

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10343 HOUSE LABOR & COMMERCE

Resolutions in support of Child Care Workers

JUNEAU

City and Borough of Juneau
February 11th, 2002 Assembly meeting

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Southeast Regional Resource Center
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St Vincent de Paul Society
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Juneau, AK 99801

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Auke Bay Co-op Preschool

Jim Scholl
Juneau Co-op Preschool
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Jennifer Hamilton
Juneau AK 99801

Eunicee Aulizio
Little Dreamer Child Care

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Ketchikan, AK 99901

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Ketchikan, AK 99901

Gianna Mason
Dolly's Preschool

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TLC Child Care
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Rookery Preschool
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Gustavus, AK 99826

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Hoonah Fitch
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Petersburg AK 99929

Erin Willis
Vickie Franklin
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ANCHORAGE

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Superintendent
Anchorage School District
Anchorage AK 99504

Alaska Family Child Care Association
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Anchorage AK 99508

United Way of Anchorage
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Mitcheal Donah
Nursing Director of Childrens Services
Alaska Regional Hospital
Anchorage AK 99504

Rolland Burns
President
City Market
Anchorage Ak 99508

Kathe Boucha
Director, Telemedicine
Providence Health System

Jim Stroh
General Manager
Peterkin Distributors

Anchorage AK 99508

Sheila Gaddis
Executive Director
Alaska Youth and Parent Foundation

ImPACT Family Literacy
Lori Hessim Anderson
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Anchorage AK 99508

Kathleen Shoop
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Roo's Rascals
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Chugiak Childrens Services
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Fairbanks Environmental Services
Craig Martin, President
Fairbanks, AK 99701

C.A.R.E.S.

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Fairbanks Child Care Coalition
Cheryl Keepers, Chair

Educare

Jackie Haskins, Director
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Fairbanks, AK 99701

Suellen Nelles

Fairbanks Regional Director
CampFire USA

Juanita Frazier

Child Care Referral
Fairbanks North Star Borough

A Ungalles

Associate Director
Early Heat Start
Fairbanks AK

Gara Bridwell

Executive Director
Play N Learn

Joyce Billups

Education Coordinator
Golden Heart Head Start

Colleen Haslrouch

Margarita Olverion
Carmen Del Solar
Gari Bystedt
Laura Wieghat
Christine Merrill

Katheryn Steadham

Kim Edwards
Lynda Page
Karen Juilianna
Catherine Laurence
Marco Balducci
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Sutton, AK 99674

KENAI
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Kenai AK 99611

SOLDOTNA
Patricia Morrison
PO Box 1615
Soldotna AK 99669

Bargain!

A United Way Community Partnership



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3350 Commercial Drive, Second Floor
Phone: (907) 563-1923 Fax: (907) 563-1959
Email: probinso@childcareconnection.org

**Resolution in Support of Health Insurance for Child Care Workers
2002 - 3**

Whereas, the care and education of young children is a major economic sector in the state of Alaska; and

Whereas, the profession of child care employs more Alaskans than VECO, Alaska Airlines, BP, and GCI combined, with approximately 5000 workers; and

Whereas, less than one third of these workers have health insurance, and the average cost of purchased health insurance for small businesses (1-9 employees) for employee-only coverage is \$400 per month.¹ This is over one quarter of the average monthly income \$1456 for a child care worker.

Whereas, the lack of health insurance benefits and an average wage of \$8.40 per hour for child care workers in Alaska is the leading cause of the 40% turnover rate in the profession; and

Whereas, it is well known that stability and consistency in caregiver relationships is critical to a child's healthy development and the quality of care; and

Whereas, a strong system of high quality, affordable, and accessible child care is critical to the economic success of families, to the economy, and most importantly to the healthy development of Alaskan children; and

Whereas, the State of Alaska has an extensive group health plan that could be expanded to allow participation by Alaskan child care workers through a buy-in provision; and

Whereas, offering a buy-in program for health insurance to child care workers will contribute to the stabilization of the child care workforce, decrease the employee turnover rate, and attract professional and well trained caregiver and educators to this important field;

Therefore, be it resolved that the Success By 6 Board strongly urges the Alaska State Departments of Administration, Health and Social Services, Education and Early Development, the Office of the Governor, and the Alaska State Legislature to work together with child care professionals to develop and implement a health care buy-in program for child care workers.

Approved at the regular meeting of the Success By 6 Governance Board on January 31, 2002.

Ernie Hall, Chair

¹ Anchorage Access to Health Care Coalition Health Insurance Benefits Survey - September 2001. Dr. Catherine Schumacher 907-272-7778.

A resolution in support of
Health Insurance for Child Care Workers

Whereas...the profession of child care employs more Alaskans than VECO, Alaska Airlines, British Petroleum and GCI combined, with approximately 5000 workers, the care and education of young children is a major economic sector in the state,

Whereas...less than one third of these workers have health insurance, and the cost for privately purchased health insurance for a full time child care worker would be over one third of their income in many cases,

Whereas...the lack of health insurance benefits and an average wage of \$8.40 per hour for child care workers in Alaska is the leading cause of the 40% turnover rate in the profession,

Whereas...It is well known that stability and consistency in caregiver relationships is critical to a child's healthy development and the quality of care,

Whereas... a strong system of high quality, affordable and accessible child care is critical to the economic success of families, to the state economy, and most importantly to the healthy development of Alaskan children,

Whereas.... offering a buy in program for health insurance to child care workers will contribute to the stabilization of the child care workforce, decrease the employee turnover rate, and attract professional and well trained caregiver and educators to this important field,

Now be it resolved that we strongly urge the Alaska State Department of Administration, the Department of Health and Social Services, the Department of Education and Early Development, The Office of the Governor, and the Alaska State Legislature to work together with child care professionals to develop and implement a health care buy in program for child care workers.

