a program receipts agency, we are showing these costs as interagency receipts to the Department of Law so that they reflect a cost to the Board. The department also suggests that the criminal penalties be limited class B misdemeanors.

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Ban Craft Buying on Liquor Premises BRU: Alcoholic Beverage Control Board  
 Component: Alcoholic Beverage Control Board  
 Sponsor: Rep. Nicholia  
 Requestor: (H) Labor and Commerce COMPONENT SERIAL NO. 100

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	4.0	3.0	3.0	3.0	3.0	3.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>4.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	4.0	3.0	3.0	3.0	3.0	3.0
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>4.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

Estimate of any current year (FY96) cost \$ \_\_\_\_\_

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Sec. 3 of the bill requires a bar or cocktail lounge licensee to post a warning sign on his or her premises. Uniform and legible signs would need to be printed and distributed to 644 licensees by the ABC Board. The fiscal note reflects the one-time cost of this printing of a sufficient number of signs to comply with the law for the next five to ten years and postage to distribute these signs. This one-time sign cost is estimated at \$1,000.

Increased regulation increases the likelihood of increased costs associated with enforcement and administrative action. In consulting with the Department of Law it was determined that \$3,000 per year is needed to cover the cost of legal support for the ABC Board for likely administrative actions. This \$3,000 would be transferred to the Department of Law by reimbursable services agreement.

Prepared by: Douglas B. Griffin Phone: 907-277-8638  
 Division: Alcoholic Beverage Control Board Date: 2/12/96  
 Approved by Commissioner: Wilson Condon Date: 2/12/96  
 Agency: Department of Revenue

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# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. HB 253

Revision Date: \_\_\_\_\_ Dept. Affected: Corrections  
 Title: "An Act relating to the purchase of Native handicrafts..." BRU: \_\_\_\_\_  
 Sponsor: Rep Nicholia Component: \_\_\_\_\_  
 Requester: House L & C COMPONENT SERIAL NO. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

This bill would make the purchase of Native handicrafts on premises licensed to sell alcoholic beverages punishable by a fine and a jail sentence. An offender could receive up to 90 days in jail for the first offense and up to a year in jail for each subsequent offense.

The number of arrests, convictions, and the length of any jail sentence that a court might impose is purely speculative. For this reason no costs have been shown in the fiscal note. For purposes of illustration, a maximum sentence for the first offense allowing for statutory good time would be \$6,420.00 served in prison and \$3,420 served in a CRC.

\$107 per day X 60 days = \$6,420 in prison

\$ 57 per day X 60 days = \$3,420 in a CRC

Prepared by: Jerry Shriner  
 Division: Office of the Commissioner  
 Approved by Commissioner: Margaret M. Pugh Margaret Pugh  
 Agency: (Department of Corrections)

Phone: 465-4652  
 Date: 2/13/95  
 Date: 2/13/95

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(The first part of this faxed message was partially garbled, but was retyped with the essential words and ideas included. It was supplied this way to Committee members for the sake of timeliness in the Committee hearing process)

Mr. Chairman and Members of Labor and Commerce Committee:

My name is Rosanne Turner, my residence is at 18220 Gavin Circle, Eagle River. I would like to thank you for giving me the opportunity to express my support of HB 253, an act relating to the selling of Alaska Native Artwork in liquor establishments. I would like to see this piece of legislation passed.

I support House Bill 253 because of the following reasons:

I know that liquor is not sold in department stores and arts and craft shops, conversely arts and crafts should not be sold in bars. We have made specific provision to market products in Alaska. Liquor establishments need to follow their specific licensing requirements to sell prepared food and beverages. This act would ensure compliance.

There are some who will steal from friends, relatives and businesses to sell artwork for liquor. Since these people do not need to show who own the merchandise, they are able to obtain money or liquor for their fraudulent behavior. They continued to be rewarded because of the ease in which they can trade these goods. People would have a harder time in facing stolen property.

When people are drinking, the first impairment is their ability to make good decisions on their own behalf. They also can be persuaded to sell their wares for less than fair market value. There are other who deliberately take advantage of this situation and may at times persuade through enticement the selling of these items. Addiction to drugs does make people unprotected victims of their own irresponsible acts.

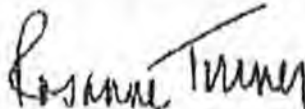
I know the value of these priceless items and would like to see some measures to protect defenseless victims of these misdemeanors. Often, these victims are voiceless and do not have the means to protect themselves.

Addictions to alcohol and other drugs are baffling to those of us who are not plagued by this disease. Making liquor and other drugs more accessible to these people does have long range ramifications for citizens because the costs of taking care of these people are passed on through higher medical premiums. There are also the additional cost of ancillary services provided by numerous social service agencies. The burden and price tag for the local law enforcement departments when people are publicly inebriated are becoming astronomical. These are but a few reasons for your consideration.

I believe this act to be a deterrent to crime. I would like to offer a suggestion that the language in this bill be expanded to include and protect all populations. I think changing the language would make it more effective and less discriminatory.

I would like to again thank the committee for reviewing this important issue.

Respectfully submitted by



# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101


130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

## MEMORANDUM

February 13, 1996

**SUBJECT:** Sectional Summary of HB 253 (Work Order 9-LS0738\A)

**TO:** Representative Irene Nicholia  
Attn: Mary or Lisa

**FROM:**  Theresa Bannister  
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

**Section 1.** Sec. 04.16.095(a) prohibits purchasing or offering to purchase authentic Native handicrafts on premises licensed to sell alcoholic beverages under a beverage dispensary license. Defines "authentic Native handicraft."

Sec. 04.16.095(b) - (c) identifies the punishment for violators.

Sec. 04.16.095(d) directs the Alcoholic Beverage Control Board to suspend the beverage dispensary license for a first violation and to revoke the license for a second violation under certain conditions.

Sec. 04.16.095(e) exempts purchases and offers to purchase that are made in arenas or convention centers owned by the state or its political subdivisions.

