

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 80/2

9343 HOUSE LABOR & COMMERCE

Southwest Region	16,785	17,061	16,103	1,141	1,243	1,247	6.8	7.3	7.7	15,644	15,818
Aleutians East Borough	1,783	1,810	1,702	26	33	33	1.5	1.8	1.9	1,757	1,777
Aleutians West	2,767	2,792	2,634	96	91	98	3.5	3.3	3.7	2,671	2,701
Bethel	6,648	6,739	6,471	466	488	600	7.0	7.2	9.3	6,182	6,251
Bristol Bay Borough	689	713	657	62	79	61	9.0	11.1	9.3	627	634
Dillingham	1,922	1,952	1,842	120	130	131	6.2	6.7	7.1	1,802	1,822
Lake & Peninsula Borough	679	671	624	71	57	47	10.5	8.5	7.5	608	614
Wade Hampton	2,296	2,384	2,173	300	365	277	13.1	15.3	12.7	1,996	2,019

Benchmark: March 1997

P/ denotes preliminary estimates

R/ denotes revised estimates

Comparisons between different time periods are not as meaningful as other time series produced by Research & Analysis.

The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaskan locations, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. These individuals are considered not in the labor force.

Source: Alaska Department of Labor, Research and Analysis Section.



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News Release

FOR IMMEDIATE RELEASE

DATE: January 16, 1998
NO: 98-26

CONTACT: Neal Fried
John Boucher

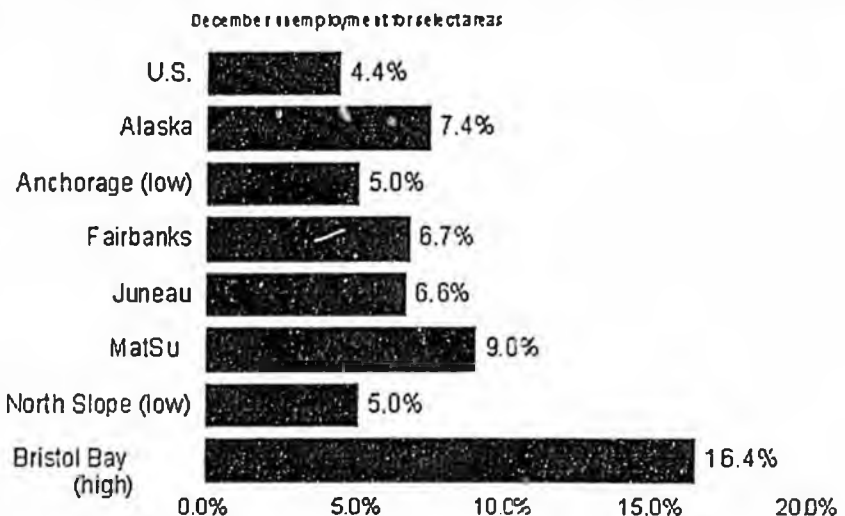
Embargoed Until January 16, 1998

December Rate Falls to 7.4%

Alaska's statewide unemployment rate fell from 7.5% in November to 7.4% in December. According to Neal Fried, a labor economist with the Alaska Department of Labor, almost 23,800 Alaskans were unemployed in December, a slight decrease from November. Last December's unemployment rate was 8.4% and the number of jobless Alaskans was just under 26,500. The comparable national unemployment rate (civilian not seasonally adjusted) for this December was 4.4%.

Typically, the jobless rate increases at the end of the year as the economy continues its seasonal slowdown. However, a decline in the December rate, which last occurred in 1992, is not unprecedented. December's unemployment rate also represents the third time the December rate has fallen below 7.5% during the past decade. A healthy holiday season may help explain the better than average December jobless rate.

Alaska's Jobless Rate 7.4% in December



Alaska Department of Labor, Research and Analysis Section.
50 digit rates indicated by CA, which denotes civilian area.
All rates not seasonally adjusted.

Regionally, the picture was mixed. In more urban areas and areas less dependent on fishing, the unemployment rates were more likely to fall. The Anchorage/MatSu region posted the lowest rate, 5.7%. Other areas with relatively low

unemployment rates and lower rates in December included Fairbanks at 6.7% and the Northern region at 7.3%. Unemployment rates increased in the Southeast, Southwest and the Gulf Coast regions as fishing and logging activity slowed. For example, Kodiak's rate climbed from 10.3% in November to 15.2% in

December. Bristol Bay Borough recorded the highest jobless rate in the state at 16.4%, four points higher than its rate in December 1996. Last year's poor fishing season is affecting the region's unemployment picture.

Wage and salary employment did fall seasonally in December. Seafood processing, construction and timber took the biggest losses. Holiday sales helped keep December's retail employment even with November's. "Growth in health care and business services actually helped boost employment in the services industry in December," according to Fried.

Labor Force by Region and Census Area

	Labor Force			Unemployment			Rate			Employ	
	P/	R/		P/	R/		P/	R/		P/	
	12/97	11/97	12/96	12/97	11/97	12/96	12/97	11/97	12/96	12/97	11/
Alaska Statewide	321,833	322,853	316,806	23,780	24,281	26,480	7.4	7.5	8.4	298,053	298.5
Anchorage/Mat-Su Region	173,688	172,593	170,309	9,862	10,959	10,605	5.7	6.3	6.2	163,826	161.6
Municipality of Anchorage	145,071	143,947	142,560	7,280	8,207	7,588	5.0	5.7	5.3	137,791	135.7
Mat-Su Borough	28,617	28,646	27,749	2,582	2,752	3,017	9.0	9.6	10.9	26,035	25.8
Gulf Coast Region	35,321	35,991	33,947	4,788	4,559	5,616	13.6	12.7	16.5	30,533	31.4
Kenai Peninsula Borough	21,851	22,558	20,991	2,954	3,105	3,457	13.5	13.8	16.5	18,897	19.4
Kodiak Island Borough	8,000	7,783	7,687	1,218	801	1,394	15.2	10.3	18.1	6,782	6.9
Valdez-Cordova	5,470	5,649	5,270	616	652	766	11.3	11.5	14.5	4,854	4.9
Interior Region	49,092	50,010	49,492	3,619	3,929	4,325	7.4	7.9	8.7	45,473	46.0
Denali Borough	1,206	1,234	1,183	163	177	147	13.5	14.3	12.4	1,043	1.0
Fairbanks North Star Borough	43,210	43,987	43,459	2,911	3,149	3,431	6.7	7.2	7.9	40,299	40.8
Southeast Fairbanks	2,638	2,682	2,689	270	282	337	10.2	10.5	12.5	2,368	2.4
Yukon-Koyukuk	2,038	2,108	2,171	275	321	319	13.5	15.2	19.3	1,763	1.7
Northern Region	8,908	8,830	9,033	651	718	814	7.3	8.1	9.0	8,257	8.1
Nome	3,367	3,342	3,377	270	299	294	8.0	8.9	8.7	3,097	3.0
North Slope Borough	3,389	3,331	3,370	171	170	167	5.0	5.1	5.0	3,218	3.1
Northwest Arctic Borough	2,151	2,157	2,286	209	249	353	9.7	11.5	15.4	1,942	1.9
Southeast Region	41,468	41,518	40,586	3,624	3,116	3,735	8.7	7.5	9.2	37,844	38.4
Haines Borough	1,244	1,260	1,247	168	168	199	13.5	13.3	16.0	1,076	1.0
Juneau Borough	17,255	17,487	16,875	1,135	1,129	1,178	6.6	6.5	7.0	16,120	16.3
Ketchikan Gateway Borough	8,044	8,070	7,951	704	622	804	8.8	7.7	10.1	7,340	7.4
Pr. of Wales-Outer Ketchikan	3,428	3,403	3,471	423	353	545	12.3	10.4	15.7	3,005	3.0
Sitka Borough	4,785	4,780	4,659	358	293	348	7.5	6.1	7.5	4,427	4.4
Skagway-Hoonah-Angoon	2,401	2,375	2,262	234	176	152	9.7	7.4	6.7	2,167	2.1
Wrangell-Petersburg	3,981	3,801	3,829	561	331	499	14.1	8.7	13.0	3,420	3.4
Yakutat Borough	330	336	293	42	44	13	12.7	13.1	4.4	288	2

Southwest Region	13,355	13,912	13,438	1,235	1,001	1,385	9.2	7.2	10.3	12,120	12,9
Aleutians East Borough	1,465	1,531	1,597	96	72	235	6.6	4.7	14.7	1,369	1,4
Aleutians West	2,379	2,459	2,426	185	122	244	7.8	5.0	10.1	2,194	2,3
Bethel	5,209	5,496	5,205	435	411	458	8.4	7.5	8.8	4,774	5,0
Bristol Bay Borough	452	476	429	74	73	53	16.4	15.3	12.4	378	4
Dillingham	1,496	1,573	1,483	115	102	110	7.7	6.5	7.4	1,381	1,4
Lake & Peninsula Borough	535	558	544	38	29	50	7.1	5.2	9.2	497	5
Wade Hampton	1,819	1,819	1,759	292	192	241	16.1	10.6	13.7	1,527	1,6

Benchmark: March 1996

P/ denotes preliminary estimates

R/ denotes revised estimates

Comparisons between different time periods are not as meaningful as other time series produced by Research & Analysis.

The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaskan locations, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. These individuals are considered not in the labor force.

Source: Alaska Department of Labor, Research and Analysis Section.



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News Release

FOR IMMEDIATE RELEASE

DATE: December 19, 1997
NO: 98-22

CONTACT: Neal Fried
John Boucher

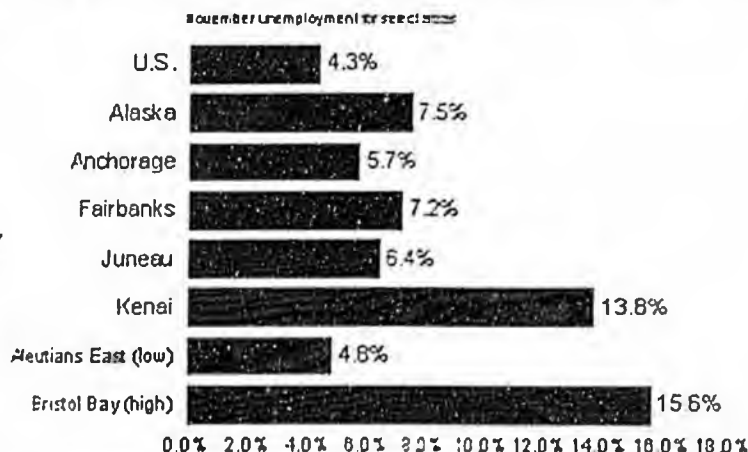
Embargoed Until December 19, 1997

November Rate Increases to 7.5%; 1997's Annual Rate Near 8.0%

Alaska's statewide unemployment rate increased one-half of a percentage point in November to 7.5%. This according to John Boucher, a labor economist with the Alaska Department of Labor. The 7.5% rate meant that nearly 24,300 Alaskans were unemployed during November, an increase of slightly more than 1,700 from October. In November of 1996, just over 25,000 Alaskans were unemployed and the statewide unemployment rate was 7.9%. Compared to last November, the economy registered a gain of 3,400 jobs. The comparable national unemployment rate (civilian not seasonally adjusted) in November was 4.3%.

Barring a dramatic increase in unemployment in December, the annual average unemployment rate for 1997 will be near 8.0%, which would be the fifth straight year in which the statewide annual unemployment rate was at or below 8 percent. Last year, the annual average statewide unemployment rate was 7.8%. "Even though the state experienced a slightly higher unemployment rate, Alaska's job market remained relatively strong in 1997," Boucher said. Strong economic performances in the Interior, as well as Anchorage/MatSu and the Kenai Peninsula helped the state maintain a relatively healthy labor market.

Alaska's Jobless Rate 7.5% in November



Alaska Department of Labor, Research and Analysis Section.
Source: Unless indicated by CA, figures are for the state area.
All rates not seasonally adjusted.

Boucher attributed the increase in the annual unemployment rate to job losses in the fishing and timber industries and the resulting struggling economies in Southeast and Southwest Alaska. "In Southwest Alaska, local economies experienced higher unemployment rates in 1997 due to lower salmon returns,"

Boucher said. "Timber industry and related job losses, particularly in the Ketchikan and Prince of Wales areas, were the largest drag on Southeast Alaska's economy during the year," Boucher said.

November's wage and salary employment statistics showed a broad seasonal downturn, as the economy lost 7,300 jobs. Nearly every major industry lost ground as the winter doldrums set in. Job gains were limited to the segments of retail trade that added staff for the Christmas shopping season. The 3,400 jobs gained since last November were spread across several industries. Gains were evident in services, transportation, retail trade, and oil and gas (mining). Job losses were posted in manufacturing (seafood and timber), construction, and state and federal government employment.

