

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9453 HOUSE STATE AFFAIRS

89

From
Reed Strop

2/19/98

Sam Bishop, Opinion Page Editor; 459-7574; e-mail: letters@newsminer.cc



Daily News - Miner

"Independent in All Things . . . Neutral In None"

Established in 1903

CHARLES L. ORAY
Publisher Emeritus

PAUL J. MASSEY
Publisher

KELLY BOSTMAN
Managing Editor

SAM BISHOP
Editorial Page Editor

Phone repairs

The Alaska Public Utilities Commission last month snipped the wires carrying competition to local phone service in Fairbanks, but Rep. Pete Kelly is playing repairman.

Kelly, R-Fairbanks, has introduced legislation that would require the APUC to approve local service applications from companies that show they are "fit, willing and able" to provide the service. The bill could help speed the arrival of more choices and even better prices in Fairbanks. It's worthy of support.

On Jan. 8, the APUC rejected an application from GCI to provide local phone service in Fairbanks. GCI wanted the commission to reject an exemption in recent federal law that protects PTI's local monopoly. Congress deregulated much of local phone service in 1996 but allowed the states to decide whether to allow local service competition in their communities with 50,000 or fewer lines. APUC members decided against competition for both Fairbanks and Juneau.

The commissioners may eventually allow competition anyway, but this bill should speed up the process and set some parameters for such decisions.

The legislation doesn't completely gut the regulatory process. It retains and acknowledges the commission's responsibility to determine whether a company is able to provide local phone service. However, if the company is able, the commission would have to approve the application within 90 days.

Currently, the commission has another step in its process. It must determine whether competition for local phone service is required for the "convenience and necessity" of the public. Kelly's bill makes the blanket determination that, yes, competition is a necessity.

As a result, decisions about where to seek local phone service more often would be made not by the government but by the individuals paying for that service. That's where the decision belongs.

*From
Road*



February 17, 1998

Contact: David Morris, (907) 265-5396
Bonnie Bernholz, (907) 561-4488

FOR IMMEDIATE RELEASE

**GCI RESPONDS TO REPRESENTATIVE KELLY'S
PRO-COMPETITIVE LEGISLATION BILL**

ANCHORAGE – Fairbanks Representative Pete Kelly filed legislation today which would open the Alaska local telephone market to competition. GCI President Ron Duncan responded with the following statement:

"GCI is pleased to see the State Legislature acknowledge the importance of competition in the local telephone market."

"The proposed legislation recognizes that competitively provided services will benefit consumers in terms of lower prices and more advanced services; it will also benefit the overall market by enhancing the state's economic development. The legislation also sets out a specific timeline for the Alaska Public Utility Commission to adopt key regulations permitting local telephone competition."

"Without competition, residential and business users will be relegated to a bike trail on the information super highway. Technological advances are occurring every day in this industry and without competition there is no incentive to reduce prices and introduce advanced telecommunication services. Competition means the consumer will have a choice for the first time. Without it, consumers will have to accept whatever the monopoly telephone provider decides to offer."

GCI (NASDAQ: GNCMA) is an Alaska-based and operated company which provides local and long-distance telephone, cable television and data communication services to more than 125,000 customers throughout the state.

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OVER D

HB 416



HELLENTHAL & ASSOCIATES, INC.

METHODOLOGY AND SUMMARY

This report presents an analysis of a survey of MatSu Borough area adult residents. The survey measured properties of MatSu Borough residents' demographics, behaviors and attitudes concerning competition in the local telephone market. Research typically involves estimating the characteristics of a designated population. Because of the costs of conducting a census of all items in a population, and the adequacy of sample results, sample statistics were used to make statistical inferences concerning population parameters.

Two hundred and seventy (270) MatSu Borough area adults were interviewed between February 21st and 26th, 1998. Interviewing was conducted by telephone on a random digit basis. All MatSu Borough households that are accessible by telephone had an equal chance of being interviewed.

At a 95% confidence level, the empirical proportions reported in this survey can be projected, within plus or minus 5.96%, to the entire MatSu Borough adult population, aged 18 and over. This means one can be 95% sure that the frequencies reported in this survey are within 5.96% of the true MatSu Borough area adult population proportions.

MatSu Borough area adults clearly

- o want competition in the local telephone market (66.9%)
- o see lower prices as the most important benefit (68.4%)
- o see higher prices as the biggest disadvantage (37.6%)
- o believe MTA is doing a somewhat or very good job (93.2%)
- o think competition will result in new technology (70.3%)
- o think competition will result in lower prices (79.3%)
- o believe repackaging MTA's service will not result in the full benefits of competition (69.5%)
- o would somewhat or very much worsen their impression of MTA, if they thought MTA was responsible for preventing competition for local telephone service (47.8%)
- o believe MatSu Borough is not too rural for competition (83.1%)
- o think MatSu Borough will not receive all of the advantages occurring in the telecommunication industry, if MTA maintains its monopoly (41.0%)
- o believe competition in the long distance market has been good (88.3%)
- o think competition in the local telephone market would be good (82.7%)

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

*From
Road*



February 17, 1998

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Bonnie Bernholz, (907) 561-4488

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OVER →

HB 416 MOVES

IF MOVED, DEED WILL NOT
HASSLE ON FORT KNOX HB 68

HELLENTHAL & ASSOCIATES, INC.



HB 416

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MATSU BOROUGH RESIDENTIAL PUBLIC OPINION RESEARCH SURVEY

February 21 to 26, 1998

Sample size = 270
Margin of error ± 5.96%

HELLENTHAL & ASSOCIATES
2200 Vanderbilt Circle
Anchorage, Alaska 99508
(907) 276-1001 or
277-2315 (fax)

Hello, my name is _____ and I am calling for Hellenenthal & Associates. We are conducting a MatSu Borough area public opinion research survey. Your telephone number was randomly selected. The questions I need to ask will take five to seven minutes. All of your responses will be completely confidential. (PAUSE AND PROCEED)

- S1. Is this telephone number _____? (IF NO, TERMINATE WITH, "I'm sorry, I dialed the wrong number")
S2. Is this a residence? (IF NO, TERMINATE INTERVIEW WITH, "I'm sorry, I need to talk to someone at a residential telephone")
S3. I would like to speak to one of the adults in your home who makes or helps make decisions about your telephone service. Who would that be?

(Ascertain the name of the person and if possible a more direct number. record on answer sheet. If they can talk straight away, proceed. If they cannot, ask appropriate questions and terminate...)

1. Do you want competition in the local telephone market?

LOCAL COMPETITION	FREQUENCY	PERCENT
YES.....	181.....	66.9%
NO.....	54.....	19.9%
DON'T KNOW.....	36.....	13.2%

2A. What is the most important benefit you see if there is competition in the local telephone market?

BENEFITS	FREQUENCY	PERCENT
Don't see any benefits.....	19.....	7.1%
Lower prices.....	185.....	68.4%
Fair Market.....	2.....	0.8%
Choose quality of service.....	29.....	10.9%
More internet service.....	2.....	0.8%
More choice/no monopoly.....	9.....	3.4%
Better products/newer technology.....	1.....	0.4%
Lower internet.....	1.....	0.4%
Quarterly dividends.....	1.....	0.4%
Don't know.....	20.....	7.5%

2B. What is the biggest disadvantage to consumers you see if there is no competition in the local telephone market?

DISADVANTAGES	FREQUENCY	PERCENT
Don't see any disadvantages.....	24	9.0%
Higher prices.....	102	37.6%
Misleading ads.....	1	0.4%
Inadequate service.....	15	5.6%
No new technology.....	1	0.4%
Monopoly/can do anything they want.....	63	23.3%
No growth/Expansion.....	1	0.4%
Lack of choice.....	17	6.4%
Consumers have too many choices.....	1	0.4%
No consolidation.....	1	0.4%
Higher advertizing.....	1	0.4%
Mediocrity.....	1	0.4%
No incentives.....	1	0.4%
Don't know.....	39	14.3%

3. What type of job do you think MTA is doing in providing you with local telephone service? Do you think MTA is doing a very good, somewhat good, somewhat poor, or very poor job in providing you with local telephone service?

MTA'S JOB RATING	FREQUENCY	PERCENT
VERY GOOD.....	150	55.6%
SOMEWHAT GOOD.....	102	37.6%
NEUTRAL (DO NOT READ).....	6	2.3%
SOMEWHAT POOR.....	9	3.4%
VERY POOR.....	3	1.1%

4. Do you think competition in the local telephone market will result in new technology?

NEW TECHNOLOGY	FREQUENCY	PERCENT
YES.....	190	70.3%
NO.....	58	21.4%
DON'T KNOW.....	22	8.3%

5. Do you think competition in the local telephone market will result lower prices for telephone service?

LOWER PRICES	FREQUENCY	PERCENT
YES.....	214	79.3%
NO.....	44	16.2%
DON'T KNOW.....	12	4.5%

6. There are two types of competition: one way is to resell MTA's service where a competitor is only allowed to repackage that service; another way is for a competitor to build its own network and facilities. If a competitor for local telephone service is only allowed to repackage MTA's service, do you think that will result in the full benefits of competition?

REPACKAGING FULL BENEFITS	FREQUENCY	PERCENT
YES.....	35.....	12.8%
NO.....	188.....	69.5%
DON'T KNOW.....	48.....	17.7%

7. If MTA was responsible for preventing competition for local telephone service, would your impression of MTA very much worsen, somewhat worsen, or would it not make a difference to you?

MTA'S IMAGE IF PREVENTS COMPETITION	FREQUENCY	PERCENT
VERY MUCH WORSEN.....	31.....	11.7%
SOMEWHAT WORSEN.....	97.....	36.1%
NO DIFFERENCE.....	133.....	49.2%
DON'T KNOW.....	8.....	3.0%

8. The Alaska Public Utility Commission (APUC) considers MatSu Borough to be a rural community. Do you think MatSu Borough is too rural for competition?

MATSU TOO RURAL FOR COMP	FREQUENCY	PERCENT
YES.....	37.....	13.5%
NO.....	224.....	83.1%
DON'T KNOW.....	9.....	3.4%

9. If MTA maintains its monopoly and there is no competition, will MatSu Borough receive all of the advantages occurring in the telecommunication industry?