Debra G. Mathis
Name

President
Title

United Way of Anchorage
Organization

12/12/01
Date

**Chugiak Children's Services, Inc.
Board of Directors**

Resolution 02-01

A Resolution in support of Health Insurance for Child Care Workers

Whereas, the profession of child care employs approximately 5,000 workers, making the care and education of young children a major economic sector in the state; and

Whereas, less than one third of these workers have health insurance, and the costs for privately purchased health insurance for a full time child care work would be over one third of their income in many cases; and

Whereas, the lack of health insurance benefits and an average wage of \$8.40 per hour for child care workers in Alaska is the leading cause of the 40% turnover rate in the profession; and

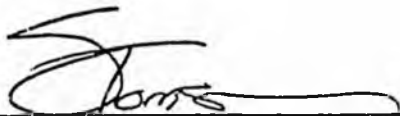
Whereas, it is well known that stability and consistency in caregiver relationships is critical to a child's healthy development and the quality of care; and

Whereas, a strong system of high quality, affordable, and accessible child care is critical to the economic success of families, to the state economy, and most importantly to the healthy development of Alaskan children; and

Whereas, offering a buy in program for health insurance to child care workers will contribute to the stabilization of the child care workforce, decrease the employee turnover rate, and attract professional and well trained caregivers and educators to this important field:

Now, be it resolved, that the Board of Directors of Chugiak Children's Services, Inc. urges the Alaska Department of Administration, the Department of Health and Social Services, the Office of the Governor, and the Alaska State Legislature to work together with child care professionals to develop and implement a health care buy in program for child care workers.

Dated this 5th day of February, 2002



Scott Torrison
President, Board of Directors

A resolution in support of
Health Insurance for Child Care Workers

Whereas...the profession of child care employs more Alaskans than VECO, Alaska Airlines, British Petroleum and GCI combined, with approximately 5000 workers, the care and education of young children is a major economic sector in the state,

Whereas...less than one third of these workers have health insurance, and the cost for privately purchased health insurance for a full time child care worker would be over one third of their income in many cases,

Whereas...the lack of health insurance benefits and an average wage of \$8.40 per hour for child care workers in Alaska is the leading cause of the 40% turnover rate in the profession,

Whereas...It is well known that stability and consistency in caregiver relationships is critical to a child's healthy development and the quality of care,

Whereas... a strong system of high quality, affordable and accessible child care is critical to the economic success of families, to the state economy, and most importantly to the healthy development of Alaskan children,

Whereas.... offering a buy in program for health insurance to child care workers will contribute to the stabilization of the child care workforce, decrease the employee turnover rate, and attract professional and well trained caregiver and educators to this important field,

Now be it resolved that we strongly urge the Alaska State Department of Administration, the Department of Health and Social Services, the Department of Education and Early Development, The Office of the Governor, and the Alaska State Legislature to work together with child care professionals to develop and implement a health care buy in program for child care workers.


Marie J. Layton, LMSW

Name

Executive Director

Title

National Association of Social Workers (NASW) Alaska Chapter
Organization

December 14, 2001

Date

ALASKA MENTAL HEALTH BOARD

TONY KNOWLES, GOVERNOR
STATE OF ALASKA

431 N. Franklin, Suite 200
Juneau, Alaska 99801
Office: (907) 465-3071
Fax: (907) 465-3079

February 28, 2002

MAR 01 2002

The Honorable Norm Rokeberg
Alaska House of Representatives
State Capitol, Room 118
Juneau, AK 99801-1182

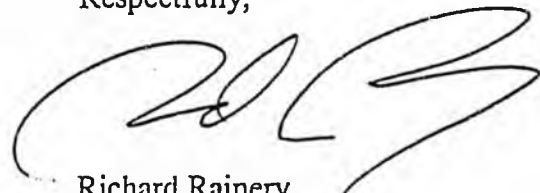
Dear Representative Rokeberg:

As the entity tasked by state law with planning, evaluation, and advocacy for public mental health services in Alaska, the Alaska Mental Health Board (AMHB) works regularly and closely with a wide range of stakeholders in that system. For some time now, the AMHB has heard from the non-profit organizations that provide public mental health services in Alaska that the availability and cost of employee health insurance coverage have become serious issues. Most of these organizations are relatively small by national standards and funding sources have been generally flat for some time. Increases to any component of business expenses are significant under such conditions, but in this case the impact is twofold and inter-related:

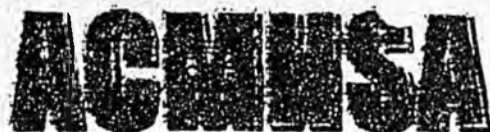
- ◆ Rapidly rising costs directly impact the ability of providers to provide mental health services. If grantees seek to maintain current insurance packages (or often even lesser ones), funds must be diverted from providing direct services to insurance bills.
- ◆ If, on the other hand, higher costs are passed on to employees or coverage reduced, the ability to recruit and retain qualified staff suffers. In many cases, Alaskan mental health providers already find it difficult to compete with lower 48 agencies on the basis of salary alone. Reduced employee benefits only exacerbate the situation.

The AMHB has made addressing this question one of its priorities and is pleased to see more than one bill on the subject in the hopper. The Board applauds your initiative in seeking a solution to the dilemma. Please let us know if we can assist in any way. Thank you for this opportunity to comment.