Labor Force by Region and Census Area

	Labor Force			Unemployment			Rate			Employ	
	P/	R/		P/	R/		P/	R/		P/	
	11/97	10/97	11/96	11/97	10/97	11/96	11/97	10/97	11/96	11/97	10/
Alaska Statewide	322,863	324,021	317,762	24,291	22,568	25,033	7.5	7.0	7.9	298,572	301,4
Anchorage/Mat-Su Region	172,744	171,031	169,570	10,966	10,250	10,802	6.3	6.0	6.4	151,778	160,7
Municipality of Anchorage	144,020	142,454	141,923	8,211	7,777	7,817	5.7	5.5	5.5	135,809	134,6
Mat-Su Borough	28,724	28,577	27,647	2,755	2,473	2,985	9.6	8.7	10.8	25,969	26,1
Gulf Coast Region	36,027	36,902	34,580	4,561	3,940	4,950	12.7	10.7	14.3	31,466	32,9
Kenai Peninsula Borough	22,581	23,190	21,863	3,107	2,790	3,525	13.8	12.0	15.7	19,474	20,4
Kodiak Island Borough	7,791	7,861	7,339	802	539	757	10.3	6.9	10.3	6,989	7,3
Valdez-Cordova	5,655	5,850	5,379	653	510	669	11.5	10.4	12.4	5,002	5,2
Interior Region	49,992	50,228	50,004	3,930	3,551	4,251	7.9	7.1	8.5	45,064	46,6
Denali Borough	1,233	1,235	1,208	177	155	159	14.4	13.4	13.2	1,056	1,0
Fairbanks North Star Borough	43,973	44,250	43,942	3,150	2,824	3,395	7.2	6.5	7.7	40,823	41,3
Southeast Fairbanks	2,682	2,663	2,707	283	232	324	10.6	8.7	12.0	2,399	2,4
Yukon-Koyukuk	2,107	2,079	2,156	321	259	382	15.2	12.9	17.7	1,786	1,8
Northern Region	8,795	8,846	9,028	716	785	743	8.1	8.9	8.2	8,079	8,0
Nome	3,329	3,307	3,378	298	283	270	9.0	8.6	8.0	3,031	3,0
North Slope Borough	3,317	3,352	3,381	169	211	152	5.1	6.3	4.5	3,148	3,1
Northwest Arctic Borough	2,148	2,187	2,269	246	291	321	11.5	13.3	14.1	1,900	1,8
Southeast Region	41,603	42,278	41,214	3,118	2,955	3,436	7.5	7.0	8.3	38,485	39,3
Haines Borough	1,263	1,233	1,242	168	114	167	13.3	9.2	13.4	1,095	1,1
Juneau Borough	17,522	17,908	17,278	1,129	1,158	1,186	6.4	6.5	6.8	16,393	16,7
Ketchikan Gateway Borough	8,087	8,285	8,099	623	559	772	7.7	8.0	9.5	7,464	7,6
Prince of Wales-Outer Ketchikan	3,409	3,408	3,468	353	235	468	10.4	8.4	13.5	3,056	3,1
Sitka Borough	4,795	4,846	4,728	293	245	308	6.1	5.1	6.5	4,502	4,6
Skagway-Hoonah-Angoon	2,380	2,413	2,308	176	151	145	7.4	6.7	6.3	2,204	2,2

Wrangell-Petersburg	3,810	3,865	3,792	332	311	378	8.7	8.0	10.0	3,478	3.5
Yakutat Borough	337	320	304	44	21	17	13.1	6.6	5.6	293	2
Southwest Region	13,699	14,736	13,365	1,000	1,086	850	7.3	7.4	6.4	12,699	13.6
Aleutians East Borough	1,507	1,582	1,478	72	40	64	4.8	2.5	4.3	1,435	1.5
Aleutians West	2,420	2,631	2,328	121	160	62	5.0	6.1	2.7	2,299	2.4
Bethel	5,413	5,871	5,292	411	495	363	7.6	8.4	6.9	5,002	5.3
Bristol Bay Borough	469	482	438	73	56	48	15.6	11.6	11.0	396	4
Dillingham	1,549	1,678	1,523	102	123	97	6.6	7.3	6.4	1,447	1.5
Lake & Peninsula Borough	549	593	553	29	34	40	5.3	5.7	7.2	520	5
Wade Hampton	1,792	1,899	1,758	192	179	181	10.7	9.4	10.3	1,600	1.7

Benchmark: March 1996

P/ denotes preliminary estimates

R/ denotes revised estimates

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The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaskan locations, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. These individuals are considered not in the labor force.

Source: Alaska Department of Labor, Research and Analysis Section.



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HB

438

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 438

Revision Date: _____
 Title: An Act establishing an exemption for investment
clubs from the business license requirement.
 Sponsor: Representative Ryan
 Requestor: House Labor & Commerce

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

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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						
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CHANGE IN REVENUES	[0.3]	[0.3]	[0.3]	[0.3]	[0.3]	[0.3]
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 98) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

HB 438 exempts investment clubs from the business license requirement. The division estimates there are very few investment clubs which actually hold a business license. This fiscal note assumes that at least six (6) licensees will fall under the new exemption, therefore reducing business license revenue by \$300 (\$50 fee x 6).

Prepared by: Jennifer Strickler, Administrative Manager
 Division: Occupational Licensing
 Approved by Commissioner: Deborah B. Sedwick
 Agency: Commerce and Economic Development

Phone: 465-2144
 Date: 2/26/98
 Date:

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSS HB 349

Revision Date: MARCH 27, 1998
 Title: REGULATION OF SOCIAL WORKERS
 Sponsor: REP. JAMES
 Requester: HOUSE LABOR & COMMERCE

Dept. Affected DCED
 BRU OCCUPATIONAL LICENSING
 Component OPERATIONS
 Component Serial No. 1844

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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						
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CHANGE IN REVENUES ()	26.4		26.4		26.4	
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: _____

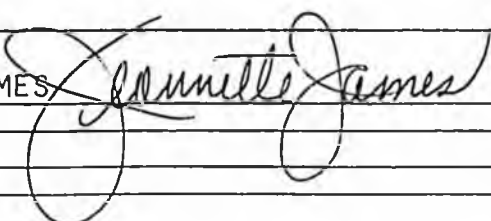
POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SSHB 349 RENAMES AND REORGANIZES THE PRESENT BOARD OF CLINICAL SOCIAL WORK EXAMINERS, ESTABLISHES 2 NEW CATAGORIES OF LICENSURE AND PROHIBITS THE USE OF THE TITLE "SOCIAL WORKER" WITHOUT A LICENSE. INFORMATION OBTAINED BY THE DIVISION INDICATES 250 NEW APPLICANTS MAY SEEK LICENSURE UNDER THIS BILL. SEC. 08,95,920 OF THE BILL DIRECTS THAT LICENSE FEES BE EQUAL FOR ALL THREE CATAGORIES OF SOCIAL WORK. CHANGE IN REVENUE REFLECTS ANTICIPATED INCREASE IN LICENSE FEES. COSTS SHOULD BE ABLE TO BE ABSORBED WITHIN THE EXISTING BUDGET.

Prepared by REP. JAMES
 Division SPONSOR
 Approved by _____
 Agency _____



Phone 465 3743
 Date MARCH 27, 1998
 Date _____

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: February 18, 1998

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/27/98

The LABOR AND COMMERCE Committee considered:

HB 438

HOUSE BILL NO. 438

INVESTMENT CLUB LICENSE EXEMPTION

“An Act establishing an exemption for investment clubs from the business license requirement.”

recommends it be replaced with the following committee substitute CSHB 438/LVC the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

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

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) DCED

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>John L. ...</i>			✓	
<i>Bill ...</i>			✓	
<i>Joe Ryan</i>	✓			
<i>John Foley</i>	✓			

CHAIR'S SIGNATURE

John Foley

3-27-98

0-LS1607E
· Bannister
3/23/98

CS FOR HOUSE BILL NO. 438()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE RYAN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the regulation authority, exemptions, and definitions of the
2 Alaska Business License Act."

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

4 * Section 1. AS 16.10.265(d) is amended to read:

5 (d) The commissioner of [COMMERCE AND ECONOMIC DEVELOPMENT
6 MAY SUSPEND OR REVOKE A BUSINESS LICENSE ISSUED UNDER
7 AS 43.70.020 AND THE COMMISSIONER OF] revenue may suspend or revoke a
8 license to engage in the business of processing or buying raw fish if the licensee or
9 an officer, director, or employee in a policy-making position of the licensee has been
10 convicted of three offenses under this section. Proceedings to suspend or revoke a
11 license are governed by AS 44.62 (Administrative Procedure Act).

12 * Sec. 2. AS 43.70.090 is amended to read:

13 Sec. 43.70.090. Regulations. The department may adopt regulations necessary
14 to implement [DETERMINE AND COLLECT THE FEES IMPOSED BY] this

1 chapter.

2 * Sec. 3. AS 43.70 is amended by adding a new section to read:

3 Sec. 43.70.105. Exemptions. This chapter does not apply to

4 (1) a fisheries business;

5 (2) the sale of liquor under a license issued under AS 04.11;

6 (3) an insurance business;

7 (4) a mining business;

8 (5) sales through coin-operated amusement and gaming machines;

9 (6) supplying services as an employee;

10 (7) furnishing goods or services by a person who does not represent to

11 be regularly engaged in furnishing goods or services;

12 (8) the activities of an investment club; in this paragraph,

13 (A) "investment club" means a group of individuals,

14 incorporated or otherwise organized, that engages primarily in investing in

15 securities, that does not sell investment services to another person, and the

16 primary purpose of which is educational;

17 (B) "security" has the meaning given in AS 45.55.990.

18 * Sec. 4. AS 43.70.110(1) is repealed and reenacted to read:

19 (1) "business" means engaging or offering to engage in a trade, a

20 profession, or an activity with the goal of receiving a financial benefit in exchange for

21 the provision of services or goods or other property;

LEGAL SERVICES

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

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

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

MEMORANDUM

March 20, 1998

SUBJECT: Investment clubs (Work Order No. 20-LS1607A)

TO: Representative Joe Ryan
Attn: Dave

FROM: *TB*
Theresa Bannister
Legislative Counsel

You have asked whether investment clubs are "businesses" under AS 43.70. It is my understanding that an investment club is primarily for educational purposes and that it does not sell any services or products to third parties. It is unclear whether the definition of "business" in AS 43.70.110(1) covers investment clubs. The definition is broad, covering, with exceptions, "all activities or acts, personal, professional, or corporate." However, this broad coverage may be qualified by the words, "engaging...in a trade, profession, or business," although this is not clear from the language in the definition. However, if this is not the case, the definition would cover any act for profit, including an individual buying stock, and this result is not consistent with the common concept of "business." Applying this criteria, an investment club does not appear to be a profession, because that usually denotes training beforehand, which does not appear to be the case here where the investment club is trying to learn about investing in stock. An investment club does not appear to be a trade or a "business" in the ordinary sense because the club does not sell its services or products to third persons.

Since an investment club attempts to increase the value of its investments, it arguably falls under the phrase, "with the object of financial or pecuniary gain, profit or benefit." However, if the primary goal of an investment club is to educate itself about investing in securities rather than to make a profit, then profit might not be considered to be the "object" of the club. In my opinion, after a quick review, the better reading of this definition is that investment clubs would not be considered businesses because they are not professions, and do not sell to third parties, and because their primary purpose is educational. However, this is not at all clear from the definition.

If I can be of further assistance, please advise.

TLB:pl:glc
98-058.plm

ALASKA REGIONAL COUNCIL
NATIONAL ASSOCIATION OF INVESTORS CORPORATION
P. O. Box 141503
ANCHORAGE, ALASKA 99514-1503

January 10, 1998

JAN 16 1998

Representative Norman Rokeberg
Chairman, Labor and Commerce Committee
Alaska State Legislature
State Capitol MS 3100
Juneau, AK 99801-1182

Dear Representative Rokeberg:


The recently formed Alaska Council of the National Association of Investors Corporation (NAIC), a not-for-profit educational organization, requests that AS 43.70.110 of the Alaska Business License Act be amended to specifically exclude individual investment clubs from the definition of "business" thus eliminating the necessity of obtaining a business license.

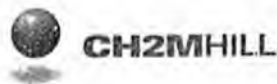
The over 108 investment clubs in Alaska (about 1,500 total members) are small groups of from 10 to 20 individuals who join together to learn about investing in the stock market. The members of each club meet usually once a month and pool their monthly contribution of from \$10 to \$50 per month to invest in the stock market. The members pro-rata share of any profits or losses are reported on each member's personal tax return. In essence, the members are learning about and making personal investments from the supportive atmosphere of a club.

Investment clubs do not advertise, they do not offer any product or service to the general public, they usually meet in members' homes and do not have a place of business.

According to the staff at the NAIC headquarters (248-586-6242), no other state requires investment clubs to obtain a business license. Therefore, we respectfully request that an amendment be made to the Statute to exempt individual investment clubs from buying a business license.

Sincerely,


Floyd Damron
Co-President



Floyd J. Damron, P.E.
Vice President
Alaska Office Manager

CH2M HILL
301 West Northern Lights Boulevard
Suite 601
Anchorage, AK 99503
Tel 907.278.2551
Direct 907.276.6833 Ext. 261
Fax 907.277.9736
E-Mail fdamron@ch2m.com

cc: Rep. Tom Brice
Rep. John Cowdery
Rep. Bill Hudson
Rep. Gene Kubina
Rep. Joe Ryan
Rep. Jerry Sanders

Officers and Directors of the Alaska Regional Council

Michelle Tabler, Co-President

Nancy King, Vice President

Leslie Williams, Treasurer

Bill Mann, Assistant Treasurer

Ellen Schwenne, Secretary

Directors, Gina McBride, Libby McKinney, Janice Baber, Lynne Bettin, Carol
Connell, Zona Dahlmann, Carol Hatch, Tim Janneck, Roy Daw, Joni Fleetwood,
Delores Skripps, Jane Ringler, Tim Ryherd, Bonnie Whittier, Sue Jensen, Ruth
Marcy, Kathy Peterson, Shery Lovell, Yvonne Mull, Lisa May, Jean von Dohrmann,
Geri DeBoer, Susan Smith, Edwin Franklin

Damron, Floyd/ANC

From: suap@better-investing.org
Sent: Thursday, January 22, 1998 9:25 AM
To: Damron, Floyd/ANC
Subject: Re: Help for Alaska Legislature

January 22, 1998

Mr. Floyd Damron
Co-President, Alaska Council, NAIC

Dear Mr. Damron:

There is no other state that we know of that charges a fee for a business license. Some partnerships are required to file under the Assumed Names Act in various states, but generally that is once every five years and the fee varies from \$5 up to \$25 for that entire period of time.

An investment club is a group of associates who meet together, usually monthly, to discuss the stock market and make group decisions on investing.

The definition probably does not do an investment club justice. In the 37 years that I have been with NAIC, our surveys have consistently shown that when a new investment club is formed with an average number of members, 16, that only one person has ever had any experience in investing. At the end of five years, the figures are completely reversed and 15 of the 16 members are investing on their own, in addition to their investment club. It serves to point out the educational aspect of an investment club. The club serves as an introduction to the stock market and should be considered an educational organization.

Profits for investment clubs starting out are relatively small. It is not unusual for a new investment club to only have \$5, or \$6 total income per member in the first two, or three years of operation. In many cases, the expenses (dues to NAIC, postage, materials, etc.) exceed income for a number of years.

I hope this information is helpful to you.

