

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8945 SENATE LABOR & COMMERCE

456

HB

457



STATE OF ALASKA

THE ALASKA STATE LEGISLATURE

House of Representatives

Representative Jeannette James

Chair of House State Affairs Committee

Capitol Building

Juneau, AK 99801-2197

(907) 465-3743 ph

(907) 465-2381 fax

SPONSOR STATEMENT

HB 457 Fines: unlicensed practice of occupation

Rep. Jeannette James

February 6, 1995

This legislation was requested by LB&A as part of the sunset audits on various boards.

Current law allows enforcement of practicing certain occupations without a license only through the courts. This Bill allows the Department to impose a civil penalty if a person practices or offers to practice an occupation in this State that is regulated under Title Sec.08.01.

The civil penalty may not exceed \$5,000.00 for each offense. The Bill also provides for enforcement mechanisms.

STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING

TONY KNOWLES, GOVERNOR

P.O. BOX 110808
JUNEAU, ALASKA 99811-0808
PHONE: (907) 465-2534
FAX: (907) 465-2974
TDD: (907) 465-5437

DATE: January 24, 1996
TO: Walt Wilcox, Aide
Representative Jeannette James
FROM: Catherine A. Reardon, Director *CR*
Division of Occupational Licensing
Department of Commerce and
Economic Development
SUBJECT: Sunset Extension Bills

JAN 24 1996
Rep. Jeannette James

I spoke with Randy Welker, the Legislative Auditor, to clarify a few points in his January 17 memo and sunset audits. I hope this information assists your effort to incorporate all audit recommendations into the bills.

On page 1 of his memo, Mr. Welker recommends clarifying Alaska Statute (AS) 08.71.145 regarding licensure of opticians by credential. Mr. Welker explained to me that he suggests amending that statute to specifically mention all the requirements in Regulation 12 AAC 30.100. Page 8 of the optician audit discusses this suggested language.

On page 2 of his memo, Mr. Welker recommends amending AS 08.20.140 to codify the current practice of requiring all chiropractic applicants to take the state exam. Repeal of the AS 08.20.140 and AS 08.20.120(b) will achieve Mr. Welker's goal, because all applicants would then have to satisfy the requirements of AS 08.20.12(a).

On page 2 of his memo, Mr. Welker recommends that the Legislature amend the optician statute to clarify whether employees of optometrists who provide optician services must be licensed opticians. This is a subject of substantial controversy between optometrists and opticians. The Division of Occupational Licensing believes that the current law requires optometrists' employees to be licensed opticians; however, directly addressing the issue in statute would certainly resolve the ongoing dispute.

Finally, Mr. Welker's memo recommends amending the law to give the Division of Occupational Licensing authority to impose civil fines for unlicensed activity. Mr. Welker explained that he is recommending this authority be granted for all division licensing programs, not just the optician program. The creation of a new section in AS 08.01 modeled after AS 08.48.295 (architects, engineers and land surveyors) would achieve this goal. Licensing boards should impose the fines in programs which have boards. The division should impose fines in programs it directly administers.

CAR/cw1840.ol
012496a

FISCAL NOTE

No. 1
 Bill Version: CSHB 457 (STA)
 (H) Publish Date: 2/23/96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: _____ Department: Commerce and Economic Development
 Title: An Act relating to the unlicensed practice of BRU: Occupational Licensing
certain occupations for which licenses are required. Component: Operations
 Sponsor: Representative James
 Requestor: House State Affairs COMPONENT SERIAL NO. 1844

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						
TOTAL OPERATING	00	00	00	00	00	00

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

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1091 Designated PR						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 98) cost: \$ 00

POSITIONS

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)
 HB 457 authorizes the department to establish a civil penalty for unlicensed practice of a regulated occupation in an amount not to exceed \$5,000.00. The bill expands the department's current enforcement powers for unlicensed activity by providing the civil fine option. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
 Division: Occupational Licensing Date: February 5, 1996
 Approved by Commissioner: William L. Hensley Date: 2-5-96
 Agency: Commerce and Economic Development

HB

478



P O Box 32646
Anchorage, Alaska 99503-2646

Southeast Board of Realtors®



Board of Directors

Jim Wakefield - President
"Dutch" Knight - Vice President
Barbara Craig - Secretary
Larry Teller - Treasurer
Carole Winston - Director at Large
Gene Whiting - Director at Large

February 16, 1996

Dear Representative Kott:

It is my understanding that HB 478 "An Act allowing licensed real estate brokers, and real estate salespersons to prepare certain documents" is going to be before House Labor & Commerce on Monday. The Southeast Board of Realtors and its 65 members are seeking legislation to negate the Alaska Bar Association's Proposed Rule 33.3 which would restrict the preparation of printed money agreements to attorneys.

There are approximately 2200 licensed real estate brokers and salespersons in the State of Alaska. This proposed bar rule change represents a direct challenge to our right to prepare earnest money agreements in connection with the sale of real property, an activity in which we have historically have participated as part of the lawful pursuit of our business.

HB 478 is intended to clarify the rights of members of the real estate community. The preparations of deeds of trust, mortgages, real property contracts, earnest money agreements, leases and other documents that have been traditionally prepared by real estate practitioners in the normal conduct of their business.

Earnest money agreements are prepared by brokers only as an incident of their business in connection with transactions negotiated by them and no fee is charged for their preparation. Substantially all of the agreements prepared by brokers involve the use of preprinted forms that have been drafted and approved by attorneys. Brokers typically fill in the blanks on these forms.

Article 13 of the Realtors Code of Ethics, to which all members subscribe provides: Realtors shall not engage in activities that constitute the unauthorized practice of law and shall recommend that legal counsel be obtained when the interest of any party of the transaction requires it.

If Brokers are prohibited from preparing earnest money agreements, the negotiation process will inevitably become more complicated. Parties will be obliged either to prepare their own agreements, conduct oral negotiations or involve an attorney at every stage of the negotiation, with the unavoidable increase in expense and delay.

Please support HB 478.

Thank You,

James R. Wakefield
President



REALTOR®

ALASKA ASSOCIATION OF REALTORS, INC.

741 Sesame Street, Suite 100 - Anchorage, Alaska 99503

Telephone 907-563-7133 • Fax 907-561-1779

March 1, 1996

Dear Representative;

As 1996 President of the Alaska Association of REALTORS®, representing the over 1100 members statewide, I urge you to support the passage of HB 478.

Sincerely,

Joan Sheppard

President, Alaska Association of REALTORS®

The Voice for Real Estate™ in Alaska

REALTOR® is a registered mark which identifies a professional in real estate who subscribes to a strict Code of Ethics as a member of the NATIONAL ASSOCIATION OF REALTORS®





REALTOR®

ALASKA ASSOCIATION OF REALTORS, INC.

741 Sesame Street, Suite 100 • Anchorage, Alaska 99503

Telephone 907-543-7133 • Fax 907-561-1779

February 16, 1996

House Labor & Commerce
Rep Pete Kott, Chairman

Ref HB 478

Dear Rep Kott and Members of the Committee,

The Alaska Bar Association in July of 1995 began circulating among members of the Bar, a proposed rule change to 33.3 Defining the Practice of Law in Alaska. The over 2200 licensed real estate agents in Alaska feel this proposed bar rule change is a direct challenge to their ability to conduct real estate transactions, an activity in which they historically have participated in as part of the lawful pursuit of their business.

This bill (HB 478) would allow brokers, associate brokers and sales persons to continue to complete earnest money contracts, real estate contracts, leases and other documents necessary to the day-to-day conduct of their business. No fee is charged for their preparation. Substantially all of the agreements prepared by brokers involve preprinted forms that have been drafted and approved by attorneys.

On behalf of the Alaska Association of REALTORS®, I urge that your Committee passes HB 478.

Sincerely,

Dea Turner
Executive Vice President
Alaska Association of REALTORS®

The Voice for Real Estate™ in Alaska

REALTOR® is a registered mark which identifies a professional in real estate who subscribes to a strict Code of Ethics as a member of the NATIONAL ASSOCIATION OF REALTORS®





ALASKA ASSOCIATION OF REALTORS, INC.
741 Sesame Street, Suite 100 • Anchorage, Alaska 99503
Telephone 907-563-7133 • Fax 907-561-1779

January 15, 1996

Re: Unauthorized Practice of Law
Proposed Rule 33.3 From Alaska Bar Association

The Alaska Association of REALTORS® and its over 1100 members are seeking legislation to negate the opportunity for the Alaska Bar Associations' unreasonable attempt to restrict the preparation of printed earnest money agreements to attorneys.

There are approximately 2200 licensed real estate brokers and salespersons in the State of Alaska. This proposed bar rule change represents a direct challenge to their right to prepare earnest money agreements in connection with the sale of real property, an activity in which they historically have participated as part of the lawful pursuit of their business.

Earnest money agreements are prepared by brokers only as an incident of their business in connection with transactions negotiated by them and no fee is charged for their preparation. Substantially all of the agreements prepared by brokers involve the use of preprinted forms that have been drafted and approved by attorneys. Brokers typically fill in the blanks on these forms.

Brokers do not hold themselves out to be lawyers and do not claim legal expertise. More over, Brokers do not discourage buyers and sellers from retaining lawyers to draft the earnest money agreement.

Article 13 of the Realtors Code of Ethics, to which all members subscribe provides: Realtors shall not engage in activities that constitute the unauthorized practice of law and shall recommend that legal counsel be obtained when the interest of any party to the transaction requires it.

If Brokers are prohibited from preparing earnest money agreements, the negotiation process will inevitably become more complicated. Parties will be obliged either to prepare their own agreements, conduct oral negotiations or involve an attorney at every stage of the negotiation, with the unavoidable increase in expense and delay.

* [Therefore, the Alaska Association of REALTORS® is seeking legislation to preclude this unreasonable restriction at the expense of homebuyers and sellers.] *



WILEY
BROOKS
COMPANY INC.

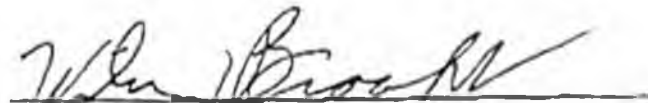


FAX COVER SHEET

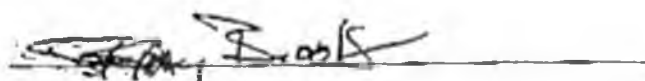
TRANSMITTED TO: Norm Rokenberg
FAX: 907-465-2040
DATE: March 4, 1996 TIME: 4:45
NUMBER OF PAGES (INCL. TRANSMITTAL): 1

MESSAGE:

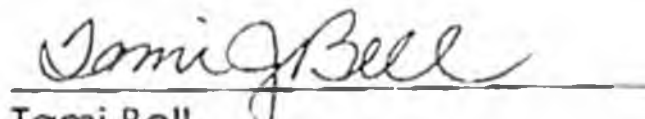
The below urge you to support HB 478. Without enactment, the process of buying real estate will become slower, more complicated and more expensive. The public will not be well served.