**Section 2.** Excepts the new section from a statutory provision that characterizes certain violations as class A misdemeanors.

**Section 3.** Requires beverage dispensary licensees to conspicuously post on the licensed premises warning signs about the prohibition against the purchase of authentic Native handicrafts. Establishes the contents and minimum size of the sign and other specifics about the lettering.

Representative Irene Nicholia  
February 13, 1996  
Page 2

**Section 4.** Gives the Act an immediate effective date.

If I may be of further assistance, please advise.

TLB:glc  
96-097.glc

House District 36  
Alaina  
Alcan  
Allakaket  
Aniak  
Anvik  
Arctic Village  
Beaver  
Bettles  
Birch Creek  
Canyon Village  
Central  
Chalkyitsik  
Chicken  
Chistochina  
Chitina  
Chuathbaluk  
Circle  
Circle Hot Springs  
Coldfoot  
Copper Center  
Copperville  
Crooked Creek  
Dor Lake  
Dry Creek  
Eagle  
Eagle Village  
Evansville  
Fort Yukon  
Gakona  
Galena  
Grayling  
Gulkana  
Healy Lake  
Holy Cross  
Hughes  
Huslia  
Kaltag  
Koyukuk  
Lime Village  
Livengood  
Lake Minchumina  
Lower Kalskag  
Manley  
Marshall  
McCarthy  
McGrath  
Medfra  
Mentasta  
Minto  
Nabesna  
Nenana  
Nikolai  
Northway  
Nulato  
Pilot Station  
Rampart  
Red Devil  
Ruby  
Russian Mission  
Shageluk  
Slana  
Sleetmute  
Stevens Village  
Stony River  
Taketna  
Tanacross  
Tanana  
Telida  
Tetlin  
Tok  
Tuluksak  
Tyonek  
Upper Kalskag  
Venetie  
Wiseman

## Representative Irene K. Nicholia

State Capitol • Juneau, Alaska 99801

Phone: 465-4527 FAX: 465-2197

Toll Free: 1-800-491-4527

E-Mail: Representative\_Irene\_Nicholia@Legis.state.ak.us



Resources  
Community and Regional Affairs  
International Trade and Tourism  
Chair, House Bush Caucus

### House Bill 253

#### SPONSOR STATEMENT

House Bill 253 would modify AS 04.11.090 to make the purchase of "authentic Native Handicraft" on all premises that hold beverage dispensary licenses illegal.

This legislation stems from the problems with numerous indigenous artists being exploited by tourists, local patrons, community members, and bar owners on beverage dispensary licensed premises. Currently the law allows a potential buyer to encourage an artist to become intoxicated to the point that they are unable to make sound business decisions. All too often these Native artists are enticed to sell their handicrafts at ridiculously low prices, thus enabling the purchaser to re-sell such items for a considerable profit. This situation both robs the artisan of the full monetary value of their handicrafts and also allows the artist to continue abusing alcohol with the money earned from the sale.

Passage of HB 253 would be a positive step toward developing an appreciation for the work of Native artists, and allowing these artists the ability to receive the full value of their craft. This legislation also acts to discourage the abuse of alcohol by removing the potential for intoxicated artists to obtain money in an establishment that holds a beverage dispensary license.

I strongly urge you to support this legislation.

SPONSOR

February 9, 1996

Honorable Irene Nicholia  
House of Representatives  
State of Alaska  
Room 501  
State Capital  
Juneau, Alaska 99801-1182

Dear Representative Nicholia,

On January 19th. I had an opportunity to talk to your staff with regard to HB-253. I firmly believe that this act which relates to the purchase of authentic Native handicraft on certain licensed premises, will help in the reduction of exploiting Native crafts people. The significance of this legislation will also aid in the reduced consumption of alcohol by Native people.

If I can be of any assistance to you regarding this legislation, please let me know. I support your effort and recognize the difficulty in your job as you proceed in this legislative session.

Sincerely,

*Rosanne Turner*

Rosanne Turner  
696-0781

*Background*

**HB**

**260**

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 260(TRA)

Revision Date: April 21, 1995 Department: Commerce and Economic Development  
 Title: An Act relating to marine pilots and the BRU: Occupational Licensing  
 Board of Marine Pilots;... Component: Operations  
 Sponsor: House Transportation  
 Requestor: House Transportation COMPONENT SERIAL #: 1844

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	74.1	74.1	74.1	74.1	74.1	74.1
TRAVEL	29.5	29.5	29.5	29.5	29.5	29.5
CONTRACTUAL	62.7	137.7	62.7	62.7	62.7	62.7
SUPPLIES	0.6	0.6	0.6	0.6	0.6	0.6
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>166.9</b>	<b>241.9</b>	<b>166.9</b>	<b>166.9</b>	<b>166.9</b>	<b>166.9</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES	6.6	382.2	6.6	307.2	6.6	307.2
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts	166.9	241.9	166.9	166.9	166.9	166.9
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>166.9</b>	<b>241.9</b>	<b>166.9</b>	<b>166.9</b>	<b>166.9</b>	<b>166.9</b>

Estimate of any current year (FY 95) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

CSHB 260(TRA) extends the Board of Marine Pilots to June 30, 1999 and make other amendments to the marine pilot act, AS 08.62, including adding two members to the Board of Marine Pilots. The costs and anticipated revenue are included in the division's FY 96 operating budget request with the exception of \$4.8 in travel to cover expenses for two new members to attend three board meetings each year. A one time increment in the operating budget is reflected in the FY 97 column above. Fees would have to be reviewed prior to the next renewal in FY 97 to ensure full costs of the program are covered by licensing fees.