IF MONOPOLY ADVANTAGES	FREQUENCY	PERCENT
YES.....	116.....	42.9%
NO.....	111.....	41.0%
DON'T KNOW.....	44.....	16.2%

10. Do you think competition in the long distance market has been good for consumers?

LONG DISTANCE COMPETITION	FREQUENCY	PERCENT
YES.....	239.....	88.3%
NO.....	14.....	5.3%
DON'T KNOW.....	17.....	6.4%

11. Would competition in the local telephone market be good for consumers?

LOCAL COMPETITION GOOD	FREQUENCY	PERCENT
YES.....	223.....	82.7%
NO.....	27.....	10.2%
DON'T KNOW.....	19.....	7.1%

12. Are you registered to vote in the State of Alaska?

REGISTERED TO VOTE?	FREQUENCY	PERCENT
YES.....	241.....	89.1%
NO.....	29.....	10.9%

13. How many total years of education have you completed? (FORMAL ATTENDANCE IN SCHOOL) (EIGHTH GRADE = 8; HIGH SCHOOL = 12; TRADE SCHOOL = 13; COLLEGE GRADUATE - BA or BS = 16; MASTERS DEGREE = 18; LAWYER, DOCTOR, Ph.D = 19)

EDUCATION OF RESPONDENT	FREQUENCY	PERCENT
High school or less.....	86.....	32.0%
1 to 2 Years college.....	82.....	30.5%
3 to 4 Years college.....	70.....	25.9%
Post college.....	31.....	11.7%
(Mean = 14.251 years)		
(Median = 13.186 years)		

14. Of the people presently living in your household how many are children or adolescents aged 18 or under?

CHILDREN	FREQUENCY	PERCENT
None.....	143.....	53.0%
One.....	32.....	12.0%
Two.....	56.....	20.7%
Three or more.....	39.....	14.3%
(Mean = 1.019)		
(Households with Children Mean = 2.110)		

15. In what year were you born? (COMPUTED TO AGE BY SUBTRACTING FROM 98)

AGE OF RESPONDENT	FREQUENCY	PERCENT
18 to 29.....	18.....	6.8%
30 to 34.....	24.....	9.0%
35 to 39.....	51.....	18.8%
40 to 49.....	83.....	30.8%
50 year old or older.....	93.....	34.6%
(Mean = 46.350 years)		
(Median = 44.590 years)		

16. Are you married or single?

MARITAL STATUS	FREQUENCY	PERCENT
Married.....	198.....	73.3%
Single.....	72.....	26.7%

17. SEX (USUALLY DO NOT NEED TO ASK).....

GENDER	FREQUENCY	PERCENT
Male.....	128.....	47.4%
Female.....	142.....	52.6%

THE FOLLOWING VARIABLES ARE CALCULATED USING THE CHILDREN, YEAR BORN, MARITAL AND GENDER VARIABLES

MARITAL BY GENDER	FREQUENCY	PERCENT
Married Males.....	95.....	35.3%
Married Females.....	103.....	38.0%
Single Males.....	32.....	12.0%
Single Females.....	40.....	14.7%

FAMILY STATUS	FREQUENCY	PERCENT
Young Single (18-37).....	9.....	3.4%
Adult Single (37+).....	35.....	12.8%
Single Parent.....	28.....	10.5%
Young Couple (18-37).....	13.....	4.9%
Mature Couple (37+).....	86.....	32.0%
Young Family (18-37).....	41.....	15.0%
Mature Family (37+).....	58.....	21.4%

THE FOLLOWING VARIABLE IS CALCULATED USING THE TELEPHONE PREFIX.

AREAS OF MATSU BOROUGH	FREQUENCY	PERCENT
Wasilla 373.....	55.....	20.3%
Wasilla 376.....	71.....	26.3%
Willow 495.....	9.....	3.4%
Talkeetna 733.....	9.....	3.4%
Palmer 745.....	56.....	20.7%
Palmer 746.....	41.....	15.0%
Big Lake 892.....	29.....	10.9%

THIS COMPLETES THE SURVEY, THANK YOU VERY MUCH FOR HELPING US -- GOODBYE.

ANCHORAGE/FAIRBANKS LOCAL SERVICE COMPARISON*

The attached spread sheet details the availability and prices for some local services in Anchorage and Fairbanks.

Basic Dial-Tone:

This section includes basic dial-tone rates for residential and business users.

Non-recurring charges:

One-time charges for adding services or ordering service calls. The non-recurring charges in Anchorage were dropped with the advent of competition. Expectations are that competition may further drive down prices for basic services in Anchorage.

Custom Calling Feature Package:

Custom calling feature packages are bundled services priced at a discount for choosing two or more services. Services are for either residential or business users. Both areas offer promotional packages of bundled service, which in the case of Anchorage residential users, includes a free caller I.D. box.

Advanced Telecommunications Services:

ISDN is Integrated Services Digital Network. It is a popular method of providing greater bandwidth over the traditional copper wires which access residential and business users. ISDN is capable of carrying simultaneous voice and video/data. It is often used with telecommuting applications.

BRI is basic rate interface and is the product most residential users choose. It carries up to 128 Kbps.

PRI is primary rate interface and is often used by businesses. It carries up to 1.54 megabits per second.

Direct Inward Dialing is a common business feature which allows an outside caller to call an internal extension number without having to pass through an operator or attendant.

	<u>Anc</u>	<u>Ebx</u>
<u>Dial Tone Charges</u>		
Residential	\$9.40	\$12.50
Single-line Business	\$24.45	\$25.50
Multi-line business	\$31.00	\$29.50
DA alter two free calls	\$0.50	\$0.75

<u>Non-recurring charges</u>		
Service Order Charge Bus	\$0.00	\$25.50
Service Order Charge Res	\$0.00	\$20.00
Prem visit - two cable pair	\$35.00	\$30.00
Prem visit - each add'l cable pair	\$0.00	\$15.00
Line Connection Charge	\$0.00	\$22.20

Custom Calling Features Package

3 choices	\$7.85	none
2 choices	\$5.60	none

Advance Telecom Services:**ISDN**

Basic Rate Interface Res	\$3.55	N/A
BRI per minute charge Res	\$0.01	N/A
Basic Rate Interface Bus	\$4.95	N/A
BRI per minute charge Bus	\$0.01	N/A
Primary Rate Interface recurring	\$780.00	N/A
PRI volume discount	\$456.00	N/A
PRINRC	\$800.00	N/A

Digital Subscriber Service

DSS 1-6 trunks per trunk	\$33.25	N/A
DSS NRC per trunk	\$31.40	N/A
DSS Service Order Charge	\$500.00	N/A
BDSS per month	\$516.00	N/A
BDSS NRC	\$800.00	N/A

Direct Inward Dialing

Direct Inward Dialing	\$50.00	\$65.00
NRC for DID	\$0.00	\$26.00
DID Exchange Trunk each trunk	\$31.00	\$50.75
Installation per line	\$0.00	\$48.00
DID Two-way exchange trunk	\$31.00	\$65.00
NRC for above	\$0.00	\$48.00

Promotional Offering

R1	\$9.40	\$12.50
Call Waiting/Cancel Call Waiting	\$3.50	\$3.00
Caller ID	\$6.75	\$6.00
Caller ID on Call Waiting	\$1.95	N/A
Subscriber Line Charge	\$3.50	\$3.50
Total of individual prices	\$25.10	\$25.00

Promotional Price	\$19.95	\$25.00
Caller ID Box value \$100	\$0.00	\$100.00

Don Fopel - AG 269-5100

* Call Sam Cotton - 263-2112

HB 416 - Dwight Orndquist - FOR
Kaula, Cotton, Posey, Cook
Want chance to do
it by year end -

~~XXXX~~

Pat -
907-694-3010
his take on
HB 416
left message.

APUC -
HB 416 -
Sam Cotton
Chairman
APUC -

* Tasking at 8:00

(Has Meeting at 9:00.)

03/26/98
08:17:52

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM
PARTICIPANT LIST (TESTIFIERS ONLY)
TCN:80559 SCHEDULED FOR:03/26/98 08:00 TO 10:00
PUBLIC HEARING HOUSE STATE AFFAIRS

LTN1150
BY:JNU
FOR:ALL

LOCATION:ANCHORAGE

HB 416	TOM	MEADE	TELALASKA, INC	TESTIFY
HB 416	JIM	ROWE	ALASKA TEL, ASSC	TESTIFY
HB 416	SAM	COTTON	APUC	TESTIFY

LOCATION:CORDOVA

LOCATION:FAIRBANKS

HB 416	MR. ROGER	EVANS	COMPUTER CACHE	TESTIFY
HB 416	MR. RICK	SOLIE		TESTIFY

LOCATION:MATSU

Mayor Joe Hayes ↗

03/26/98
08:15:05

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM
PARTICIPANT LIST (ALL PARTICIPANTS)
TCN:80559 SCHEDULED FOR:03/26/98 08:00 TO 10:00
PUBLIC HEARING HOUSE STATE AFFAIRS

LTN1150
BY:MAT
FOR:MAT

LOCATION:MATSU

HE 416	MR	GREG	BERBERICH	MTA	OBSERVE
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03/12/98
08:05:16

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM
PARTICIPANT LIST (TESTIFIERS ONLY)
TCN:80430 SCHEDULED FOR:03/12/98 08:00 TO 10:00
PUBLIC HEARING HOUSE STATE AFFAIRS

LTN1150
BY:JNU
FOR:ALL

LOCATION: ANCHORAGE

HB 416	STEVE	HAMLEN ✓	UNITED UTILITIES	TESTIFY
HB 416	TOM	MEADE ✓	TEL ALASKA	TESTIFY
HB 416	DAVID	FAUSKE ✓		TESTIFY
HB 416	BOB	LOHR ✓	ANS ✓	TESTIFY
HB 416	MARK	VISCOMI ✓	APUC ALASKA	TESTIFY

LOCATION: FAIRBANKS

HB 416	MR.	DAVID	HOFFMAN ✓	TESTIFY
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LOCATION: MATSU

HB 416	MR	GREG	BERBERICH ✓	MTA	TESTIFY
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*A44T
Not
appeared*

*"APUC
has no
position on
this bill."*



1740 S. Chugach St., Palmer, Alaska 99645

GREG BERBERICH

Vice President - Corporate Services

(907) 761-2466

(907) 761-2676 FAX

ANCHORAGE TRIBES OF TLINGIT &
HAIDA INDIANS OF ALASKA

RESOLUTION NO. 98-07

TITLE: Opposition to House Bill 406

WHEREAS, the subsistence lifestyle and culture is extremely vital to our tribal members,

WHEREAS, the Alaska State House Finance Committee has been hearing testimony on House Bill 406 which does not comply with Alaska Native National Interest Lands Conservation Act (ANILCA),

WHEREAS, the Anchorage tribes is in favor of an Alaska constitutional amendment to comply with ANILCA,

NOW, THEREFORE, BE IT RESOLVED that the Anchorage Tribes of Tlingit & Haida strongly oppose House Bill 406 and copies of this resolution be sent to the State House members as soon as possible.

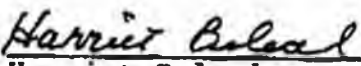
ADOPTED this 11th day of April, 1998.

CERTIFY:



Lynette M. Hinz
President

ATTEST:



Harriet Beleal
Secretary

LYNETTE HINZ
6407 E. 31st Street
Anchorage AK 99508
(907)338-6688

Mrs. Gail Phillips
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, Alaska 99801

Re: House Bill 406

Dear Speaker Phillips:

Enclosed is our Resolution 98-07 which opposes House
Bill 406 as a follow-up to a public opinion message
sent to the House Finance Committee on April 13, 1998.