Respectfully,



Richard Rainery
Executive Director



Alaska Community Mental Health Services Association
3050 Fifth Avenue
Ketchikan, Alaska 99901

February 28, 2002

Representative John Coghill, Chair
House State Affairs Committee
Capitol Room 102
Juneau, AK 99801

Dear Representative Coghill:

We urge you to schedule a hearing at your earliest convenience for SSHB 315, regarding state health insurance for business/non-profits, sponsored by Representative Rokeberg. Our association, ACMNSA, strongly supports this legislation.

ACMNSA is a statewide association of non-profit mental health providers. Many of our members have endured three-fold increases in insurance premiums in the past few years. With our income sources remaining flat, demand for our services rising, and regulatory constraints increasing, our escalating insurance premiums need some creative remedy which we may find with passage of this legislation. We hope that a pooling structure, as would be established in the above legislation, would help us gain some control of this indispensable cost on services we provide.

We thank you in advance for your consideration of the above.

Sincerely,

Ron Adler, Chair
Alaska Community Mental Health Services Association

RA/kdw

cc: Representative Rokeberg

Ron Adler
Chair
3050 Fifth Avenue
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Michael D. Wiggins

Vice President
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Aetna U.S. Healthcare

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Seattle, WA 98101

Fax: (206) 701-8175

April 10, 2002

Representative Norm Rokeberg
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Rokeberg:

This is a letter in support for CS HB 315 as it moved out of the House State Affairs Committee. Aetna has the second largest share of the Alaska health insurance market. We primarily act as third party administrators or insurers of large and medium size groups. While there will be a number of challenges in working out the details of pooling nonprofits and small businesses, we encourage giving the Administration the opportunity to try to make it work.

Depending on how a pool is structured, it may bring the advantages of size and risk spreading in obtaining premium rates. The rules of entry and exit will be important in obtaining competitive bids on the pool. The structure of the benefit package will also be a critical component of a successful pool.

Passage of HB 315 will give the State the ability to work on these issues while meeting with or surveying the entities that hope to use this mechanism for health insurance. If HB 315 becomes law, we will be pleased to work with the Division of Retirement and Benefits to find a way to make this effort successful.

Sincerely,

Mike Wiggins
Vice President National Accounts - Seattle
Aetna U.S. Healthcare

cc. Commissioner Jim Duncan
Guy Bell

HB 315

**SUBSTANCE
ABUSE
DIRECTORS
ASSOCIATION OF ALASKA, INC**

April 11, 2002

Representative Lisa Murkowski, Chair
House Labor and Commerce Committee
Alaska Capitol, Room 408
Juneau, AK 99801

Dear Representative Murkowski:

I am writing to express the support of the Substance Abuse Directors Association (SADA) for House Bill 315, sponsored by Representative Norm Rokeberg, which is awaiting a hearing in House Labor and Commerce Committee. Alaska's state funded non-profit substance abuse treatment programs have experienced significant increases in employee health insurance premiums over the past two years, and these increases, combined with flat or reduced funding from the state have put programs in a position of making decisions about staffing and feasibility of continuing to offer health benefits.

SADA recently surveyed its membership in an attempt to measure the magnitude of anecdotal reports of large increases in employee health insurance premiums. To date, 14 agencies have responded. What follows is a summary of the data we have collected; please keep in mind however that the numbers are expected to change somewhat as agencies continue to respond. I will be happy to provide an updated report if more agencies provide their data.

- Of the fourteen responding agencies, all but one offered health insurance for its employees. The one not offering insurance is the smallest and sited unaffordability as the reason.
- Of the thirteen offering health insurance, all reported increases between 2001 and 2002, and all but two reported increases between 2000 and 2001.
- Over a two year period, agencies have realized an **average increase of 36.0 percent** in per employee health insurance premiums. The degree of increase does not appear to be correlated to agency size.
- The average agency per employee annual premium has risen as follows:
 - 2000 - \$4,423
 - 2001 - \$5,298
 - 2002 - \$5,988
- Health insurance benefits are becoming an increasingly large part of an agency's overall operating budget, averaging:
 - 2000 - 5.8 percent of operating budget
 - 2001 - 6.5 percent of operating budget
 - 2002 - 7.6 percent of operating budget
- While premiums are increasing, the level of coverage is decreasing. Five of the thirteen agencies report increasing per person deductibles. Deductibles has increased on average as follows:
 - 2000 - \$300
 - 2001 - \$315
 - 2002 - \$408

April 11, 2002

- Agencies report increasing prescription benefit costs and dropping some coverages such as dental, optical and prevention as mechanisms to contain premium increases.

The magnitude of these increases for the state funded substance abuse programs is particularly detrimental, as state funded programs have not been awarded any inflationary increases for their services in twelve years; and thus they are not able to absorb the increases and still provide the same level of services. While it is still premature in the survey to put a dollar figure on the increases, the agencies that have responded so far have reported nearly \$1 million in increases for two years combined, covering employees for all agency services and funding sources.

Health insurance pooling has long been looked to as a mechanism to reduce premiums; however, recent experiences with the United Way pool indicate that insurers are less than willing to provide that coverage. Through passage of legislation such as HB 315, our state nonprofit groups can tap into the state's buying power (at very little expense to the state, I might add) and continue to offer their employees a competitive health insurance benefit.

We urge you to schedule a hearing HB 315 and move it out of committee as soon as possible as this is a critical issue for state funded substance abuse treatment services in terms of both employee retention and the level of service our programs are able to provide. Please feel free to call me about this; I can be reached at 770-2927.

Sincerely,



Mary Rosenzweig
Executive Director



Affordable Health

There are two health outcomes for working Alaskans. Some can afford health care, some can't.