Prepared by: Jennifer Strickler, Admin. Officer Phone: 465-2144  
 Division: Occupational Licensing Date: 4/21/95  
 Approved by Commissioner: William L. Hensley Date: 4/24/95  
 Agency: Commerce and Economic Development

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# FISCAL NOTE

No. 1  
 Bill Version: CSHB 260 (TRA)  
 (H) Publish Date: 4/7/95

**STATE OF ALASKA  
 1995 LEGISLATIVE SESSION**

Revision Date: March 17, 1995 Department: Commerce and Economic Development  
 Title: An Act relating to marine pilots and the BRU: Occupational Licensing  
 Board of Marine Pilots:.... Component: Operations  
 Sponsor: House Transportation  
 Requestor: House Transportation COMPONENT SERIAL #: 1844

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	74.1	74.1	74.1	74.1	74.1	74.1
TRAVEL	24.7	24.7	24.7	24.7	24.7	24.7
CONTRACTUAL	62.7	137.7	62.7	62.7	62.7	62.7
SUPPLIES	0.6	0.6	0.6	0.6	0.6	0.6
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>162.1</b>	<b>237.1</b>	<b>182.1</b>	<b>182.1</b>	<b>162.1</b>	<b>162.1</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES</b>	<b>6.6</b>	<b>382.2</b>	<b>6.6</b>	<b>307.2</b>	<b>6.6</b>	<b>307.2</b>

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts	162.1	137.7	162.1	162.1	162.1	162.1
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>162.1</b>	<b>137.7</b>	<b>162.1</b>	<b>162.1</b>	<b>162.1</b>	<b>162.1</b>

Estimate of any current year (FY 95) cost: \$ 0.0

**POSITIONS**

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

**ANALYSIS:** (Attach a separate page if necessary)

HB 260 extends the Board of Marine Pilots to June 30, 1999 and make other amendments to the marine pilot act, AS 08.62. The costs and anticipated revenue shown above are included in the division's FY 96 operating budget request. A one time increment in the operating budget is reflected in the FY 97 column above. Fees would have to be reviewed prior to the next renewal in FY 97 to ensure full costs of the program are covered by licensing fees. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Admin. Officer Phone: 465-2144  
 Division: Occupational Licensing Date: 3/18/95  
 Approved by Commissioner: William L. Hensley Date: 3/17/95  
 Agency: Commerce and Economic Development

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# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 260

Revision Date: March 17, 1995  
 Title: An Act relating to marine pilots and the  
Board of Marine Pilots;....  
 Sponsor: House Transportation  
 Requestor: House Transportation

Department: Commerce and Economic Development  
 BRU: Occupational Licensing  
 Component: Operations  
 COMPONENT SERIAL #: 1844

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	74.1	74.1	74.1	74.1	74.1	74.1
TRAVEL	24.7	24.7	24.7	24.7	24.7	24.7
CONTRACTUAL	62.7	137.7	62.7	62.7	62.7	62.7
SUPPLIES	0.6	0.6	0.6	0.6	0.6	0.6
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>162.1</b>	<b>237.1</b>	<b>162.1</b>	<b>162.1</b>	<b>162.1</b>	<b>162.1</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES</b>	6.6	382.2	6.6	307.2	6.6	307.2
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts	162.1	137.7	162.1	162.1	162.1	162.1
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>162.1</b>	<b>137.7</b>	<b>162.1</b>	<b>162.1</b>	<b>162.1</b>	<b>162.1</b>

Estimate of any current year (FY 95) cost: \$ 0.0

**POSITIONS**

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

**ANALYSIS:** (Attach a separate page if necessary)

HB 260 extends the Board of Marine Pilots to June 30, 1999 and make other amendments to the marine pilot act, AS 08.62. The costs and anticipated revenue shown above are included in the division's FY 96 operating budget request. A one time increment in the operating budget is reflected in the FY 97 column above. Fees would have to be reviewed prior to the next renewal in FY 97 to ensure full costs of the program are covered by licensing fees. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Admin. Officer  
 Division: Occupational Licensing  
 Approved by Commissioner: William L. Hensley  
 Agency: Commerce and Economic Development

Phone: 465-2144  
 Date: 3/18/95  
 Date: 3/17/95

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# Alaska State Legislature

## House of Representatives

### Transportation Committee

## SPONSOR STATEMENT

### HOUSE BILL 260

**"An Act relating to marine pilots and the Board of Marine Pilots; extending the termination date of the Board of Marine Pilots; and providing for an effective date."**

Alaska law requires most ships navigating Alaska's inland or coastal waters to use a marine pilot licensed by the state. Marine Pilots are professional experts with respect to local knowledge, familiarity with the vessels they control, and shiphandling skills under the full range of operational conditions that a vessel may experience in the service area. The pilot is expected to direct and control each vessel safely along the entire pilotage route, be capable of placing a vessel in a safe anchorage, and be capable of docking and undocking a vessel, with or without the assistance of tugs. How well a pilot performs this service not only affects the safety of the vessel, crew, and cargo, but by extension, protection of the environment and, in some cases public safety as well.

The Board of Marine Pilots' sunset clause became effective on June 30, 1994 and is now in its wind-down year. House Bill 260 extends the Board of Marine Pilots to June 30, 1999.

Along with extending the Board, HB 260 proposes other amendments to the Marine Pilotage Act of 1991. Most of these amendments provide clean-up language or clarify existing policies in statute.

Others issues addressed include cross-regionalization, conflict resolution through statutes, and the inclusion of a deputy marine pilot apprenticeship program.

# Alaska State Legislature

## House of Representatives

### Transportation Committee

## SECTIONAL ANALYSIS

### CS for HOUSE BILL 260 (TRA)

**"An Act relating to marine pilots and the Board of Marine Pilots; extending the termination date of the Board of Marine Pilots; and providing for an effective date."**

**Section 1** Amends AS 08.03.010(c)(13) to extend termination date of the Board of Marine Pilots to June 30, 1999.

**Section 2** Amends AS 08.62.010 to increase the membership of the Board of Marine Pilots by the addition of one pilot and one industry representative. Also, clarifies that the industry representatives of the Board of Marine Pilots shall be actively engaged in obtaining pilotage services for vessels subject to this chapter. In addition, .010 now requires, that not more than one of the pilot or industry representatives be from the same pilotage region instead of the same judicial district.