Wiley Brooks



J. J. Brooks



Tami Bell



Jo Ellen Smith

RECEIVER: PLEASE DELIVER THIS FACSIMILE TRANSMISSION TO THE ABOVE ADDRESSEE. IF YOU DO NOT RECEIVE ALL THE PAGES IN GOOD CONDITION, PLEASE ADVISE THE SENDER AT YOUR CONVENIENCE. THANK YOU FOR YOUR ASSISTANCE.

BROKER

Michael V. Morris

ASSOCIATE BROKERS

Karen R. Berg-Forrester

Dick Synhorst

OFFICE MANAGER

Julie Neff

BAY REALTY INC.

331 E. PIONEER AVENUE

SUITE A

HOMER, ALASKA 99603

PHONE: 907-235-6183

FAX: 907-235-4031



ASSOCIATES

Tom Hall

Debra Leisek

Terry Yager

PROPERTY MANAGER

Teri Stephens

28 February, 1996

To Representatives Norm Rokeberg, Brian Porter, Sean Pamell, Mark Hanley, David Finkelstein, Ramona Barnes, Beverly Masek, Pete Kott, Gail Phillips, Mike Navarre

RE: House Bill 478

I support HB478 in full, especially in its intent to clarify the rights of members of the Real Estate Community. The preparations of earnest money agreements, real property contracts, leases deeds of trust, mortgages and other documents that have traditionally been prepared by real estate business practitioners in the normal conduct of their business. While many of our pre-printed forms have been drawn up by attorneys and there is the need to protect all parties legally, it would seem a little over the top, to make attorneys an intricate part of our daily lives.

We always advise clients and customers to seek legal advice and we give them a service agency list with the names and phone numbers of all attorneys in our area. It is their choice to hire an attorney, but many consumers do not want anything at all to do with attorneys, or the extra charges and fees this would incur. Selling or buying a house has many costs involved and to tack on the cost of required attorney fees would not be popular with the majority of the voting public. As licensed members of our profession we take great care to protect our clients and customers rights and interests.

Thank You for you attention in this matter.

A handwritten signature in cursive script that reads "Debra Leisek".

Debra Leisek

Associate

Bay Realty

331 E Pioneer Ave.

Homer, Alaska 99603

907-235-6183

debral@ptialaska.net

BROKER

Michael V. Morris

ASSOCIATE BROKERS

Karen R. Berg-Forrester

Dick Synhorst

OFFICE MANAGER

Julie Neff

BAY REALTY INC.

331 E. PIONEER AVENUE

SUITE A

HOMER, ALASKA 99603

PHONE: 907-235-6183

FAX: 907-235-4031



ASSOCIATES

Tom Hall

Debra Lensek

Terry Yager

PROPERTY MANAGER

Teri Stephens

FAX MEMO 907-258-2916

February 28, 1996

Dear Representative Norm Rokeberg:

Please be aware that I support the HB478.

The additional cost and time, should attorneys be involved on a daily basis would be overwhelming.

We always advise our clients and customers to contact attorneys for their input, as well as accountants, engineers etc. It makes more sense to review all documents with their attorney than us, agents, reviewing all the work we do with our attorney.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael V. Morris".

Michael V. Morris

Broker

Bay Realty Inc.

MVM/jn

FAX

Date 02/26/96

Number of pages including cover sheet 1

TO: Rep. Norm Rokeberg
Rep. Brian Portor
Rep. Sean Pamell
Rep. Mark Hanley
Rep. David Finkelstein
Rep. Ramona Barnes
Rep. Beverly Masck
Rep. Pete Kott
Rep. Gail Phillips
Rep. Mike Navarre

Fax Phone

FROM: PeggyAnn McConnochie
Broker
**ALASKA COASTAL
HOMES**
8363 Old Dairy Road
Juneau, Alaska 99801-
8041

Phone (907) 789-3540

Fax Phone (907) 789-3456

CC: file / AAR

REMARKS: Urgent For your review Reply ASAP Please Comment

I urge your support of **HB 478**. As a licensed real estate agent and a concerned consumer I believe that it is everyone's best interest that **HB 478** is passed when it comes up for a floor vote next week.

Thank you for your support in the past and your support in the future.

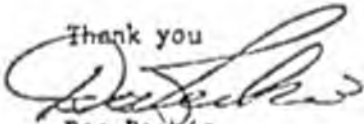


ERA COUNTRY HOMES

Date February 28, 1996

Dear Representative,

As a Realtor for twenty-two years, both Agent and Broker, I whole heartedly support passage of HB 478.

Thank you

Dee Reekie
Broker

- | | |
|----------------------------------|------------------|
| Representative Norm Rokeberg | Fax 907-258-2916 |
| Representative Brian Poster | Fax 907-258-5510 |
| Representative Sean Parnell | Fax 907-258-8171 |
| Representative Mark Hanley | Fax 907-258-8171 |
| Representative David Funkelstein | Fax 907-258-1261 |
| Representative Ramona Barnes | Fax 907-258-4051 |
| Representative Beverly Masek | Fax 907-376-6180 |
| Representative Pete Kot | Fax 907-694-8945 |
| Representative Gail Phillips | Fax 907-465-3472 |
| Representative Mike Navare | Fax 907-283-3075 |

165 E. PARKS HWY #106 • WASILLA, AK 99654 • (907)376-4555 • FAX (907)376-4469

EACH OFFICE IS INDEPENDENTLY OWNED AND OPERATED

MEMORANDUM

DATE: February 27, 1996

TO: Representative Norm Rokeberg
Fax 907.259.2016
465-2040

FROM: Sharlene Sullivan, Broker
Associated Island Brokers, Inc.
218 Center Ave., Suite 200
Kodiak, AK 99615

RE: HB 478

Please accept this correspondence in favor of HB 478.

I am a real estate broker in Kodiak. I have had an active license since 1977.

To require attorney drawn documents for all real estate transactions would be, in my opinion, a financial hardship for most, if not all, buyers and sellers.

Please review this bill carefully and vote to support HB 478.

Thank you for your time and interest.

Sincerely

Sharlene Sullivan
Sharlene Sullivan

ASSOCIATED ISLAND BROKERS, INC.

218 CENTER AVENUE, SUITE 200
KODIAK, ALASKA 99615

TO

(907) 466-2000

DATE Feb. 27, 1996

Rep. Norm Rokeberg

SUBJECT HB 478

FX: 907 ~~258-2916~~

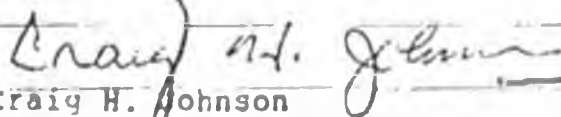
465-2040

Dear Rep. Norm Rokeberg:

Please receive this as written to express support for HB 478. I am a licensed real estate salesperson in Kodiak.

Now in my 12th year I feel this legislation is important to all the people of Alaska. It has direct benefits to Buyers, Sellers, & Brokers alleviating costs. Everyone still has the choice of consulting with an attorney in the process of contractual negotiations.

Sincerely,



Craig H. Johnson
Assoc. Broker / AIB owner



February 28, 1996

TO: Representative Norm Rokeberg ✓
Representative Brian Porter
Representative Sean Parnell
Representative Mark Hanley
Representative David Finkelstein
Representative Ramona Barnes
Representative Beverly Masek
Representative Pete Kott
Representative Gail Phillips
Representative Mike Navarre

FROM: Mark Edwards, Sales Associate M.E.

RE: HB 478

As a Real Estate Licensee, I support the passage of House Bill 478.

Thank you.



RE/MAX of Homer, Inc.

3670 lake st., ste. 100
homer, alaska 99603
office: (907) 235-7733
fax: (907) 235-5663

each office independently owned and operated



*Above
the
Crowd!*

February 28, 1996

TO: Representative Norm Rokeberg ✓
Representative Brian Porter
Representative Sean Parnell
Representative Mark Hanley
Representative David Finkelstein
Representative Ramona Barnes
Representative Heverly Masek
Representative Pete Kott
Representative Gail Phillips
Representative Mike Navarro

FROM: Diann T. Martin, Associate Broker

RE: HB 478

As a Real Estate Licensee, I support the passage of House Bill 478.

Thank you.



RE/MAX of homer, Inc.

3670 lake st., ste. 100
homer, alaska 99603
office: (907) 235-7733
fax: (907) 235-5663

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Code of Ethics and Standards of Practice

of the

NATIONAL ASSOCIATION OF REALTORS®

Effective January 1, 1996

Where the word REALTORS® is used in this Code and Preamble, it shall be deemed to include REALTOR-ASSOCIATE®s.

While the Code of Ethics establishes obligations that may be higher than those mandated by law, in any instance where the Code of Ethics and the law conflict, the obligations of the law must take precedence.

Preamble...

Under all is the land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization. REALTORS® should recognize that the interests of the nation and its citizens require the highest and best use of the land and the widest distribution of land ownership. They require the creation of adequate housing, the building of functioning cities, the development of productive industries and farms, and the preservation of a healthful environment.

Such interests impose obligations beyond those of ordinary commerce. They impose grave social responsibility and a patriotic duty to which REALTORS® should dedicate themselves, and for which they should be diligent in preparing themselves. REALTORS®, therefore, are zealous to maintain and improve the standards of their calling and share with their fellow REALTORS® a common responsibility for its integrity and honor.

In recognition and appreciation of their obligations to clients, customers, the public, and each other, REALTORS® continuously strive to become and remain informed on issues affecting real estate and, as knowledgeable professionals, they willingly share the fruit of their experience and study with others. They identify and take steps, through enforcement of this Code of Ethics and by assisting appropriate regulatory bodies, to eliminate practices which may damage the public or which might discredit or bring dishonor to the real estate profession.

Realizing that cooperation with other real estate professionals promotes the best interests of those who utilize their services, REALTORS® urge exclusive representation of clients; do not attempt to gain any unfair advantage over their competitors; and they refrain from making unsolicited comments about other practitioners. In instances where their opinion is sought, or where REALTORS® believe that comment is necessary, their opinion is offered in an objective, professional manner, uninfluenced by any personal motivation or potential advantage or gain.

The term REALTOR® has come to connote competency, fairness, and high integrity resulting from adherence to a lofty ideal of moral conduct in business relations. No inducement of profit and no instruction from clients ever can justify departure from this ideal.

safer guide than that which has been handed down through the centuries, embodied in the Golden Rule, "Whatsoever ye would that others should do to you, do ye even so to them."

Accepting this standard as their own, REALTORS® pledge to observe its spirit in all of their activities and to conduct their business in accordance with the tenets set forth below.