Sincerely,

Kenneth S. Janke
President & CEO

Sue Peterman NAIC

suap@better-investing.org
248.583.6242x303

ALASKA REGIONAL COUNCIL
NATIONAL ASSOCIATION OF INVESTORS CORPORATION
P. O. Box 141503
ANCHORAGE, ALASKA 99514-1503

JAN 15 1999

January 10, 1998

Senator Loren Leman
Chairman, Labor and Commerce Committee
Alaska State Legislature
State Capitol MS 3100
Juneau, AK 99801-1182

Dear Senator Leman:

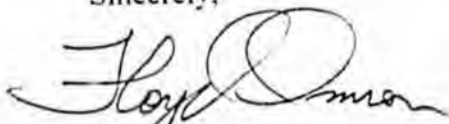
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Sincerely,



Floyd Damron
Co-President

cc: Senator Jerry Mackie
Senator Tim Kelly
Senator Mike Miller
Senator Lyman Hoffman

Officers and Directors of the Alaska Regional Council

Michelle Tabler, Co-President

Nancy King, Vice President

Leslie Williams, Treasurer

Bill Mann, Assistant Treasurer

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Connell, Zona Dahlmann, Carol Hatch, Tim Janneck, Roy Daw, Joni Fleetwood,
Delores Skripps, Jane Ringler, Tim Ryherd, Bonnie Whittier, Sue Jensen, Ruth
Marcy, Kathy Peterson, Shery Lovell, Yvonne Mull, Lisa May, Jean von Dohrmann,
Geri DeBoer, Susan Smith, Edwin Franklin

1) "business" means the exchange of goods, services or other property

2) "business" means an activity, profession or enterprise engaged in or offered to be engaged in for pecuniary benefit or livelihood.

3) ~~Delete definition and leave it to department regulation~~

Alaska State Legislature
House of Representatives

13-11-2017 01:00:00

COMMITTEE ASSIGNMENTS:

LABOR & COMMERCE
MILITARY & VETERANS AFFAIRS
COMMUNITY & REGIONAL AFFAIRS
OIL & GAS



INTERIM:

716 W. 4TH AVE.
ANCHORAGE, AK 99501
PHONE (907) 258-8161

SESSION:


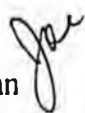
STATE CAPITOL
ROOM 420
JUNEAU, AK 99801-1182
PHONE (907) 465-3875

Representative Joe Ryan

1 800-922-3875 <http://www.akrepublicans.org>

MEMORANDUM

TO: House Labor and Commerce Committee

FROM:  David S. Pree, Legislative Assistant to Representative Joe Ryan 

DATE: March 5, 1997

SUBJECT: Committee Hearing on HB 438

Please schedule a hearing on HB 438 at the earliest possible moment. Thank you.

HB

451

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 451

Revision Date (Note if correction) _____ Dept. Affected Law
 Title An Act relating to assistive technology devices BRU Civil Division
 and mobility aids for physically disabled persons. Component Fair Business Practices
 Sponsor Representative Green
 Requester House Labor and Commerce Component Serial No. 2206

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: _____

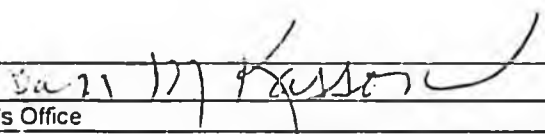
POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 451 adds a new Article to Title 45, Chapter 45 (Trade Practices) relating to warranties for assistive technology devices and mobility aids. The bill requires assistive technology devices and mobility aids be covered by an express warranty stating that the device or aid is free from any condition or defect that substantially impairs the use, value, or safety of the device or aid. The new Article further delineates the terms of repair and or refunds when the device or aid does not conform to the warranty.

This bill will have no fiscal impact on the Department of Law.

Prepared by Joan M. Kasson 
 Division Attorney General's Office
 Approved by Commissioner Bruce M. Botelho, Attorney General
 Agency Department of Law

Phone 465-5370
 Date 2/10/98
 Date 2/10/98

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COMMITTEE:
House Labor & Commerce Standing Committee

DATE: March 11, 1998

Subject of meeting:

~~HB 451 - ASSISTIVE TECHNOLOGY & MOBILITY / AIDS~~

SIGN-IN

DMHDD

PLEASE PRINT!
NAME

ADDRESS (MAILING / ZIP)

PHONE

REPRESENTING

DO YOU WANT TO TESTIFY?

DERRILL L. LOHWOSCU	P.O. Box 110620 Anchorage 99511	465-3370	Dept of Health & Social Services	yes
Millie Ryan	Po Box 240240 Anchorage, AK 99524-0240	269-8992	Governor's Council on Disabilities and Special Education	Y
KEN DEAN	SILC Tuleau	789-9665	-	Y
Shelley Greene	Access AK Fairbanks 3550 Airport Way 99709	479-7940	Access Alaska	Y
Patrick Reinhart	1016 W 14th Ave Suite 205 Anch AK 99511	269-3571	SILC	Y
			Limited testimony	

June 10, 1992

Don Redman, President
Redman Wheelchairs
3840 S. Palo Verde
Tucson, AZ 85714

Re: Ken Dean
Our Client: Ken Dean
Case: N/A
File No.: 14565

Dear Mr. Redman:

This letter follows up on the agreements reached during our May 20, 1992 telephone conversation.

1. You agreed your sales staff should have been more concerned with Mr. Dean's specific needs, and less concerned with selling a chair. You agreed that Redman has an obligation to act in good faith to make the necessary structural and design changes to Ken's chair so that it will meet Ken's specific needs.

2. You agreed to pay all of the shipping and handling charges for the return of his current chair to you, for the return of the remanufactured chair to him, and for future charges that may be incurred by Ken if the remanufactured chair or parts of the chair fails within its warranty period.

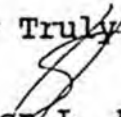
3. You agreed to consult with Ken and his medical care providers to redesign and manufacture a chair that will carry Ken's weight, and which will have the capability of lifting Ken's legs into a horizontal position. You agreed to subtract the value of the original chair from the price of the remanufactured chair, since Ken was only able to use the original chair for approximately six weeks out of the fourteen months that he owned it.

4. We both agreed to work together in good faith to resolve this problem as soon as possible. You stated that you hoped to have the remanufactured chair completed within thirty days of the date you receive the original chair from Ken.

5. Ken is working with his medical people to determine exactly what kind of chair he needs. Either Ken or his care providers will be contacting you in the near future.

We thank you for responding to our earlier letter and for agreeing to work together with us, in good faith, in order to get Ken into a satisfactory chair as soon as possible. Please don't hesitate to contact me if you have any questions or wish to discuss matters further.

Very Truly Yours,


Steven L. Hempel

P.S. We moved recently. Our new address is : 226 Seward St, Ste. 201, Juneau, Alaska 99801. Ph. (907) 586-4490 FAX (907) 586-4477.

To: Redman

Chronological list of Events:

- 1). 12/18/90 Purchased Model #107 Road Warrior extra tall back) wheelchair. Aetna paid \$5,260.00. Aetna also paid \$2,000.00 later for the power lift seat for the wheelchair.
- 2). 12/31/90 Sent Certified mail money order for \$1,000.00 as part payment for the lift seat (total of the lift seat was \$2,000 which was reimbursed to us later after the Aetna payment was received. Total price paid was \$7,260.00. Receipt numbers 545 673 536. Your office received 1/3/91. Also enclosed is an ad from Mobility Ltd. Spring 1991, for a Road Warrior cash price of \$3,250.00. Why the difference in prices?
- 3). 1/29/91 Received Road Warrior via Alaska Marine Lines (box was damaged). Paid \$224.09 for freight.
- 4). 2/91 After fully charging batteries we started using the wheelchair. At this time we were having problems with it pulling to the right. And also the right front tire was not wanting to go straight so the motors and drive belts would squeal.
- 5). 3/91 We made a trip to Phoenix AZ to visit family, when we got off the plane and loaded me and my wheelchair into my father's vehicle, upon backing out the left front tire (we had ordered it with pneumatic tires, it came with non-pneumatic tires) popped off the rim, we had just stopped and were going into a restaurant for dinner. Upon arriving at our destination we were able to get the rubber back on the rim. Purchased gel cell batteries for this trip. They would not stay charged after 2-4 hours of use.
- 6). 3/7/91 We were taking a trip to Needles CA to visit more relatives when the tire popped off again, we fixed it again, and also called your office and finally had you send us two pneumatic tires (also I ordered heavy duty forks) which we didn't receive until we returned to Juneau. But before we could put the new tires on, the left front tire popped off on our kitchen linoleum floor. After changing the forks we sent, UPS, the bad tires back to your office to be examined, one off the rim and one on the rim. We paid the freight.
- 7). 4/91 Machine is still pulling to the right. I sent controller back to your office. We paid Express mail costs \$20.00. Received back from your office and reconnected everything. Things seemed ok.

8). 5/91 Machine was back to pulling to the right again. Sent controller and wiring harness back to you. Again paid for Express mail charges \$20.00. They came back again and it seemed to work.

9). 6/91 The chair worked fine up until it pulled to the right and ran me off the curb and into the street. Necessitating calling the paramedics, and my glasses were broken. Also, at this time, severe pain started in my right shoulder and elbow.

In December of 1991 this was diagnosed as right ulnar nerve entrapment. I am scheduled for surgery later this month to relieve the entrapment. The pain has not become manageable yet.

10). 7/91 Replaced right upper caster bearing. Also took photos and videos of all the problems I have been having with this wheel chair, one of which is the left front bracket holding the foot rests needed to be welded back to the frame, this resulted in the machine turning to the right and running into things by itself, but because the video was on 8 mm camcorder tape we needed to convert to VHS tape.

11). 9-10/91 When I went to school at Northwestern University I had to rent an electric wheelchair there. My machine was not running right. I felt the Redman was entirely too unreliable to take very far from Juneau. It cost me over \$600.00 for 6 weeks. I did not have time to send the wiring harness and controller back to you before I left for Chicago.

12). 11/6/91 Upon our return we express mailed the wiring harness and control back to you. At my expense.

13). 12/91 Received new heavy duty wiring harness which had plugs that had to be soldered locally. I had an electronic technician from the Coast Guard do the soldering. The harness and plugs were installed and performance was much improved. With the exception of the lift seat not wanting to work right.

The small wiring here may be the cause, as it was not replaced.

14). 2/6/92 The left front tire blew while sitting still, this tire blew because the plastic rim failed. Your office sent another one. This would not have happened if the mag rims that were on the original order were the ones we received. Used my Visa card for the \$49.50 price of wheel and rim for UPS 2nd day air and did not get until 3/11 but was still charged high rate.

15). 2/14/92 Replaced right front caster bearing.

16). 3/3/92 While exiting a gymnasium during a fire alarm, the right front caster bearing housing split breaking the upper and lower caster bearing. Also splitting the housing and bending it nearly to a ninety degree angle.

PHOTOS INCLUDED

YOU CAN TELL FROM THIS MACHINE WHICH IS JUST OVER ONE YEAR OLD AND IT LOOK 10 YEARS OLD.

ENCLOSURES: Pictures, ad from Mobility Ltd. paper, visa charges for new front tire and rim.

May 6, 1992

Redman WheelChairs
3840 S. Palo Verde, #202
Tucson, Arizona 85714

Re: Warranty Claims/Products Liability Claims
Our Client: Kenneth Dean
Case: Dean v. Redman Wheelchairs
File No.: 14545
Date of Accident: NA

To Whom It May Concern:

Please consider this letter to be our demand for a refund of the purchase price of a Redman Road Warrior Wheelchair.

Kenneth Dean is employed in my office as an investigator/paralegal. Ken uses a Redman Road Warrior wheelchair. This office is considering filing claims under Section 2-313 and 2-314 of the Uniform Commercial Code for breach of the Warranty of Merchantability, due to the extreme poor quality of his Road Warrior chair. We are also considering the prosecution of a products liability claim on Ken's behalf for personal injuries he suffered as a result of the defects in the chair.

Before filing such claims, I have decided to write this letter to ask for your voluntary cooperation in resolving this matter.

Ken's chair came with a 2-year warranty on the electrical parts and a lifetime warranty on the frame. He has had problems with both. What follows is a chronology of Ken's misadventures with his chair. We can fully document and substantiate the events and occurrences described below.

Enclosed with this letter are copies of receipts for consequential expenses and damages which Ken has suffered as a result of the defects in his Road Warrior Chair. Also enclosed are photographs showing the various defects.

Ken's father, Gilbert L. Dean, went to the MS (Multiple Sclerosis) convention in Phoenix, Arizona, in October of 1990, specifically for the purpose of viewing the Redman power chairs. Mr. Dean, Sr. also uses a wheelchair, as a result of MS. At the convention, Mr. Dean, Sr. was shown a Model 107 Redman Road Warrior. After inspecting and testing the chair at the show, and after listening to your sales pitch, he was thoroughly impressed. Mr. Dean Sr. recommended that Ken purchase the Model 107 Road Warrior.

Subsequently, on December 18, 1990, Ken ordered a Model 107 Road Warrior (extra tall back) wheelchair. Ken's insurance

company, Aetna, paid \$5,260.00 for the chair. Ken also paid an extra \$2,000.00 for the power lift seat accessory. He was reimbursed by AETNA for this expense.

With the addition of the lift seat accessory, the total purchase price paid for the Model 107 was \$7,260.00. The receipts for the chair are numbered 545, 673 and 536. Your office received the payments on January 3, 1991.

On January 29, 1991, Ken received his chair via Alaska Marine Lines. The Model 107 chair which Ken actually received differed significantly from the Model 107 chair which Mr. Dean Sr. had been shown at the MS convention in Phoenix. Specifically, the chair was supposed to have pneumatic tires; it came with non-pneumatic hard-rubber tires. The chair was supposed to have magnesium front rims; it came with plastic rims. The chair was supposed to have hand brakes; it came with none. Ken accepted delivery of the chair despite these discrepancies.

In February, 1991, after fully charging its batteries, Ken started using the chair. Almost immediately, he began noticing problems with it. The chair pulled to the right. The right front tire would not travel straight, causing the motors and drive belts to squeal.

In March 1991, Ken and his wife Terry took a trip to Phoenix, Arizona to visit family. Ken and Terry got off the plane in phoenix and loaded Ken and his chair into his father's vehicle. As they were unloading the chair from the vehicle, the left front tire popped off the rim. After much struggle and effort, the Deans were able to get the rubber tire back on the rim.

Ken had purchased in Juneau two special heavy duty "gel cell" batteries specifically for this trip to Arizona. The batteries were warranted to keep a charge and remain operational for 7 hours or 20-30 miles. During the trip, Ken discovered that these "heavy duty" batteries would only stay charged for 2-4 hours of use. As if the charger was not large enough to bring them to a full charge.