**Section 3** Amends AS 08.62.040(b) to clarify the board's existing authority to require licensed marine pilots to participate in a drug and alcohol testing program, to clarify the scope of the required program, and to make it clear that the board may delegate the administration of all or part of the program to pilot organizations. Also, language is added to bring .040(b) into compliance with AS 08.62.080(b).

**Section 4** Amends AS 08.62.040 by adding a new subsection to explicitly authorize the board to delegate duties to the marine pilot coordinator as necessary to carry out the board's functions under AS 08.62. The addition of this language is a clarification, not a change.

**Section 5** Amends AS 08.62.050 by adding a new subsection clarifying the authority of the marine pilot coordinator to perform administrative tasks, including the review of applications for marine pilot examination and licensure.

**Section 6** Amends AS 08.62.080(b) by granting the commissioner, rather than the Board, the authority to determine an actual or imminent shortage of licensed pilots exists. The Board could then issue temporary licenses for the region where a shortage exists.

**Section 7** Amends AS 08.62.090(b) by granting the department the authority to revise application forms without requiring formal board approval of the revised form.

**Section 8** Amends AS 08.62.093(b) by adding numerous technical amendments intended to clarify the types of marine licenses that an applicant must hold to meet the requirements for licensure as a state deputy marine pilot. These changes would conform state law to the language used on U.S. Coast Guard licenses. The addition of (b)(6) establishes an additional method of qualifying for licensure as a deputy marine pilot - a five-year "apprenticeship" program. This change would allow easier entry into the pilot profession by otherwise qualified mariners who may not have had the opportunity to gain the "sea time" needed under current law.

**Section 9** Amends AS 08.62.093(d) to increase the size of vessels that a deputy marine pilot may pilot from 20,000 to 25,000 gross tons. This is a "housekeeping" amendment which recognizes the increasing size of newer vessels.

**Section 10** Amends AS 08.62.097(b). Currently, a pilot authorized to train deputy marine pilot candidates must hold an unlimited pilot's license under AS 08.62.100. In the Kuskokwim River Region there is no marine pilot who meets this requirement, in part because of a lack of sufficient larger tonnage vessel traffic in that region. So technically there is no one qualified to train deputy pilots in that region. This will prevent an unacceptable situation where no new pilots can be developed.

**Section 11** Amends AS 08.62.120(a) to allow license renewal forms to be revised by the Department without the necessity of formal Board approval. This mirrors the change made in Section 7. In addition, .120(a) is amended to allow a marine pilot to renew his license if he has piloted a total of 120 days in the preceding licensing period (two years) rather than 60 days in each previous year. This will allow some flexibility for pilots who may have piloted vessels for less than 60 days in one year, but more than that in the next or prior year.

**Section 12** Amends AS 08.62.150(a) to delete a reference to the maximum tariff established by the Board. The Board's authority to establish maximum tariffs expired on June 30, 1994, so this is a necessary conforming amendment.

**Section 13** Amends AS 08.62.155(b) to make the Board, not the Department, able to impose a civil fine on a marine pilot organization for violations of the law. A new sentence is added to subsection (b) to make it clear that, in addition to a fine, the Board may (under certain serious conditions) also revoke its recognition of a pilot organization. This language is taken from an existing board regulation -- 12 AAC 56.320. Thus, this is not a change to existing law, but a clarification of it.

**Section 14** Amends AS 08.62.157 by adding a new subsection clarifying that a person licensed under this chapter who is a member of a pilot organization shall provide pilotage services to a vessel upon being dispatched by a pilot organization.

**Section 15** Amends AS 08.62.165(a) to narrow a pilots unlimited liability to those instances in which a pilot is found chemically impaired or illegally uses, possesses, or sells drugs. Currently, the Board may impose a small sanction in cases involving minor pilot error. In those cases the pilot is subject to unlimited liability. Thus it is possible that the punishment could far exceed the error.

**Section 16** Amends AS 08.62.175(c) to grant pilot organizations the ability to establish basic criteria for membership. Also, deletes language referencing the maximum tariff provision.

**Section 17** Amends AS 08.62.175 (d) by adding language to allow pilot organizations to implement deputy marine pilot apprenticeship programs.

**Section 18** Amends AS 08.62.175 by adding two new subsections. Subsection (e) allows pilot organizations to establish deputy marine pilot apprenticeship programs subject to prior approval by the board. Subsection (f) clarifies that a pilot organization may enter into agreements with the owner of a vessel or the owner's representative concerning the conditions under which pilotage services will be provided.

**Section 19** Amends AS 08.62.180 to clarify the types and size of foreign flagged "pleasure craft" that are exempt from pilotage requirements under existing law. The new language cross-references measurement standards established in federal law. In addition, this section grants an exemption to

Canadian vessels in Alaska waters north of 68 degrees, 7 minutes North latitude. The exemption applies to Canadian vessels whose American counterparts would not require. marine pilotage services in Canadian waters north of 68 degrees, 7 minutes North latitude.

Section 20 Provides transition language for the Board.

Section 21 Repeals AS 08.62.093(e). The term "years of service" is not defined in 46 C.F.R. 10; it does not make sense to "cross-reference" to a definition that does not exist. The Board has adopted regulations clarifying how creditable service under AS 08.62.093 is to be calculated.

Section 22 Provides an effective date.

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

907 465-3867 or 465-2450  
FAX 907 465-2029  
Mail Stop 3101

20 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

### MEMORANDUM

March 5, 1994

**SUBJECT:** Federal Antitrust Exemption for Tariff Setting Activities of Marine Pilot Organizations (Work Order No. 3-LS1615'E)

**TO:** Representative Bill Hudson  
ATTN: Lynda Giguere

**FROM:** George Utermohe *GU*  
Legislative Counsel

This memorandum is in response to your request for my comments regarding a letter to Stuart Mork from Mark Ashburn, dated March 2, 1994.

The essence of the letter is that the pending repeal of the authority of the Board of Marine Pilots to set maximum tariffs that may be charged by marine pilot organizations is not "particularly meaningful," because it probably would not change the antitrust liability of marine pilot organizations.