Very truly yours,

ANCHORAGE TRIBES OF TLINGIT
AND HAIDA INDIANS OF ALASKA

By: *Lynette M. Hinz*
Lynette M. Hinz
President

Encl.

cc: All Legislators

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 416 | _____

Revision Date (Note if correction) _____ Dept. Affected Commerce
 Title Competition in local exchange telephone service BRU _____
 Component AK Public Utilities Commission
 Sponsor Rep. Kelly
 Requester House State Affairs Component Serial No. 364

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	109.6	109.6	54.8	0.0	0.0	0.0
Travel	1.4	1.4	0.7	0.0	0.0	0.0
Contractual	59.6	59.6	29.8	0.0	0.0	0.0
Supplies	2.4	2.4	1.2	0.0	0.0	0.0
Equipment	0.5	0.5	0.3	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	173.5	173.5	86.8	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	173.5	173.5	86.8	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1110 APUC Receipts	173.5	173.5	86.8			
TOTAL	173.5	173.5	86.8	0.0	0.0	0.0

Estimate of any current year (FY98) cost: _____

POSITIONS

Full-time	2	2	0	0	0	0
Part-time	0	0	2	0	0	0
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Please see attached narrative.

Prepared by Robert A. Lohr
 Division APUC
 Approved by Commissioner [Signature]
 Agency _____

Phone 276-6222
 Date 3/11/98
 Date 3/11/98

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For further distribution information, call the Governor's Legislative Office

Received

HB 416 -Narrative for Fiscal Analysis

HB 416 directs the commission to "provide for competition in local exchange telephone service in a timely manner" and to "adopt regulations that eliminate impediments to entry for local exchange carriers fit, willing and able to provide service."

HB 416 directs the commission to adopt by December 31, 1998, regulations on universal service and access charges that are compatible with full competition. Rulemaking proceedings are currently underway in Dockets R-97-5 and R-97-6 to examine universal service and access charge issues. Issues include carrier of last resort to ensure the continued availability of services to all customers and an explicit definition of what constitutes universal service, which services or customers will need support, what mechanism will be used to support universal service, and how to fund it.

The Bill also directs the commission to adopt by December 31, 1998, any further regulations necessary to allow and promote local exchange competition in the service areas of all local exchange that served 1,500 or more access lines on January 1, 1998. All but four of Alaska's twenty-two incumbent local exchange telephone companies would be subject to this provision. All of Alaska's twenty-two incumbent local exchange telephone companies except Anchorage Telephone Utility are considered rural and exempt from interconnection requirements of the Telecommunications Act of 1996.

To the extent that HB 416 means that rural incumbent local exchange telephone companies are not exempt from interconnection requirements the commission expects an increase in requests for arbitration of interconnection agreements. With rural competition the commission would also expect an increase in the number of tariff filings as competitors and incumbents propose new services and rates. If Section b(2) eliminates the need for added hearings dealing with the removal of the rural exemption, the Commission may realize some savings. We are not able to determine if that is the case, and if it is, the amount of savings that would occur.

HB 416 requires that the commission approve or deny applications to provide competitive local exchange telephone service within 90 days after the filing of a complete applications. If the Commission fails to approve or deny an application within 90 days after the Commission has received a complete application, the application is considered approved.

Personnel Costs

a) Review of Applications: Assuming an average of one new application for each local exchange telephone company, the engineering section could easily double the number of telephone applications it receives in the first year following implementation of local telephone competition. A full-time Utility Engineering Analyst III will be required to analyze the filings for the first two years. Thereafter, the analyst position will be required half time to process the applications of local exchange telephone providers entering and leaving the market.

b) Review of Tariffs: The commission expects that competition would stimulate the introduction of new services and modification of existing rates, the Commission will see a significant increase in the number of tariff filings. Even if the Commission allows rate changes to go into effect automatically as is the case with long distance telephone company tariffs (after 30 days notice to the Commission), a basic review of filings is required to ensure that rates are just and reasonable and that the filings are neither discriminatory nor anti-competitive. Estimate of additional staff required: one full-time Utility Tariff Analyst II.

c) Arbitrator: Arbitration of interconnection agreements (under provisions of the Telecommunications Act of 1996) between incumbent and competitive local exchange telephone companies will increase as new entrants attempt to enter previously closed monopoly markets. Estimate of additional resources: arbitrator hired on an as needed basis at an estimated rate of \$150 per hour. This amount could be fully recoverable through cost allocation to the parties.

Brian:

Please add this
to the state
Affairs file.



DATE: 6/18/98

TELECOPY MESSAGE

TO: Marty Whitney / Barbara Cotting

FROM: Rick Hitz

If you have any problems receiving, please call: (907) 265-5602
Fax: (907) 265-5676

Number of Pages: _____ (Including Cover Page)

Operator: _____

COMMENT: Marty
This fax includes information
provided by Dana Tindall on 3/12/98 when
testifying on H.B. 416 before the House Committee.
I have copied Ms. Barbara Cotting
per your request.

(Soulas)
Rick

Thanks -

Barbara

POSITION STATEMENT

GCI supports legislation introduced by Rep. Pete Kelly, H.B. 416, to allow full competition for local phone service in Alaska. The bill is very similar to legislation that was passed in 1991 to allow long distance telephone competition in Alaska. Just like the 1991 legislation, this bill is needed to break the regulatory logjam at the Alaska Public Utilities Commission so that Alaskans can receive better local phone service at lower prices.

The legislation simply establishes a policy in favor of local phone competition and it gives the APUC a deadline to implement whatever regulations it deems necessary for competition to proceed. Passage of the legislation will benefit all Alaskans.

This legislation is necessary because the APUC recently determined that full competition cannot be allowed in Fairbanks and Juneau until after it completes various other proceedings to ensure that competition does not harm "universal service." Unfortunately, under the present schedule the APUC will not complete those other proceedings for at least several years.

Background

The U.S. Congress passed the Telecommunications Act of 1996 over two years ago, and that Act established a pro-competitive national policy for all telecommunications services. The APUC has known for over two years that local competition was coming, yet it has failed to complete the regulatory reforms it says are necessary for competition to proceed. Now the APUC's own delay in implementing the reforms is given as the APUC's reason for delaying competition even in cities such as Fairbanks and Juneau.

Full local competition under the Telecommunications Act allows new entrants to serve customers in three ways: through complete resale of the incumbent carrier, entirely through the competitor's own facilities, or through a combination of the competitor's facilities and "unbundled elements" obtained from the incumbent. Full local competition is also dependent on other regulatory requirements, such as "number portability" so that customers can change carriers without giving up their phone number.

Full competition has already begun in Anchorage, where both GCI and AT&T Alascom have entered the market. Every business and residential customer in Anchorage now has a choice between local phone companies. Prices have already come down, and new services have been introduced. Competition in Anchorage is already bringing the same benefits to Anchorage that long distance competition brought to Alaska.

GCI is prepared to provide local service in other communities across Alaska, beginning with Fairbanks and Juneau. However, the APUC has denied GCI the ability to provide full competition outside of Anchorage, based on a provision of federal law that defines all local phone companies outside Anchorage as rural.

The APUC Ruling

The reasons that the APUC gave for denying GCI's request to bring full local competition to Fairbanks and Juneau are remarkably similar to the reasons that the APUC delayed long distance competition for 8 years. The APUC stated that competition could not begin without assurances that "universal service" would be protected.

The current APUC did not say "no" to competition forever. Instead, it said that various reforms needed to be implemented to protect universal service before competition could proceed, and it would reconsider full competition after those reforms are implemented. Again, this action was virtually identical to the APUC's actions while it was considering long distance competition. The APUC never said competition was prohibited, it just said further action and consideration was necessary, but the APUC never completed those other actions until the Legislature established a deadline.

Benefits of Competition

Today, the fears of the APUC regarding long distance competition seem almost silly. None of the fears came true. Long distance competition has benefited all Alaskans, and it has harmed none. Prices for long distance service have been reduced by more than 25 percent, and the quality of service has improved. Many locations that previously had double hop analogue service that would barely support FAXes now have digital, single hop service.

But history is now repeating itself in the local market, and the APUC is again delaying competition because of the same fears. It is again time for the Legislature to break the APUC logjam that is delaying competition, just as the Legislature broke the logjam in 1991.

The importance of telecommunications to Alaskans--and the benefits that come with full competition for telecommunications services--cannot be overstated. The amazing growth and technological advances in the telecommunications industry have been fueled by competition, while at the same time prices have fallen. Competitive forces will bring the same benefits to local phone service. In Anchorage, competitors have invested millions of dollars in new switching and fiber optic equipment, making new services available to consumers. New, high speed "broadband" services are available over competitive systems designed to bring consumers a full range of telecommunications services.

With the passage of H.B. 416 these benefits will be available to citizens in other locations across Alaska. The APUC can prevent "cream skimming" and ensure widespread benefits from competition by requiring any new competitor to serve the entire area served by an existing company. As high quality services are extended to new locations, the entire State economy will benefit from the upgraded telecommunications infrastructure.

Without the Legislature's involvement, a world of technological "haves" and "have nots" will be created in Alaska. The "haves" will be living in Anchorage, with high quality broadband access, while the "have nots" will reside in the remainder of the State.

The citizens of Alaska already know that benefits will flow from local service competition. In a poll conducted on behalf of GCI, over 75 percent of the citizens of Fairbanks and Juneau said they want competition in the local telephone market. By similar percentages, the citizens said competition would bring lower prices and new technology. And, over 80 percent of the citizens said their community was not too rural for local phone competition.

History has proven, over and over, that competition in telecommunications benefits consumers. The citizens already know that. Enacting H.B. 416 will be in accordance with the will of the people and it will benefit all Alaskans and the State's economy.

**HB 416 WILL NOT PROMOTE
"CREAM SKIMMING" OR "CHERRY PICKING"**

One of the arguments presented against telephone competition and against HB 416 is that new competitors will "cream skim" or "cherry pick" the market, serving only the profitable and high volume customers and leaving the unprofitable, low volume customers to the existing carrier. This argument is but one of the many "bogeymen" that telephone monopolists have used for many years to prevent competition. In fact, the APUC retains full power to prevent cream skimming and, historically, cream skimming has not been a problem.

The federal Telecommunications Act specifically states that the APUC can require a new competitor to offer service throughout a rural local phone company's service area. Thus, as a condition of offering any local service, the APUC has full power to require a new competitor to offer service to all customers in the area, not just the most profitable, high volume customers.

HB 416 does not in any way affect the APUC's right to require a competitor to serve all customers in the area.

In any event, history has demonstrated that the fear of cream skimming is only a bogeyman. In Anchorage, the APUC did not have the authority described above, because Anchorage is not "rural". Legally, GCI could have served the high volume customers only. In fact, GCI constructed facilities to serve all of Anchorage. GCI interconnected at every ATU wire center, in the business areas of downtown and midtown and in the residential areas like Rabbit Creek.

The exact same fear of cream skimming was raised regarding long distance competition, and long distance competition was delayed for years because of that fear. But long distance competition actually benefited all consumers, high volume and low volume alike.

NETWORK UNBUNDLING

The Federal "Telecommunications Act of 1996" requires local exchange carriers to allow competitors to use "unbundled" portions of their network to provide local service.¹ For example, local exchange carriers are required to "unbundle" the local loop (wire) to customers and make the loop available to another carrier to provide service. The Federal law does not have similar requirement for long distance carriers.

"Unbundling" of local exchange carriers is necessary because local exchange carriers have monopoly control over "bottleneck" facilities. This means that, without unbundling, the only telecommunications link to end users is through the facilities of the local exchange carrier. Absent the regulatory requirement, local exchange carriers have absolutely no incentive to allow competitors to use the existing network, which was built under the "public utility" concept and largely paid for by ratepayers.