On March 7, 1991, while they were still in Arizona on this trip, the same front tire popped off its rim - again. At this point, Ken called your office and had you send him two pneumatic front tires. As noted above, the chair was supposed to come equipped with pneumatic tires.

At the time he ordered the new tires, Ken also ordered heavy duty front forks. He didn't receive the forks or new front tires until he returned to Juneau, on or about March 25, 1991. After Ken arrived back in Juneau, but before he had received the new front forks and tires, the left front tire popped off on his kitchen floor, causing minor damage to the linoleum.

Ken then replaced the original front forks with the "heavy

duty" front forks. Ken sent the bad tires back to your office to be examined; one off the rim and one on the rim. Ken paid the United Parcel Service freight charge of \$ 26.00.

Despite the replacement of the front forks and tires, during April, 1991, the Road Warrior continued to pull to the right. Ken determined that the problem was electrical. He removed the "High Reliability Microcomputer" motor controller from the machine and sent it to you for repair or replacement. He incurred Express Mail charges in the amount of \$20.00. On or about May 5, he received the controller back from you and reconnected it to the chair. For a short time, the chair functioned normally.

However, in late May, 1991, the chair again began pulling to the right. Ken then sent the controller and wiring harness back to you for further repairs. Ken incurred another \$20.00 for Express Mail freight charges. You repaired the controller a second time and returned it to him.

In June, 1991, Ken was traveling down a sidewalk here in Juneau when the chair suddenly and without warning lurched to the right and ran off the curb, forcefully ejecting Ken out of the chair and into the street. Ken's glasses were broken. Paramedics were called. Ken began experiencing severe pains in his right shoulder and elbow. Later, in December of 1991, this pain was diagnosed as a right ulnar nerve entrapment. Ken is scheduled for surgery later this month to relieve the entrapment. The pain has not yet become manageable for Ken. This condition is still developing. We are now investigating this incident with an eye towards filing a personal injury claim against Redman.

In July of 1991, Ken had to replace the right front upper caster bearing. At this time, Ken photographed and videotaped the machine to document all of the problems he had experienced with it. Ken sent the bearing and videotape to Redman. Also in July of 1991, the left front bracket holding the foot rests broke and had to be welded back to the frame. Ken continued to have problems with the controller and the wiring harness; the machine kept turning to the right.

In September of 1991, this office sent Ken to Northwestern University in Chicago, Illinois, to attend a six-week long traffic investigator training seminar. Because his Road Warrior was not functioning properly or safely, Ken had to rent an electric wheelchair for the entire period he was attending the seminar. The rental costs amounted to over \$600.00.

Ken did not have time to send the wiring harness and controller back to you for further repairs before he left for Chicago. On November 6, 1991, upon his return to Juneau, Ken Express Mailed the wiring harness and control back to you. Once again, this was at Ken's expense, \$20.00 Express mail.

In December, 1991, Ken received a new heavy duty wiring harness which had to be soldered into place by a local Coast Guard electronics technician. After the harness and plugs were installed, the performance of the steering mechanism was much improved. However, Ken began experiencing new problems with the \$2,000 accessory lift seat. The seat was not able to lift Ken as it was designed to do; lifting required much shifting of his weight back and forth. Ken needs the lift so he can reach books on the upper shelves at the law library. Ken believes the problems with the lift seat are both mechanical and electrical in nature. The wiring harness for the seat is now in need of replacement. Since the wire size on the lift is small, like the original main harness, it is reasonable to conclude the wire size is part of the problem.

On February 6, 1992, the left front tire blew out while the chair was sitting still. The tire failure occurred after the plastic rim failed. Ken contacted Redman. The company sent a replacement plastic rim. We believe the tire would not have failed if the machine had arrived with the magnesium rims that were called for in the original order. Ken's Visa card was billed \$49.50 in mailing fees for UPS 2nd day air as a result of having to send the tire and rim back to you for replacement.

On February 14, 1992 (Valentines Day), Ken had to replace the right front caster bearing.

On March 3, 1992, while exiting a gymnasium during a fire alarm, the right front caster bearing housing split completely open, breaking both the upper and lower caster bearings. The split bearing housing was bent into a ninety degree angle. Ken was forced to have a local welder braze new heavy duty bearing onto the chair.

At this point, Ken decided that enough was enough. We held a conference and discussed what can be done to make Ken whole. Ken has only been able to use the Redman chair for one month out of the thirteen months he has owned it!

Ken's Road Warrior is disabled, useless, and unsafe. Ken has missed many days of work because his chair was broken down and he could not come to town. As a manufacturer of wheelchairs, you have a unique and clear understanding of the severe stress and anxiety caused to disabled persons such as Ken when their freedom is limited by having to use a chair. It is bad enough to be restricted to the chair in the first place. It is simply unacceptable to be further restricted by a chair which cost many thousands of dollars and which is constantly malfunctioning and in need of repairs. It is unconscionable for Ken to be forced to pay shipping charges for the second or third set of repairs to the same part on his chair.

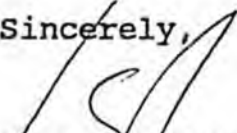
At this point, it would only be fair and proper for you to either refund the purchase price of the chair, plus incidental

and consequential costs incurred by Ken (Approximately \$8540.00), or extend Ken a credit for that amount towards the purchase of a new Redman Chair.

I do not want to seem harsh or unreasonable, but if you do not respond to this letter in some fashion within twenty days, and if you do not make sincere and diligent efforts to meet your obligations to Mr. Dean, we will be forced to file suit against you. In the event we decide to file suit, we will prosecute every possible claim to the fullest extent allowed by law.

I look forward to hearing from you.

Sincerely,



Mark Clayton Choate,
Trial Lawyer

ATTACHMENT A: SYNOPSIS OF DAMAGES

<u>ITEM</u>	<u>COST</u>
1. Phone calls to Redman re: chair repairs	\$31.00
2. Shipping charges	\$443.00
- front rim	
- freight	
- tires to Redman	
3. Purchase price	\$7260.00
4. Chair repairs	\$321.00
- Left front footrest	
- front caster bearing replacement	
5. Temporary replacement chair rental	\$485.00
	<u> </u>
Total =	\$8540.00

from Representative Joe Green
HB 451

The following information on Assistive Technology Lemon Laws is from RESNA's publication RESNA TAP Bulletin (May 1995), which is a monthly publication of the RESNA Technical Assistance Project.

ASSISTIVE TECHNOLOGY LEMON LAWS

American consumers have long demanded warranties on large purchases such as automobiles and household appliances to protect themselves against the occasional dryer that no longer tumbles three weeks after purchased or the car that needs a new transmission one year after the purchasedate. In other words, the proverbial "lemon." Individuals with disabilities are now demanding the same guarantees for purchases of assistive technology (AT).

Assistive technology for persons with disabilities is often an integral part of that person's ability to work, communicate, and live independently. Proper operation of equipment is critical to self-reliance. Yet, not all AT has a manufacturer's warranty. Some devices that carry a purchase tag of thousands of dollars carry only a 90-day or six-month warranty.

In many states, consumers of AT are standing up and speaking out, demanding replacement equipment, loaners while equipment is being fixed, free service on equipment and outright refunds! This issue of The TAP Bulletin examines assistive technology "lemon" or warranty legislation passed by states to date.

Twelve states have passed consumer protection legislation, commonly referred to as assistive technology "lemon laws." These states are: California, Georgia, Louisiana, Maryland, Michigan, Minnesota, Missouri, Montana, New York, Pennsylvania, Washington, and Wisconsin. A few other states have similar legislation pending or are working on drafts for future introduction in their state legislatures.

Lemon laws typically demand a minimum one-year warranty on assistive equipment beginning on the date of delivery, not the purchase date. This is an important specification because some consumers wait weeks or months from the order date to the delivery date. While some state warranty laws cover all AT or AT over a specified dollar amount, most cover only motorized wheelchairs (see state-specific data chart).

Louisiana's "lemon law" is considered by many legal experts to be the nation's model AT lemon law because it contains the broadest coverage. The law applies to all assistive devices, without limits. To qualify as a lemon the product must have either broken two times for the same reason within the first year, or have been out-of-service 30 days for any reason within the first year. These provisions within Louisiana's AT lemon law give consumers of AT in Louisiana broader protection than in any other state in the country.

In contrast, New York's lemon law provides narrower coverage. To qualify as a lemon, the product must have been repaired four times for the same reason and been out-of-service 30 days within the first year, or have been out-of-service for 60 days for the same reason within the first year. New York's Technology Related Assistance for Individual's with Disabilities (TRAID) Project plans to undertake a review of the impact of their state's lemon law later this year (see page 2 for more on NY's law).

LOUISIANA

Due to efforts of the Louisiana Assistive Technology Access Network (LATAN), an equipment lemon law was passed, House Bill No. 1956, which provides warranties for new assistive devices, time limits for warranties, and nonconformity disclosure requirements. It defines terms such as: "collateral costs," "consumer/agency," "early termination cost," "early termination savings," "manufacturer," "assistive device," and "reasonable attempt to repair." It also provides for reimbursements and replacements.

MINNESOTA

In Minnesota, the Assistive Device Warranty Protection Act was signed into law by the governor May 19, 1995 and becomes effective August 1, 1995. It was a Department of Administration initiative that was started by the governor's advisory council on technology for people with disabilities and the department's Minnesota STAR Program. The AT lemon law protects the rights of people with disabilities in the purchase of assistive devices. While it does not alter any warranty that offers greater protection, it affords a basic level of consumer protection by providing that if a device is taken in for repairs three times in the first year for the same problem, or if it is in the repair process for over thirty days in the first year, then the device can either be returned for a full refund or exchanged for a new device at the consumer's option. The warranty does not include defects that result from misuse or alterations. It also has a provision that it is the manufacturer's responsibility to provide a replacement device or reimbursement for temporary replacement of assistive devices for the duration of the repair period.

PENNSYLVANIA

Pennsylvania's Motorized Wheelchair Warranty Act covers motorized wheelchairs for at least a year that have been repaired four times for the same nonconformity or have been out-of-service for an "aggregate" of at least 30 days. Like Minnesota's lemon law, it also does not cover defects resulting from abuse, neglect or unauthorized modifications by the consumer.

MARYLAND

Maryland Technology Assistance Program (TAP) researched national lemon law legislation.

This resulted in the Motorized Wheelchair Warranty Enforcement Act signed into law by Governor William Donald Schaefer on April 12, 1994. This act defines a lemon as "a motorized wheelchair or scooter with a "substantial" defect, which the manufacturer or its authorized dealer has unsuccessfully attempted to repair at least four times, or which has been out-of-service because of "substantial" defects for a total of thirty calendar days within one year after first delivery to the consumer. The thirty days DO NOT have to be consecutive." [Tapping Technology, p 2. (Maryland TAP newsletter)]. Specific provisions of the bill include, but are not limited to: certain express warranties; duration of certain warranties; prohibiting resale of returned non-conforming wheelchairs without full disclosure; repair, return and replacement of wheelchair; procedures for return of certain non-conforming wheelchairs; any waiver of consumer rights is void under this Act; and authorization of consumer action for damages, fees, costs and other equitable relief (Provisions of the Motorized Wheelchair Warranty Enforcement Act fact sheet, Maryland TAP).

WISCONSIN

In Wisconsin, a law was enacted in 1992 also relating to motorized wheelchair warranties. Wisconsin Act 222 requires manufacturers to issue express warranties to consumers purchasing motorized wheelchairs with the duration of the warranty being one year after first delivery to the consumer. It also includes provisions in case a "reasonable attempt to repair" the wheelchair fails. Replacement of the wheelchair with a comparable new motorized wheelchair and refunding "collateral costs" is one option. Collateral costs is defined in this act as "expenses incurred by a consumer in connection with the repair of a nonconformity, including the costs of obtaining an alternative wheelchair or other assistive device for mobility" [Sec. 134.87 (a)]. The other option is accepting the return of the "lemon" and refunding the consumer. Collateral costs and usage of the device are considered in regard to refunds. If the consumer demands a refund, they may receive collateral costs as well. Other refund and replacement provisions are included in this act as well.

MICHIGAN

Michigan's lemon law (Public Act #54 of 1994) is similar to the above mentioned laws requiring an express warranty (one-year minimum) by the manufacturer and states, "If the manufacturer is found to have violated this act the courts shall award the consumer twice the amount of any damages plus attorney fees." [Tech 2000, p.3 (Michigan's AT project newsletter)]. The Michigan Tech Act project, Michigan Tech 2000, is currently working to amend this act, trying to get coverage for all AT and to extend the warranty from one year after first delivery to three years.

MISSOURI

The Missouri Assistive Technology Project (MATP) efforts to promote the passage of a one-year warranty and lemon protection for all assistive devices used by consumers with disabilities successfully passed the state legislature and was signed into law June 13, 1995. A lemon is an assistive device with a substantial defect which rises in the device itself and not from consumer abuse. After attempting to repair the device four times, or being without the device for 30 days due to a substantial defect, the device can be returned to the manufacturer for a comparable device or refund. Project staff report that early opposition focused on arguments that distributors would make good faith efforts to work with consumers who purchased defective equipment to repair or replace the device and that distributors with unfair practices would be naturally weeded out of the market. The MATP was able to demonstrate that comparison shopping for AT is rarely possible, since only one manufacturer may produce a particular device or a third-party payor may fund only a single approved vendor. Therefore using the free market to address lemons is not practical.

Many devices are purchased with tax dollars through Vocational Rehabilitation or Medicaid and lemons bought with these dollars are a waste of public money on the initial purchase. The MATP is now beginning to disseminate information on the new statute to consumers and the general public through press releases to disability and advocacy related organizations.

NEW YORK

The Motorized Wheelchair Lemon Law (General Business Law § 670) enacted in August 1993, provides a minimum one-year warranty covering both parts and labor from the date of first delivery to the consumer. The lemon law covers only motorized wheelchairs but includes those purchased, leased or transferred in New York to a consumer. A consumer is protected when purchasing a wheelchair previously returned to the manufacturer under New York's or a similar lemon law of another state. The manufacturer may not sell or lease the returned wheelchair again in New York unless full disclosure of the reasons for return is made to the prospective buyer or lessor. The law also incorporates an alternative arbitration program for disputes. Arbitration offers the consumers an option that may be less complicated, time consuming and expensive than choosing to go to court.