Duties to Clients and Customers

Article 1

When representing a buyer, seller, landlord, tenant, or other client as an agent, REALTORS® pledge themselves to protect and promote the interests of their client. This obligation of absolute fidelity to the client's interests is primary, but it does not relieve REALTORS® of their obligation to treat all parties honestly. When serving a buyer, seller, landlord, tenant or other party in a non-agency capacity, REALTORS® remain obligated to treat all parties honestly. (Amended 1/93)

• Standard of Practice 1-1

REALTORS®, when acting as principals in a real estate transaction, remain obligated by the duties imposed by the Code of Ethics. (Amended 1/93)

• Standard of Practice 1-2

The duties the Code of Ethics imposes on agents' representatives are applicable to REALTORS® acting as agents, transaction brokers, facilitators, or in any other recognized capacity except for any duty specifically exempted by law or regulation. (Adopted 1/93)

• Standard of Practice 1-3

REALTORS®, in attempting to secure a listing, shall not deliberately mislead the owner as to market value.

• Standard of Practice 1-4

REALTORS®, when seeking to become a buyer/tenant representative, shall not mislead buyers or tenants as to savings or other benefits that might be realized through use of the REALTOR®'s services. (Amended 1/93)

• Standard of Practice 1-5

REALTORS® may represent the seller/landlord and buyer/tenant in the same transaction only after full disclosure to and with informed consent of both parties. (Adopted 1/93)

• Standard of Practice 1-6

REALTORS® shall submit offers and counter-offers objectively and as quickly as possible. (Adopted 1/93, Amended 1/95)

• Standard of Practice 1-7

When acting as listing brokers, REALTORS® shall continue to submit to the seller/landlord all offers and counter-offers until closing or execution of a lease unless the seller/landlord has waived this obligation in writing. REALTORS® shall not be obligated to continue to market the property after an offer has been accepted by the seller/landlord. REALTORS® shall recommend that sellers/landlords obtain the advice of legal counsel prior to acceptance of a subsequent offer except where the acceptance is contingent on the termination of the pre-existing purchase contract or lease. (Amended 1/93)

industrial real estate brokerage, real estate appraisal, real estate counseling, real estate syndication, real estate auction, and international real estate.

REALTORS® shall not undertake to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client. Any persons engaged to provide such assistance shall be so identified to the client and their contribution to the assignment should be set forth. (Amended 1/95)

• **Standard of Practice 11-1**

The obligations of the Code of Ethics shall be supplemented by and construed in a manner consistent with the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation.

The obligations of the Code of Ethics shall not be supplemented by the USPAP where an opinion or recommendation of price or pricing is provided in pursuit of a listing, to assist a potential purchaser in formulating a purchase offer, or to provide a broker's price opinion, whether for a fee or not. (Amended 1/96)

• **Standard of Practice 11-2**

The obligations of the Code of Ethics in respect of real estate disciplines other than appraisal shall be interpreted and applied in accordance with the standards of competence and practice which clients and the public reasonably require to protect their rights and interests considering the complexity of the transaction, the availability of expert assistance, and, where the REALTOR® is an agent or subagent, the obligations of a fiduciary. (Adopted 1/95)

• **Standard of Practice 11-3**

When REALTORS® provide consultative services to clients which involve advice or counsel for a fee (not a commission), such advice shall be rendered in an objective manner and the fee shall not be contingent on the substance of the advice or counsel given. If brokerage or transaction services are to be provided in addition to consultative services, a separate compensation may be paid with prior agreement between the client and REALTOR®. (Adopted 1/96)

Article 12

REALTORS® shall be careful at all times to present a true picture in their advertising and representations to the public. REALTORS® shall also ensure that their professional status (e.g., broker, appraiser, property manager, etc.) or status as REALTORS® is clearly identifiable in any such advertising. (Amended 1/93)

• **Standard of Practice 12-1**

REALTORS® shall not offer a service described as "free of charge" when the rendering of a service is contingent on the obtaining of a benefit such as a listing or commission.

• **Standard of Practice 12-2**

REALTORS® shall not represent that their services are free or without cost if they expect to receive compensation from any source other than their client. (Adopted 1/95)

• **Standard of Practice 12-3**

The offering of premiums, prizes, merchandise discounts or other inducements to list, sell, purchase, or lease is not, in itself, unethical even if receipt of the benefit is contingent on listing, selling, purchasing, or leasing through the REALTOR® making the offer. However, REALTORS® must exercise care and candor in any such advertising or other public or private representations so that any party interested in receiving or otherwise benefiting from the REALTOR®'s offer will have clear, thorough, advance understanding of all the terms and conditions of the offer. The offering of any inducements to do business is subject to the limitations and restrictions of state law and the ethical obligations established by any applicable Standard of Practice. (Amended 1/95)

• **Standard of Practice 12-4**

REALTORS® shall not offer for sale/lease or advertise property without authority. When acting as listing brokers or as subagents, REALTORS® shall not quote a price different from that agreed upon with the seller/landlord. (Amended 1/93)

• **Standard of Practice 12-5**

REALTORS® shall not advertise nor permit any person employed by or affiliated with them to advertise listed property without disclosing the name of the firm. (Adopted 11/86)

• **Standard of Practice 12-6**

REALTORS®, when advertising unlisted real property for sale/lease in which they have an ownership interest, shall disclose their status as both owners/landlords and as REALTORS® or real estate licensees. (Amended 1/93)

• **Standard of Practice 12-7**

Only REALTORS® who participated in the transaction as the listing broker or cooperating broker (selling broker) may claim to have "sold" the property. Prior to closing, a cooperating broker may post a "sold" sign only with the consent of the listing broker. (Amended 1/96)

Article 13

REALTORS® shall not engage in activities that constitute the unauthorized practice of law and shall recommend that legal counsel be obtained when the interest of any party to the transaction requires it.

Article 14

If charged with unethical practice or asked to present evidence or to cooperate in any other way, in any disciplinary proceeding or investigation, REALTORS® shall place all pertinent facts before the proper tribunals of the Member Board or affiliated institute, society, or council in which membership is held and shall take no action to disrupt or obstruct such processes. (Amended 1/90)

• **Standard of Practice 14-1**

REALTORS® shall not be subject to disciplinary proceedings in more than one Board of REALTORS® or affiliated institute, society or council in which they hold membership with respect to alleged violations of the Code of Ethics relating to the same transaction or event. (Amended 1/95)

• **Standard of Practice 14-2**

REALTORS® shall not make any unauthorized disclosure or dissemination of the allegations, findings, or decision

developed in connection with an ethics hearing or appeal of in connection with an arbitration hearing or procedural review. (Amended 1/92)

- **Standard of Practice 14-3**

REALTORS® shall not obstruct the Board's investigative or disciplinary proceedings by instituting or threatening to institute actions for libel, slander or defamation against any party to a professional standards proceeding or their witnesses. (Adopted 1/87)

- **Standard of Practice 14-4**

REALTORS® shall not intentionally impede the Board's investigative or disciplinary proceedings by filing multiple ethics complaints based on the same event or transaction. (Adopted 11/86)

Duties to REALTORS®

Article 15

REALTORS® shall not knowingly or recklessly make false or misleading statements about competitors, their businesses, or their business practices. (Amended 1/92)

Article 16

REALTORS® shall not engage in any practice or take any action inconsistent with the agency of other REALTORS®.

- **Standard of Practice 16-1**

Article 16 is not intended to prohibit aggressive or innovative business practices which are otherwise ethical and does not prohibit disagreements with other REALTORS® involving commission, fees, compensation or other forms of payment or expenses. (Adopted 1/93, Amended 1/95)

- **Standard of Practice 16-2**

Article 16 does not preclude REALTORS® from making general announcements to prospective clients describing their services and the terms of their availability even though some recipients may have entered into agency agreements with another REALTOR®. A general telephone canvass, general mailing or distribution addressed to all prospective clients in a given geographical area or in a given profession, business, club, or organization, or other classification or group is deemed "general" for purposes of this standard.

Article 16 is intended to recognize as unethical two basic types of solicitations:

First, telephone or personal solicitations of property owners who have been identified by a real estate sign, multiple listing compilation, or other information service as having exclusively listed their property with another REALTOR®; and

Second, mail or other forms of written solicitations of prospective clients whose properties are exclusively listed with another REALTOR® when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, "for sale" or "for rent" signs, or other sources of information required by Article 3 and Multiple Listing Service rules to be made available to other REALTORS® under offers of subagency or cooperation. (Amended 1/93)

- **Standard of Practice 16-3**

Article 16 does not preclude REALTORS® from contacting the client of another broker for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g., property management as opposed to brokerage). However, information received through a Multiple Listing Service or any other offer of cooperation may not be used to target clients of other REALTORS® to whom such offers to provide services may be made. (Amended 1/93)

- **Standard of Practice 16-4**

REALTORS® shall not solicit a listing which is currently listed exclusively with another broker. However, if the listing broker, when asked by the REALTOR®, refuses to disclose the expiration date and nature of such listing; i.e., an exclusive right to sell, an exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client, the REALTOR® may contact the owner to secure such information and may discuss the terms upon which the REALTOR® might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing. (Amended 1/94)

- **Standard of Practice 16-5**

REALTORS® shall not solicit buyer/tenant agency agreements from buyers/tenants who are subject to exclusive buyer/tenant agency agreements. However, if a buyer/tenant agent, when asked by a REALTOR®, refuses to disclose the expiration date of the exclusive buyer/tenant agency agreement, the REALTOR® may contact the buyer/tenant to secure such information and may discuss the terms upon which the REALTOR® might enter into a future buyer/tenant agency agreement or, alternatively, may enter into a buyer/tenant agency agreement to become effective upon the expiration of any existing exclusive buyer/tenant agency agreement. (Adopted 1/94)

- **Standard of Practice 16-6**

When REALTORS® are contacted by the client of another REALTOR® regarding the creation of an agency relationship to provide the same type of service, and REALTORS® have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agency agreement or, alternatively, may enter into an agency agreement which becomes effective upon expiration of an existing exclusive agreement. (Amended 1/93)

- **Standard of Practice 16-7**

The fact that a client has retained a REALTOR® as an agent in one or more past transactions does not preclude other REALTORS® from seeking such former client's future business. (Amended 1/93)

- **Standard of Practice 16-8**

The fact that an agency agreement has been entered into with a REALTOR® shall not preclude or inhibit any other REALTOR® from entering into a similar agreement after the expiration of the prior agreement. (Amended 1/93)

- **Standard of Practice 16-9**

REALTORS®, prior to entering into an agency agreement, have an affirmative obligation to make reasonable efforts to

FEB 06 1996

ALASKA BAR ASSOCIATION

February 5, 1996

VIA FAX 1-907-465-2040, 2 PAGES & FIRST CLASS MAIL

Representative Norman Rokeberg
State Capitol
Juneau, AK 99801-1182

RE: Proposed Bar Rule 33.3

Dear Representative Rokeberg:

I spoke with Shirley Armstrong of your office today regarding a concern expressed to you from real estate professionals about the impact of proposed Bar Rule 33.3 defining the unauthorized practice of law.

Proposed Bar Rule 33.3 provides specific exceptions for the work currently being done by real estate professionals. The proposed rule divides that work into two categories: (1) work done outside of a court and (2) work which would be used in a legal proceeding.