If you work in the Capitol, chances are you have health insurance that gives you better coverage than those working in small business, for instance. You are, because of this, a member of those who enjoy the positive health benefits that can be obtained in Alaska.

Members of group health coverage (a majority of the residents of the state) who are able to receive affordable health are covered by groups such as the following:

Blue Cross (The largest insurance provider in the state); other private insurance providers, such as Aetna; Medicaid and Medicare that serve in many ways as managed health care plans; trusts that cover self insured plans (Unions and other groups have such plans); and Federal and Military insurance plans;

Those who can't afford health insurance are forced to be part of the pressure boosting health costs This group who may number as much as 20% of our workers. Not able to afford prevention and primary care, they finally access the health system at the emergency service level. Our state and private sector costs accelerate even faster than before. These Alaskans are among our hardest workers, and our most independent. They include small business persons, the self-employed and nonprofit organizations.

Two bills in the Legislature seek to expand affordable health insurance to working Alaskans

HB 315 and HB 483, Group Health Insurance, are both bills to provide affordable health insurance to Alaska's working uninsured. HB 483 focuses on nonprofits and special service workers, and originally HB 315 only covered small businesses. These two bills are in response to the skyrocketing cost of health care, and the growing inability of many working Alaskans to afford individual health insurance.

Both of these bills propose to create a large health insurance purchasing group, thereby achieving economies of scale and reducing the premiums for those eligible. The state's role relative to these bills would be to provide the initial survey and profile those eligible. After creating a package to attract private insurance companies, the state would have completed their role. A minimal set-up cost in the first year, with no cost thereafter echos fiscal and health policy favored in Alaska during recent decades.

After the first hearing, Rep. Rokeberg introduced a sponsor substitute to HB 315 reducing the size of the "small business" definition and incorporating nonprofits and other special services agencies as defined in HB 483. The new version of HB 315 would provide the group health insurance for small businesses, nonprofits and special services agencies

with 2 to 50 employees. Though it appeared in the committee meeting that the two bills had been rolled together, this is not completely accurate..

HB 483 as presently drafted would cover all foster homes, childcare providers, adult day care providers, assisted living homes, home care service providers and nonprofit agencies receiving grants from the state regardless of size. SS HB 315 would cover only those agencies with two through 50 employees, and therefore, would not cover larger nonprofit service agencies, or foster homes. Neither bill includes self-employed Alaskans, the third group lacking affordable coverage.

– The United Way of Anchorage indicated in testimony before the House State Affairs Committee that any effort should not use size limitations on nonprofit agencies. Many nonprofit agencies would still not be eligible for coverage under HB 315.

– Though foster homes are included in the bill along with all "special service agencies", they are not businesses and do not have 2 or more employees. Since the language of HB 315 limits coverage of special service organizations along the same lines as businesses (2-50 employees), it may jeopardize final inclusion of foster parents.

Information compiled by Rep. Sharon Cissna

USE OF CREDIT DATA IN THE INSURANCE INDUSTRY

March 24, 2002

The Alaska Independent Insurance Agents & Brokers is a professional trade association representing independent business people throughout Alaska. Our members bring a unique perspective to the issue of using credit data in the insurance industry. We work with our insurance company partners while representing the interests of our clients. Because we deal with the Alaskan consumer on a daily basis, we are particularly sensitive to the needs and concerns of consumers. We believe the best consumer protection is a healthy, competitive insurance marketplace.

The use of credit scoring in both the underwriting and pricing of insurance products is a highly complex issue. On one hand, most agents strongly support tools that foster enhanced competition and the fair and accurate pricing of risk. At the same time, however, the increased use of credit by insurers has forced us all to consider the manner in which credit scoring is used in the marketplace and to evaluate whether changes need to be implemented.

For many years, credit data has been utilized by the financial services industry. Lenders, for example, use such information to evaluate loan applications, determine creditworthiness, and predict the likelihood of default and delinquency. They measure the potential borrowers against millions of other similarly situated individuals. Similarly, the insurance industry uses credit data to predict future losses and claim costs and to determine prices in a more accurate manner. Many studies have shown that an individual's credit history is an accurate predictor of potential for future loss. In 1996 a study by Tillinghast-Towers-Perrin of nine personal insurance companies, concluded that the relationship between credit scores and loss ratios ranged from 92% to 99%. In 1999, the Virginia Bureau of Insurance reached the conclusion that there appears to be concrete data indicating that a correlation exists between credit scores and losses. Thus, insurers have begun to use credit based scoring with other traditional factors to determine who to insure and what price to charge. Why would it be reasonable for one segment of the financial services industry to use credit data and not allow the insurance industry to utilize the same credit data to match the price of their products with the expected cost of those products?

There remain, however, additional concerns: 1) the use of credit data as the exclusive criteria in insurance underwriting or the inflexible use of credit data, 2) the lack of ability for regulators to review the proprietary credit algorithms or formulas as insurer filings can become public information for competitors to review, 3) credit information may be inaccurate and 4) lack of disclosures to consumers that credit information is obtained and its utilization in insurance underwriting or rating.

A final point that causes great concern for our Alaskan members is that a total ban on the use of credit data will likely have unintended consequences and cause more harm than good. One reason for this is the Federal Fair Credit Reporting Act. The FCRA gives insurers the power to prescreen a group of potential insureds by utilizing credit reports and credit data and any effort by the states to restrict that ability, is preempted by federal law. Companies that utilize direct solicitation methods and prescreen consumer records will essentially be unaffected by state attempts to ban the use of credit, but independent agency companies (which are used by our Alaskan members for their clients) will be prevented from using this powerful tool. This would create an uneven playing field for local independent agents and would do little to address the concerns that fuel the desire to enact such reforms. Thus AIIAB opposed all efforts to totally ban the use of credit or to regulate its use in an overly restrictive manner.