The Attorney General's office of New York State Department of Law prepared a booklet "New York's Motorized Wheelchair Lemon Law: A Guide For Consumers" to help consumers understand the warranty law and instructions for the NY State Arbitration Program. Page 3 of the guide states: "If the wheelchair does not conform to the terms of the written warranty and the manufacturer or its authorized dealer is unable to repair the wheelchair after a reasonable number of attempts during the first year, the consumer can choose a full refund or a comparable new replacement wheelchair."

An important consumer tip in this guide includes the necessity of the consumer keeping "careful records of all complaints and copies of all work orders, repair bills and correspondence." The consumer has the burden of proving he/she owns a lemon and must have documentation of repeated attempts to have it repaired. Under the arbitration program, a consumer who does not have all the documents, may request the arbitrator to direct the manufacturer to provide necessary information or to subpoena documents or witnesses.

MONTANA

The Montana Wheelchair Warranty Act was endorsed by the Montana Consortium for Assistive Technology and developed by MonTECH and the Montana Advocacy Program through an agreement with the Protection & Advocacy service. The law takes effect October 1, 1995 and will cover any manually-powered or motor-driven wheelchair, scooter or other motorized device that is used for mobility assistance and costs \$500 or more. The act states that failure by the manufacturer to provide a written warranty (minimum one year) results in the wheelchair to be covered under warranty "for a period of 2 years following the date of delivery of the wheelchair to the consumer." [H.B. 0335 Sec.3 (3).]

SOUTH DAKOTA

DakotaLink (South Dakota's Tech Act project) is currently surveying consumers and manufacturers to lay the groundwork for AT lemon legislation. They seek to build upon the state's General Product Liability Law, which is based upon the federal Magnuson-Moss Warranty-Federal Trade Commission Improvement Act (P.L. 93-637). Signed into law in January 1975, P.L. 93-637 recognizes the need for minimum warranty protection for consumers, for consumer understanding of warranties, for assurance of performance and for better product reliability.

GEORGIA

Georgia Tools For Life worked to get the Assistive Technology Warranty Act (House Bill 93) and Motorized Wheelchair Warranty Act (Senate Bill 11) passed in Georgia State. The Assistive Technology Warranty Act covers AT devices defined as "any device or equipment with a retail cost of \$1,000 or more, that assists a person with disabilities to perform specific tasks such as moving, walking, standing, speaking, breathing, hearing, seeing, grasping, or caring for himself or herself that would not be possible for such person without an assistive technology device." [H.B. 93 Sec.1 Art. 31 (1)].

CALIFORNIA

The California Civil Code contains two sections relating to AT warranties, Section 1793.02 Written Warranty to Accompany Assistive Devices and Section 1793.025, Warranty Requirements for Motorized Wheelchairs; Disclosure Requirements for Defective Wheelchairs.

Section 1793.02 (a) states that all new and used AT sold at retail in California may be returned to the seller within 30 days of actual receipt by the consumer or completion of fitting by the seller, whichever occurs later. Civil Code Section 1793.025 (a) states that "the warranty shall be for a period of at least one year from the date of the first delivery of the wheelchair to the consumer." The wheelchair may be repaired four or more times by the "manufacturer, lessor, or an agent of."

STATES WITH PENDING LEMON LAWS

The Massachusetts Assistive Technology Partnership Center is pursuing passage of a lemon law bill covering customized wheelchairs in Massachusetts. The Illinois Assistive Technology Project is working with the Attorney General's Office on the development of a warranty act that would cover all AT. In Utah a lemon law has been presented but not passed. The Utah Assistive Technology Program will introduce a lemon law again in 1996 as part of its legislative agenda.

To find out more about these lemon laws, contact the state Tech Act project directly. For state project contact information, see the state contact list.

The RESNA Technical Assistance Project (#HN92031001) is funded by the National Institute on Disability and Rehabilitation Research (NIDRR), U.S. Department of Education (ED) under the Technology-Related Assistance for Individuals with Disabilities Act Amendments of 1994. The information contained herein does not necessarily reflect the position or policy of NIDRR/ED or RESNA and no official endorsement of the material should be inferred.

LEGAL SERVICES

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

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

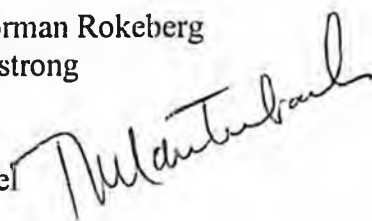
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 3, 1998

SUBJECT: Collateral Costs (HB 451)

TO: Representative Norman Rokeberg
Attn: Shirley Armstrong

FROM: Terri Lauterbach
Legislative Counsel 

Enclosed is a rewrite of the amendment you sent over.

While the definition of "collateral costs" added by the amendment refers to certain costs incurred during repair of a device (rental of a substitute, communication, shipping), the bill itself allows recovery of collateral costs only under AS 45.45.620 when nonrepairable devices are returned for replacement. Collateral costs are not referred to in AS 45.45.610 which relates to repair of devices.

What this means is that costs incurred during an attempt to repair will be recoverable under this bill only if it is later determined that the device is nonrepairable and the device is returned for replacement; however those costs incurred during the repair period will not be recoverable under this bill if the device is successfully repaired so that it is never returned for replacement. For instance, rental costs during a repair period will not be recoverable as collateral costs under this bill if the repair is successful.

This is not a problem caused by the enclosed amendment. I just wanted to make sure that the language relating to repairs in this new definition did not mislead anyone into thinking that collateral costs are recoverable under AS 45.45.610 when repairs are successful.

Please let me know if I can be of further assistance.

TML:glc
98-207.glc

Enclosure

AMENDMENT

*Adopted
1 is amended*

OFFERED IN THE HOUSE

TO: HB 471

Page 2/Line 6

after "repaired" INSERT

"and the manufacturer shall ~~refund~~ collateral costs incurred by the consumer."

*by
Bill Amend
Bill Amend No. 1 to No. 1*

~~Page 2 Line 15~~

AMENDMENT 2 *Adopted*

OFFERED IN THE HOUSE

TO: HB 451

1 Page 5, lines 26 - 28:

2 Delete all material and insert:

3 "(3) "collateral costs" means the following expenses incurred by a
4 consumer:

5 (A) medical expenses for the treatment of a physical injury
6 caused by a nonconformity in an assistive technology device or mobility aid;

7 (B) the cost to rent a substitute assistive technology device or
8 mobility aid during the time repairs are attempted for an assistive technology
9 device or mobility aid that has a nonconformity and during the time preceding
10 receipt of a replacement when repairs have been unsuccessful;

11 (C) the cost of shipping an assistive technology device or
12 mobility aid that has a nonconformity to a manufacturer, lessor, or authorized
13 dealer for repair or replacement; and

14 (D) the documented costs of long-distance telephone calls and
15 facsimile transmissions used to contact the manufacturer, lessor, or authorized
16 dealer for the purpose of effecting a repair or replacement of an assistive
17 technology device or mobility aid that has a nonconformity;"

APR 02 1998

A M E N D M E N T

OFFERED IN THE HOUSE

TO: HB 471

Page 5/Line 26-28

DELETE all language

INSERT:

(3) "collateral costs" means

(A) medical expenses incurred due to the treatment of physical injury as a result of the failure of a device listed in (1) of this section

(B) rental of an alternate assistive technology device during the time a device listed in (1) of this section is being repaired

(C) shipping or postage of a device listed in (1) of this section to the manufacturer for repair or replacement

(D) documented long-distance telephone calls and facsimile transmissions related to contacting the manufacturer for the purpose of repair or replacement of a device listed in (1) of this section.

Apr-03-98 10:01 AM

<u>Identification</u>	<u>Result</u>	<u>Pages</u>	<u>Type</u>	<u>Date</u>	<u>Time</u>	<u>Duration</u>	<u>Diagnostic</u>
2029	OK	02	Sent	Apr-03	10:00A	00:00:55	002485030022

ALASKA STATE LEGISLATURE
House of Representatives

COMMITTEE ASSIGNMENTS:

LABOR & COMMERCE COMMITTEE, CHAIRMAN
SPECIAL COMMITTEE ON OIL & GAS, MEMBER
JUDICIARY COMMITTEE, MEMBER
CORRECTIONS BUDGET SUBCOMMITTEE, MEMBER
ADMINISTRATION BUDGET SUBCOMMITTEE, MEMBER
HESS BUDGET SUBCOMMITTEE, MEMBER



INTERIM:
716 WEST 4TH AVENUE, SUITE 640
ANCHORAGE, AK 99501
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FAX: (907) 258-2916

SESSION:
STATE CAPITOL
JUNEAU, AK 99801-1182
PHONE: (907) 465-4968
FAX: (907) 465-2040

Representative Norman Rokeberg

JUST THE FAX

Date: 4/3/98

TO: LAA Legal / Jennie Zentgraf

FAX: 2029 Telephone: 2450

FROM: Representative Norman Rokeberg

FAX: (907) 465-2040 Telephone: (907) 465-4968

Number of Pages: 2 (including this page)

Comments: Please prepare amendment
for HR 1451 for committee mtg today
3:15 pm
Shady

Have a Nice Day



TONY KNOWLES, GOVERNOR
State of Alaska

GOVERNOR'S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION

P.O. Box 240249 • Anchorage, Alaska 99524-0249 • Phone: 907-269-8990 • Fax: 907-269-8995

March 5, 1998

Representative Norman Rokeberg
Room 24
State Capitol
Juneau, AK 99801-1182

05-05-98P02:54 RC90

Dear Representative Rokeberg:

House Bill 451 has been read across the floor and awaits a hearing by the Labor and Commerce Committee. The Governor's Council on Disabilities and Special Education supports this "Lemon Law." Please add this letter of support to the Bill's file. The Council requests that a hearing be scheduled on Wednesday, March 11.

Warranties on purchases protect consumers against poorly designed or flawed merchandise. People with disabilities are now demanding the same guarantees for purchases of assistive technologies and the devices that assist them in becoming more productive and independent. "Lemon Laws" typically demand a minimum one-year warranty on assistive equipment such as motorized wheelchairs, walkers, and hearing aids. Twelve states have passed "Lemon Laws" that provide for replacement equipment, loaners, or refunds.

House Bill 451, sponsored by Representative Joe Green, is a comprehensive consumer protection bill. The Council supports HB 451. We would like to see Labor and Commerce schedule a hearing for HB 451 on Wednesday, March 11. Many members of the Council, including people with disabilities, their parents, and community providers will be in Juneau for the annual Key Campaign. This would be an excellent chance for your committee to talk with the people who would directly benefit from this "Lemon Law."

Your assistance in scheduling a hearing for HB 451 would be greatly appreciated. The Council looks forward to meeting with you. If you have any concerns or questions, please call David Maltman, Executive Director at 269-8990.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Reynolds".

Jennifer Reynolds
Council Chair

Memo from _____

Jerry Kainulainen
IL Specialist

Southeast Alaska Independent Living

207 Moller Drive, Rm 133

Sitka, AK 99836

747-6869

fax 747-6783

E-mail saitstk@ptialaska.net

To: **Shirley Armstrong** Fax no: **465-2040**
Labor and Commerce Committee

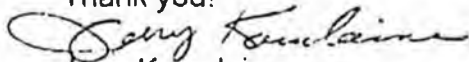
Date: **March 11, 1998 (11:59AM)**

Subject: **HB 436, Lemon Law.**

Ms. Armstrong,

Please accept the attached public comment statement on HB 436 to be included in each committee members packet

Thank you!


Jerry Kainulainen

Jerry Kainulainen

P.O. Box 1629 Sitka, Alaska 99835

March 11, 1998

Alaska State Legislature
Labor and Commerce Committee

RE: HB 436

Dear Sirs:

My name is Jerry Kainulainen. I experience a spinal cord injury and own and use a wheelchair lift equipped van for my transportation. I urge you to please pass HB 436 bill out of committee with a do pass consensus. As you will see I am lucky to be able to tell you this story.

In 1994 I purchased a new wheelchair lift equipped full sized van from a manufacturer in Minnesota. In order for a person to drive from a wheelchair in these vans, the floor has to be lowered. They do this by cutting the interior sheet metal that makes up the floor and drop it usually 4 to 6 inches depending on the height of the individual. Dropping the floor necessitates changing the gas tank because there is not enough room under the new floor for the original tank. Items to consider when changing a gas tank involve the selection of a tank that will accept or is compatible with the original hoses, fuel sending-unit and, in today's vehicles, the in-tank fuel pump. The use of safe hoses mounted properly is of utmost importance to prevent leaks because the newer vehicles use a pressurized fuel line system. When the fuel pump is pumping, the return line, which is full of gas, is under about 12 pounds pressure.

The floor on my van was dropped 6 inches and I drive from my wheelchair, therefore the tank on my van was changed.

Two days out of Minnesota, after a refueling stop, driving out in the middle of nowhere, in June in 80+ degree weather, I started smelling gas. We pulled into the first town we came to and checked to see what was happening.

GAS WAS BEING PUMPED ONTO THE MUFFLER OF THE VAN FROM A SPLIT IN THE RETURN LINE HOSE!

We waited for two days to get into the dealership for repairs. During the repair they found that the hose did not fit the tank fittings properly and also did not match up with the original hose. Luckily we did not catch on fire out in the middle of nowhere! We bought a 5-lb fire extinguisher and continued on our journey home.

We also noticed during our trip that the gas gauge was moving erratically and it was difficult to tell how much fuel was in the tank.

When we got home I wrote a letter to the company, explaining about all the problems that had emerged with my new van. They made some promises but to this day nothing has been done to rectify any of the problems.

I continued to have problems with the gas tank. I had it looked at locally and found that the tank has a mickey mouse fuel sending unit that has a cork on a wire that measures how much fuel is in the tank. I ran out of gas a number of times because the gas gauge does not read correctly. Although not as accurate, I now use the odometer to tell when it is time to fill up the tank.

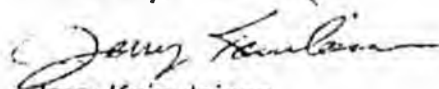
On the start of our trip into Canada last summer we had another hair raising scare. About 7 miles out of Haines heading north we smelled gas again just like we did before. I pulled over and stopped with the engine running and because I could not see under the van from my wheelchair, my wife said that gas was being pumped on the muffler, again! We hurried back to Haines and found a mechanic who said that the return gas line hose had worked it's way out from on top of the gas tank and laid across the driveline which rubbed a hole into it. That was repaired with a hose connector and the hoses were pushed back up out of the way but we then started to get very sluggish performance and "check engine" lights started to come on. Now what? We made it to Anchorage and after 3 refusals, because of liability, found a garage that would look at the gas tank. They found a crimped return hose that was creating pressure in the fuel tank. This was cleared and we were back on the road again.