A similar situation does not exist in the long distance market. There are already multiple facilities-based carriers in the long distance market, and each carrier offers a long distance link. There are not "bottleneck" facilities. Competitors without facilities have a choice of obtaining the facilities from multiple facilities based carriers. GCI has an entire department devoted to serving other carriers, providing them a competitive choice to AT&T Alascom.

The only locations where a competitive choice does not exist is in the rural locations where GCI is prevented by regulation from constructing long distance facilities. Every LEC in those locations has supported the restriction and should not now complain that the restriction limits their own competitive choices.

Furthermore, GCI and Alascom both each offer services to other carriers based on wholesale rates, approved by the Commission, that break out service by segments. GCI is very willing to, and does, provide unbundled services such as operator services to other carriers upon request.

¹ "Rural" carriers are exempt from this requirement until they receive a specific request for "unbundling" and the APUC makes specific determinations.

HB 416 WILL PROMOTE UNIVERSAL SERVICE

One of the arguments presented against HB 416 and local competition is that competition will somehow harm universal service. Universal service is the concept that phone service should be available to all citizens at reasonable costs.

In fact, HB 416 will promote universal service in several ways. First, the legislation requires the APUC to complete the regulatory proceedings that are necessary for the introduction of full competition. One of the pending APUC proceedings that needs to be completed, R-97-6, specifically concerns the adoption of rules to promote and protect universal service. Thus, HB 416 actually requires the APUC to complete, by year end, a proceeding to protect universal service.

The APUC is given the power to protect universal service by both Federal and State law. Nothing in HB 416 affects that power.

Furthermore, competition will itself promote universal service. Competition brings higher quality service at lower rates. Every consumer in Anchorage today has a choice of more services, at lower rates, than were available only six months ago. Competition will accomplish the same thing across the entire state--promoting universal service.

The claims that competition will harm universal service have been around for decades. In 1973, 25 years ago, the Chairman of AT&T opposed competition against MCI with the following statements: "We believe that the public interest, construed as we must construe it as the widest availability of high quality communications at the lowest over-all cost to all its users, cannot help but be impaired by the duplication of facilities from the further encroachment of competition in an industry where compatibility of components and precise coordination of process are crucial.... Where will the burden [of competition] fall? Again, it will fall on the average customer in the form of higher exchange rates, higher long distance rates."

We all know that long distance competition in telecommunications has benefited all users. The claims that competition will harm universal service are no more true today than they were in 1973.

	<u>Anc</u>	<u>Fbx</u>
<u>Dial Tone Charges</u>		
Residential	\$9.40	\$12.50
Single-line Business	\$24.45	\$25.50
Multi-line business	\$31.00	\$29.50
DA after two free calls	\$0.50	\$0.75

<u>Non-recurring charges</u>		
Service Order Charge Bus	\$0.00	\$25.50
Service Order Charge Res	\$0.00	\$20.00
Prem visit - two cable pair	\$35.00	\$30.00
Prem visit - each add'l cable pair	\$0.00	\$15.00
Line Connection Charge	\$0.00	\$22.20

Custom Calling Features Package

3 choices	\$7.85	none
2 choices	\$5.60	none

Advance Telecom Services:

ISDN

Basic Rate Interface Res	\$3.55	N/A
BRI per minute charge Res	\$0.01	N/A
Basic Rate Interface Bus	\$4.95	N/A
BRI per minute charge Bus	\$0.01	N/A
Primary Rate Interface recurring	\$780.00	N/A
PRI volume discount	\$456.00	N/A
PRI NRC	\$800.00	N/A

Digital Subscriber Service

DSS 1-6 trunks per trunk	\$33.25	N/A
DSS NRC per trunk	\$31.40	N/A
DSS Service Order Charge	\$500.00	N/A
BDSS per month	\$516.00	N/A
BDSS NRC	\$800.00	N/A

Direct Inward Dialing

Direct Inward Dialing	\$50.00	\$65.00
NRC for DID	\$0.00	\$26.00
DID Exchange Trunk each trunk	\$31.00	\$50.75
Installation per line	\$0.00	\$48.00
DID Two-way exchange trunk	\$31.00	\$65.00
NRC for above	\$0.00	\$48.00

Promotional Offering

R1	\$9.40	\$12.50
Call Waiting/Cancel Call Waiting	\$3.50	\$3.00
Caller ID	\$6.75	\$6.00
Caller ID on Call Waiting	\$1.95	N/A
Subscriber Line Charge	\$3.50	\$3.50
Total of Individual prices	<u>\$25.10</u>	<u>\$25.00</u>

Package Price	\$19.95	\$25.00
Caller ID Box value \$100	\$0.00	\$100.00

ANCHORAGE/FAIRBANKS LOCAL SERVICE COMPARISON

The attached spread sheet details the availability and prices for some services in Anchorage and Fairbanks. Source is public tariffs.

Basic Dial-Tone:

This section includes basic dial-tone rates for residential and business users.

Non-recurring charges:

One-time charges for adding services or ordering service calls. The non-recurring charges in Anchorage were dropped with the advent of competition. Expectations are that competition may further drive down prices for basic services in Anchorage.

Custom Calling Feature Package:

Custom calling feature packages are bundled services priced at a discount for choosing two or more services. Services are for either residential or business users. Both areas offer promotional packages of bundled service, which in the case of Anchorage residential users, includes a free caller I.D. box.

Advanced Telecommunications Services:

ISDN is Integrated Services Digital Network. It is a popular method of providing greater bandwidth over the traditional copper wires which access residential and business users. ISDN is capable of carrying simultaneous voice and video/data. It is often used with telecommuting applications.

BRI is basic rate interface and is the product most residential users choose. It carries up to 128 Kbps.

PRI is primary rate interface and is often used by businesses. It carries up to 1.54 megabits per second.

Digital Subscriber Service is a PBX trunk line which connects a business to a telephone company's switch. The service offers the efficiencies of digital -- better quality, lower price, less consumptive of power and space. Over the last decade, it had become increasingly popular throughout the lower 48.

Direct Inward Dialing is a common business feature which allows an outside caller to call an internal extension number without having to pass through an operator or attendant.

HEB

449

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: February 18, 1998

FURTHER REFERRALS:

Date of Committee Action: 3/10/98

The STATE AFFAIRS Committee considered:

HB 449

HOUSE BILL NO. 449

ROTH IRA EXEMPTION

"An Act relating to certain individual retirement accounts."

recommends it be replaced with the following committee substitute CSHB 449 (STA) 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) CED zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Janette James</i>	✓			
<i>K. S. [unclear]</i>			✓	
<i>[unclear]</i>			✓	
<i>Fred [unclear]</i>	✓			
<i>[unclear]</i>	✓			

CHAIR'S SIGNATURE *Janette James*

A M E N D M E N T

OFFERED IN THE HOUSE

TO: HB 449

- 1 Page 1, line 1, following "accounts":
- 2 Insert "; and providing for an effective date"

- 3 Page 1, following line 9:
- 4 Insert a new bill section to read:
- 5 "* Sec. 3. This Act takes effect immediately under AS 01.10.070(c)."

Passed
Ordered Final
3/10/98

Alaska State Legislature

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



While in Session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax (907) 465-3884

House Of Representatives

House District 33

House Bill 449

"An Act relating to certain individual retirement accounts."

SPONSOR: Representative Gene Therriault

SPONSOR STATEMENT:

Under the Alaska Exemptions Act, retirement plans are protected from creditor claims. However, it does so by listing each type of retirement plan by reference to the Internal Revenue Code section governing that plan.

The 1997 Taxpayer Relief Act passed by Congress created the Roth IRA account under Internal Revenue Code section 408A. This section will allow taxpayers to make nondeductible contributions to a Roth IRA and then later take all distributions from the account tax-free subject to certain specified conditions. These qualified distributions must be included in gross income but, for 1998 only, the distributions will be taken into income over four years rather than the customary one year.

This is a great opportunity to convert all future IRA account earnings into tax-free income and spread the current tax bite over four years. However, those Alaskans who take advantage of this are removing their assets from the list of those protected under state law.

This option is available only during 1998. Beginning in 1999, distributions from regular IRA accounts that are rolled into Roth IRAs will be fully taxed in the year of the rollover. In order for Alaskans to maintain their protection while taking advantage of this opportunity legislation must be passed this session.

Walsh Kelliher & Sharp

A Professional
Corporation

January 30, 1998

The Honorable Gene Therriault
119 North Cushman
Fairbanks, AK 99701

Dear Mr. Therriault:

We need your help to sponsor a bill which will benefit many Alaskans. Specifically we need you to sponsor a bill to amend Alaska statute 09.38.017 to include Internal Revenue Code Section 408A.

The Alaska statutes provide various "homestead" type exemptions, listing the amounts and types of assets which may not be attached by creditors. The Alaska statute specifically exempts retirement plan interests from creditor claims. Unfortunately, it does so by listing each type of retirement plan by reference to the Internal Revenue Code section governing that type of plan. Individual Retirement Accounts (IRA's) are described and governed by Internal Revenue Code Section 408. When Congress made changes to IRA's in 1997 they did so by adding the changes to a new section, IRC 408A. However by definition, 408A is a separate code section and currently is not included in the definition of retirement plans listed as exempt in A.S. 09.38.017.

The 1997 Taxpayer Relief Act created the Roth IRA account under code section 408A. This section will allow taxpayers to make nondeductible contributions to a Roth IRA and then later take all distributions from the account tax free subject to certain specified conditions. These qualified distributions must be included in gross income but, for 1998 only, the distributions will be taken into income over four years rather than the customary one year. This is a great opportunity to convert all future IRA account earnings into tax free income and spread the current tax bite over four years. This option is available only during 1998. Beginning in 1999 distributions from regular IRA accounts that are rolled into Roth IRAs will be fully taxed in the year of the rollover.

Because of the unique opportunity available in 1998 to spread these distributions over four years, it is imperative that legislation be passed as soon as possible in 1998 giving Roth IRA's the same creditor protection as regular IRA's and all other retirement plans. In many cases IRA accounts represent a person's major retirement savings. While a Roth IRA is a great tax planning tool it would be unwise to convert creditor protected assets into unprotected assets.



Mr. Gene Theirrault
January 30, 1998
page 2

Roth IRA's are not allowed to high income individuals. This is a provision which was intended by Congress to benefit the low and middle income taxpayer. As such it will have broad appeal to many Alaskans.

We are concerned that many people will be converting their existing IRA's to Roth IRA's without knowing that they are removing these assets from the list of those protected under state law. The popular press and many financial advisors who are not familiar with Alaskan creditor protection law will be advising taxpayers to start or convert to Roth IRA's.

We need legislation now. The window of opportunity will have passed come January 1, 1999 when those same distributions will become taxable all in one year instead of four years. Please take steps to amend the A.S. 09.38.017(e)(3) (copy enclosed) as soon as possible.

If you need any further information please let me know.

Sincerely,

Walsh, Kelliher and Sharp, APC



Kevin J. Walsh, CPA

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LAWYERS WEEKLY USA

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'Roth IRA' May Lack Protection From Creditors

By James L. Dam

The popular new Roth IRA has a serious danger -- it may not be protected from creditors, experts tell *Lawyers Weekly USA*.