We would strongly urge the Alaska Legislature to oppose bills, which seek to ban the use of credit data in the underwriting and pricing of insurance products. This is a complex issue, which cannot be given comprehensive review in the short time remaining in the legislative session. We would urge that the Oregon model be given consideration wherein a task force representing the varied points of view be convened to review, deliberate and reach consensus to find an equitable solution that will foster a healthy, competitive insurance marketplace while protecting the interest of the consumer.



CDIA

CONSUMER DATA INDUSTRY ASSOCIATION
Empowering Economic Opportunity

The Reliability of Consumer Reports¹

- There are approximately 200 million Americans who have credit reports.
- Consumer reporting agencies provide 2 million credit reports every single day.
- 2 billion pieces of information are updated monthly in credit files.

The Marketplace

The consumer reporting industry receives and provides vast amounts of information used by consumers to buy cars, refinance homes, obtain college loans, open credit cards to charge vacations or buy birthday presents, or fulfill other consumer needs. Much of the information provided by consumer reporting agencies accounts for what FTC Commission Chairman Tim Muris recently called "the miracle of instant credit." Chairman Muris also noted that this "miracle is only possible because of our credit reporting system."²

Consumer reports are tested for reliability in the marketplace two million times every single day by tens of thousands of lenders and other businesses, including banks, retailers, car dealers, landlords, employers and insurance companies. The highly competitive nature of the consumer reporting industry is such that businesses will quickly abandon any consumer reporting agency that has inaccurate files. Reliance on inaccurate reports often results in increased losses.

The Law

Consumer Reporting Agencies

The federal Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681 *et seq.* and the Maryland state credit reporting law, Md. Comm. Law § 14-1201 *et seq.*, heavily regulate the consumer reporting industry. Consumer reporting agencies are required to maintain reasonable procedures to assure maximum possible accuracy.³ Consumers have a right to dispute information on their credit reports with consumer reporting agencies and the laws require dispute resolution in not more than 30 days (45 days in certain circumstances).⁴ If a dispute cannot be verified then the information must be removed in the consumer's favor.⁵

¹ Founded in 1906, the Consumer Data Industry Association (CDIA), formerly known as Associated Credit Bureaus, is the international trade association that represents more than 400 consumer data companies. CDIA members represent the nation's leading institutions in credit reporting, mortgage reporting, check verification, fraud prevention, risk management, employment reporting, tenant screening and collection services.

² October 4, 2001, before the Privacy 2001 conference in Cleveland, Ohio.

³ 15 U.S.C. § 1681e(b), Md. Com. Law § 14-1205(b).

⁴ 15 U.S.C. § 1681i, Md. Com. Law § 14-1208. The majority of reinvestigations are completed in five days or less and 80% are resolved in ten days or less (see below).

A consumer reporting agency that violates any provision of either credit reporting law is subject to private rights of action,⁶ enforcement by the FTC,⁷ the Maryland's attorney general,⁸ and the Commissioner of Financial Regulation.⁹

Data Furnishers

In addition to the accuracy standards set by the FCRA on consumer reporting agencies since 1970, data furnishers also have accuracy standards to which they must adhere as established by the 1997 amendments to the FCRA. Data furnishers are prohibited from furnishing data they know is inaccurate and they have an affirmative duty to correct and update information.¹⁰ Furnishers also are liable to consumers if they continue to report data known to be inaccurate.¹¹

Industry Practices

There have been a number of tools put in place and refined over the years to promote accuracy of consumer reports. In 1999, ACB rolled out the Metro 2 format. This format is used by thousands of data furnishers and consumer report users. A standard reporting format reduces errors by creating a uniform and universal method of data sharing.

In 1992, ACB went live with the Automated Dispute Verification System (ACDV). This system, upgraded in 1995, reduces the burden on consumers who dispute items on their credit reports since they need only dispute an item with one consumer reporting agency. The ACDV is an electronic messaging system that allows consumer reporting agencies to communicate with those companies that furnish data to a consumer reporting agency. In a continuation of the quest for innovation, ACB, its members, and major lenders are currently beta testing the next generation of technology for automated consumer dispute verification.

An important point to consider in discussion the accuracy of consumer reports is this – what does one consider to be an inaccuracy? The inaccuracy that matters most is one that would reflect on a consumer's ability to obtain credit. Consider the consumer Jonathon Q. Public. Mr. Public's name might appear on some credit cards as John while on other cards or credit, his name might appear as J. Q. Public or Jonathon Public. Mr. Public might feel the discrepancies are errors, but irrespective of his concerns the different names will not inhibit Mr. Public in his desire to obtain credit. The same holds true for Martha Doe who might live at 123 S. Maine Street, but it might show up on some credit information as 123 S. Main, or 123 Maine South. The bottom line is that not all inaccuracies are inaccuracies that reflect on one's ability to obtain credit.

⁵ 15 U.S.C. § 1681i(a)(5), Md. Com. Law § 14-1208(a)(2).

⁶ 15 U.S.C. § 1681n-p, Md. Com. Law § 14-1213.

⁷ 15 U.S.C. § 1681s(a).

⁸ 15 U.S.C. § 1681s(c).

⁹ Md. Com. Law § 14-1218.

¹⁰ § 1681s-2

¹¹ § 1681s-2(b). *See also, Nelson v. Chase Manhattan Mortgage Corp.*, No. 00-15946 (U.S.C.A. 9th Cir., March 1, 2002).