I still have these problems with my van and have recently found out from another person who has tried to get a faulty device fixed that we in Alaska have no protection, in or out of court, because Alaska does not have a Lemon Law.

These vans are very expensive to modify. The additional modifications for wheelchair use usually add another \$10,000 to the base cost of these vehicles. They are the only transportation we have. We can not just jump into another vehicle to use while ours are getting repaired. They should have at least a three-year protection under a Lemon Law.

I have made it through two very scary incidences with my van. Is there going to be third and am I going to survive it? It takes a much longer time to get out of a vehicle from a wheelchair!

Sincerely,


Jerry Kainulainen

Alaska State Legislature

WHILE IN SESSION
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JUNEAU ALASKA 99801-1102
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1-800-870-4931
(907) 465-4316 FAX

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CHAIRMAN JUDICIARY COMMITTEE
VICE CHAIRMAN HEALTH, EDUCATION
& SOCIAL SERVICES COMMITTEE
MEMBER RESOURCES COMMITTEE

FINANCE SUBCOMMITTEES
DEPT. OF COMMERCE & ECONOMIC
DEVELOPMENT
ALASKA COURT SYSTEM

Representative Joe Green
District 10

TO: Representative Norm Rokeberg, Chairman
House Labor & Commerce Committee

FR: Representative Joe Green *Joe Green*

RE: HB 451 - Relating to assistive technology for physically disabled persons

DATE: March 5, 1998

At the request of groups and individuals throughout the state I have introduced HB 451, which establishes a "lemon law" for assistive technology.

I would appreciate a hearing on HB 451 at your earliest convenience. As a number of people who are unable to travel to Juneau would like to testify, I also request that you schedule a teleconference for the hearing.

Thank you for your consideration.

Alaska State Legislature

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CHAIRMAN, JUDICIARY COMMITTEE
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& SOCIAL SERVICES COMMITTEE
MEMBER, RESOURCES COMMITTEE
FINANCE SUBCOMMITTEES
DEPT. OF COMMERCE & ECONOMIC
DEVELOPMENT
ALASKA COURT SYSTEM

Representative Joe Green
District 10

Sponsor Statement

HB 451 - Warranties for Assistive Technology and Mobility Aids

HB 451 establishes an express warranty for technology designed to assist physically disabled persons. Under the terms of the bill, if a consumer reports a nonconformity to a manufacturer within a year of delivery, the manufacturer must repair or replace the equipment, or offer a refund of the purchase price.

Assistive technology and mobility aids for the physically disabled are not covered by "lemon laws" and consumer protection statutes in title 45. The automobile lemon law in chapter 45 makes no mention of wheel chairs. Similarly, the Unfair Trade Practices and Consumer Protection Act, found in chapter 50, makes no mention of assistive equipment. Yet, 11 states have passed such laws, and other are considering doing so.

Non working assistive equipment can be not only inconvenient, but dangerous. Many of us have experienced the frustration of dealing with a non-responsive salesperson far from Alaska; imagine doing so without the benefit of the equipment you depend upon to communicate, or get around. When people lose their mobility, or ability to communicate, they may not be aware of, or may not be able to remove themselves from, dangerous situations. Assistive technology allows the physically disabled to operate in a manner most of us take for granted.

I ask for your support in enacting a law that affords basic protection to a group of consumers who already face obstacles unimagined by most of us.

Sectional Description of LS1538\A

Relating to assistive technology and mobility aids for physically disabled persons.

By Representative Joe Green

45.45.600. Express warranty required. Manufacturers who sell assistive technology or mobility aids, directly, or through a dealer, must furnish an express warranty for the equipment they sell. The duration of the warranty cannot be for less than one year. If the manufacturer fails to provide the warranty, the equipment will be covered as if the manufacturer had provided it.

45.45.610. Repairs of nonconformities. If a consumer reports a nonconformity to the manufacturer within one year after first delivery, the nonconformity shall be repaired.

45.45.620 Returns of nonrepairable goods; refunds. If the consumer makes a reasonable attempt, but fails, to get the nonconformity repaired, the manufacturer shall

- A) accept return of the nonconforming equipment, and replace it with "comparable new" equipment, or
- B) refund the full purchase price and any finance charge to the consumer, or the full lease amount to the lessor.

45.45.630. Procedures for returns and refunds. Requires consumers to "offer to transfer possession" of the nonconforming equipment to the manufacturer in order to get the "comparable new" equipment, or a refund. Within 30 days after the consumer makes the offer, the manufacturer must act.

45.45.640. Leases unenforceable after refund. If you lease assistive equipment, and it is returned for a refund, the lease cannot be enforced.

45.45.650. Limits on sale or lease of returned mobility aids. If assistive equipment is returned for nonconformity, it can't be leased or sold to another consumer without full disclosure of the reasons for the return.

45.45.660. Rights may not be waived. Consumers cannot waive the rights granted to them under this legislation.

45.45.670. No limitation of other rights. Nothing in this bill limits rights or remedies available to consumers under other laws.

45.45.680. Action for damages authorized. A consumer may bring a legal action to recover damages resulting from a violation of the provisions of the bill. The court shall award twice the amount of any pecuniary loss, together with costs, disbursements, ...d reasonable attorney fees, and any equitable relief that the court determines is appropriate to a consumer who prevails in an action.

45.45.690. Definitions.

Author: golfshop@worldnet.att.net (G.S. Best) at CC2MHS1
Date: 2/4/98 9:25 AM
Priority: Normal
TO: Representative Norman Rokeberg at LAA_TRANS
Subject: Lemon Law

FEB - 4 1998

Wednesday, February 4

Representative Rokeberg,

I am a disabled consumer member of the State Independent Living Council. For four years I have attempted to find a sponsor for a Lemon Law for assistive technology such as hearing aids, wheelchairs, lifts, vans, computers, etc.

As luck would have it, last year, after testifying before the joint HES committee regarding transportation for the disabled, my chair was dropped by an airline on my return home. The airline took 4 months to repair the chair. Without consumer protection that includes provisions for "speedy" repairs, a disabled person is powerless. Remember, many of us need assistive technology in order to have the same type of access that a non-disabled person has in the community.

My proposed legislation has been through the Attorney General's Office and there no laws that provide this protection in Alaska.

I would sincerely appreciate your assistance in getting this legislation finally introduced. I have enclosed a copy of this legislation below.

Jerie J. Best
State Independent Living Council

Repair, replacement and refund under new mobility aids warranties. (1) In this section:

(a) "Collateral costs" means expenses incurred by a consumer in connection with the repair of a nonconformity, including the costs of obtaining assistive technology.

(b) "Consumer" means any of the following:

1. The purchaser of assistive technology and/or mobility aid, was purchased from a dealer or manufacturer for purposes other than resale.
2. A person to whom the assistive technology and/or mobility aid is transferred for purposes other than resale, if the transfer occurs before the expiration of a express warranty applicable to the mobility aid.
3. A person who may enforce the warranty.
4. A person who leases assistive technology and/or mobility aid from a assistive technology and/or mobility aid lessor under a written lease.

(c) "Demonstrator" means assistive technology and/or mobility aid used primarily for the purpose of demonstration to the public.

(d) "Early termination cost" means any expense or obligation that assistive technology and/or mobility aid lessor incurs as a result of both

the termination of a written lease before the termination date set forth in that lease and the return of assistive technology and/or mobility aid under sub. (3) (b) 3. "Early termination cost" includes a penalty for prepayment under a finance arrangement.

(e) "Early termination savings" means any expense or obligation that assistive technology and/or mobility aid lessor avoids as a result of both the termination of a written lease before the termination date set forth in that lease and the return of assistive technology and/or mobility aid to a manufacturer under sub. (3) (b) 3. "Early termination savings" includes an interest charge that the assistive technology and/or mobility aid lessor would have paid to finance the assistive technology and/or mobility aid or, if the assistive technology and/or mobility aid lessor does not finance the assistive technology and/or mobility aid, the difference between the total amount for which the lease obligates the consumer during the period of the lease term remaining after the early termination and the present value of that amount at the date of the early termination.

(f) "Manufacturer" means a person who manufactures or assembles assistive technology and/or mobility aid and agents of that person, including an importer, a distributor, factory branch, distributor branch and any warrantors of the manufacturer's assistive technology and/or mobility aid, but does not include a assistive technology and/or mobility aid dealer.

(g) "Assistive technology" and/or "Mobility Aid" means any aid, including but not limited to motorized and non-assistive technologies, handicapped scooters and/or vehicles, vans, van lifts, automotive cranes, automotive hand controls, manual technology, computer software, hearing aids, etc. including a demonstrator, that a consumer purchases or accepts transfer of in this state.

(h) "Assistive technology dealer" or "Mobility aid dealer" means a person who is in the business of selling assistive technology and/or mobility aid.

(i) "Assistive technology lessor" or "Mobility aid lessor" means a person who leases a assistive technology and/or mobility aid to a consumer, or who holds the lessor's rights under a written lease.

(j) "Nonconformity" means a condition or defect that substantially impairs the use, value or safety of a assistive technology and/or mobility aid and that is covered by an express warranty applicable to the assistive technology and/or mobility aid or to a component of the assistive technology and/or mobility aid but does not include a condition or defect that is the result of abuse or unauthorized modification or alteration of the assistive technology and/or mobility aid by a consumer.

(k) "Reasonable attempt to repair" means any of the following occurring within the term of an express warranty applicable to assistive technology and/or mobility aid or within one year after first delivery of the assistive technology and/or mobility aid to a consumer whichever is sooner.

1. The same nonconformity with the warranty is subject to repair by the manufacturer, assistive technology and/or mobility aid lessor or any of the manufacturer's authorized assistive technology and/or mobility aid dealers at least 4 times and the nonconformity continues.

2. The assistive technology and/or mobility aid is out of service for an aggregate of at least 30 days because of warranty nonconformity's.

(a) A manufacturer who sells a assistive technology and/or mobility aid to

a consumer, either directly or through assistive technology and/or mobility aid dealer, shall furnish the consumer with an express warranty for the assistive technology and/or mobility aid. The duration of the express warranty shall be not less than one year after the first delivery of the assistive technology and/or mobility aid, to the consumer. If a manufacturer fails to furnish an express warranty as required by this subsection, the assistive technology and/or mobility aid shall be covered by an express warranty as if the manufacturer had furnished an express warranty to the consumer as required by this subsection.

(3) (a) If a new assistive technology and/or mobility aid does not conform to an applicable express warranty and the consumer reports the nonconformity to the manufacturer, the assistive technology and/or mobility aid lessor and any of the manufacturer's authorized assistive technology and/or mobility aid dealers and makes the assistive technology and/or mobility aid available for repair before one year after first delivery of the assistive technology and/or mobility aid to a consumer, the nonconformity shall be repaired.

(b) If, after a reasonable attempt to repair, the nonconformity is not repaired, the manufacturer shall carry out the requirement under subd. 2 or 3, whichever is appropriate.

2. At the direction of a consumer described under sub. (1) (b) 1, 2, or 3, do one of the following:

a. Accept return of the assistive technology and/or mobility aid and replace the assistive technology and/or mobility aid with a comparable new assistive technology and/or mobility aid and refund within 30 calendar days any collateral costs.

b. Accept return of the assistive technology and/or mobility aid and refund within 30 calendar days to the consumer or to any holder of a perfected security interest in the consumer's assistive technology and/or mobility aid as their interest may appear, the full purchase price plus any finance charge, amount paid by the consumer at the point of sale and collateral costs, less a reasonable allowance for use. Under this subd. 2. b., a reasonable allowance for use may not exceed the amount obtained by multiplying the full purchase price of the assistive technology and/or mobility aid by a fraction, the denominator of which is 1.825 and the numerator of which is the number of days that the assistive technology and/or mobility aid was used before the consumer first reported the nonconformity to the assistive technology and/or mobility aid dealer.

3. a. With respect to a consumer described in sub. (1) (b) 4. Accept return of the assistive technology and/or mobility aid, refund to the assistive technology and/or mobility aid lessor and to any holder of a perfected security interest in the assistive technology and/or mobility aid, as their interest may appear, the current value of the written lease and a refund to the consumer the amount that the consumer paid under the written lease plus any collateral costs, less a reasonable allowance for use.

b. Under this subdivision, the current value of the written lease equals the total amount for which that lease obligates the consumer during the period of the lease remaining after its early termination, plus the assistive technology and/or mobility aid dealer's early termination costs and the value of the assistive technology and/or mobility aid at the lease expiration date if the lease sets forth that value, less the assistive technology and/or mobility aid lessor's early termination savings.

c. Under this subdivision, a reasonable allowance for use may not exceed

the amount obtained by multiplying the total amount for which the written lease obligates the consumer by a fraction, the denominator of which is 1.825 and the numerator of which is the number of days the consumer used the assistive technology and/or mobility aid before first reporting the nonconformity to the manufacturer, assistive technology and/or mobility aid lessor or assistive technology and/or mobility aid dealer.

d. To receive a comparable new assistive technology and/or mobility aid or a refund due under par. (b) 1 or 2, a consumer described under sub. (1) (b) 1, 2 or 3 shall offer to the manufacturer of the assistive technology and/or mobility aid having the nonconformity to transfer possession of that assistive technology and/or mobility aid to that manufacturer. No later than 30 days after that offer, the manufacturer shall provide the consumer with the comparable of the new assistive technology mobility aid or refund.

When the manufacturer provides the assistive technology and/or mobility aid or refund, the consumer shall return the assistive technology and/or mobility aid having the nonconformity to the manufacturer, along with any endorsements necessary to transfer real possession to the manufacturer.

(d) 1. To receive a refund due under par. (b) 3, a consumer described under sub. (1) (b) 4 shall offer to return the assistive technology and/or mobility aid having the nonconformity to its manufacturer. No later than 30 days after that offer, the manufacturer shall provide the refund to the consumer. When the manufacturer provides the refund, the consumer shall return to the manufacturer the assistive technology and/or mobility aid having the nonconformity.