Under federal antitrust law, a group of individuals such as marine pilots cannot agree among themselves to set the tariffs that they may charge for their services. Such actions are anticompetitive and may constitute horizontal price fixing. Persons who engage in activities violative of the federal antitrust laws are potentially subject to criminal and civil sanctions, including the payment of treble damages to those injured by their illegal conduct.

Under the "state action" exemption, a state is allowed to immunize private anticompetitive conduct from federal antitrust liability by (1) clearly and affirmatively articulating a policy to allow anticompetitive conduct and (2) actively supervising the anticompetitive conduct of the private party. Under AS 08.62.045 the Board of Marine Pilots is authorized to supervise the setting of tariffs by marine pilot organizations. Once AS 08.62.045 is repealed, as scheduled on June 30 of this year, the board will no longer have the authority to supervise the setting of marine pilot tariffs by marine pilot organizations and there will be little likelihood that the state will be able to satisfy the "active supervision" requirement of the "state action" exemption. If the state is not able to immunize the tariff setting practices of marine

Representative Bill Hudson

March 5, 1994

Page 2

pilot organizations through the "state action" exemption, then marine pilot organizations and their members are at risk of violating the federal antitrust laws.

Mr. Ashburn suggests that the repeal of AS 08.62.045 will probably not have a meaningful impact on the antitrust liability of the marine pilot organizations, because AS 08.54.045 does not actually provide for active supervision and thus the current statutory scheme would not immunize the tariff setting activities of the marine pilot organizations, in any case. This risk conceivably exists. The United States Supreme Court has repeatedly increased the level and rigor of state supervision of private anticompetitive activities that is necessary to satisfy the "active supervision" requirement. The level of supervision authorized by AS 08.62.045 may conceivably fall below the standard set by the Supreme Court. However, without the authority to at least set the maximum tariffs that may be charged by marine pilot organizations, the state will not be able to make a reasonable argument to the federal courts that the state does indeed actively supervise the setting of marine pilot tariffs. ←\*

The alternative argument, that AS 08.62.045 may not be necessary because marine pilot organization are like private companies that competitively set tariffs and thus are not anticompetitive, disregards the fact that marine pilot organizations are merely voluntary associations of independent contractors that provide marine pilot services. Marine pilots are not employees of the marine pilot organization, so a marine pilot organization cannot be considered to be a distinct business entity engaged in open and unfettered competition with other marine pilot organizations.

If I may be of further assistance, please advise.

GU:gc

94-172.glc

HOUSE COMMITTEE REPORT

(7)  
 Date Referred: April 7, 1995 FURTHER REFERRALS: Finance

Date of Committee Action: 4-27-95

The LABOR AND COMMERCE Committee considered: HB 260

HOUSE BILL NO. 260 MARINE PILOTS

"An Act relating to marine pilots and the Board of Marine Pilots; extending the termination date of the Board of Marine Pilots; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 260 (L&C)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)  
 fiscal note(s) Commerce and Economic Development; Occupational Licensing 4-24-95  fiscal note(s) \_\_\_\_\_  
 zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Pete Kott</i>				✓
<i>Ken Blaney</i>			✓	
<i>Ken Blaney</i>			✓	
<i>Gene Koehne</i>			✓	
<i>Brian Porter</i>				✓
<i>Beverly Masell</i>			✓	
<i>Jerry Sanders</i>	✓			

CHAIR'S SIGNATURE *Pete Kott*

CS FOR HOUSE BILL NO. 260(TRA)  
 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered:  
 Referred:

Sponsor(s): HOUSE TRANSPORTATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to marine pilots and the Board of Marine Pilots; extending the  
 2 termination date of the Board of Marine Pilots; and providing for an effective  
 3 date."

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

5 \* Section 1. AS 08.03.010(c)(13) is amended to read:

6 (13) Board of Marine Pilots (AS 08.62.010) -- June 30, 1999 [1994];

7 \* Sec. 2. AS 08.62.010 is amended to read:

8 Sec. 08.62.010. CREATION AND MEMBERSHIP OF BOARD. There is  
 9 created the Board of Marine Pilots. It consists of three [TWO] pilots licensed under  
 10 this chapter who have been actively engaged in piloting on vessels subject to this  
 11 chapter, three industry representatives [TWO AGENTS OR MANAGERS OF  
 12 VESSELS SUBJECT TO THIS CHAPTER], two public members in accordance with  
 13 AS 08.01.025, and the commissioner or the commissioner's designee. A person who  
 14 is appointed to the board as an industry representative shall be an owner,

1 manager, or agent, or an employee of an owner, manager, or agent, of a vessel  
2 subject to this chapter and shall be actively engaged in obtaining pilotage services  
3 for vessels subject to this chapter. Not more than one pilot and one industry  
4 representative [AGENT OR MANAGER] shall be from any one pilotage region  
5 established by the board [JUDICIAL DISTRICT]. All members of the board shall  
6 be residents of the state.

7 \* Sec. 3. AS 08.62.040(b) is amended to read:

8 (b) The board may, by regulation, make any other provision for proper and  
9 safe pilotage upon the inland and coastal water of and adjacent to the state and for the  
10 efficient administration of this chapter, including establishing

11 (1) different licensing criteria for a pilotage region if justified by  
12 regional differences in piloting;

13 (2) a mandatory [RANDOM] drug and alcohol testing program,  
14 including random tests, post-incident tests, and tests based upon reasonable cause,  
15 for pilots licensed under this chapter; the board may delegate responsibility for  
16 administration of all or a portion of a testing program to pilot organizations;

17 (3) criteria for trainee selection and for training programs conducted by  
18 pilot organizations; and

19 (4) standards under which a pilot may receive a license or an  
20 endorsement to a license to pilot vessels in more than one pilotage region under  
21 AS 08.62.080(b).

22 \* Sec. 4. AS 08.62.040 is amended by adding a new subsection to read:

23 (e) The board may delegate duties to the marine pilot coordinator as necessary  
24 to assist the board in administering and enforcing this chapter.