This is true for two reasons:

- Many state statutes that protect IRAs refer to Sect. 408 of the Tax Code. Roth IRAs are covered by Sect. 408A. Section 408A is *not* a subsection of Sect. 408, but stands alone as a separate section, says Seymour Goldberg of Garden City, N.Y., author of *J.K. Lasser's How to Pay Less Tax on Your Retirement Savings* and apparently the first person to discover this problem.
- Some state statutes that protect IRAs don't protect "non-deductible contributions" to an IRA or the earnings on those contributions. With a Roth IRA, *all* contributions are non-deductible, says Natalie Choate of Boston, author of *Life and Death Planning for Retirement Benefits*.

It appears that 24 states have the first of these two problems and 10 have the second, including five that have both.

In those states, the potential lack of protection will be a major factor in deciding whether to convert a regular IRA to a Roth IRA, says Goldberg.

For example, a doctor in a high-risk practice probably won't want to convert, he says.

Anybody who faces a high risk of being sued "should think twice about it," says Gideon Rothschild, an estate planning attorney in New York.

Clients may want to wait until the end of 1998 before converting, since they won't lose much by waiting, and by the end of the year their state's statute may have been amended, suggests New York estate planning attorney Bruce Steiner.

Most states will probably amend their laws to correct these problems, lawyers say. But of course that won't happen

immediately, and there's no guarantee it will happen at all.

If a state's statute isn't amended by the end of 1998, the client could face a dilemma. That's because a client who waits to convert until Jan. 1, 1999 will lose a special tax break that allows the income generated by the conversion to be spread out over four years for tax purposes.

Of course, if a client's IRA is just a small portion of his or her overall wealth, protection from creditors is probably not an issue, notes Steiner. For example, it probably wouldn't be an issue if the client has a \$20,000 IRA and \$3 million of other assets.

It probably isn't an issue if a client is just looking to set up a Roth IRA and make annual contributions, instead of converting an existing IRA, says Marvin Rotenberg, national director of retirement services at BankBoston.

Roth IRAs became available on Jan. 1, 1998. Apart from the asset protection issue, they have a number of tax advantages over regular IRAs that make them a much better deal for many people. These advantages were discussed in detail at 97 LWUSA 733; [Search words for LWUSA Archives: Juggle and Grapes.](#)

'A Fighting Issue'

It's not absolutely clear that a Roth IRA won't be protected from creditors even if your state has one of the "problem" statutes.

If a statute refers to Sect. 408, there's an argument that it impliedly covers Roth IRAs under Sect. 408A, says James Caher of Eugene, Ore., who has written two books on bankruptcy law.

This argument is supported by language in Section Sect. 408A which defines "Roth IRA" by referring to Sect. 7701(a)(37) of the Tax Code, which in turn refers to Sect. 408, says Noel Ice of Fort Worth, Texas, the author of an IRA planning manual.

If a statute covers only deductible contributions and their earnings, there's an argument that money rolled over from a regular IRA to a Roth IRA is covered because the original contributions to the regular IRA were deductible, says Goldberg.

However, whether Roth IRAs are covered will "certainly be a fighting issue that creditors can raise and possibly win on," says Caher.

What the Statutes Say

Most of the states provide some creditor-protection to regular IRAs, although the level of protection varies a lot.

In general, they exempt the IRA assets and payments from attachment, execution or garnishment by creditors of the IRA owner or beneficiaries.

Some states limit the exemption to a dollar amount; others limit it to an amount "reasonably necessary for the support" of the debtor and his or her dependents. Some say the exemption doesn't apply to debts for child or spousal support.

The 24 states that refer specifically to Sect. 408 typically do so with language such as that in Florida's statute, which covers only "a retirement or profit-sharing plan that is qualified under S. 401(a), S. 403(a), S. 403(b), S. 408, or S. 409 of the Internal Revenue Code."

They go beyond providing that the plans covered *include* plans under Sect. 408, says Goldberg.

The 10 states that limit protection to deductible contributions (and earnings on those contributions) generally say they don't protect contributions that weren't "exempt from federal income tax" or that "exceeded the deductible amount allowed under Sect. 408." Some also say this limitation doesn't apply to amounts that weren't deductible because they were rolled over to the IRA from another IRA.

However, the language in the statutes varies greatly, and the effect of it on the protection of Roth IRAs may vary even more, lawyers say.

The Federal Exemption

In a number of states, a debtor who goes bankrupt can choose between the state's exemptions and those in the Bankruptcy Code. And the Code has an exemption (Sect. 522(d)(10)(E)) that some courts have said protects regular IRAs, although others have disagreed.

If a court has held that the exemption covers regular IRAs, it will probably say that it also covers Roth IRAs, because the language in the exemption is broad enough to cover both, says Boston bankruptcy attorney Mark DeGiacomo.

The exemption covers a "stock bonus, pension, profitsharing, annuity, or similar plan or contract."

The courts that have held that this exemption covers regular IRAs have focused on the phrase "similar plan or contract," says DeGiacomo.

However, the federal exemption allows a debtor to keep only as much as is "reasonably necessary for the support of the debtor and any dependent of the debtor." So even if it covers Roth IRAs, it may not be much help.

The States That Have a 'Problem' Statute

Here are the state exemption statutes covering IRAs and other retirement benefits, listed according to whether they appear to have one, both or neither of the problems that may cause Roth IRAs to be

unprotected:

States That Refer to Sect. 408

Alaska: Alaska Stat. Sect. 09.38.017.
Arizona: Ariz. Rev. Stat. Ann. Sect. 33-1126(C).
Connecticut: Conn. Gen. Stat. Sect. 52-321a.
Delaware: Del. Code Ann. tit. 10, Sect. 4915.
Florida: Fla. Stat. Ann. Sect. 222.21.
Hawaii: Haw. Rev. Stat. Sect. 651-124.
Idaho: Idaho Code Sect. 55-1011.
Kansas: Kan. Stat. Ann. Sect. 60-2308.
Minnesota: Minn. Stat. Sect. 550.37.
Missouri: Mo. Rev. Stat. Sect. 513.430.
Nebraska: Neb. Rev. Stat. Sect. 25-1563.01.
Nevada: Nev. Rev. Stat. Sect. 21.090(1)(q).
New York: N.Y. Civ. Prac. L. & R. Sect. 5205(c).
North Dakota: N.D. Cent. Code Sect. 28-22-03.1(3).
Oregon: Or. Rev. Stat. Sect. 23.170.
Tennessee: Tenn. Code Ann. Sect. 26-2-104.
Utah: Utah Code Ann. Sect. 78-23-5(1).
Virginia: Va. Code Ann. Sect. 34-34.
Washington: Wash. Rev. Code Sect. 6.15.020.

States That Protect Only Deductible Contributions

Arkansas: Ark. Code Ann. Sect. 16-66-220.
Indiana: Ind. Code Sect. 34-2-28-1.
Kentucky: Ky. Rev. Stat. Ann. Sect. 427.150(2)(f).
Oklahoma: Okla. Stat. tit. 31, Sect. 1(A)(20).
Texas: Tex. Prop. Code Ann. Sect. 42.0021.

States With Both Problems

Louisiana: La. Rev. Stat. Ann. Sects. 20-33(1) and 13-3881(D).
Maryland: Md. Code Ann. Cts. & Jud Proc. Sect. 11-504(h).
Michigan: Mich. Comp. Laws 600.6023.
Pennsylvania: 42 Pa. Cons. Stat. Sect. 8124.
Rhode Island: R.I. Gen. Laws Sect. 9-26-4.

States With Neither Problem

These are the remaining states. They vary greatly as to the protection they give to regular IRAs -- some may give none. But all appear to give the same protection (or lack thereof) to Roth IRAs that they give to regular IRAs.

(Some refer to Sect. 408, but just say that they cover retirement plans *including* plans under Sect. 408.)

Alabama: Ala. Code Sect. 19-3-1(b).
California: Cal. Stat. Sect. 704.115.
Colorado: Colo. Rev. Stat. Sect. 13-54-102.
District of Columbia: D.C. Code Ann. Sect. 15-503.
Georgia: Ga. Code Ann. Sect. 44-13-100.
Illinois: Ill. Rev. Stat. ch. 735, para. 5/12-1006.

Iowa: Iowa Code Sect. 627.6.
Maine: Me. Rev. Stat. Ann. tit. 14, Sect. 4422(13)(E).
Massachusetts: Mass. Gen. L. ch. 235, Sect. 34A.
Mississippi: Miss. Code Ann. Sect. 85-3-1.
Montana: Mont. Code Ann. Sect. 31-2-106(3).
New Hampshire: (No exemption statute).
New Jersey: N.J. Stat. Ann. Sect. 25:2-1(b).
New Mexico: N.M. Stat. Ann. Sect. 42-10-1 and 42-10-2.
North Carolina: (No exemption statute).
Ohio: Ohio Rev. Code Ann. Sect. 2329.66(A)(10).
South Carolina: S.C. Code Ann. Sect. 15-41-30.
South Dakota: (No exemption statute).
Vermont: Vt. Stat. Ann. tit. 12, Sect. 2740(19)(J).
West Virginia: W. Va. Code Sect. 38-10-4.
Wisconsin: Wis. Stat. Sect. 815.18(3)(j).
Wyoming: Wyo. Stat. Sect. 1-20-110.

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 press 6 then 2
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*Comparison assumes: 8% average annual return, 28% federal tax bracket over the life of the account, investing of tax savings from traditional IRA deductions in a taxable account at the same rate of return, and withdrawals made over normal life expectancy.

40165360 3/25/98

Flx 3/4/98

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Alaska State Legislature

REPRESENTATIVE
GENE THERRIAULT

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

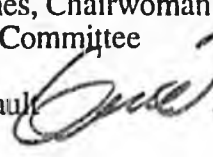
While in Session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax: (907) 465-3884

House District 33

House Of Representatives

Memorandum

TO: Representative Jeanette James, Chairwoman
House State Affairs Committee

FROM: Representative Gene Therriault 

DATE: February 26, 1998

SUBJECT: Scheduling of HB 449

I respectfully request that HB 449 be scheduled for a hearing in the House State Affairs Committee.

The creation of Roth IRAs last year by Congress provides tax relief to low and middle income taxpayers. However, Alaska's statutes that protect retirement savings are structured in a way that leaves this new category of IRAs unprotected. The bill will allow Alaskans to take advantage of tax relief while maintaining protection against creditor claims.

The window of opportunity to rollover existing IRAs into Roth IRAs expires at the end of 1998. For this reason, legislation must be passed during the current session if Alaskans are to maximize the benefits offered by Congress.