(1) For work done outside of a court, Section 3(e) would permit a real estate professional to provide advice for compensation concerning the legal rights and duties of a person and to prepare documents and contracts for compensation by which legal rights are affected when those acts are performed in the regular course of the real estate business because that business has a primary purpose (selling real property, property management, etc.) other than the performance of those acts.

(2) For work which would be used in a legal proceeding, Section 3(d), would permit the real estate professional to complete forms, adopted by the court system or prepared or approved by counsel, in the regular course of the real estate business because that business has a primary purpose (selling real property, property management) other than the completion of those forms.

In other words, this rule is *not* designed to interfere with real estate professionals doing their job. Rather it is designed to protect the public from untrained, unlicensed and unaccountable persons who are currently taking money from vulnerable people for legal services they are not equipped to provide.

P.O. Box 100279 • Anchorage, Alaska 99510-0279



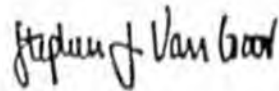
Proposed Bar Rule Change

Representative Norman Rokeberg
February 5, 1996
Page 2 of 2

Please feel free to contact me at your convenience with any other questions you may have concerning the purpose or intent of this proposed rule.

Sincerely,

ALASKA BAR ASSOCIATION



Stephen J. Van Goor
Bar Counsel

cc: Deborah O'Regan, Executive Director

186 02/60250 DS RULES UP SR DOC

**PROPOSED BAR RULE 33.3
DEFINING THE PRACTICE OF LAW IN ALASKA FOR
THE INJUNCTIVE PURPOSES OF AS 08.08.210**

Approved for publication by
Board of Governors at May 1998 Meeting

Section 1. UNAUTHORIZED PRACTICE OF LAW PROHIBITED.

No person may practice law in the State of Alaska, unless that person is an active member in good standing of the Alaska Bar Association.

Section 2. "PRACTICE OF LAW" DEFINED.

For the purposes of AS 08.08.210, the practice of law includes any act, other than that excluded by Section 3 of this Rule, whether performed in court, an office or elsewhere, which attorneys or the courts customarily identify as the practice of law, including but not limited to:

- (a) holding oneself out as an attorney or lawyer admitted to practice in Alaska;
- (b) providing advice, for compensation, as to the legal rights and duties applicable to the specific circumstances of any person;
- (c) appearance in or conduct of litigation or performance of any act in connection with proceedings, pending or prospective, before any court or any governmental body constituted by law in this state which is operating in its adjudicative capacity;
- (d) preparation of pleadings and other documents, for compensation, to be used in legal proceedings;
- (e) preparation of documents and contracts, for compensation, by which legal rights are affected; or,

See Section 3

- (f) engaging in any act or practice determined by any court of this state to constitute the practice of law.



Section 3. EXCEPTIONS TO DEFINITION OF PRACTICE OF LAW.

The following acts shall not constitute the practice of law for the purposes of Section 2 of this Rule:

- (a) acts performed for and on behalf of oneself as an individual;
- (b) acts performed by a paralegal or other non-lawyer assistant under the supervision and control of an attorney, and who is both legally and ethically responsible for the acts of the paralegal or nonlawyer assistant and who is (i) admitted to practice in this state or (ii) excepted from the operation of this rule by 3(j) of this rule;
- (c) acts performed pursuant to the authority and in accord with the provisions of Alaska Civil Rule 81(a)(2) and Alaska Bar Rules 43, 43.1, 44, and 44.1;
- (d) acts described in 2(d) of this rule when performed in the regular course of a business or non-profit organization having a primary purpose other than the performance of those acts, provided the acts are limited to the completion of forms adopted by the court system for use by nonattorneys or standardized forms prepared or reviewed by counsel;
- (e) acts described in 2 (b) and (c) of this rule when performed in the regular course of a business, association, labor organization or non-profit organization having a primary purpose other than the performance of those acts;

- (f) acts described in 2(c) and (d) before administrative agencies when they are specifically authorized by Supreme Court rule, statute, administrative regulation, or ordinance;
- (g) acts performed by a court-appointed guardian, conservator or guardian ad litem or a governmental employee provided that such acts are part of the duties of such person and such employee is designated to perform such acts by the Commissioner or Executive Director of the agency to which such employee is assigned;
- (h) acts performed by a public official as part of the duties of that official;
- (i) acts described in 2(b) and (d) when performed without compensation by an incarcerated person for another incarcerated person.
- (j) subject to Alaska Civil Rule 81, acts described in 2(a) - (f) when performed by an attorney authorized to practice law in another jurisdiction provided that such attorney (i) does not represent himself or herself to be a member of the Alaska Bar Association and (ii) does not have his or her principal place of business in Alaska.

Section 4. REMEDIES FOR UNAUTHORIZED PRACTICE OF LAW.

The Attorney General, the Alaska Bar Association or any affected person may maintain an action for injunctive relief in the superior court against any person who performs any act consisting or which may constitute the unauthorized practice of law within the provisions of this Rule. The superior courts may issue temporary, preliminary or permanent orders and injunctions to prevent and restrain violations of this Rule, without bond.

Section 5. DEFINITION.

The term "person" as used in this Rule includes a corporation, company, partnership, firm, association, organization, labor union, business trust, banks, governmental entity, society, or any other type of organization, as well as a natural person.

DISC2.3027(6-13-95)
10/16/98

G:\DB\RULES\ABR33-J.DOC

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 478

Revision Date: _____
 Title: An Act allowing licensed real estate brokers,....
... to prepare certain documents;....
 Sponsor: Representative Rokeberg
 Requestor: Representative Rokeberg

Department: Commerce and Economic Development
 BRU: Occupational Licensing
 Component: Operations
 COMPONENT SERIAL NO. 1844

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						
TOTAL OPERATING	00	00	00	00	00	00

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

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1091 Designated PR						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 96) cost: \$ 00

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

HB 478 amends the scope of work that may be performed by real estate licensees. New funds are not required to implement this provision.

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

Phone: 485-2144
 Date: February 13, 1996
 Date: 2-13-96

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HB

480

Alaska State Legislature

REPRESENTATIVE
GENE THERRIAULT

Mailing Address:
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
FAX (907) 488-4271



While in Session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax (907) 465-3804
House District 23

House Of Representatives

CSHB 480 (HES) "An Act relating to physician assistants."

Sponsor: Representative Gene Therriault 

Date: March 25, 1996

Sponsor Statement

This legislation is intended to clarify the process that is currently in place for granting physician assistants the authority to practice in the state, and to prohibit unfair insurance discrimination against physician assistants.

The bill would change current language in AS 08.64.107, dealing with the regulations for physician assistants, from "The board shall adopt regulations regarding the registration of physician assistants . . ." to "The board shall adopt regulations regarding the licensure of physician assistants. . ." This would more accurately reflect the actual requirements a physician assistant must meet before he or she can practice in the state under AS 08.64.170. Under AS 08.64.170, a physician assistant must be licensed to practice medicine under the supervision of a licensed physician. Because state regulations require this credentialed process that is in essence licensure, references in state statute should be changed to more accurately reflect the high standards that must be met to practice as a physician assistant in Alaska.

Sponsor Statement

3/13/96

Sectional Analysis

House Bill 480, "An Act relating to physicians assistants, including the treatment of their services under group health insurance policies "

- Section 1** Changes current language in AS 08.64.107 regarding regulations for physician's assistants from "The board shall adopt regulations regarding the registration of physician assistants. . ." to "The board shall adopt regulations regarding the licensure of physician assistants . . ."
- Section 2** Makes amendments necessary for consistency with changes in Section 1.
- Section 3** Makes amendments necessary for consistency with changes in Section 1.

ALASKA ACADEMY OF PHYSICIAN ASSISTANTS

Date January 29, 1996

From Jeanne Clark, PA-C
President AkAPA

To Rep Gene Thernault
State Capital
Juneau, Alaska 99801-1182

Dear Rep Thernault,

This letter is a follow up to my request last week on the Interior teleconference for sponsorship of legislation. I did discuss the issues with your aide, Sara Fisher today

On behalf of my organization, with the support of the Medical Board, I am asking for legislation to change Alaska statute AS 08.64.107. Regulation of physician assistants . The section deals with adoption of regulations and registration for physician assistants Under this statute PAs are registered but then under statute AS 08.64.170 physician assistants are licensed to practice medicine under the supervision of a licensed physician

The Medical Board regulation 12 AAC 40 400 Physician Assistant registration does follow the statute in registration of PAs But what is required to be "registered" is really a credentialed process, in essence, licensure

The Medical Board requested that the Division of Occupational Licensure research this issue with the Department of Law to determine if regulatory changes alone could clarify the language But their ruling was that it had to be a statute change

I have enclosed a copy of the current statues and regulations regarding PA registration. Also included is a review paper from the American Academy of Physician Assistants explaining and comparing licensure and registration

The reason for requesting the change in wording of the statute is to clarify the current process of granting PAs authority to practice in the state. Physicians and nurses are "hicensed" to practice and the language regarding PA should reflect the high standards that have to be met to practice as a physician assistant in Alaska



VIA FACSIMILE

January 31, 1996

Rep. Gene Therriault
State Capitol
Juneau, AK 99801-1182

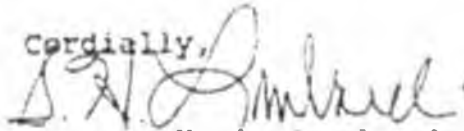
Dear Rep. Therriault:

As Acting Chair of the State Medical Board I write to express support for the Alaska Academy of Physician Assistants request for a change to the AS 08.64.107. At issue is a discrepancy in the language which, according to the Department of Law can only be remedied by a statutory change.

The details of this change are outlined in the January 29, 1996 letter to you from Ms. Jeanne Clark, President of the Alaska Academy of Physician Assistants. At the last meeting of the State Medical Board, on November 30, 1995, the Board moved, without objection, to support this change in the wording of AS 08.64.107 from "registration" to "licensure".

Please feel free to contact either myself or our Executive Director, Leslie Haywood if you need further support or information.

Cordially,



Suzanne H. Lombardi, Acting Chair
State Medical Board

Many areas of health law refer to "licensed practitioners". Adopting a licensure system makes it easier to include PAs in relevant provider language. Some managed care companies will restrict covered services to those provided by "licensed providers". Even though it can be argued that our current system of registration is equivalent to licensure, this nomenclature discrepancy can create problems.

Some laws and policies restrict the ordering of tests or therapies to "licensed providers". There are many routine health care tasks that PAs are delegated to order. Some agencies will not accept if the PA is not licensed.

Many states are recognizing the changes in the health care system, and changing to licensure for PAs. Currently, PAs are licensed in 20 states, certified in 21, and registered in 9. The legislatures of Wisconsin, Nebraska and South Dakota will consider PA licensure bills this session.

The timing to get this legislation passed this session is that December will be the next biannual registration process. We would like to have the language clarified to be effective for that process.