While a consumer might find an inaccurate piece of information on his or her report, whether it has an impact on the credit application or not, there are specific standards, some industry and some legal, to resolve those inaccuracies in a quick and efficient manner. In addition to the above-mentioned Metro 2 format and ACDV system, the FCRA requires consumer dispute reinvestigations to be completed, in most cases, in 30 days or less. The reality is that the majority of reinvestigations are completed in five days or less and 80% are resolved in ten days or less.

**National Association of Insurance Commissioners (NAIC)
White Paper on Accuracy**

Given the often misstated definition of an inaccuracy, there is little scientific data in the marketplace today and one must turn to industry practices and independent sources. The 1997 NAIC White Paper "Credit Reports and Insurance Underwriting" cited the FTC. While the White Paper stated that "... various studies have indicated different results of the accuracy of credit reports," it went on to state that "[a] representative of the FTC, speaking to regulators on October 26, 1995, stated that the FTC is only able to estimate the accuracy of credit reports based upon the volume of complaints it receives. The number of complaints has been decreasing, thus the FTC assumes that the accuracy of credit report information is improving." Since the FTC staff comments preceded the 1997 amendments to the FCRA (adding liability for data furnishers, among other improvements) and the Metro 2 format, CDIA can presume that the accuracy of credit report information, assumed by FTC staff to have improved in 1995, has improved even more since the end of the last century.

Conclusion

Consumer reporting agencies are responsible for the accurate handling of billions of pieces of data every month and the accuracy of the reports they produce is tested in the marketplace every single day. Through a combination of legal mandates and industry-lead initiatives, the consumer reporting agency produces accurate consumer reports and expeditiously completes reinvestigations in those instances where accuracy is questioned.

HB

318

ALASKA STATE LEGISLATURE

Representative Lisa Murkowski Chair
Representative Andrew Halcro Vice-Chair
Representative Pete Kott
Representative Kevin Meyer
Representative Norman Rokeberg
Representative Harry Crawford
Representative Joe Hayes



Alaska State Capitol
Juneau, AK 99801-1182
Telephone: (907) 465-4954
Fax: (907) 465-2293
Representative_Lisa_Murkowski@legis.state.ak.us

HOUSE LABOR AND COMMERCE COMMITTEE

Sponsor Statement HB 318 Uniform Prescription Drug Card

House Bill 318 creates a uniform prescription drug card that contains simple but essential information to help pharmacists improve patient care by minimizing confusion, eliminating unnecessary paperwork, decreasing administrative burdens and processing claim delays, and streamlining dispensing of prescription products paid for by third party payors.

The card includes the card issuer's logo, patient's name, routing and group numbers, and the name and address of the benefits administrator and help desk. The need for a uniform prescription card is necessary to the retail pharmacy industry. Pharmacists spend considerable time deciphering insurance benefit cards—time that could be better spent with patients providing pharmaceutical care and educating them to effect optimal outcome of their drug therapy.

Prescription load volume has increased two-fold in the last five years and is expected to double again in the next four years. As our population grows older, more people are taking increasing numbers of prescription medications to prolong well-being and quality of life. By clarifying the content on prescription benefit cards, pharmacists will be able to spend more time with the consumer providing pharmaceutical care.

Staff Contact: Amy Erickson 465-4954
Last Updated: January 25, 2002

22-LS1061V
Ford
1/21/02

CS FOR HOUSE BILL NO. 318(L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a health insurance uniform prescription drug information card; and**
2 **providing for an effective date."**

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

4 *** Section 1. AS 21.54 is amended by adding a new section to article 2 to read:**

5 **Sec. 21.54.180. Uniform prescription drug information card. (a) A health**
6 **benefit plan that provides coverage for prescription drugs or devices and that issues,**
7 **uses, requires, or reissues a card or other technology for prescription claims processing**
8 **shall issue a uniform prescription drug information card for an insured, enrollee, or**
9 **participant in the health benefit plan as required in this section. The director shall by**
10 **regulation specify the information to be contained on a uniform prescription drug**
11 **information card and shall require, at a minimum, that a uniform prescription drug**
12 **information card**

13 **(1) except as required in this section, conform to the standards and**
14 **format of the National Council for Prescription Drug Programs Pharmacy**

1 Identification Card Implementation Guide;

2 (2) contain the card issuer's name or logo on the front of the card;

3 (3) contain the cardholder's name and identification number displayed
4 on the front of the card;

5 (4) contain complete information for electronic transaction claims
6 routing including

7 (A) the international identification number labeled as RxBIN;

8 (B) the processor control number if required for adjudication;

9 (C) the group number if required for adjudication;

10 (D) the name and address of the benefits administrator or other
11 entity responsible for prescription claims submission, adjudication, or
12 pharmacy provider correspondence for prescription benefits claims; and

13 (E) a help desk telephone number that pharmacy providers may
14 call for pharmacy benefit claims assistance.

15 (b) A uniform prescription drug information card must

16 (1) contain in a clear, readable, and understandable manner all
17 information necessary for prescription drug claims submission; and

18 (2) be formatted and arranged in a manner required by the health care
19 insurer for processing claims.

20 (c) This section does not apply to a health care insurer providing prescription
21 drug coverage under an excepted benefits policy.

22 (d) In this section,

23 (1) "device" has the meaning given in AS 08.80.480;

24 (2) "excepted benefits" has the meaning given in AS 21.54.160;

25 (3) "prescription drug" has the meaning given in AS 08.80.480 and
26 includes a device.

27 * Sec. 2. This Act takes effect July 1, 2003.