Please contact me if you have any additional questions

attachments

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 449

Revision Date: _____
 Title: Roth IRA Exemptions
 Sponsor: Rep. Therriault
 Requestor: House State Affairs

Department: Commerce and Economic Development
 BRU: Banking, Securities and Corporations
 Component: Banking, Securities and Corporations

COMPONENT SERIAL NO. _____

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	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	------------	------------	------------	------------	------------	------------

CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
---------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/Mental Health						
Other						
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)

Prepared by: Willis F. Kirkpatrick, Director
 Division: Banking, Securities and Corporations
 Approved by Commissioner: Deborah B. Sedwick
 Agency: Commerce and Economic Development

Phone: 465-2521
 Date: 3-6-98
 Date: 3-6-98

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Alaska State Legislature

CHAIR:
REPRESENTATIVE
JEANNETTE JAMES

State Capitol
Room 102
Juneau, Alaska
99801-1182
(907) 465-3743
FAX (907) 465-2381

House of Representatives
HOUSE STATE AFFAIRS

MEMBERS:
REPRESENTATIVES
IVAN IVAN
AL VEZEY
FRED DYSON
MARK HODGINS
KIM ELTON
ETHAN BERKOWITZ

Fiscal note for HB 449 was requested March 5, 1998.

As of 11:00 a.m. March 9 it had not been received.

HB

462

D

HOUSE COMMITTEE REPORT

3-23-98

(7)

Date Referred to Committee: February 25, 1998

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/21/98

The STATE AFFAIRS Committee considered:

HB 46

HOUSE BILL NO. 462

USE OF STATE MONEY FOR IMAGES/MESSAGE:

"An Act relating to the contents of certain state documents."

recommends it be replaced with the following committee substitute CS HB 462 (STA) 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) Gov/all dept's zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
	James	✓			
	Elton			✓	
	Berkowitz			✓	
	Ivan	✓			
	Dyson	✓			
		(3)		(2)	

CHAIR'S SIGNATURE Jeannette James
James

Alaska State Legislature

REPRESENTATIVE
GENE THERRIAULT

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

While in Session
State Capitol
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99801-1182
(907) 465-4797
Fax: (907) 465-3884

House Of Representatives

House District 33

House Bill 462

"An Act relating to the contents of certain state documents."

Sponsor

Representative Gene Therriault



Sponsor Statement

House Bill 462 is designed to curtail the increasingly prevalent practice of using state publications to further personal political agendas. HB 462 would place a number of these publications off-limits to state officials for personal purposes. In the past, these documents have been used to disseminate legitimate programmatic and deadline information, but I believe have deteriorated recently into materials used primarily for self promotion. While any elected official would relish the opportunity to send political and personal messages to the electorate at state expense, this sort of message should be restricted to individual stationary or newsletter format purchased through the appropriate budgets. The use of routine publications for this has the potential of politicizing the underlying programs.

House Bill 462 0-LS1527B 2/10/98

“An act relating to state publications and documents”

SPONSOR: Representative Gene Therriault

Sectional Analysis

Section 1

Amends AS 44.99 by adding a new section that prohibits state agencies from placing a picture of a state official on an application form, warrant, or direct deposit notice. It limits the use of messages from state officials on those publications to what is required by law, is necessary for understanding the document, or addresses seasonal health issues. It allows messages from the commissioner of the department, director of the division, or head of the legislative agency responsible for the program or activity for which the document is issued as long as the message is limited to stating the requirements of the program and providing reminders about deadlines.

The bill defines “state official” as the governor, lieutenant governor, a legislator, a state judge, a state justice, the commissioner or deputy commissioner of a state department, the director or deputy director of a state department, a board member of a public corporation of the state, a member of a state commission, board, or authority, an officer of the University of Alaska, or an employee of the state.

Inappropriate

May 1996

Legislators left Juneau without performing their most basic responsibility – passing a balanced budget. The result is a gaping \$400 million hole in the budget and cuts to vital programs, including such medical services for the elderly such as eyeglasses, hearing aids and acute dental care.

Alaskans Deserve better. I am urging your lawmakers to adopt my Safe Landing Budget Plan that balances the budget in three years and also protects your basic services.

March 1996

Dear Longevity Bonus Recipient;

Last month my administration put forth the 1997 Capital Budget which includes millions of dollars worth of capital budget requests for construction of senior citizen housing and renovations to existing structures.

Pioneer's Homes in Ketchikan, Sitka, Juneau, Anchorage, Palmer and Fairbanks will see \$2.3 million dollars in repairs and renovations. More than \$6 million is earmarked for the Golden Towers housing complex in Fairbanks. I have allocated \$3.5 million for construction of assisted living centers and \$4 million for deferred maintenance projects.

I want to keep senior housing safe and accessible. I am counting on the legislature to pass my proposed Capital Budget plan during this legislative session.

Sincerely,
tk

February 1996

Dear Longevity Bonus Recipient;

Our greatest challenge this legislative session is to navigate Alaska's economy toward a safe economic landing. I believe any long-term budget plan must be based on five principles. We must close the budget gap and balance our budget. We must continue to cut the budget. We must protect and enlarge the Permanent Fund. Any plan to raise taxes and fees to pay for our essential services must be fair. And finally, there must be no tinkering without a vote of the people.

We can make Alaska a better place for our families. Lets work together to make this safe landing successful. Lets eliminate the budget gap in the next six years!

Sincerely,
tk

July 1996

Dear Longevity Bonus recipient;

I recently signed a new law that should interest you, Senate Bill 304, which becomes effective July 1. The new law will permanently disqualify a bonus recipient who is absent from the state for 180 days or more in any 12-month period. But it also allows you to take a sabbatical from the state for up to a year without losing eligibility. You would not receive the bonus while out of state, but would still be eligible upon your return to Alaska. Remember that you must notify the department 30 days in advance of starting the sabbatical. The Longevity Bonus staff will be sending more information soon, but I wanted to give you an early heads up to this important change.

Sincerely,
Governor Tony Knowles

September 1997

Dear Longevity Bonus Recipient,

September is not too early to begin preventative winter health care. Flu shots should be available free from any medical provider that accepts Medicare. Check with your doctor.

Thanks to all of you who took the time to speak with me this summer while I visited communities from Barrow to Ketchikan, from Fairbanks to Emmonak. Your words of wisdom have meant much to me.

Sincerely,
Governor Tony Knowles

appropriate

inappropriate

Appropriate

August 1997

Dear Longevity Bonus Recipient,

The Longevity Bonus checks are mailed on the last working day of every month. Please allow sufficient time for the mail to reach your area. It is not unusual for checks mailed to one address to arrive on different days. If you have not received your payment by the 15th of the month please call the Longevity Bonus office at 907 465 4416 and one of the technicians will advise you of your options.

Sincerely,
The Longevity Bonus Staff



Department of Revenue
Permanent Fund Dividend Division

1998

PERMANENT FUND

Dividend Application Booklet



Dear Alaskan,

The booklet you hold is unique. It represents your opportunity to directly benefit from an Alaska program whose success is the envy of every state and province in North America. Others have tried, but none have equaled the stability and growth of our Alaska Permanent Fund. I'm pleased to present your application to share in the benefits of Alaska's publicly owned resources.

Over \$23 billion has been saved in the Permanent Fund since it was started more than 20 years ago. This program helps Alaska to maintain a stable statewide economy and provides a source of great pride and security for all of us, for our children, and for generations to come.

My family, like yours, has benefited from receiving the Permanent Fund dividend that has been paid annually since 1982. It's money Alaska's families can use to buy important household goods and services or to save for a college education.

Be sure to fill out your application today, and if you know someone who might need help with this application, please lend a hand. The deadline for filing is Tuesday, March 31, 1998.

Sincerely,

Tony Knowles
Governor

P.S. The Knowles Administration is working to make the application process easier and more efficient. If you have questions or comments, please contact the dividend information office nearest you (see page 2 for telephone numbers). And don't forget, the deadline to file is March 31!

Application
Deadline

March 31, 1998

Permanent Fund Dividends

1982	\$1,000.00
1983	\$386.15
1984	\$331.29
1985	\$404.00
1986	\$556.26
1987	\$708.19
1988	\$826.93
1989	\$873.16
1990	\$952.63
1991	\$931.34
1992	\$915.84
1993	\$949.46
1994	\$983.90
1995	\$990.30
1996	\$1130.68
1997	\$1296.54

Alaska Department of Revenue

Your Permanent Fund Dividend Program 1997 Household Application Booklet



P.O. Box 11000
Juneau, Alaska 99811-0001
907/465-3500
Fax (907) 465-3522

Dear Alaskan,

One of the best things about being Governor is this chance to send you your application for the Permanent Fund Dividend. It's a unique program that lets all of us share the benefits of our publicly owned resources. I'm especially pleased this year to join other Alaskans in celebrating the 20th anniversary of the Permanent Fund. We should all be proud of the \$19 billion we've set aside so far to help keep our economy stable in the days of declining state revenues.

I have asked the folks at the Dividend Division to find better ways to serve you in the years ahead. They are exploring taking applications by computer or telephone, and are considering other streamlining ideas. It's my commitment to make the process easier, more efficient and understandable for everyone. Please note that this booklet also contains a voter registration application. If you need to register or update your voter registration address, please take this opportunity to do so. If you have questions about any part of this booklet, contact the dividend information office nearest you (see Page 2 for telephone numbers).

Our Permanent Fund is one of the most successful public policy programs in the world today. As we mark this special anniversary, let us also reaffirm the commitment of all Alaskans to protect the Fund for future generations.

Sincerely,

Tony Knowles
Governor

15 YEARS OF PERMANENT FUND DIVIDENDS

Year	Amount	Year	Amount
1982	\$1,000.00	1990	.952.63
1983	.386.15	1991	.931.34
1984	.331.29	1992	.915.84
1985	.404.00	1993	.949.46
1986	.556.26	1994	.983.90
1987	.708.19	1995	.990.30
1988	.826.93	1996	.1,130.68
1989	.873.16		

Application Deadline March 31, 1997

✓ One under

Alaska Permanent Fund Dividend Program

1989 Household Application Booklet

Filing Deadline: June 30, 1989

Applicants are responsible for filing by the deadline.

Dear Alaska Resident:

Here is the form you need to apply for a 1989 Permanent Fund Dividend. These dividends come from a portion of the earnings of the Alaska Permanent Fund. The Permanent Fund was created by the voters in 1976 to save part of the oil revenues for every Alaskan, now and in the future. Permanent Fund Dividends are a direct return to Alaskans from the Permanent Fund which they own.

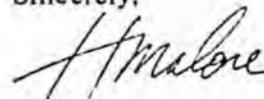
The dividend program has several purposes. The dividends help Alaska's economy. Since the program began in 1982, more than \$2.1 billion has been paid directly to Alaska residents. The dividends give each Alaskan a personal reason to support the Permanent Fund, to make sure that we continue to save for the future. The dividends put the Permanent Fund in the public eye. This "watchdog" effect helps protect the Fund, and is welcomed by the Fund's managers.

The 1988 dividend was \$826.93. The 1989 dividend amount will be announced October 1.

The Department of Revenue is proud to pay dividends each year to qualified Alaskans who apply. Before you apply for the dividend, carefully read the instructions in this booklet. Then answer each question truthfully. Those who are not honest in their answers are prosecuted for fraud.

Alaskans should take pride in the prudence they have shown in creating and maintaining their Permanent Fund. Permanent Fund Dividends are the rewards Alaskans reap every year for their foresight.