Thank you for your time and consideration. Please call me if you have any additional questions and to let me know of your decision. I have ask our lobbyist, Jack Heesch to call to meet with you to answer any additional questions.

Sincerely,


Jeanne Clark, PA-C



ALASKA STATE MEDICAL ASSOCIATION

4107 Laurel Street • Anchorage, Alaska 99508-5334 • (907) 562-2662 • FAX (907) 561-2083

April 11, 1996


Senator Tim Kelly
Chair, Labor & Commerce Committee
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Re: HB 480, relating to physician assistants

Dear Senator Kelly:

The Alaska State Medical Association does not object to Sections 1-3 of HB 480 but has concerns about Section 4 for fear that it implies that a physician assistant is at parity with physicians with respect to payment for services.

Sincerely,



Rodman Wilson, MD
Acting Executive Director

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 480

Revision Date: _____
 Title: An Act relating to physician assistants, including
the treatment of their services under group health ins. policies
 Sponsor: Rep. Therault
 Requestor: House HESS

Department: Commerce and Economic Development
 BRU: Occupational Licensing
 Component: Operations

COMPONENT SERIAL NO. 1844

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						
TOTAL OPERATING	00	00	00	00	00	00

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

CHANGE IN REVENUES						
---------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1091 Designated PR						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 96) cost: \$ 00

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

HB 480 amends AS 08.64 to reference "licensure" of physician assistants and "registration" of mobile intensive care paramedics. New funds are not required to implement this bill.

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

Phone: 465-2144
 Date: March 4, 1996
 Date: 3/4/96

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 480

Revision Date _____
Title: Physician Assistants

Department: Commerce and Economic Development

BRU: Insurance

Component: Operations

Sponsor: Rep. Therauff

Requestor: H HESS Committee

COMPONENT SERIAL NO. #354

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						
TOTAL OPERATING	00	00	00	00	00	00

CAPITAL EXPENDITURES

CHANGE IN REVENUES

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF Program Receipts						
1006 GF/MHTA						
Other						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 96) cost: \$

00

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact.

Prepared by
Division

Jean Brown, Administrative Officer
Insurance

Phone: 465-2597

Date: 2/13/96

Approved by Commissioner:

William L. Hensley

Date: 2-18-96

Agency:

Commerce and Economic Development

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STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. Hb 480

Revision Date: 02/28/96 Dept. Affected: Health and Social Services
 Title: An Act relating to Physician Assistants BRU: State Health Services
 Component: Maternal, Child, & Family Hlth
 Sponsor: Representative Therriault COMPONENT SERIAL NO. 290
 Requestor: House HESS See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES

CHANGES IN REVENUES

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Peter M. Nakamura, MD, MPH
 Division: Public Health
 Approved by Com: Karen Peterson, Commissioner
 Agency: Department of Health & Social Services

Phone: 465-3090
 Date: 02/28/96
 Date: 2/28/96

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HB

497

Sponsor Statement
House Bill 497
by Representative Eldon Mulder

The Chiropractic Peer Review Committee was formed by the Board of Chiropractic Examiners in 1994 pursuant to statute 08.20.185(a), the statute we are proposing to amend today with this bill. The initial Peer Review Committee consisted of three chiropractors. The board then added a lay person to the committee. Under current statute, only the chiropractors on the committee have immunity for decisions they make as committee members. The lay person does not have immunity for those same decisions. House Bill 497 would extend immunity to the lay person by extending immunity to all members of the committee.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 497

Revision Date: _____
 Title: An Act relating to chiropractic peer review, and
 providing for an effective date.
 Sponsor: Representative Mulder
 Requestor: (H)L&C

Department: Commerce and Economic Development
 BRU: Occupational Licensing
 Component: Operations
 COMPONENT SERIAL NO. 1844

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES						

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1091 Designated PR						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)
 HB 497 amends the chiropractic peer review statutes to provide immunity for all members of a peer review committee, exempts patient records from the open records statutes, and requires committee members to maintain confidentiality of patient records. New funds are not required to implement this bill.

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

Phone: 465-2144
 Date: March 20, 1996
 Date: 3/20/96

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HB

502

Alaska State Legislature

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Kenai, Alaska 99611
(907) 283-7095
(907) 283-3075 (fax)
(907) 262-7574 (h)



Session:

State Capitol
Juneau, Alaska 99801
(907) 465-2693
(fax) (907) 465-3835

Representative Gary L. Davis

SPONSOR STATEMENT

HB 502

"An Act relating to the auctioneering of real estate."

Under Alaska statute 08.88, a professional, licensed auctioneer cannot auction real estate unless he/she is also a licensed real estate broker an associate real estate broker or a real estate salesperson. The justification for this law is that an auctioneer may not have the qualifications pertinent to the sale of real estate. This is understandable but unnecessary. Requiring an auctioneer to be licensed in two separate professions, or to require a broker to be an auctioneer, is another case of excessive and intrusive bureaucracy.

Therefore, HB 502 has been introduced to facilitate the sale of real estate in a responsible, common sense manner. The language of this bill is meant to allow a real estate auction to be performed by an auctioneer who has developed specific qualifications. If a person has completed a certified program in auctioneering, which includes a course in real estate sales, then that person can auction real estate as long as a licensed real estate broker or salesperson is present to supervise. This way, experts in both fields of auctioneering and real estate will be present to conduct their specified duties without inflicting an unnecessary hardship on the auctioneer.

I believe that HB 502 is an uncontroversial, positive bill that will facilitate the sales of real estate and assist the auctioneering profession.

Representing House District 8

Soldotna, Steese, Blue Canyon Landing Home, Moose Pass, Seward

Sponsor Statement

BLAKELEY'S
AUCTION COMPANY
"We Specialize In Integrity & Honesty"
Norm Blakeley, Auctioneer

P.O. Box 537

Soldotna, Alaska 99689

(907)262-6100

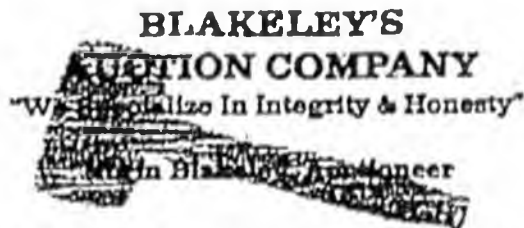
DATE: JULY 8, 1993
TO: WHOM IT MAY CONCERN
FROM: NORM BLAKELY
SUBJECT: LICENSE REQUIREMENTS

In a recent conversation with Ron Johnson, a Real Estate Broker, I was asked why I didn't get my Real Estate License so I could perform Real Estate Auctions. I explained that a few months ago, I had talked with Grace Oakley of the Real Estate Commission and conveyed to her that as an auctioneer that I had been contacted by a party trying to settle an estate with a subdivision involved and wanted to have a auction so it could be settled ASAP. In our conversation, she explained that in order to sell any type of Real Estate in any manner you needed to be licensed by the State of Alaska. I explained I didn't want to be a Real Estate sales person but wanted to auction and have a service to offer. She continued to explain that the law was set up to protect the seller misrepresenting or making mistakes that persons not involved in Real Estate could and might make. I agree with her statement.

I asked Grace if the auction was done through a Broker and Auctioneer that had attended a certified Auction School, part of school pertaining to Real Estate sales and other criteria, if that would address everyone's concerns and resolve the problem. At this time I felt she became somewhat exasperated with me and my lack of understanding of the situation and explained that was the law, if I wanted it changed to do something.

I feel that with a broker involved, criteria set up by the Board as to the schooling you need, letters of references, years in business and amount of sales; this could be achieved for the good of everyone and fulfill a service that is needed.

Auctioning is like any profession, in order to receive the maximum benefit you must know and understand what you are doing. To have a novice auctioneer sell Real Property just because they have a Real Estate License is as foolish as having a auctioneer sell Real Estate without the help of a Broker. I believe this is the situation at this time. As long as you have a Real Estate License, you can sell in any manner, so this leaves you without a



P.O. Box 537

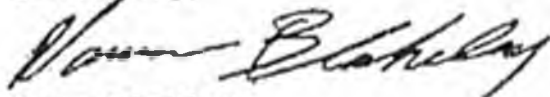
Soldotna, Alaska 99669

(907)282-6100

professional atmosphere as far as the auction goes. Setting up a criteria, perhaps would take care of all problems. In conclusion, I would hope you would address this situation in this meeting. If I can be of any help please feel free to contact me at any time.

Thank you for your time and consideration

Sincerely,



Norm Blakley

Blakeley's Auction Company
P.O. Box 537
Soldotna, Alaska 99669
(907) 262-6100

March 11, 1996

Representative Gary Davis
FAX: (907) 465-3835

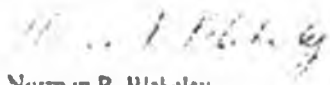
Reference: HB502

Dear Representative Davis:

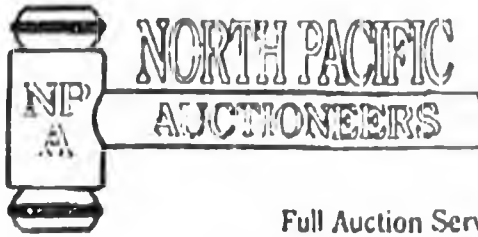
I am writing this letter in support of the above referenced House Bill. As an auctioneer in the community for the past fifteen years, in order to settle estates in an expedient manner, I have had occasion to be involved in auctioning land. The draw-back has been, of course that I have no real estate license. The way the bill is written, as I understand it, would require that a real estate broker be involved in the auction process along with the auctioneer. This involvement, I feel would irradiate the worries of the Real Estate Commission that have been voiced to me in the past.

In fairness to auctioneers who are willing to work with the real estate people, I urge that this bill be passed. We should not be penalized because we do not carry real estate licenses.

Sincerely,



Norman R. Blakeley
Auctioneer



Full Auction Services ★ On-Site Auctions ★ Estates/Liquidations

Dear Gary Davis:

I want you to know how pleased my Wife and I are to hear of a bill that would allow auctioneers to sell the real estate along with the personal property and chattel at public auction with the aid of a broker.

As President of North Pacific Auctioneers Ltd. my wife Marie, who is an active auctioneer, and I are charter members of the Alaska Auctioneers Association which I am sad to say is an organization in name only at this time since no meetings have been held in over 3 years.

But, we do travel and know many auctioneers in other states. In many states it is common practice for an auctioneer in conjunction with a probate lawyer or real estate broker to sell the property of a deceased person at public sale along with the personal property and chattel. This arrangement is beneficial for all parties involved since the property has a definite sale date which is advertised for several weeks in advance so suitable financing can be arranged and it also prevents a lengthy probate period thus preventing the erosion of the value of the estate.

Also, almost every state that allows this practice also has an auctioneer license law in effect. Rep. Norm Roakburg has such a proposed bill that he and I were working on. I feel that each bill should be considered separately so that the passage of one would help the other next year if one should fail. However the concept and idea that both Bills bring up need to be addressed and passed to help the people of Alaska.

I support both Bills and urge the House and Senate to pass both bills and the Governor to sign them.