25 \* Sec. 5. AS 08.62.050 is amended by adding a new subsection to read:

26 (c) In addition to other duties as may be assigned by the board, the marine  
27 pilot coordinator may review applications for examination and licensure to ascertain  
28 whether the applicant satisfies the applicable requirements.

29 \* Sec. 6. AS 08.62.080(b) is amended to read:

30 (b) A pilot may not be licensed in more than one pilotage region at one time  
31 [,] unless the commissioner [BOARD] determines that an actual or imminent

1 shortage of licensed pilots exists in a [IT IS IN THE BEST INTERESTS OF THE  
2 STATE TO LICENSE PILOTS FOR PARTS OF MORE THAN ONE] pilotage region.  
3 If the commissioner makes the determination described in this subsection, the  
4 board may, after consultation with the recognized pilot organizations in the  
5 affected pilotage region, issue temporary licenses for the affected pilotage region  
6 to pilots who already hold a license for another pilotage region. The board shall  
7 ensure that sufficient pilots are available to provide pilotage services in the  
8 affected pilotage region to all vessels required to employ a pilot under this  
9 chapter. A temporary license issued under this subsection is valid for a period  
10 of not more than one year.

11 \* Sec. 7. AS 08.62.090(b) is amended to read:

12 (b) The application shall provide the information and be made on a form  
13 prescribed by the department [BOARD].

14 \* Sec. 8. AS 08.62.093(b) is amended to read:

15 (b) A person who applies for a deputy marine pilot license under this chapter  
16 shall provide proof satisfactory to the board of the following experience:

17 (1) one year of service as a master on ocean or coastwise vessels while  
18 holding a United States Coast Guard license as master of ocean steam or motor  
19 vessels of any gross tons;

20 (2) two years of service as a master on United States Coast Guard  
21 inspected vessels of not less than 1,000 gross tons or tug and tow of not less than  
22 1,600 combined gross tons while holding at least a United States Coast Guard [A]  
23 license as master of steam or motor vessels of not more [LESS] than 1,600 gross  
24 tons;

25 (3) two years of service as a chief officer on ocean or coastwise vessels  
26 of not less than 1,600 gross tons while holding a United States Coast Guard license  
27 as master of ocean steam or motor vessels of any gross tons;

28 (4) two years of service as commanding officer of United States  
29 commissioned vessels of not less than 1,600 gross tons and hold a United States  
30 Coast Guard [WHILE HOLDING A] license as master of ocean steam or motor  
31 vessels of any gross tons; [OR]

1 (5) three years of experience as a member of a professional pilot's  
2 organization, during which the person actively engaged in piloting while holding at  
3 least a United States Coast Guard license as a master of steam or motor vessels  
4 [FREIGHT OR TOWING VESSEL] of not more than 1,600 gross tons; or

5 (6) five years of experience gained in a board approved deputy  
6 marine pilot apprenticeship program in the pilotage region for which the deputy  
7 marine pilot license is sought and hold at least a United States Coast Guard  
8 license as master of steam or motor vessels of not more than 1,600 gross tons.

9 \* Sec. 9. AS 08.62.093(d) is amended to read:

10 (d) A person licensed as a deputy marine pilot under this section may, except  
11 as otherwise provided by the board, pilot vessels of 25,000 [20,000] gross tons or less  
12 in a marine pilotage region for which the license is issued.

13 \* Sec. 10. AS 08.62.097(b) is amended to read:

14 (b) A person who supervises the training of persons who are seeking a deputy  
15 marine pilot license under this chapter shall

16 (1) hold a marine pilot license issued under AS 08.62.100; however,  
17 if the board finds that there are no marine pilots licensed in a pilotage region who  
18 are available to supervise training under this section, the board may authorize a  
19 person who is licensed in that pilotage region as a deputy marine pilot to  
20 supervise the training of persons who are seeking a deputy marine pilot license  
21 in that pilotage region;

22 (2) receive prior authorization from the board to supervise the training  
23 of those persons;

24 (3) maintain a written log and evaluation on a form provided by the  
25 board of the training and progress of the person being supervised.

26 \* Sec. 11. AS 08.62.120(a) is amended to read:

27 (a) In order to renew a marine pilot license, a person who is licensed under  
28 AS 08.62.100 shall

29 (1) submit an application for renewal of the license on a form provided  
30 by the department [BOARD];

31 (2) submit proof of continued qualification under AS 08.62.100 to

1 receive a marine pilot license;

2 (3) provide evidence of satisfactory completion of a physical  
3 examination by a licensed physician within 60 days before the date of renewal of the  
4 license;

5 (4) submit proof satisfactory to the board that the person has

6 (A) engaged in piloting vessels subject to this chapter in the  
7 marine pilotage region for which the license is to be renewed during at least  
8 120 days [60 DAYS OF EACH CALENDAR YEAR] in the licensing period  
9 immediately preceding the licensing period for which renewal is sought; or

10 (B) completed the minimum number of familiarization trips  
11 required by the board for renewal of a marine pilot license for a marine  
12 pilotage region for which the license is to be renewed.

13 \* Sec. 12. AS 08.62.150(a) is amended to read:

14 (a) The board shall impose a disciplinary sanction on a person licensed under  
15 this chapter when the board finds that the person

16 (1) is incompetent in the performance of pilotage duties;

17 (2) is chemically impaired;

18 (3) illegally possesses, uses, or sells narcotic or hallucinogenic drugs;

19 (4) makes a false statement to obtain a license;

20 (5) violates a provision of this chapter or a regulation adopted under

21 this chapter [IT];

22 (6) is guilty of misconduct during the course of employment;

23 (7) has had the person's United States Coast Guard pilot license  
24 conditioned, suspended, or revoked; or

25 (8) charges, collects, or receives an amount for pilotage services that  
26 is [IN EXCESS OF THE MAXIMUM TARIFF ESTABLISHED BY THE BOARD  
27 OR] different from the amount set [TARIFF ADOPTED] by the pilot organization of  
28 which the person is a member.