2. To receive a refund due under par. (b) 3, assistive technology and/or mobility aid lessor shall offer to transfer possession of the assistive technology and/or mobility aid having the nonconformity to its manufacturer. No later than 30 days after that offer, the manufacturer shall provide the refund to the assistive technology and/or mobility aid lessor. When the manufacturer provides the refund, assistive technology and/or mobility aid lessor shall provide to the manufacturer any endorsements necessary to transfer legal possession to the manufacturer.

3. No person may enforce the lease against the consumer after the consumer receives a refund due under par. (b) 3.

(e) No assistive technology and/or mobility aid returned by a consumer or assistive technology and/or mobility aid lessor in this state under par.

(b), or by a consumer or assistive technology and/or mobility aid lessor in another state under a similar law of that state, may be sold or leased again in this state unless full disclosure of the reasons for return is made to any prospective buyer or lessee.

(4) This section does not limit rights or remedies available to a consumer under any other law.

(5) Any waiver by a consumer of rights under this section is void.

(6) In addition to pursuing any other remedy, a consumer may bring an action to recover for any damages caused by a violation of this section. The courts shall award a consumer who prevails in such an action twice the amount of any pecuniary loss, together with costs, disbursements and reasonable attorney fees, and any equitable relief that the court determines appropriate.

HB

457

Sitka Plumbing & Heating
PO Box 3084
Sitka, AK 99835
Phone: (907)-747-3142
Fax: (907)-747-6897



Fax

To: Rep. Norm Rokeberg, Chair **From:** Dennis Smith

Fax: 907-465-2040 **Date:** April 8, 1998

Phone: 907-465-4968 **Pages:** 2

Re: Project Labor Agreements **cc:**

Urgent For Review Please Comment Please Reply Please Recycle

•Comments:



SITKA PLUMBING & HEATING

P.O. BOX 3084 • SITKA, AK 99835 • PH: 907-747-3142 • FAX: 907-747-6897

April 8, 1998

House Labor & Commerce Committee

Rep. Norm Rokerberg, Chair

I hereby request HB 457 be passed to your committee. As a construction industry contractor employing 10 Alaskans for the past 15 years, I know that Project Labor Agreements (PLAs) reduce competition in the market place simply because many legitimate contractors are unwilling to be a party to a union labor agreement. Under a PLA, if the contractor does not agree to the union demands, he is automatically barred from bidding. Common sense and experience tell us that limiting who can bid or be employed on a project invariably leads to increased costs. In short, this bill has the potential to save the Alaska Taxpayer millions or dollars in the future cost of public construction.

Additionally, HB 457 provides a level playing field for businesses, unions and everyone in need of a job, promoting the use of free, open and competitive bidding for public construction. PLAs reduce job opportunities for the estimated 80% of Alaskan construction industry employees who choose not to be members or otherwise associated with a labor union. Additionally, those construction employees who are willing to sign a labor agreement for a specific project will often lose a large portion of their benefits if they do not become union members.

These are only examples of the manner in which Project Labor Agreements negatively impact my business and the construction industry as a whole. Should you require any further information, or if you have any questions regarding my position on this issue, you may feel free to call me at the number listed above.

Sincerely,

A handwritten signature in cursive script that reads "Dennis Smith". The signature is written in dark ink and is positioned above the printed name.

Dennis Smith
Owner



ARCTIC LIGHTS ELECTRIC

RESIDENTIAL COMMERCIAL INDUSTRIAL

Post Office Box 110135 Anchorage, AK. 99511 0135
Telephone: (907) 345-7896 Facsimile Line: (907) 345-5381

F A X C O V E R S H E E T

DATE: April 3rd, 1998
TO: Representative Norm Rokeberg
Chair-House Labor & Commerce Committee
FROM: Brian D. Miller PHONE: 907.345.7896
FAX: 907.345.5381
RE: House Bill 457: "An Act relating to contracts for public construction projects."

Message

I hereby request HB 457 be passed by your committee. As a construction industry contractor for the past three years, and having 20-plus years in the industry, I know how Project Labor Agreements (PLA's) reduce competition in the market place simply because many legitimate contractors are unwilling to become party to a union labor agreement. Under a PLA, if the contractor does not agree to the union demands, he is automatically barred from winning such a project. Common sense and experience tell us that limiting who can bid or be employed on a project invariably leads to increased costs. In short, this bill has the potential to save the State of Alaska millions of dollars in the future cost of public construction.

Additionally, HB 457 provides a level playing field for businesses, union, and everyone in need of a job, promoting the use of free, open and competitive bidding for public construction. **You don't have to look far to see what the general public thinks of restricted bidding practices: refer to the changes that Chugach Electric has undergone since their own PLA's had been exposed to the membership . . . the membership voted those PLA's down, and now Chugach Electric actively seeks competitive bidding with all projects and has a documented positive effect!** PLA's reduce job opportunities for the estimated 80% of Alaskan construction industry employees who actively choose NOT to be members or otherwise associated with a labor union. Additionally, those construction employees who are willing to sign a labor agreement for a specific project will often lose a large portion of their benefits if they do not become union members.

These are only examples of the manner in which PLA's negatively impact our business and the construction industry as a whole. Please feel free to call me if you have any questions or concerns. Please see the PLA issue for what it is: an initiative driven by a selfish, greedy group who are willing to grab any measures necessary to increase their otherwise dwindling realm of power.

Regards,
Brian D. Miller

ALASKA X, INC.

EXCAVATION CONTRACTOR

March 25, 1998

Dear Rep. Norm Rokeberg, Chair

I hereby request HB 457 be passed by your committee. As a construction industry contractor employing Alaskans for the past thirteen years, I know that Project Labor Agreements (PLAs) reduce competition in the market place simply because many legitimate contractors are unwilling to be a party to a union labor agreement. Under a PLA, if the contractor does not agree to the union demands, he is automatically barred from bidding. Common sense and experience tell us that limiting who can bid or be employed on a project invariably leads to increased costs. In short, this bill has the potential to save the Alaska Taxpayer millions of dollars in the future cost of public construction.

Additionally, HB 457 provides a level playing field for businesses, unions and everyone in need of a job, promoting the use of free, open and competitive bidding for public construction. PLAs reduce job opportunities for the estimated 80% of Alaskan construction industry employees who choose not to be members or otherwise associated with a labor union. Additionally, those construction employees who are willing to sign a labor agreement for a specific project will often lose a large portion of their benefits if they do not become union members.

These are only examples of the manner in which Project Labor Agreements negatively impact my business and the construction industry as a whole. Should you require any further information, or if you have any questions regarding my position on this issue, you may feel free to call me at 907-345-2793.

Respectfully,



Ken Cardwell



Grinnell

FIRE PROTECTION SYSTEMS COMPANY

341 East 56th Avenue
Anchorage, Alaska 99518-1243
Phone (907) 563-6163
Fax (907) 563-8635
Contractor's License No. AA 2546

March 15, 1998

Dear Rep. Norm Rokeberg, Chair:

I hereby request HB 457 to be passed by your committee. As a construction industry contractor employing 45 Alaskans for the past 22 years, I know that Project Labor Agreements (PLA's) reduce competition in the market place simply because many legitimate contractors are unwilling to be a party to a union labor agreement. Under a PLA, if the contractor does not agree to the union demands, he is automatically barred from bidding. Common sense and experience tell us that limiting who can bid or be employed on a project invariably leads to increased costs. In short, this bill has the potential to save the Alaska Taxpayer millions of dollars in the future of public construction.

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These are only examples of the manner in which Project Labor Agreements negatively impact my business and the construction industry as a whole. Should you require any further information, or if you have any questions regarding my position on this issue, you may feel free to call me at 563-6163.

Sincerely,

Larry G. Heckel
District General Manager

Electrical Construction & Consulting Inc.

8881 Golovin

Anchorage Alaska 99507

Phone: (907) 344-5130

Fax: (907) 522-3963

March 20, 1998

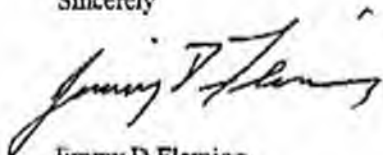
Dear Rep. Norm Rokcberg,

I hereby request HB457 be passed by your committee. As a construction industry contractor employing about 30-50 Alaskans for the past 10 years, I know that Project Labor Agreements (PLAs) reduce competition in the market place simply because many legitimate contractors are unwilling to be a party to a union labor agreement. Under a PLA, if the contractor does not agree to the union demands, he is automatically barred from bidding. Common sense and experience tell us that limiting who can bid or be employed on a project invariably leads to increased costs. In short, this bill has the potential to save the Alaska Taxpayer millions of dollars in the future cost of public construction.

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These are only examples of the manner in which Project Labor Agreements negatively impact my business and the construction industry as a whole. Should you require any further information, or if you have any questions regarding my position on this issue, please feel free to contact me at (907) 344-5130.

Sincerely



Jimmy D Fleming
President,

WHEELER MECHANICAL, INC.
19535 FIRST STREET
EAGLE RIVER, AK
99577
696-7326

FAX 696-5718

PAGER 267-7695

March 19, 1998

Representative Norm Rokeberg, Chair

Fax-907-465-2040

Representative Rokeberg,

I hereby request HB 457 be passed by your committee. As a construction industry contractor employing nine (9) Alaskans for the past eight (8) years, I know that Project Labor Agreements (PLAs) reduce competition in the market place simply because many legitimate contractors are unwilling to be a party to a union labor agreement. Under a PLA, if the contractor does not agree to union demands, he is automatically barred from bidding. Common sense and experience tell us that limiting who can bid or be employed on a project invariably leads to increased costs. In short, this bill has the potential to save the Alaskan Taxpayer millions of dollars in the future cost of public construction.

Additionally, HB 457 provides a level playing field for business, unions and everyone in need of a job, promoting the use of free, open and competitive bidding for public construction. PLAs reduce job opportunities for the estimated 80% of Alaskan construction industry employees who choose not to be members or otherwise associated with a labor union. Additionally, those construction employees who are willing to sign a labor agreement for a specific project will often lose a large portion of their benefits if they do not become union members.

These are only examples of the manner in which Project Labor agreements negatively impact my business and the construction industry as a whole. Should you require any further information, or if you have any questions regarding my position on this issue, you may feel free to call me at 907-696-7326.

Yours Very Truly,



Michael R. Wheeler
President of
Wheeler Mechanical Plumbing & Heating, Inc.

HARDRIVES, INC.

PAVING — EXCAVATION

8000 Patersburg, Anchorage, AK 99507

Telephone (907) 344-7578

FAX (907) 348-1730

March 20, 1998

Dear Rep. Norm Rokeberg, Chair

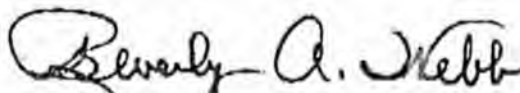
I hereby request HB 457 be passed by your committee. As a construction industry contractor employing 21 Alaskans for the past 22 years, I know that Project Labor Agreements (PLAs) reduce competition in the market place simply because many legitimate contractors are unwilling to be a party to a union labor agreement. Under a PLA, if the contractor does not agree to the union demands, he is automatically barred from bidding. Common sense and experience tell us that limiting who can bid or be employed on a project invariably leads to increased costs. In short, this bill has the potential to save the Alaska Taxpayer millions of dollars in the future cost of public construction.

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These are only examples of the manner in which Project Labor Agreements negatively impact my business and the construction industry as a whole. Should you require any further information, or if you have any questions regarding my position on this issue, you may feel free to call me at 907-344-7576.

Very truly yours,

Hardrives, Inc.



Beverly A. Webb
Sec./Treas.



13-02-98 02:17 P.M.

FAX COVER SHEET

From: Eden Larson
Executive Director
Alaska Chapter-in-Formation

March 2, 1998

No. of pages including this one: 3

Re: Support of HB 457

To: Alaska Legislators

Associated Builders & Contractors is a private, non-profit trade association whose members believe in the merit shop philosophy which states: "We believe legislation that embraces fair play for both employer and employee is essential for the preservation of our free enterprise system. The law should protect the right of employees to work regardless of race, color, creed, sex, age, or membership or non-membership in a labor organization."

In line with this philosophy, we ask for your support for HB 457. The passage of this bill allows every Alaskan an equal opportunity for State construction jobs. HB 457 also will save the State millions of taxpayer dollars in project costs.

For further information regarding the pro's and con's of Project Labor Agreements, please take a moment to review the attached position paper prepared by ABC of Alaska, Inc. Should you have any additional questions on the use of PLA's both in state and nationally, the ABC office has a tremendous amount of background information on this topic available by request.

P.O. BOX 221581 ANCHORAGE, AK 99522
TEL: 907-243-7688 • FAX: 907-248-6530
E-Mail: abcnaska@micronet.net



Project Labor Agreements

Construction unions have recently been aggressively attempting to negotiate Project Labor Agreements (PLAs) with owners to require all workers on a project to join a union as a condition of employment. Professed benefits to the owner are:

1. Labor harmony
2. An adequate supply of qualified craftsmen
3. Local hire
4. Elimination/modification of "Terms and Conditions" of Labor agreements
5. Project Safety

First let us correct a perception regarding the construction industry. Many perceive that if the general contractor on a project is non-union then all trades will be non-union. In practice, non-union general Contractors use union subcontractors and union contractors use non-union subcontractors. Frequently, the same trade may be represented by both union and non-union craftsmen.

LABOR HARMONY:

Unions argue that a PLA is required to promote labor harmony and eliminate jurisdictional disputes between crafts, thereby assuring timely, cost effective completion. Experience this past year at Lathrop High School in Fairbanks proved that this claim can not be substantiated. The project had overruns in time and budget and was subject to petty jurisdictional disputes. Time and budget considerations are a factor of management ability of the Contractor, regardless of labor affiliation.

QUALIFIED CRAFTSMEN:

Nationwide more than 80% of construction trades work merit shop. Common sense tells one that unions, representing less than 20% of the work force, cannot provide as many qualified craftsmen as merit shop contractors that employ 80% of the work force. If a task on a project requires special skills, the absence of a PLA assures that both union and non-union craft pools are available to propose on the work.

LOCAL HIRE:

Union contracts typically require dispatch of members by seniority rather than residence. Where union locals cover a large region the heavier populated areas will logically have the most union members and they will be dispatched first regardless of project location. Merit shop contractors, having no requirement for union membership, can hire locally as available on remote projects. Not only does this stimulate the local economy, but also saves on transportation and subsistence costs.