Sincerely,

CHARLES E. BROBST
PRESIDENT
NORTH PACIFIC AUCTIONEERS LTD.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 502

Revision Date _____
Title An Act relating to the auctioning of real estate

Department Commerce and Economic Development
BRU Occupational Licensing
Component Operations

Sponsor Representatives G Davis, and Navarre
Requestor Representative G Davis

COMPONENT SERIAL NO. 1844

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						
TOTAL OPERATING	00	00	00	00	00	00

CAPITAL EXPENDITURES

CHANGE IN REVENUES

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1091 Designated PR						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 96) cost: \$ 00

POSITIONS

FULL-TIME	
PART-TIME	
TEMPORARY	

ANALYSIS: (Attach a separate page if necessary)

HB 502 authorizes unlicensed individuals to conduct an auction of real estate provided the individuals complete an auctioneering program and the auction is conducted under the supervision of a real estate broker or associate real estate broker. New funds are not required to implement this bill.

Prepared by Jennifer Strickler, Administrative Officer
Division Occupational Licensing

Approved by Commissioner William L. Hensley
Agency Commerce and Economic Development

Phone 485-2144
Date February 22, 1996

Date 2-22-96

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HB

533



REPRESENTATIVE ALAN AUSTERMAN Alaska State Legislature

P.O. Box 2368, Kodiak, Alaska 99615 (907) 486-5930 • Session: State Capitol, Juneau, Alaska 99801 465-2487

SPONSOR STATEMENT - HB 533

Updated: April 23, 1996

The Alaska Aerospace Development Corporation is a young organization that has energetically pursued its charge to bring a new industry and new opportunities to Alaska. Its first task was to bring talented people with significant experience in the aerospace industry to Alaska as employees and consultants. It has done that. Through their efforts the AADC has won federal contracts, generated significant industrial interest, and brought Alaska international recognition as a potential center for this major growth industry. The probability for success is extremely high and the prospects for Alaska's economy are exceptional.

AADC's focus has been on two projects. The development of a rocket launch complex in Kodiak and the location of satellite ground stations in the Fairbanks area. AADC has also pursued educational opportunities throughout the State and global warehousing and manufacturing possibilities in Anchorage.

The present board of directors of the AADC has served the State of Alaska extremely well, in directing the purposes of the corporation. The professional, technical and scientific expertise provided by the University of Alaska members of the board, have guided the startup phase of this undertaking.

As we move into the construction, marketing and operational phase of this endeavor, it is imperative that the board be restructured to include specific members of the Alaska business community. These individuals should have experience in finance, marketing analysis and an understanding of economic development, based on their existing or previous participation in private enterprise.

This bill also adds another member who has special experience regarding federal regulatory procedures and policies involving space or operational experience.

Additionally, the board of directors of the corporation shall select a chair and vice-chair from among its members.

AADC BOARD OF DIRECTORS

(9 Voting Members only)

Comparison Chart

Updated April 23, 1996

Existing Member

CSHB 533(L&C) am

U of A President

U of A President

U of A Geophysical Institute

U of A Geophysical Institute

U of A Board of Regents

AK. Resident/Private Sector

U of A Faculty Member

AK. Resident/Private Sector

Dept. of C&ED Commissioner

Dept. of C&ED Commissioner

ASTF Director

Aerospace Regulatory

Aerospace Industry

Aerospace Industry

Aerospace Industry

Aerospace Industry

Public Member

Public Member

FISCAL NOTE

No. 1

Bill Version: CSHB 533(L&C)

(H) Publish Date: 3/25/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____

Department: Commerce and Economic Development

Title: An Act relating to the board of directors of the AADC

BRU: _____

Component: _____

Sponsor: House Community & Reg. Affairs Comm.

Requestor: House Labor & Commerce Comm

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS

FULL-TIME	
PART-TIME	
TEMPORARY	

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Jeffrey Bush, Deputy Commissioner
 Division: Dept. of Commerce & Economic Dev.
 Approved by Commissioner: William L. Hensley
 Agency: Commerce and Economic Development

Phone: 907-465-2500
 Date: March 14, 1996
 Date: 3-14-96

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HJR

62

Alaska State Legislature

Committees:
House Resources
Co-Chairman
World Trade &
State Federal Relations
Transportation
Rules
Oil & Gas



Representative William K. Williams

During Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-3424
Fax (907) 465-3793

In Ketchikan:
352 Front Street
Ketchikan, AK 99901
(907) 247-4672
Fax (907) 225-8546

SPONSOR STATEMENT

House Joint Resolution 62

Requesting the federal government to purchase surplus 1995 Alaska canned pink salmon.

The Alaska canned pink salmon industry is facing a serious problem caused by record harvests in 1995. The record pack of nearly 4 million cases on a 48 tall basis is seriously affecting the industry's ability to move these surpluses.

The pink salmon harvest forecast for 1995 was 76.1 million but actually turned out to be 128 million. This was 51.9 million over forecast. The strength is attributed to good ocean survival.

USDA has traditionally required that canned salmon be processed under NMFS Type-1 Continuous Inspection, even though neither the commercial marketplace nor the U.S. Food and Drug Administration (FDA) makes this requirement. The canned salmon industry does not normally contract NMFS inspectors to oversee the processing operation unless there is an indication that there will be a USDA purchase program. In 1995, a letter was sent by USDA to the salmon industry indicating that, based on the harvest level forecasts at the time, a purchase was not warranted. Consequently, the bulk of the industry did not assume the additional expense of NMFS inspection. When the size of the run became apparent, it was too late to bring inspectors to the plants.

The industry is prepared to have the National Marine Fisheries Service (NMFS) Inspection Services Division conduct lot inspections of product processed in 1995 to certify that the product meets the technical requirements of the Commercial Item Description for canned salmon. NMFS believes these assurances should be deemed adequate for USDA purchases for its various programs.

House Joint Resolution 62 requests the federal government to purchase 1995 Alaska canned pink salmon surpluses for their domestic and export programs. These programs, managed by the Agricultural Marketing Service, include school lunch programs, export programs, assistance to low income persons and the federal prison system.

The resolution also asks the Department of Agriculture to waive the National Marine Fisheries Service Type-1 inspection requirement. The canned salmon industry operates under federal and State of Alaska regulations as well as the guidelines of the "Canned Salmon Control Plan and Container Integrity Program" which were developed in conjunction with the National Food Processors Association and FDA. Alaska canned salmon is traded internationally on the assurances of these programs.

At present, at least six major Alaska seafood companies have notified fishermen they will not be buying pink salmon for the 1996 season because of the surplus. This situation poses economic disaster for our fishermen and processors.

The canned pink salmon surpluses offer a highly nutritious and healthful product for the federal government's programs. It is imperative that USDA make a decision quickly. Operating plans and commitments to purchase cans and packaging material must be made now to be manufactured and shipped for the 1996 season.

Alaska State Legislature



Committees:
House Resources
Co-Chairman
World Trade &
Federal Relations
Transportation
Rules
Oil & Gas

During Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-3424
Fax (907) 465-3793

In Ketchikan:
352 Front Street
Ketchikan, AK 99901
(907) 247-4672
Fax (907) 225-8546

Representative William K. Williams

February 22, 1996

Mr. Lon Hatamiya
Administrator, Agricultural Marketing Service
U.S. Department of Agriculture
Room 3071 South Building
14th and Independence Avenue, S.W.
Washington, D.C. 20250

SENT BY FAX TRANSMITTAL

Dear Mr. Hatamiya:

The U.S. pink salmon industry is facing a serious problem caused by near-record harvests in 1995. Over 117 million fish were landed resulting in a record pack of nearly 4 million cases on a 48 tall basis. Had the State of Alaska known the individual component strength of the returning salmon, we may have acted more pro-actively than re-actively.

The seafood processing industry and the fishermen of Alaska are now seeking an emergency purchase of canned pink salmon to alleviate a huge surplus situation.

As I understand the process, your department has traditionally required that fish products be processed under NMFS Type 1 - Continuous Inspection. Neither the commercial marketplace nor the U.S. Food and Drug Administration (FDA) demand this requirement. The canned pink salmon industry does not normally engage NMFS inspectors to oversee the processing unless there is an indication that there will be a USDA purchase program. Last summer, a letter was sent by USDA to the salmon industry indicating that, based on the best knowledge at the time, a purchase was not warranted, therefore the bulk of the industry did not assume the additional cost of NMFS inspection. When the size of the runs became apparent, it was too late to bring inspectors to the plants. As a result, only a small quantity of salmon was processed under Type 1 inspection. The amount of product was held by only one company and was determined to be too small to warrant a USDA program.


The industry is prepared to work with USDA and the NMFS Inspection Services Division to provide lot inspection if necessary. It should be known that the canned salmon industry operates under the regulations of the State of Alaska as well as guidelines of the "Canned Salmon Control Plan and Container Integrity Program" which were developed in conjunction with the National Food Processors Association and FDA. U.S. canned salmon is traded internationally on the assurances of these programs.

Letter to USDA

Mr. Lon S. Hatamiya
Page 2
February 22, 1996

I am very concerned with what will happen to our fishermen, processors, cannery workers and the State of Alaska this coming season if we cannot find relief. I request that you reconsider the decision to not purchase the 1995 pack of canned salmon and that you immediately begin a program to purchase canned pink salmon for your various programs. I appreciate your consideration of my request and look forward to hearing from you.

Sincerely,



William K. Williams
HOUSE OF REPRESENTATIVES

WKW:cs



UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 112
Juneau, Alaska 99801
907/586-2820
Frx: 907/463-2545

February 26, 1996

FAX: 202/720-2166

The Honorable Dan Glickman
Secretary of Agriculture
Office of the Secretary
U.S. Department of Agriculture
Washington, D.C. 20250

Dear Secretary Glickman:

United Fishermen of Alaska is a private, non-profit organization that represents all of the salmon gear types, longline fisheries, crab fisheries, vessel owners associations, and aquaculture associations. The interaction of these groups, as well as the pooling of their resources and expertise, makes for a formidable organization to address the issues that affect our industry. UFA works hard to promote the entire seafood industry. A large portion of UFA's commitment is basic education as to the facts and benefits of the seafood industry.

The U.S. pink salmon industry is facing a serious problem caused by near-record harvests in 1995. Over 117 million fish were landed resulting in a record pack of nearly four million cases on a 48 tall basis. Had the State of Alaska known the individual component strength of the returning salmon, it may have acted more pro-actively than reactively.

The seafood processing industry and the fishermen of Alaska are now seeking an emergency purchase of canned pink salmon to alleviate a huge surplus situation.

It is my understanding that the U.S. Department of Agriculture requires fish products be processed under NMFS Type 1 - Continuous Inspection. Neither the commercial marketplace nor the U.S. Food and Drug Administration (FDA) demand this requirement. The canned pink salmon industry does not normally engage NMFS inspectors to oversee the processing unless there is an indication that there will be a USDA purchase program. Last summer, a letter sent by USDA to the salmon industry indicated that a purchase was not warranted; therefore, the bulk of the industry did not assume the additional costs of NMFS inspection. When the size of the runs became apparent, it was too late to bring inspectors to the plants. As a result, only a small quantity of salmon was processed under Type 1 inspection. The amount of product was held by only one company and was determined to be too small to warrant a USDA program.