29 \* Sec. 13. AS 08.62.155(b) is amended to read:

30 (b) The board [DEPARTMENT] may impose a civil fine not to exceed \$5,000  
31 on a marine pilot organization recognized by the board [,] if the organization violates

1 this chapter or a regulation adopted under this chapter. The board may also suspend  
2 or revoke the recognition of a pilot organization that fails to comply with its  
3 articles, bylaws, and rules, so as to no longer satisfy the minimum standards for  
4 recognition by the board.

5 \* Sec. 14. AS 08.62.157 is amended by adding a new subsection to read:

6 (c) A person licensed under this chapter shall provide pilotage services to a  
7 vessel upon being dispatched by the pilot organization of which the person is a  
8 member.

9 \* Sec. 15. AS 08.62.165(a) is amended to read:

10 (a) A pilot licensed under this chapter is not liable for damages in excess of  
11 \$250,000 per incident for damages or loss occurring as a result of the error, omission,  
12 fault, or neglect of the pilot in performing pilotage services, except that the limitation  
13 does not apply in a case where

14 (1) the pilot is either grossly negligent or guilty of wilful misconduct;

15 or

16 (2) the error, omission, fault, or neglect of the pilot constitutes an act  
17 for which the board shall impose a disciplinary sanction under AS 08.62.150(a)(2) or  
18 (3) [AS 08.62.150(a)(1), (2), (3), (5), (6), OR (7)].

19 \* Sec. 16. AS 08.62.175(c) is amended to read:

20 (c) A pilot organization recognized by the board shall

21 (1) promote a safe and reliable system of marine pilotage for the region  
22 in which the organization is recognized;

23 (2) provide for the dispatch of pilots who are members of the  
24 organization;

25 (3) subject to the membership application and approval provisions  
26 contained in the articles and bylaws of the organization, [ADOPT AND REVISE  
27 TARIFFS FOR THE PROVISION OF PILOTAGE SERVICES BY THE MEMBERS  
28 OF THE ORGANIZATION;

29 (4) be open to membership by all persons licensed under this chapter  
30 to pilot vessels in the pilotage region in which the organization is recognized;

31 (4) [(5)] operate or participate in a training program for pilots and

1 deputy pilots that is approved by the board;

2 (5) ~~[(6)]~~ cooperate with and assist the board in implementing this  
3 chapter.

4 \* Sec. 17. AS 08.62.175(d) is amended to read:

5 (d) A pilot organization recognized by the board may not begin operating until  
6 the articles, bylaws, and rules of the pilot organization are approved by the board on  
7 the basis of

8 (1) uniform and nondiscriminatory application of the articles, bylaws,  
9 and rules to marine pilots and deputy marine pilots licensed under this chapter and  
10 trainees for marine pilot licenses;

11 (2) compliance with applicable laws; and

12 (3) effectiveness in

13 (A) promoting an efficient, reliable, and professional marine  
14 pilotage system in the region;

15 (B) maintaining a sufficient number of qualified pilots available  
16 for dispatch to serve the needs of vessels visiting the region during each hour  
17 of the day and each day of the year to the extent that it is reasonably possible  
18 given the size of the membership of the pilot organization;

19 (C) promoting training programs, that may include deputy  
20 marine pilot apprenticeship programs, for marine pilots and deputy marine  
21 pilots that are approved by the board.

22 \* Sec. 18. AS 08.62.175 is amended by adding new subsections to read:

23 (e) Subject to the prior approval of the apprenticeship program by the board,  
24 a pilot organization may establish a deputy marine pilot apprenticeship program for the  
25 pilotage region in which the organization is recognized.

26 (f) A pilot organization recognized by the board may enter into agreements  
27 with the master, owner, operator, or agent of a master, owner, or operator of a vessel,  
28 concerning the terms and conditions under which the pilot organization will provide  
29 pilotage services.

30 \* Sec. 19. AS 08.62.180 is amended to read:

31 Sec. 08.62.180. EXEMPTIONS. This chapter does not apply to

1 (1) vessels subject to federal pilot requirements under 46 U.S.C. 8502  
2 except as provided in AS 08.62.185;

3 (2) fishing vessels, including fish processing and fish tender vessels,  
4 registered in the United States or in British Columbia, Canada;

5 (3) vessels propelled by machinery and not more than 65 feet in length  
6 over deck, except tugboats and towboats propelled by steam;

7 (4) vessels of United States registry of less than 300 gross tons and  
8 towboats of United States registry and vessels owned by the State of Alaska, engaged  
9 exclusively

10 (A) on the rivers of Alaska; [,] or

11 (B) in the coastwise trade on the west or north coast of the  
12 United States including Alaska and [,] Hawaii, and including British  
13 Columbia, Yukon Territory, and Northwest Territories, Canada;

14 (5) vessels of Canada, built in Canada and manned by Canadian citizens  
15 [INCLUDING CANADIAN CRUISE SHIPS], engaged in frequent trade between

16 (A) British Columbia and Southeastern Alaska south of 58  
17 degrees, 10 minutes North latitude, if reciprocal exemptions are granted by  
18 Canada to vessels owned by the State of Alaska and those of United States  
19 registry; or

20 (B) northern Alaska north of 68 degrees, 7 minutes North  
21 latitude and Yukon Territory or Northwest Territories; [AND]

22 (6) pleasure craft of United States registry; and

23 (7) pleasure craft of foreign registry of less than 300 gross tons as  
24 measured under 46 C.F.R. 69.51 - 69.75.

25 \* Sec. 20. TRANSITION. (a) Notwithstanding AS 08.62.010, as amended by sec. 2 of  
26 this Act, the current members of the Board of Marine Pilots shall continue to serve for the  
27 term to which they were appointed.

28 (b) As the terms of the current marine pilot members and current agent or manager  
29 members of the Board of Marine Pilots expire, the governor shall appoint marine pilot  
30 members and industry representative members to the board in accordance with the  
31 qualifications set out in AS 08.62.010, amended by sec. 2 of this Act.