ALASKA PHARMACEUTICAL ASSOCIATION

Box 101185 Anchorage, Alaska 99510
(907) 563-8880

January 17, 2002

Representative Lisa Murkowski
Alaska State House of Representatives
Juneau, Alaska

Dear Representative Murkowski,

The Alaska Pharmaceutical Association (AKPhA) is the professional society of over 200 licensed Alaskan pharmacists. On behalf of our membership we are pleased to support HB 318 "An act relating to a health insurance uniform prescription drug card".

Currently, more than 70% of prescriptions are paid for by one of many insurance programs, each of which issues its own unique drug card benefits card. Frequently, these individual cards lack sufficient data for pharmacists to efficiently process claims for prescriptions, or to verify that the individual is a member of a particular health plan. Often, patients experience delays at pharmacy counters because their benefit cards lack information to verify they are eligible to receive medications under their health plan. When this occurs, the pharmacist or pharmacy must contact the "help desk" of the insurance plan to resolve benefit which frequently can take 20 or more minutes to complete. In fact, studies indicate that pharmacists now spend nearly 20% of their time acting as intermediaries between the patient and their insurance company.

Mandating the use of a single standardized prescription card will serve both pharmacists and patients by decreasing stress and frustration and will likely lead to better use of medications, improved healthcare outcomes, and reduced healthcare costs.

AKPhA believes now is an ideal time to adopt a uniform prescription card because new federal guidelines issued under HIPAA (Health Insurance Portability Act) will require insurers to issue new prescription cards in the very near future. Accordingly, multiple states have already enacted legislation mandating the use of a single card.

If you have any questions or if we can assist you in any way regarding this legislation please do not hesitate to contact us.

Sincerely,

Barry Christensen, Pharmacist
Chair, Legislative Committee

Image 484x259 pixels



Desired Name/Logos

RxBIN 999999
RxGrp ABC123456789
Issuer (80640)
ID 12345678901
Name JOHN Q PUBLIC

(Magnetic Strip)

Pharmacy Hel. Desk: (800) 655-1234
Customer Service: (800) 655-9876

Submit Claims to:
Any Pharmacy Benefits Manager
123 ABC Street
Anytown, MD 00000-0000

Subject: HB 318**Date:** Thu, 31 Jan 2002 06:02:36 -0900**From:** "Roger Penrod" <pharmboy@gci.net>**To:** "Pete Kott" <Representative_Pete_Kott@legis.state.ak.us>,
"Norman Rokeberg" <Representative_Norman_Rokeberg@legis.state.ak.us>,
"Lisa Murkowski" <Representative_Lisa_Murkowski@legis.state.ak.us>,
"Kevin Meyer" <Representative_Kevin_Meyer@legis.state.ak.us>,
"Joe Hayes" <Representative_Joe_Hayes@legis.state.ak.us>,
"Harry Crawford" <Representative_Harry_Crawford@legis.state.ak.us>,
"Andrew Halcro" <Representative_Andrew_Halcro@legis.state.ak.us>

January 31, 2002

Honorable House Labor & Commerce Committee,

I asked Representative Murkowski to introduce legislation that has become HB 318. The need for this legislation is imperative in the retail pharmacy industry. There are already nineteen states that have adopted this type of legislation since 1999. We as pharmacists spend an excessive amount of time deciphering insurance benefit cards. This is time that could be well spent with our patients providing pharmaceutical care and educating them to effect the optimal outcome of their drug therapy. Currently, there is a shortage of pharmacists in Alaska and nationwide. Prescription load volume has increased two-fold in the last five years and is expected to double again in the next four years. As our population grows older, more people are taking increasing numbers of prescription medications to prolong well-being and quality of life. By clarifying the content on prescription benefit cards, we as pharmacists will be able to spend more time with the consumer providing pharmaceutical care. The consumer is the real winner with this legislation. It will help to reduce their wait time while at the pharmacy and allow the pharmacist the time to provide the necessary care to the patient.

Roger Penrod, RPh
President
Alaska Pharmaceutical Association
W 907/452-2556
H 907/479-8795

NCPDP Pharmacy ID Card Fact Sheet

This Fact Sheet relates to the current NCPDP Health Care Identification Card Pharmacy ID Card Implementation Guide ("The Guide"). The purpose of The Guide is to reduce the time that consumers wait for prescriptions at community retail pharmacies by preventing delays caused by the lack of necessary information on consumer prescription benefit ID cards.


Over 3 billion pharmacy claims are adjudicated electronically each year. This occurs at the time of service similar to the processes used for credit card authorization and verification. Including the minimum amount of information, as specified in The Guide, is crucial for improving the timely processing of pharmacy claims, so that providers and patients are not subjected to unnecessary delays.

The Guide requires the minimum necessary information that must be included and lists additional information that may be included in specific situations. The guide also identifies information that was considered for inclusion on the card, but was intentionally omitted. (See Excluded Data Elements).

Sample Card:

Front

Back

	Desired Name/Logos (1)
RxBIN	999999 (3)
RxPCN	ABC1234567 (3)
RxGrp	ABC123456789 (3)
Issuer (80840)	(4)
ID	12345678901 (2)
Name	JOHN Q PUBLIC (5)

Pharmacy Help Desk: (800) 555-1234 (7)
Submit Claims to: Any Pharmacy Benefits Manager 123 ABC Street Anytown, MO 00000-0000 (6)

Mandatory Information

Front of card:

1. **Name or logo of the benefit administrator** issuing the identification card. This information is to be located at the top.
2. **Insured's identification number.** This information is to be left justified.
3. **Complete electronic transaction routing information** including the International Identification Number (RxBIN). The Processor Control (RxPCN) and Group Numbers (RxGrp) are mandatory when required by the benefit administrator to electronically route a prescription claim. This information is to be left justified.
4. **Issuer ID.** This label is required and is for future use. As specified in the Health Information Portability and Accountability Act (HIPAA), a unique plan ID will identify health care benefit plans. This plan ID will become the Issuer ID on the pharmacy ID card. The issuer ID is left justified and above the insured's identification number.
5. **Cardholder Name.** (Sequence of name is: given names and initials, surname, and name suffix. Name should not contain punctuation such as periods or commas.)