The industry is prepared to work with USDA and the NMFS Inspection Services Division to provide lot inspection if necessary. The canned salmon industry operates under the regulations of the State of Alaska as well as guidelines of the "Canned Salmon Control Plan and Container Integrity Program" which were developed in conjunction with the National Food Processors Association and the FDA. U.S. canned salmon is traded internationally on the assurances of these programs.

MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Longline Fishermen's Association • Alaska Trollers Association • Area K Fishermen's Association
Bristol Bay Driftnetters Association • Concerned Area MF Fishermen • Cook Inlet Aquaculture Association
Cordova Dredge Fishermen Union • Kenai Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association
North Pacific Fishermen Association • Northern Southeast Regional Aquaculture Association • Peninsula Marketing Association
Petersonburg Vessel Owners Association • Prince William Sound Aquaculture Corporation • Puffin Bluff Vessel Owners Association
Seafood Producers Cooperative • Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association • United Cross Vot Unit Association

The Honorable Dan Glickman
U.S. Secretary of Agriculture
U.S. Department of Agriculture

February 26, 1996
Page Two

Unless some relief comes this year, several companies that have existing high inventories will not open their canneries this season; in fact, some have already announced severe cutbacks in their operations and cancelled plant openings. The canned salmon industry is the largest private employer in the state of Alaska with over 39,000 employees. Another 35,000 people are employed in Washington state canneries and industry-related jobs. The existing surplus and plant closures or cutbacks will result in serious problems for the fishermen as well as the cannery workers and, ultimately, the entire salmon industry in the Pacific Northwest and Alaska.

United Fishermen of Alaska requests that the surplus removal programs managed by the Agricultural Marketing Service include purchases of canned pink salmon packed during the 1995 season. This is of critical importance to both the fishermen and the processors because operating plans and commitments to purchase cans and packaging material must be made in March 1996 to be in place for use during the 1996 Alaska salmon fishing season between June and September. A decision on this issue needs to be made as soon as possible and conveyed to the industry.

We look forward to hearing from you next month as to the decision made.

Sincerely,


Jerry McCune
President

cc: Senator Ted Stevens (FAX: 202/224-2354)
Senator Frank Murkowski (FAX: 202/224-5301)
Congressman Don Young (FAX: 202/225-2009)
Governor Tony Knowles (465-3523)

bcc: Art Scheunemann, Executive Director - ASMI (465-5572)
Debby Sedwick, Assistant Commissioner
Alaska Department of Commerce & Economic Development (907/269-8125)
Mary McDowell, Governor's Office (465-3532)
UFA Board of Directors

OCEAN BEAUTY SEAFOODS, INC.

VIA CERTIFIED MAIL

February 13, 1996

Mr. Lon Hatamiya
Administrator
Agricultural Marketing Services
U.S. Department of Agriculture
P.O. Box 96456
Washington D.C. 20090-5456

Subject: USDA Purchase of Surplus Alaska Canned Pink Salmon

Dear Mr. Hatamiya:

I have had the opportunity to review the discussions your division, the Agricultural Marketing Service (AMS) of the U.S. Department of Agriculture, has been involved in, with representatives of Alaska's canned salmon industry, since October 1995.

Evaluation of recent inventory figures indicates that Alaska's canned salmon industry will have a carry-over inventory from last year (June 30, 1995 - July 1, 1996) of approximately 1.7 million cases, on a 48-can basis of canned pink salmon. This is almost double the previous inventory year. To further complicate matters, the pending production cycle for canned pink salmon shows no sign of letting up. Based on early projections for the 1996 harvest, Alaska's canned salmon industry could potentially have a carry-over inventory of 2.5 million cases of canned pink salmon by July 1, 1997.

Per your division's letter to the Alaska Seafood Marketing Institute's (ASMI) Executive Director, Art Schennemann, on June 29, 1995, the National Marine Fisheries Service (NMFS) "has not recommended that USDA purchase canned pink salmon this season." In this same USDA letter, the agency, through your Agriculture Marketing Service, agreed to monitor the salmon harvest and market conditions, and that "AMS will request that the secretary make funds available for a Section 32 contingency purchase program, if the situation warrants" it.

This letter is to advise you that the situation for Alaska's canned salmon industry now warrants a USDA "buy" for all programs monitored by the AMS. This includes whenever surplus food is purchased with federal funds under USDA auspicious; i.e., the federal prison system, federal export programs, school-lunch programs, or federal assistance programs for low-income parties. The Alaska canned salmon industry's request for AMS and USDA to meet the agency's own agreement, in their June 29, 1995 letter, is supported by:



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1100 W. EMING ST. • P.O. BOX 70739 • SEATTLE, WASHINGTON 98107 • (206) 285-6800 • FAX (206) 281-5877

No. 0593 P. 3/7

FEB 15 1996 5:33PM OCEAN BEAUTY SEAFOODS

- On October 11, 1995 staff from the Pacific Seafood Processors Association met with AMS in Washington D.C. and explained the necessity of a USDA buy for Alaska's canned pink salmon. At the same meeting PSPA staff requested a waiver by AMS from their requirement for a NMFS type-1, in-plant inspection for the 1995 carryover;
- On October 21, 1995 ten members of Congress wrote USDA's Secretary Glickman requesting the agency to purchase "this year's unexpected surplus of canned Alaska pink salmon. These ten representatives of Congress requested USDA to grant a waiver from the in-plant NMFS type-1 inspection for the 1995 carryover;
- On November 2, 1995 four members from the United States Senate Committee on Appropriations wrote Secretary Glickman and requested a "(USDA) purchase, under its various programs and authorities, or significant quantities or a large and unanticipated surplus of canned pink salmon." Also, the Senators requested a waiver from the NMFS type-1 inspection program on behalf of the industry;
- On December 14, 1995, a representative from ASMI's Washington D.C. legal staff met with you regarding USDA "buy" of canned pink salmon. AMS advised "they didn't feel they could do much now in the short-term period"; and
- On January 30, 1996 you and your staff met with ASMI's executive director in Washington D.C., and you advised that "USDA now acknowledges that fact that there is a surplus of canned salmon." You and your AMS group concluded you have all the data you need to make your recommendation to secretary Glickman.

On June 29, 1995 you stated that AMS would monitor "salmon harvest and market conditions." However, it has taken three and a half-months by AMS, before the agency has concluded that it is necessary, that they step forward, for a purchase of excess Alaska canned salmon. This is not acceptable to me on your part. Already one Alaska seafood company has filed for Chapter 11; another has announced it will not operate in 1996; and a third has advised their fisherman they will not purchase pink salmon to be canned in 1996.

You have not addressed the industry's and Congress' request for a waiver from the NMFS in-plant Type-1 inspection program. Rather you have on three occasions provided answers that are no answers. In fact by AMS's unwillingness to delete the necessity of a NMFS in-plant Type-1 inspection program, you have failed to respond to the President's Regulatory Review Initiative. By the Alaska canned salmon industry's regulatory compliance with the Food and Drug Administration, the State of Alaska, and the "Canned Salmon Control Plan and Warehouse Integrity Program" monitored by the National Food Processors Association, the validity and necessity of a NMFS in-plant, Type-1 inspection by you and the USDA is not even debatable. Rather AMS/USDA should address your concerns about quality control issues, through the use of a "lot inspection" program conducted in Seattle prior to labeling. It's unnecessary for AMS to adopt HACCP regulations for seafood, with FDA's new 123.0 "Seafood HACCP" regulation already published.

Other AMS Concerns

- Environmental - Alaska's canned salmon is packaged in steel containers that are tapered. This allows for easy stacking, one inside another, after use. More importantly, these containers have the highest rate of recycling of any material -- 40.9 percent;



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No. 0593 P. 4/7

FEB 15 1996 5:34PM OCEAN BEAUTY SEAFOODS

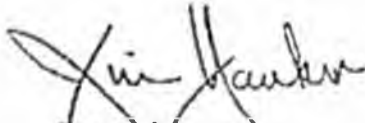
- Menus - ASMI is more than willing to work with any USDA program and its chefs and cooks in menu preparation/option; and
- "Shelf-life" - Per the National Food Processors Association, the acceptable shelf life for canned salmon is 72 months. As for an additional insurance buffer, if we use 60 months, this exceeds the USDA guidelines on "shelf-life" for canned meat which is nine months and includes an additional 12 - 14 months to cycle these products through various USDA channels of distribution.

In closing I would like to comment that scientific information provided by the Alaska Seafood Marketing Institution, the National Food Processor Association, the National Fisheries Institute and the National Marine Fisheries Service all document that Alaska's canned pink salmon products are an excellent source of high-quality protein, contain nearly all the essential amino acids, vitamins A and D, niacin and riboflavin from the B complex group with iron, zinc, magnesium, and phosphorus in appreciable amounts. Fats in canned salmon are predominately unsaturated, and recent tests have show that they slow the development of artery disease.

Please advise me of any reason why AMS cannot recommend and oversee a major buy by USDA of Alaska's canned pink salmon inventory from 1995 production.

Sincerely,

OCEAN BEAUTY SEAFOODS, INC.



Jim Yonker
Director, Corporate Quality Assurance
and Government Relations

cc: Honorable Dan Glickman, Secretary, USDA
Honorable Ted Stevens
Honorable Frank Murkowski
Honorable Slade Gorton
Honorable Paty Murray
Honorable Jim McDermott
Honorable Norm Dicks
Honorable Linda Smith
Honorable Rick White
Honorable John Breaux
Honorable Larry Craig
Honorable Helen Chenoweth
Honorable Michael Crepo
Mr. John Cady, President & CEO, NFPA
Mr. Lee Weddig, Executive Vice Pres., NFI
Mr. Art Schenemann, ASMI



C:\Admin\p02\1995.km

5/7 P. 0593

OCEAN BEAUTY SEAFOODS 5:35PM FEB 15 1995



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
1225 East-West Highway
Silver Spring, MD 20910
THE DIRECTOR

FEB 23 1996

Mr. Lon S. Hatamiya
Administrator, Agricultural Marketing Service
U.S. Department of Agriculture
14th and Independence Avenue, S.W.
Washington, D.C. 20250

Dear Mr. Hatamiya:

The Pacific northwest and Alaska salmon industry is seeking an emergency purchase of canned pink salmon to alleviate what has become a huge surplus situation. The National Marine Fisheries Service (NMFS) supports this request and recommends that a program to purchase product processed in 1995 be initiated as soon as possible.