TERMS & CONDITIONS:

Union agreements typically include provisions requiring payment of Double Time, Shift Premium, Show Up Pay, Manning Restrictions, Subsistence and Travel Pay. It is true that these terms can be negotiated out as conditions of the PLA. But merit shop contractors do not have these costly "Terms and Conditions". A merit shop contractor can work odd shifts to accommodate job requirements without incurring premium costs.

SAFETY:

P.O. BOX 221581 ANCHORAGE, AK 99522
TEL: 907-243-7688 • FAX: 907-248-6530
E-Mail: abcalaska@mlcronet.net

Unions represent that union only projects have better safety records than open shop projects. However, the only nationwide statistical study of 5,564 construction fatalities investigated by OSHA, and reported in its Integrated Management Information System Data Base, 1985-93, found that fatality rates for non-union contractors' employees were significantly lower than those of unionized contractors for each of the nine years studied.

STRIKES:

Remember when the construction unions would strike every three years or so? It has been while. A viable non-union segment of the industry discourages unions from striking, because contractors and owners have an option.

PLA advocates contend they do not prejudice a merit shop contractor, because they can sign a job agreement for the project. However, merit shop contractors are prejudiced by PLAs because most of their employees will never see any benefit from signing with the union. For specialty trades that are on a project for a short time, employees will not qualify for medical insurance and will not become vested in the retirement program; thereby forfeiting the major portion of their fringe benefit package. In Alaska the fringe is typically 25% of the total pay package. Merit shop contractors would also be required to conform with restrictive work rules thereby affecting their ability to manage the job and control productivity.

We have not touched on legal points such as state competitive bidding requirements or the right of an employee to choose whether or not to join a union. The economic facts are reason enough to require open/competitive bidding on all state funded work. Some recent economic information:

1. At the Petersburg transmission line project the merit shop contractor was \$1,260,000, 32% lower than the second bidder, a union contractor.
2. Chugach Electric has seen dramatically lower prices this past year since initiating open/competitive bidding. The first project open for bid to non-union contractors drove competition to the point where the lowest bid was 40 percent under the engineers estimate.

Does it make sense to prejudice and/or exclude 80% of the construction work force when the record shows that this segment of the work force:

1. Is more productive
2. Has a better safety record
3. Has qualified craftsmen
4. Creates an atmosphere of harmony with all trades on the project regardless of labor affiliation

Open shop (merit shop) contractors ask for no special consideration. We only ask that the playing field be level, that our employees not be required to sign with a union against their will with the result that a significant portion of their pay will accrue to the union without the employee benefiting. Competition helps control excesses. It makes no more sense to have a union only construction industry than it does to have only one political party, whether Republican or Democrat!

P.O. BOX 221581 ANCHORAGE, AK 99522
TEL: 907-243-7688 • FAX: 907-248-6530
E-Mail: abcalaska@mlcronet.net



KC CORPORATION
GENERAL CONTRACTORS

750 W. 2nd Avenue, Suite 207
Anchorage, Alaska 99501

(907) 258-2425 Fax: (907) 278-8018

March 19, 1998


Dear Representative Rokeberg,

I heroby request HB 457 be passed by your committee. As a construction industry contractor employing 80 Alaskans in the past 11 years, I know that Project Labor Agreements (PLAs) reduce competition in the market place simply because many legitimate contractors are unwilling to be a party to a union labor agreement. Under a PLA, if the contractor does not agree to the union demands, he is automatically barred from bidding. Common sense and experience tell us that limiting who can bid or be employed on a project invariably leads to increased costs. In short, this bill has the potential to save the Alaska Taxpayer millions of dollars in the future cost of public construction.

Additionally, HB 457 provides a level playing field for businesses, unions and everyone in need of a job, promoting the use of free, open and competitive bidding for public construction. PLAs reduce job opportunities for the estimated 80% of Alaskan construction industry employees who choose not to be member or otherwise associated with a labor union. Additionally, those construction employees who are willing to sign a labor agreement for a specific project will often lose a large portion of their benefits if they do not become union members.

These are only examples of the manner in which Project Labor Agreements negatively impact my business and the construction industry as a whole. With oil prices hovering around \$10.00 a barrel and with revenues dropping, we should be watching all means of cost saving. Project Labor Agreements are not in the cost saving column. Should you require further information, or if you have any questions regarding by position on this issue, you may feel free to call me at (907) 258-2425.

Very Truly Yours,



Byron D. Kohfield
President

National Right to Work Committee



A COALITION OF EMPLOYEES AND EMPLOYERS

REED LARSON, *President*

March 13, 1998

The Honorable Norman Rokeberg
Alaska House of Representatives
State Capitol
Juneau, AK 99801-1182

RE: **House Bill 457**

POSITION: **Support**

Dear Representative Rokeberg:

On behalf of the thousands of members and supporters of the National Right to Work Committee in Alaska, I urge you to support House Bill 457.

H.B. 457 would outlaw the use of so-called union-only "project labor agreements" which allow only contractors who are unionized -- or who are willing to work under rules set up by union officials -- to bid and work on state construction projects costing more than \$100,000.

Currently, open or merit shop contractors -- who make up the overwhelming majority of all contractors in Alaska -- have been forced to use union hiring halls, obey restrictive union work rules, job classification and arbitration procedures.

The State of Alaska is telling contractors they must force union-boss "representation" on their employees or they cannot be hired for public projects -- even if they are the lowest bidder.

Workers who, for whatever reason, choose not to support a union in their workplace can be denied the opportunity to work on the very projects their taxes finance.

These discriminatory practices result in workers being forced to join a union in order to get a job.

This is state-assisted forced unionization pure and simple.

And because Alaska does not have a Right to Work law, the workers who decide to sacrifice their freedom for employment can then be forced to pay for the unwanted "representation."

"Project labor agreements" are just attempts by union officials to get more workers to pay dues into their coffers.

By passing H.B. 457 you will not only be rectifying a serious infringement on the rights of Alaska employees, but you will also be defending the pocketbooks of Alaska taxpayers.

Bidding on state construction projects should be awarded on the basis of merit, or to the lowest bidder, not just on the basis of whether the company is unionized.

The overwhelming majority of Alaska workers -- those who are not union members -- should not be denied access to projects simply because they choose not to join a union.

So-called "project labor agreements" don't do anything to ensure state construction projects are finished more quickly or efficiently -- if anything, the reverse is true. All they do is allow union officials to force their unwanted monopoly "representation" on more Alaskans and to fill their coffers with more union dues.

Only Big Labor will gain from these bills. Nonunion workers and contractors, taxpayers, and government in Alaska will all lose out.

No employer should be forced by the state government to accept unionization or work under union-boss rules, and no Alaska worker should be forced to accept the unwanted "representation" of a union official just to work on a job.

By passing H.B. 457 you will be protecting the right of all Alaska workers to work on public-construction projects -- not just the 15-20% that belong to a union.

In the interest of the rights of the working men and women of Alaska, of sound public policy, and of basic fairness, I urge you to support House Bill 457 at every opportunity.

Sincerely,



Reed Larson

RL/jdw



DATE: March 18, 1998
TIME SENT: 2:36 pm
BY: Michelle Wallis
PROJECT: HB 457

FAX TRANSMITTAL

COMPANY: Alaska State Legislature - House of Representatives
House and Labor Commerce Committee

ATTENTION: Representative Norman Rokeberg, Chairman

FAX NO.: 907/465-2040

FROM: Sharen Walsh
Manager - Human Resources and Communications
Osborne Construction Company

MESSAGE:

There are 2 pages, including the cover sheet, with this transmission. If there are any difficulties in transmission, please telephone me at (907) 258-3701.

OSBORNE CONSTRUCTION COMPANY
3510 Spenard Road Ste. 105
Anchorage, AK 99503

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WA Lic. OSBORCC 133PB



Anchorage, Alaska
Fairbanks, Alaska
Kirkland, Washington

March 18, 1998

House Labor and Commerce Committee
Alaska State Legislature
House of Representatives

Re: HB 457 - AN ACT RELATING TO CONTRACTS FOR PUBLIC CONSTRUCTION PROJECTS

Dear Chairman Rokeberg, Representatives Ryan, Kubina, Brice, Cowdery, Hudson, and Saunders:

I am writing to express Osborne Construction Company's strong support for House Bill 457, which would prohibit any requirements for project labor agreements (PLA's) on state-funded projects. We believe that PLA's are harmful; they discriminate against the workforce, they limit competition, and they drive up the costs of projects.

A typical PLA will require the general and subcontractors to staff the job with union labor, and will require their current employees to join the union *as a condition of employment on the project*. Industry sources (the Associated General Contractors and the Associated Builders and Contractors) confirm that nearly 80% of the construction workforce in Alaska is non-union. This is due to worker choice, not to lack of recruitment by the unions. PLA's discriminate against those workers that would rather work on a merit vs. union basis. PLA's also typically discriminate against these same workers once they do agree to join up, by requiring them to pay into pension and benefits funds which they will never be able to access because they will not have time to vest in the programs before the project is over.

Aside from their discriminatory features, the net effect of PLA's is to limit competition and to drive up project costs. Many of the merit-shop contractors that employ the non-union Alaska workforce will abstain from bidding on a project rather than subject themselves and their employees to the onerous conditions of PLA's. With less competition, firms that do bid are typically bidding at higher prices than if the field was open to the greater market.

House Bill 457 will ensure that the opportunity for employment on State-funded projects will be non-discriminatory, that competition will be fair, and that project costs will seek the most competitive level. Again, Osborne Construction Company strongly urges your support of the bill.

If you have questions or would like further input on this or any construction labor issue, please contact me at our Anchorage office, (907) 258-3701. Thank you for your consideration.

Sincerely,
OSBORNE CONSTRUCTION COMPANY

Sharen A. Walsh, P.E.

Sharen A. Walsh, P.E.
Manager - Human Resources
& Communications

cc: Representative Vic Kohring, Sponsor

Reply to:

- P.O. Box 93530, Anchorage, Alaska 99509 Phone: (907) 258-3701 Fax: (907) 258-1514
- P.O. Box 73370, Fairbanks, Alaska 99701 Phone: (907) 451-0079 Fax: (907) 451-1146
- P.O. Box 97010, Kirkland, Washington 98083 Phone: (425) 827-4221 Fax: (425) 828-4314

AURORA ELECTRIC, INC.
ELECTRICAL CONTRACTORS



6636 ROSEWOOD STREET, SUITE A ANCHORAGE, ALASKA 99518

(907) 349-2100 FAX (907) 349-1605

March 18, 1998

Dear Rep. Norm Rokenberg

I hereby request HB 457 be passed by your committee. As a construction industry contractor employing ninety-five Alaskans for the past fifteen years, I know that Project Labor Agreements (PLAs) reduce competition in the market place simply because many legitimate contractors are unwilling to be a party to a union labor agreement. Under a PLA, if the contractor does not agree to the union demands, he is automatically barred from bidding. Common sense and experience tell us that limiting who can bid or be employed on a project invariably leads to increased costs. In short, this bill has the potential to save the Alaska Taxpayer millions of dollars in the future cost of public construction.

Additionally, HB 457 provides a level playing field for businesses, unions and everyone in need of a job, promoting the use of free, open and competitive bidding for public construction. PLAs reduce job opportunities for the estimated 80% of Alaskan construction industry employees who choose not to be members or otherwise associated with a labor union. But, those construction employees who are willing to sign a labor agreement for a specific project will often lose a large portion of their benefits if they do not become full-time union members.

These are only examples of the manner in which Project Labor Agreements negatively affect my business and the construction industry as a whole. Should you require any further information, or if you have any questions regarding my position on this issue, you may feel free to call me at 907-349-2100.

For my own edification, if you disagree with a public policy that promotes fairness and equal treatment like this bill would do, I respectfully request your detailed explanation in writing.

Very truly,

Bradley A. Haslett
President / CEO

M-W Drilling, Inc.

P.O. Box 110378, Anchorage, Alaska 99511 (907) 345-4000 Fax: 345-3287

March 18, 1998

03-18-98A10153 RCV

Dear Rep. Norm Rokeberg;

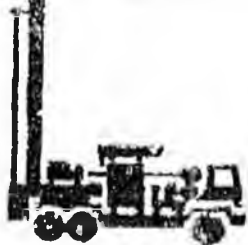
I hereby request HB 457 be passed by your committee. As a construction industry contractor employing 14 Alaskans for the past 29 years, I know that Project Labor Agreements, (PLAs) reduce competition in the market place simply because many legitimate contractors are unwilling to be a party to a union labor agreement. Under a PLA, if the contractor does not agree to the union demands, he is automatically barred from bidding. Common sense and experience tell us that limiting who can bid or be employed on a project invariably leads to increased costs. In short, this bill has the potential to save the Alaska Taxpayer millions of dollars in the future cost of public construction.

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These are only examples of the manner in which Project Labor Agreements negatively impact my business and the construction industry as a whole. Should you require any further information, or if you have any questions regarding my position on this issue, you may feel free to call me at 345-4000.

Yours Very Truly,

Wayne E Westberg,
President



's are our business!

ALASKA STATE LEGISLATURE
House of Representatives

COMMITTEE ASSIGNMENTS:

LABOR & COMMERCE COMMITTEE, CHAIRMAN
SPECIAL COMMITTEE ON OIL & GAS, MEMBER
JUDICIARY COMMITTEE, MEMBER
CORRECTIONS BUDGET SUBCOMMITTEE, MEMBER
ADMINISTRATION BUDGET SUBCOMMITTEE MEMBER
HEALTH & SOCIAL SERVICES BUDGET SUBCOMMITTEE MEMBER



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STATE CAPITOL
JUNEAU, AK 99801-1182
PHONE: (907) 465-4568
FAX: (907) 465-2040

Representative Norman Rokeberg

MEMORANDUM

To: Representative Vic Kohring

**Fr: Representative Norman Rokeberg, Chairman
House Labor and Commerce Committee**

Date: March 3, 1998

Re: Regarding HB 457

A handwritten signature in cursive script, appearing to read "Norman Rokeberg".

I have received a request from your office for a hearing on HB 457. Since the bill deals with sensitive labor issues, I would suggest that you contact members of the House Labor and Commerce Committee to see if there is support for this bill. Once you have done so, please give me a call and we will consider scheduling the bill for a hearing.

**Representative Norman Rokeberg, Chairman
House Labor and Commerce Committee**