Sincerely,



Hugh Malone, Commissioner

Need Help? Contact one of our offices:

JUNEAU - Phone 465-2326
Alaska Department of Revenue
Dividend Information Office
State Office Building, 11th Floor
P.O. Box S-0464
Juneau, Alaska 99811-0464

ANCHORAGE
1016 West 6th Avenue
Phone (907) 276-2678

FAIRBANKS
675 Seventh Avenue
Phone (907) 451-2820

NEED MORE FORMS? You may pick up dividend forms at the Revenue offices listed above. Forms are also available at each Office of the Governor, Legislative Information Office, and city clerk's office. If you prefer to write, please send your request to the Juneau Dividend Information Office.

Ch. L. Linn

Alaska Department of Revenue

Filing Deadline: June 30, 1992

Dear Alaskans:

Under the Alaska Constitution, the natural resources of Alaska belong to the people of Alaska, not to state officials. As such, we have an ownership share in the revenues generated from those natural resources and placed in the Permanent Fund.

Permanent Fund dividends are the way that we, the owners, share in the Permanent Fund's earnings. They are a natural outgrowth of the owner-state.

Dividends give each resident of Alaska a personal reason to guard and to build the Permanent Fund, and to keep watch on how the Fund is managed.

- Since 1982, when the dividends began, over \$3.5 billion has been injected into Alaska's economy. This has created thousands of new jobs and provided many families with income for basic needs. Dividends now add more to our economy than the seafood industry, construction, or the combined effects of agriculture, mining and tourism.
- Since 1982, the typical Alaska family of four has received \$27,880 in dividends.
- The amount of the 1992 dividend will be announced Thursday, October 1, 1992.

Permanent Fund Dividend

Year	Amount
1982	\$1,000.00
1983	386.15
1984	331.29
1985	404.00
1986	556.26
1987	708.19
1988	826.93
1989	873.16
1990	952.63
1991	931.34

Before you apply for the dividends, read the instructions in this booklet carefully. If you or someone you know needs help in applying, let us know. Answer each question truthfully. Those who are not honest in their answers are prosecuted for fraud.

Alaskans should take pride in creating and protecting their Permanent Fund. Dividends are the reward Alaskans reap every year for their foresight and vigilance.

Sincerely,


Darrel J. Rexwinkel, Commissioner

Need Help? Perhaps you or someone you know needs help with the dividend application. If so, call or visit the Dividend Information Office which is nearest you between the hours of 8 am and 5 pm, Monday through Friday. Persons calling from Fairbanks may call 451-2820.

ANCHORAGE - Phone (907) 276-2678
Alaska Department of Revenue
Dividend Information Office
Corner of 6th and K
1016 West Sixth Avenue, Suite 100
Anchorage, Alaska 99501

JUNEAU - Phone (907) 465-2326
Alaska Department of Revenue
Dividend Information Office
State Office Building, 11th Floor
P.O. Box 110461
Juneau, Alaska 99811

NEED MORE FORMS? You may pick up dividend forms at the Revenue offices listed above. Forms are also available at each Office of the Governor, Legislative Information Office, and city clerk's office. If you prefer to write, please send your request to the Juneau Dividend Information Office.

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STATE OF ALASKA

TONY KNOWLES, GOVERNOR

OFFICE OF THE LT. GOVERNOR

DIVISION OF ELECTIONS
P.O. BOX 110017
JUNEAU, ALASKA 99811-0017
PHONE: (907) 465-4611

October, 1996

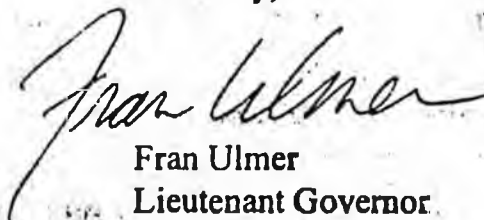
Dear Alaskan Voter,

I am pleased to provide you with the 1996 election pamphlet, your official guide to the November election. The ballot will be very full this year. You will have an opportunity to cast your vote for the president and vice president of the United States; for your U.S. senator and representative, and for the persons you wish to represent you in the state Senate and House of Representatives. In addition, you will find numerous justices and judges seeking retention on the bench, as well as four important ballot measures.

As Lieutenant Governor, and as a mother, I'd like to recommend that you make voting a "family affair" at your house. If you have children, encourage them to learn about the candidates. Discuss the issues with them. They're never too young to learn that voting is both a privilege and a responsibility.

As you read through this pamphlet, take time to notice the photographs depicting Native Alaskan culture. It is appropriate that, as we make our decisions about where future will lead us, we remember where we've been. Native Alaskans are the proud and resilient foundation of Alaska, bringing a wealth of traditions and values to enrich our lives.

Sincerely,



Fran Ulmer
Lieutenant Governor

STATE OF ALASKA

OFFICE OF THE GOVERNOR
Capitol Building, 3rd Floor
P.O. Box 110001
Juneau, Alaska 99811-0001
(907)465-3500



DIVISION OF ELECTIONS
Director's Office
Court Plaza Bldg., 4th Floor
P.O. Box 110017
Juneau, Alaska 99811-0017
(907)465-4611

October 1994

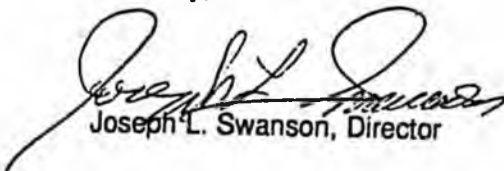
Dear Alaska Voter:

I am pleased to provide you with the 1994 Official Election Pamphlet. It will provide you with biographical and political information about each candidate, profiles and evaluations on the judges, information about the ballot measures and voter services available to you.

This year we are making the Official Election Pamphlet more individualized by providing information pertaining to your election district. The only candidates in this pamphlet are the candidates you will see on the ballot for your district on November 8. You will find your polling place location on the inside back cover of this pamphlet.

The Division of Elections would like to thank Judy Hargis, Publications Technician II, Department of Community and Regional Affairs, for her assistance in the design and preparation of the cover for the 1994 Official Election Pamphlet.

Sincerely,


Joseph L. Swanson, Director

STATEWIDE SUPPORT STAFF

Juneau Location
240 Main Street, 4th Floor
P.O. Box 110017
Juneau, Alaska 99811-0017
(907)465-4611

Anchorage Location
Dimond Center Towers
800 East Dimond Boulevard, Suite 3-570
Anchorage, Alaska 99515
(907)522-3809

REGIONAL OFFICES

Region I Elections Office
240 Main Street, 4th Floor
PO Box 110018
Juneau, Alaska 99811-0018
Phone: (907)465-3021
House Districts 1-6
Senate Seats A-C

Region II Elections Office
800 East Dimond Boulevard,
Suite 3-580
Anchorage, Alaska 99515
Phone: (907)522-8683
House Districts 7-28
Senate Seats D-N

Region III Elections Office
675 7th Avenue, Station H3
Fairbanks, Alaska 99701-4594
(907)451-2835
House Districts 29-36
Senate Seats O-R

Region IV Elections Office
Alaska State Office Building
PO Box 577
Nome, Alaska 99672-0577
(907)443-5285
House Districts 37-40
Senate Seats S-T

STATE OF ALASKA

OFFICE OF THE GOVERNOR

DIVISION OF ELECTIONS
P.O. BOX AF
JUNEAU, ALASKA 99811-0105
PHONE (907) 465-4611

The Official Election Pamphlet is prepared and distributed by the Division of Elections each State General Election.

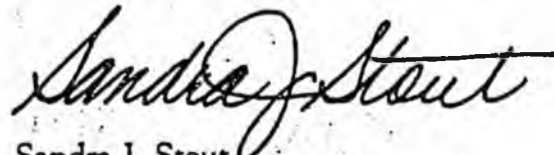
October 1986

Dear Alaskan Voters:

I am pleased to provide you with the 1986 edition of the **Official Election Pamphlet** and hope you will find the information contained in the pamphlet useful when exercising your right to vote in the General Election on November 4, 1986.

In the pamphlet you will find sample ballots, information about each of the ballot measures, the bonding proposition, professional review materials submitted by the Alaska Judicial Council on each judicial retention candidate, maps of districts, a list of polling places and absentee ballot information. In addition, candidates have provided biographical information and personal statements on issues. These pages are written and purchased by the candidates themselves. Those candidates who do not appear in this pamphlet have chosen not to purchase space.

Sincerely,



Sandra J. Stout
Director of Elections

Alaska State Legislature

REPRESENTATIVE
GENE THERRIAULT
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House Of Representatives

House District 33

MEMORANDUM

DATE: March 5, 1998

TO: Representative Jeannette James, Chair
House State Affairs Committee

FROM: Representative Gene Therriault 

SUBJECT: Scheduling of HB 462

I would like to respectfully request that HB 462, "An Act relating to the contents of certain state documents" be scheduled for a hearing in the House State Affairs Committee.

The bill would prohibit using state money to include a visual image of elected state officials or officials subject to confirmation by the legislature in a state publication or on a state document, except where specifically authorized by state law, such as the directories of state officials and election pamphlets. It would also limit the messages that can be included on application forms, warrants, or direct deposit notices.

I have included with this request a sponsor statement, sectional analysis, three pages of examples of Longevity Bonus letters, four examples of Permanent Fund Dividend Application Booklets, and three examples of Official Election Phamplet introduction letters.

I appreciate your consideration of my request.

Alaska State Legislature

CHAIR:
REPRESENTATIVE
JEANNETTE JAMES

State Capitol
Room 102
Juneau, Alaska
99801-1182
(907) 465-3743
FAX (907) 465-2381

House of Representatives

HOUSE STATE AFFAIRS

MEMBERS:
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Fiscal note for HB 462 was requested on 3/5/98; not received by 10:00 a.m. 3/11/98.

Per Tom Wright:

We should do the same thing with this as with SB 275 and make it apply to the legislators too. We wouldn't lose anything and would look more statesman-like. And we wouldn't appear to just be picking on the Governor.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 462

Revision Date (Note if correction) _____ Dept. Affected All departments
 Title An Act relating to the contents of certain BRU _____
state documents. Component _____
 Sponsor House Finance Committee _____
 Requester House State Affairs Committee Component Serial No. _____

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 ()						
-------------------------------	--	--	--	--	--	--

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)

This bill would not have a significant fiscal impact on any state agency.

*Received
Thurs 3/12/98
8:40am*

Prepared by Jack Kreinheder *Jack Kreinheder* Phone 465-4676
 Division Office of Management and Budget Date 3/5/98
 Approved by Commissioner Jim Ayers, Chief of Staff Date _____
 Agency Office of the Governor *Jim Ayers*

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Author: Shari_Kochman@gov.state.ak.us at CC2MHS1
Date: 3/5/98 3:44 PM
Priority: Normal
TO: Barbara Cotting at LAA_TRANS
Subject: Re: fiscal notes

requests are in
fyi: hb 449 and hb 416 will both be from dced

Reply Separator

Subject: fiscal notes
Author: Barbara_Cotting@legis.state.ak.us ("Barbara Cotting") at CC2MHS1
Date: 3/5/98 1:07 PM

I have scheduled the following for hearing in State Affairs:

Tuesday, March 10

HB 449, Roth IRA Exemptions Law?
HB 376, Limit Use of Voter Registration Info Elections?

Thursday, March 12

HB 416, Local Exchange Telephone Service Revenue?