The U.S. pink salmon industry is facing a serious problem caused by record harvests in 1995. More than 128 million fish were landed resulting in a record pack of nearly 4.0 million cases (48-cull basis). U.S. cold storage inventories of frozen pink salmon as of December 31, 1995, were reported to be 588 percent higher than a year earlier. Had NMFS known the magnitude of the salmon returns and the salmon pack early in the summer of 1995, we would have recommended that the U.S. Department of Agriculture (USDA) initiate a surplus removal program for canned pink salmon. Unfortunately, neither we, nor anyone in the salmon industry or in the Alaska Department of Fish and Game (the source of the estimates of returns), foresaw the magnitude of the pink salmon runs.

Unless some relief comes this year, several companies that have existing high inventories will not open their canneries next season; in fact, some have already announced severe cutbacks in their operations and canceled plant openings. The canned salmon industry is the largest private employer in the State of Alaska with over more than 39,000 employees. Another 35,000 people are employed in Washington in canneries and industry-related jobs. The existing surplus and plant closures or cutbacks will result in serious problems for the fishermen as well as the cannery workers, and ultimately the entire salmon industry in the Pacific Northwest and Alaska.

USDA has traditionally required that canned salmon be processed under NMFS Type I - Continuous Inspection; though neither the commercial marketplace nor the U.S. Food and Drug Administration (FDA) makes this requirement. The canned salmon industry does not normally contract NMFS inspectors to oversee the processing operation unless

THE ASSISTANT ADMINISTRATOR
FOR FISHERIES



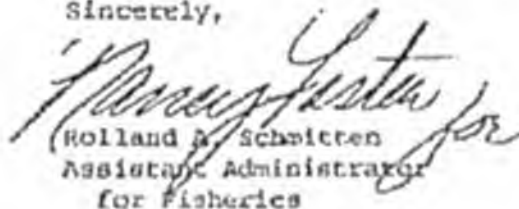
there is an indication that there will be a USDA purchase program. In 1995, a letter was sent by USDA to the salmon industry indicating that, based on the harvest level forecasts at the time, a purchase was not warranted, therefore the bulk of the industry did not assume the additional cost of NMFS inspection. When the size of the runs became apparent, it was too late to bring inspectors to the plants. As a result only a small quantity of salmon was processed under Type I inspection. This was held by only one company and was deemed to be too small to warrant a USDA program.

The canned salmon industry operates under Federal and State of Alaska regulations as well as the guidelines of the "Canned Salmon Control Plan and Container Integrity Program" which were developed in conjunction with the National Food Processors Association and FEA. U.S. canned salmon products are traded internationally with the assurances of these programs and in some cases, lot inspections. The industry is prepared to have the NMFS Inspection Services Division conduct lot inspections of product processed in 1995 to certify that the product meets those technical requirements of the Commercial Item Description for canned salmon, that can be verified by end item evaluation. He believes these assurances should be deemed adequate for USDA purchases for its various programs.

We request that the surplus removal programs managed by the Agricultural Marketing Service include purchases of canned pink salmon packed during the 1995 season. It is imperative that a decision be made and conveyed to the industry as soon as possible. This is of critical importance to both the fishermen and processors because operating plans and commitments to purchase cans and packaging material must be made in March of this year to be manufactured and shipped north to be in place for use during the 1996 Alaska salmon fishing season between June and September.

We are ready to offer whatever assistance your offices require to consider steps to reduce this serious surplus of canned pink salmon. We would welcome the opportunity to discuss implementation of an emergency purchase program with you at your earliest convenience.

Sincerely,


Roland A. Scheitgen
Assistant Administrator
for Fisheries

Feb. 27, 1996
27-SU 12:31PM

11:43AM
SENATOR OCEAN DEPT

ALASKA
COMMITTEES:
CHAIRMAN
AND NATURAL RESOURCES
FINANCE
VETERANS' AFFAIRS
INDIAN AFFAIRS

United States Senate
WASHINGTON, DC 20510-0202
(202) 224-0643

February 26, 1996

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128 Tondone Bay Road, Suite 710
Kenai, AK 99541-7318
(907) 283-1608
108 Main Street
Fitzgerald, AK 99511-6429
(907) 225-4128

The Honorable Daniel R. Glickman
Secretary of Agriculture
14th Street and Independence Avenue, S.W.
Room 200-A
Washington, D.C. 20250

Dear Secretary Glickman:

I am writing to urge your immediate approval of a much-needed surplus commodity purchase of canned pink salmon through the Agricultural Marketing Service. I cannot overemphasize how critical this matter has become for the Alaska salmon industry since the first request for a purchase was made to the Department last year. I am attaching for your information a letter from a major Alaska fishing organization which is characteristic of those I have received.

As you may recall, several members of the Senate wrote on this subject last year. We are still waiting for the agency to act.

Last year's harvest of over 117 million pink salmon was much larger than had been predicted. In all, the equivalent of four million cases of 48 1-lb. cans was packed. Despite very low prices, there is a significant inventory carryover, projected to remain as high as 1.7 million cases by this coming July, well into the 1996 harvest/packing season. This has very seriously affected prospects for the coming year.

Shock waves have already started to ripple through the industry. Several companies have closed their doors or filed for bankruptcy protection, including Whitney Foods, Inlet Salmon, and Pelican Seafoods. Others, according to rumors within the industry, are likely to follow suit. Still others have already informed fishermen that they will not purchase pink salmon this year, or have let it be known that prices will be \$00.05 per pound or lower.

The Alaska seafood industry is Alaska's largest private employer, and a key component of our economic base. Make no mistake, Mr. Secretary, the current situation is a disaster in every sense of the word. Worse, the most extreme effects will be felt in the smallest and most remote of our communities, where the fishing industry is often the ONLY source of earned income for the predominately Native American residents.

February 26, 1996

Alaska has the largest and healthiest salmon population in the world. Unfortunately, the world market has been glutted with salmon both from our large harvest of wild salmon, and from uncontrolled growth in the pen-reared salmon industry, which is heavily subsidized by some foreign governments.

Alaska's canned pink salmon products are an excellent source of high-quality protein, contain nearly all the essential amino acids, vitamins A and D, niacin and riboflavin from the B complex group with iron, zinc, magnesium, and phosphorus in appreciable amounts. Fats in canned salmon are predominately unsaturated, and recent tests have shown that they slow the development of arterial disease. Further, according to the National Food Processors Association, the acceptable shelf life for canned salmon is 72 months. This exceeds the USDA guidelines on shelf life for canned meat which is nine months and includes an additional 12-14 months to cycle these products through various USDA channels of distribution.

I understand that USDA normally requires the salmon products it purchases to have been packed under the Department of Commerce, National Marine Fisheries Service (NMFS) "Type 1" inspection program, for which costs are borne by the individual processor. However, at the time of last year's harvest, neither NMFS nor the State of Alaska, nor the industry, were able to predict the strength of the 1995 pink salmon run, and because no USDA purchase was planned, most processors decided against the additional expense. By the time the size of the run became clear, it was too late to bring NMFS inspectors to the salmon canneries.

A waiver of the Type 1 requirement is clearly needed. Let me assure you, however, that all the fish packed in Alaska is subject to rigid safety standards, and under state-of-the-art Hazard Analysis/Critical Control Point (HACCP) processes developed by the Alaska Department of Environmental Conservation. Furthermore, all canned salmon is also subject to the guidelines of the Canned Salmon Control Plan and Integrity Program, developed in cooperation by the industry and the Food and Drug Administration. Together, these programs easily equal the safety standards of the Type 1 plan. Any further requirements of USDA product specifications can easily be accommodated and appropriate assurance provided to USDA through lot inspections, as has been done in the past.

In fact, I believe you may already have heard from the National Marine Fisheries Service that the existing combination of programs provides more than adequate assurance of safety, and suggesting the lot inspection alternative. I believe also that the Service has communicated that, had it known last summer that the 1995 pack was going to be of such magnitude, it would have strongly recommended that USDA initiate a major purchase at that time.

Feb. 27, 1996 11:44 AM FROM SENATOR

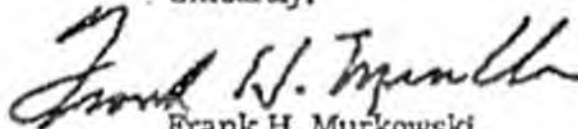
The Honorable Daniel Glickman
Page 3

February 26, 1996

Again, I strongly urge you to announce immediately your intention to purchase the remaining carryover of 1995 canned Alaska pink salmon. This purchase is critical to avoiding serious and widespread economic disruption as we enter the 1996 harvest season, which is now just a few months away.

Thank you for your consideration. In your response, please refer to file No. 94841.

Sincerely,



Frank H. Murkowski
United States Senator

Enclosure

SeaLand

SeaLand Service, Inc.
One Renton Place, Suite 600
565 South Renton Village Plaza
Renton, WA 98055-3221
Tel (206) 204-6300
Fax (206) 204-6430

March 8, 1996

The Honorable Daniel R. Glickman
Secretary of Agriculture
14th Street and Independence Ave., SW
Room 200-A
Washington, D.C. 20250

Dear Secretary Glickman:

I know that Senator Frank Murkowski has written you about the desperate situation regarding the unique oversupply of canned Alaska pink salmon.


I wanted you to know that the ramifications of this unique glut -- if not resolved -- will go well beyond fishermen and well beyond Alaska.

For instance, many transportation companies providing regular service to various Alaskan communities are dependent on the salmon shipments in order to justify year-round service. As an example, our Company lost \$1,000,000 servicing Alaska in January. We are proud to offer two ships each week calling at the communities of Anchorage, Kodiak and Dutch Harbor, even while losing money because we know that at certain times of the year we will have the opportunity to carry southbound seafood. Without the seafood it would be impossible for Sea-Land, and other companies, to provide the level of year-round service we provide.

We urgently request that the Agriculture Department support Senator Murkowski's request to declare your intention to purchase the remaining stocks of 1995 canned pink salmon so that commerce can continue in 1996.

Very truly yours,

SEA-LAND SERVICE, INC.


Gary L. Ritzman
Vice President & General
Manager, Alaska Service

GLR:cp

cc: Senator Frank Murkowski, United States Senate (File 94641)
Representative William K. Williams, Alaska State
Legislature

FISCAL NOTE

OF ALASKA
LEGISLATIVE SESSION

BILL NO. HJR 62

Requesting the federal government to purchase
plus 1995 Alaska canned pink salmon.

for: HOUSE RESOURCES COMMITTEE
for: HOUSE RESOURCES COMMITTEE

Dept. Affected _____
BRU: _____
Components: _____
Serial # _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

ACCOUNTING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Vehicles & Structures						
Grants, Claims						
Miscellaneous						
OPERATING	00	00	00	00	00	00
TOTAL	00	00	00	00	00	00
REVENUE	00	00	00	00	00	00

EXPENDITURES: (THOUSANDS OF DOLLARS)

General Fund						
Special Fund						
TOTAL	00	00	00	00	00	00

CONDITIONS:

Time						
Time						
Salary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Attached analysis

Requested by: HOUSE RESOURCES COMMITTEE
Representative Bill Williams
Bill Williams

Date: March 12, 1996
Phone: 465-3715
Phone: _____