1 (c) Notwithstanding AS 08.01.035, the governor shall make appointments to fill the  
2 new pilot and industry representative positions created on the Board of Marine Pilots by  
3 AS 08.62.010, as amended by sec. 2 of this Act, by appointing

4 (1) one pilot member to the board for an initial three-year term beginning  
5 June 1, 1995; and

6 (2) one industry representative member to the board for an initial four-year  
7 term beginning June 1, 1995.

8 (d) In this section, the current members of the board are those persons serving on the  
9 Board of Marine Pilots on the day before the effective date of this Act.

10 \* **Sec. 21.** AS 08.62.093(e) is repealed.

11 \* **Sec. 22.** This Act takes effect July 1, 1995.

## CS FOR HOUSE BILL NO. 260(L&amp;C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE TRANSPORTATION COMMITTEE

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to marine pilots and the Board of Marine Pilots; extending the  
2 termination date of the Board of Marine Pilots; and providing for an effective  
3 date."

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

5 \* Section 1. AS 08.03.010(c)(13) is amended to read:

6 (13) Board of Marine Pilots (AS 08.62.010) -- June 30, 1999 [1994];

7 \* Sec. 2. AS 08.62.010 is amended to read:

8 Sec. 08.62.010. CREATION AND MEMBERSHIP OF BOARD. There is  
9 created the Board of Marine Pilots. It consists of two pilots licensed under this chapter  
10 who have been actively engaged in piloting on vessels subject to this chapter, two  
11 industry representatives [AGENTS OR MANAGERS OF VESSELS SUBJECT TO  
12 THIS CHAPTER], two public members in accordance with AS 08.01.025, and the  
13 commissioner or the commissioner's designee. A person who is appointed to the  
14 board as an industry representative shall be an owner, manager, or agent, or an

1 employee of an owner, manager, or agent, of a vessel subject to this chapter and  
2 shall be actively engaged in obtaining pilotage services for vessels subject to this  
3 chapter. Not more than one pilot and one industry representative [AGENT OR  
4 MANAGER] shall be from any one pilotage region established by the board  
5 [JUDICIAL DISTRICT]. All members of the board shall be residents of the state.

6 \* Sec. 3. AS 08.62.040(b) is amended to read:

7 (b) The board may, by regulation, make any other provision for proper and safe  
8 pilotage upon the inland and coastal water of and adjacent to the state and for the  
9 efficient administration of this chapter, including establishing

10 (1) different licensing criteria for a pilotage region if justified by regional  
11 differences in piloting;

12 (2) a mandatory [RANDOM] drug and alcohol testing program,  
13 including random tests, post-incident tests, and tests based upon reasonable cause,  
14 for pilots licensed under this chapter; the board may delegate responsibility for  
15 administration of all or a portion of a testing program to pilot organizations;

16 (3) criteria for trainee selection and for training programs conducted by  
17 pilot organizations; and

18 (4) standards under which a pilot may receive a license or an  
19 endorsement to a license to pilot vessels in more than one pilotage region under  
20 AS 08.62.080(b).

21 \* Sec. 4. AS 08.62.040 is amended by adding a new subsection to read:

22 (e) The board may delegate duties to the marine pilot coordinator as necessary  
23 to assist the board in administering and enforcing this chapter.

24 \* Sec. 5. AS 08.62.050 is amended by adding a new subsection to read:

25 (c) In addition to other duties as may be assigned by the board, the marine pilot  
26 coordinator may review applications for examination and licensure to ascertain whether  
27 the applicant satisfies the applicable requirements.

28 \* Sec. 6. AS 08.62.080(b) is amended to read:

29 (b) A pilot may not be licensed in more than one pilotage region at one time [,]  
30 unless the commissioner [BOARD] determines that an actual or imminent shortage  
31 of licensed pilots exists in a [IT IS IN THE BEST INTERESTS OF THE STATE TO  
32 LICENSE PILOTS FOR PARTS OF MORE THAN ONE] pilotage region. If the

1 commissioner makes the determination described in this subsection, the board may,  
2 after consultation with the recognized pilot organizations in the affected pilotage  
3 region, issue temporary licenses for the affected pilotage region to pilots who  
4 already hold a license for another pilotage region. The board shall ensure that  
5 sufficient pilots are available to provide pilotage services in the affected pilotage  
6 region to all vessels required to employ a pilot under this chapter. A temporary  
7 license issued under this subsection is valid for a period of not more than one year,  
8 but may be renewed or reissued for subsequent periods of not more than one year  
9 if the commissioner determines that the actual or imminent shortage of licensed  
10 pilots continues to exist.

11 \* Sec. 7. AS 08.62.090(b) is amended to read:

12 (b) The application shall provide the information and be made on a form  
13 prescribed by the department [BOARD].

14 \* Sec. 8. AS 08.62.093(b) is amended to read:

15 (b) A person who applies for a deputy marine pilot license under this chapter  
16 shall provide proof satisfactory to the board of the following experience:

17 (1) one year of service as a master on ocean or coastwise vessels while  
18 holding a United States Coast Guard license as master of ocean steam or motor  
19 vessels of any gross tons;

20 (2) two years of service as a master on United States Coast Guard  
21 inspected vessels of not less than 1,000 gross tons or tug and tow of not less than  
22 1,600 combined gross tons while holding at least a United States Coast Guard [A]  
23 license as master of steam or motor vessels of not more [LESS] than 1,600 gross  
24 tons;

25 (3) two years of service as a chief officer on ocean or coastwise vessels  
26 of not less than 1,600 gross tons while holding a United States Coast Guard license  
27 as master of ocean steam or motor vessels of any gross tons;

28 (4) two years of service as commanding officer of United States  
29 commissioned vessels of not less than 1,600 gross tons and hold a United States  
30 Coast Guard [WHILE HOLDING A] license as master of ocean steam or motor  
31 vessels of any gross tons; [OR]

32 (5) three years of experience as a member of a professional pilot's