Author: Barbara Cotting at LAA_TRANS
Date: 3/5/98 1:35 PM
Priority: Normal
TO: shari_kochman@gov.state.ak.us at CC2MHS1
Subject: addition

I just added the following to next week's schedule:

Thursday, March 12

HB 462, Use of state money for images/messages elections?

Author: Barbara Cotting at LAA_TRANS
Date: 3/5/98 1:03 PM
Priority: Normal
TO: shari_kochman@gov.state.ak.us at CC2MHS1
Subject: fiscal notes

I have scheduled the following for hearing in State Affairs:

Tuesday, March 10

HB 449, Roth IPA Exemptions Law?
HB 376, Limit Use of Voter Registration Info Elections?

Thursday, March 12

HB 416, Local Exchange Telephone Service Revenue?

HB

463

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: March 4, 1998

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/19/98

The STATE AFFAIRS Committee considered:

HB 463

HOUSE BILL NO. 463

ESTABLISH ALASKA PUBLIC BUILDING FUND

"An Act establishing the Alaska public building fund; and providing for an effective date."

recommends it be replaced with the following committee substitute _____ 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) GOV

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Jeannette James</i>	<input checked="" type="checkbox"/>			
<i>Ken [unclear]</i>			<input checked="" type="checkbox"/>	
<i>[unclear]</i>			<input checked="" type="checkbox"/>	
<i>[unclear]</i>			<input checked="" type="checkbox"/>	
<i>Fred [unclear]</i>			<input checked="" type="checkbox"/>	
<i>Mark [unclear]</i>			<input checked="" type="checkbox"/>	

CHAIR'S SIGNATURE *Jeannette James*

Alaska State Legislature

CHAIR:
REPRESENTATIVE
JEANNETTE JAMES

State Capitol
Room 102
Juneau, Alaska
99801-1182
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HOUSE STATE AFFAIRS

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Sponsor Statement

HB 463

Establishing the Alaska Public Building Fund

This bill would create the Alaska Public Building Fund. The fund would be used for the deposit of rent payments for state facilities, and for appropriating for maintaining these facilities.

This fund is an essential part of a rental structure for state facilities. Establishing the fund will allow money to be accumulated to pay for long-term facilities renewal and renovation costs that now are not adequately funded. This will in turn help avoid the future accumulation of hundreds of millions of dollars of deferred maintenance, as has occurred in the past. The legislature's Deferred Maintenance Task Force recognized that in addition to dealing with our current deferred maintenance needs, we must take action to avoid repeating the problem in the future.

The Alaska Public Building Fund is an important step in improving the management and maintenance of state facilities, and in avoiding future deferred maintenance problems.

STATE FACILITY RENTS PROCESS DESCRIPTION

The Elements of Rent

- **Maintenance & Operations**
The costs of utilities, janitorial, repairs and other costs associated with keeping a facility ready for the use of its occupants.
- **Renewal & Replacement (Depreciation)**
The scheduled replacement of worn-out major building components and the replacement or retrofitting of obsolete or inefficient building systems in order to maintain or extend the life of a building or facility.
- **The cost of an administrative organization**
Resources to pay bills, account for and budget the costs of the maintenance effort, manage and report on the work.

Rent Implementation

- **Create and Internal Service Fund**
An Internal Service Fund (ISF) would be created in law to receive and expend the agencies rent payments.
- **Transfer GF Facility Cost**
The General Funds currently budgeted to pay for facility costs would be transferred to the occupant agencies for their use in paying rent.
- **Leverage Non-GF Funds**
Adjust agency budgets to maximize non-GF participation in rent payments.

Rent Process

- **Agencies Make Rent Payments**
Agencies would pay the ISF for services.
- **ISF Spends and Accounts for Facility Expenditures**
All facility expenditures would be made from the ISF based on legislative appropriations from the fund.
- **Rate Setting**
Rates would be set in accordance with a "rent methodology" approved by the appropriate federal agencies to insure federal reimbursement. ISF would "true-up" costs at year end and adjust future rates up or down based on desired service levels.

First Year Assumptions

- Start with a limited number of facilities, priority is multi-agency office buildings.
- DOA provides administrative oversight of ISF and contracts with DOT&PF for facility services.

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Fiscal notes for the following bills were requested via email on 3/12/98.

None had been received as of noon on 3/18/98.

Subject: fiscal notes
Author: Barbara_Cotting@legis.state.ak.us ("Barbara Cotting") at CC2MHS1
Date: 3/12/98 12:55 PM

I need fiscal notes for the following bills which are scheduled in House State Affairs for Thursday, March 19, 1998:

HB 463	Establish Alaska Public Building Fund
HB 466	Campaign Misconduct: False Information
HB 468	Damage Awards Human Rights Commission
HB 408	Seismic hazards Safety Commission
SB 307	U.S. Senate Vacancies

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 463

Revision Date (Note if correction) _____	Dept. Affected <u>All departments</u>
Title <u>An Act establishing the Alaska public building fund.</u>	BRU _____
Sponsor <u>House State Affairs Committee</u>	Component _____
Requester <u>House State Affairs Committee</u>	Component Serial No. _____

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)

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						
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)

This bill would establish a fund for the deposit of state facility rent payments, and for appropriations from the fund for maintaining these facilities.

Establishing the fund would not in itself have a direct fiscal impact on any state agency. However, the purpose of the fund and the related facilities rent structure is to improve the management and maintenance of state facilities. Improved management and maintenance will reduce overall facilities costs over the long term. Although these cost reductions may be substantial, there are many variables involved and the cost reductions cannot be accurately projected at this time.

Prepared by <u>Jack Kreinhedar</u> <i>Jack Kreinhedar</i>	Phone <u>465-4676</u>
Division <u>Office of Management and Budget</u>	Date <u>3/18/98</u>
Approved by Commissioner <u>Jim Ayers, Chief of Staff</u> <i>J. Ayers</i>	Date _____
Agency <u>Office of the Governor</u>	

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*Rec'd
3/18/98
4:30 PM*

HB

464

Alaska State Legislature

CHAIR:
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JEANNETTE JAMES

State Capitol
Room 102
Juneau, Alaska
99801-1182
(907) 465-3743
FAX (907) 465-2381



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SPONSOR STATEMENT

HOUSE BILL 464,

"An Act relating to state veterans' home facilities"

House Bill 464 amends Chapter 98 SLA 1992. This special law of Alaska authorizes an Alaskan Veterans Home and includes verbiage identifying domiciliary care. However, in order for the state to recuperate approximately 65% of the construction costs of the home from the Veterans Administration, the law must include nursing facilities. Without them, the state will have to shoulder the burden of all construction costs.

Further, Veterans Homes in other states are self sufficient in many cases because they contain nursing facilities. The nursing facility allows the state to collect medical fees from Medicare, Medicaid, and other third party health insurance. This offsets any state operating costs.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 464

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to state veterans' home
facilities. BRU: Medical Assistance
 Component: Medicaid Facilities
 Sponsor: House State Affairs COMPONENT SERIAL NO. 230
 Requestor: House (MVA) See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
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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CHANGES IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY98) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

Provisions in House Bill 464 require the Department of Administration to require residents of state veterans' homes to pay for the full cost of their care, except for federal and other nonstate assistance that residents may receive.

The Division of Medical Assistance administers two programs which pay for nursing home services: Medicaid and General Relief Medicaid. The Division assumes that Medicaid, for which the state contributes approximately 40 percent of the cost of services, and GRM, for which the state pays 100 percent of the cost of covered services, are not "federal or nonstate assistance." Therefore, the Department of Administration would not be able to accept reimbursement from either of these programs.

Any change, or different interpretation, of this provision could result in the Medicaid or GRM programs incurring substantial cost increases.

3/16/98
 Prepared by: Jon Sherwood
 Division: Medical Assistance

Approved by Commissioner: Karen Perdue, Commissioner
 Agency: Department of Health & Social Services

Phone: 465-3355
 Date: 03/16/98

Date: 3/18/98

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FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 464

Revision Date: March 31, 1998
 Title: "An Act relating to state veterans' home facilities."
 Sponsor: (H) STA
 Requestor: (H) STA

Department Affected: Administration
 BRU: Alaska Longevity Programs
 Component: AK Longevity Programs Management
 COMPONENT SERIAL NO. 2263

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						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 98) cost: \$ none

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill does not fiscally impact the Department of Administration.

Prepared by: Jim Kohn, Director
 Division: Alaska Longevity Program

Phone: 465-4400
 Date: _____

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 3/31/98

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FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 464

Revision Date: (Note if correction)
 Title: "An Act relating to state veterans' home facilities."
 Sponsor: (H) STA
 Requestor: (H) MLV

Department Affected: Administration
 BRU: Alaska Longevity Programs
 Component: AK Longevity Programs Management
COMPONENT SERIAL NO. 2263

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	68.4	68.4	2965.0	2965.0	2965.0	2965.0
TRAVEL			7.3	7.3	7.3	7.3
CONTRACTUAL			540.0	540.0	540.0	540.0
SUPPLIES	.5	.5	101.6	101.6	101.6	101.6
EQUIPMENT	3.0		10.9	10.9	10.9	10.9
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	71.9	68.9	3624.8	3624.8	3624.8	3624.8

CAPITAL EXPENDITURES \$12 to \$16 million (50/50 GF/Fed)

CHANGE IN REVENUES ()

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts			396.1	396.1	396.1	396.1
1003 GF Match						
1004 GF	71.9	68.9	2590.8	2590.8	2590.8	2590.8
1005 GF/Program Receipts			637.9	637.9	637.9	637.9
1037 GF/Mental Health						
OTHER						
TOTAL	71.9	68.9	3624.8	3624.8	3624.8	3624.8

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

POSITIONS:

FULL-TIME	1	1	70	70	70	70
PART-TIME			10	10	10	10
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) The changes proposed in this bill do not cause an immediate fiscal impact. The cost reflected in this note reflect what the cost would be to construct and run such a home.

Assumptions: Proposed Veterans Home consists of 60 beds of which half are skilled nursing and half are domiciliary care. Cost of skilled nursing beds based on St. Ann's Center (44 beds) daily medicaid rate of \$261.08. Cost of domiciliary care based on Pioneers' Home coordinated services cost of \$2128 per month. Federal receipts based on 1992 per diem rates: \$25.35 per diem for skilled nursing and \$10.83 per diem for domiciliary care. Program receipts based on an expected co-pay from qualified veterans of \$886 per month. Model assumes all residents are qualified veterans eligible for per diem federal assistance (feds require minimum of 75% of residents be eligible veterans). Model does not factor in the costs of vacancy.

Capital costs: projection based on 1988 construction costs of Juneau Pioneers' Home of \$7.1 million (48 beds). For this 60 bed home which, by federal regulation, must be built to skilled nursing home standards cost would range from \$12 to \$16 million at a minimum. Assume opening July 1, 2000. Costs in the first two years are for a project manager.

Prepared by: James Kohn, Director
 Division: Alaska Longevity Programs

Phone: ARF
 Date: _____

Approved by Commissioner: Mark Bover
 Agency: Department of Administration

Date: _____

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*Replaced with
 Zero Fiscal
 Note dated 3/31/98.*