Back of card:

6. **Name and address of the benefit administrator** where non-electronic prescription claims, patient, or provider correspondence can be sent.
7. **Telephone number** that providers or patients/participants may call for assistance.

Excluded Data Elements

Co-payment Amounts are not on the card for the following reasons:

- ◆ Real time on-line processing systems do not require that co-payments be submitted with the prescription claim.
- ◆ This information changes frequently and would require new cards to be printed AND carried by consumers.
- ◆ Many managed care plans include multiple levels of co-payment that would not fit on a card.

Date(s) of Birth are not on the card for the following reasons:

- ◆ Patients prefer to carry one card that includes both medical and pharmacy benefits ("a combination card"). In addition, patients want only one family card, rather than one card for each individual. Given this, the norm in the industry is to print one family combination card. Therefore, there is not enough space to include the dates of birth for all dependents on the ID card.

Benefit Effective Date and Expiration Date are not on the card for the following reasons:

- ◆ An individual may have their coverage terminated for any number of reasons prior to the date printed, leading to confusion at the time of service.
- ◆ The requirement of the expiration date will cause massive reprinting of ID cards.
- ◆ Many plans offer eligibility on a monthly or yearly basis. Including effective and expiration dates would require that ID cards be reprinted upon each renewal. The additional card printing costs would be passed along to the cardholders, probably through higher premiums.

Who is NCPDP?

The National Council for Prescription Drug Programs is the standard setting organization for retail pharmacy. There are over 1300 NCPDP members, representing chain and community pharmacies, manufacturers, payers and others with a vested interest in the industry such as software vendors.

How was this guide developed and how is it maintained?

The Guide was developed and is maintained by NCPDP Work Group 3 Standard Identifiers. Business needs are discussed in the work group and result in specific wording, which is then considered and voted upon according to the American National Standards Institute's (ANSI's) nationally recognized procedures. The Guide was designed to reflect available technologies and current industry practices.


NCPDP Pharmacy ID Card Requirements Summary

The prescription drug identification card shall include at a minimum the following information:

- (1) Name or logo of the benefit administrator issuing the identification card. The placement of this information is to be located at the top, front side of the identification card.
- (2) Insured's identification number. This information is to be left justified and located on the front side of the identification card.
- (3) Name and address of the benefit administrator where non-electronic prescription claims or other patient or provider correspondence can be sent. This information is to be located on the reverse side of the identification card.
- (4) Telephone number that providers may call for assistance. This information is to be located on the reverse side of the identification card.
- (5) Complete electronic transaction routing information including, at a minimum, the International Identification Number. Processor Control Numbers and Group Numbers are required if needed by the benefit administrator to electronically process a prescription claim. This information is to be left justified and located on the front side of the identification card.

Sample Card:

Front

	Desired Name/Logos
	999999
RxPCN	ABC1234567
RxGrp	ABC123456789
Issuer (80840)	
ID	12345678901
Name	JOHN Q PUBLIC

Back

Pharmacy Help Desk: (800) 555-1234
Customer Service: (800) 555-9876
Submit Claims to:
Any Pharmacy Benefits Manager
123 ABC Street
Anytown, MO 00000-0000

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 318
 () Publish Date: _____

Revision Date/Time (Note if correction): 02/01/2002 Dept. Affected: DCED
 Title An Act relating to a health insurance uniform BRU Insurance (116)
prescription drug information card Component Insurance Operations
 Sponsor House Labor & Commerce by request
 Requester House Labor & Commerce Component No. 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
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 ()						
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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 (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill requires the Director of the Division of Insurance to specify by regulation information to be contained on a prescription drug information card. Anticipated expenses to draft the regulation and enforce the provision on insurers would be absorbed within existing division resources.

Prepared by: Robert A. Lohr, Director Phone 269-7900
 Division Insurance Date/Time 2/1/02 10:53 AM
 Approved by: Debcrah B. Sedwick, Commissioner Date 2/1/2002
 Agency Department of Community & Economic Development

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 318
 () Publish Date: _____

Revision Date/Time _____ Dept. Affected: Administration
 Title Relating to a uniform prescription BRU Centralized Administrative Services
drug information card Component Retirement & Benefits
 Sponsor (H) Labor & Commerce
 Requester (H) Labor & Commerce Component No. 64

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would require insurers to provide specific information on prescription drug identification cards.

This fiscal note assumes the State will not need to change our current identification cards.

Prepared by: Guy Bell, Director Phone 465-4470
 Division Retirement & Benefits Date/Time 1/31/02 4:26 PM
 Approved by: Jim Duncan, Commissioner Date 1/31/2002
 Agency Department of Administration

22-LS1061\R
Ford
3/14/02

CS FOR HOUSE BILL NO. 318(L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE BY REQUEST

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to a health insurance uniform prescription drug information card; and**
2 **providing for an effective date."**

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

4 *** Section 1.** AS 21.06 is amended by adding a new section to read:

5 **Sec. 21.06.086. Uniform prescription drug information card.** (a) A health
6 care insurer that provides coverage for prescription drugs or devices and that issues,
7 uses, requires, or reissues a card or other technology for prescription claims processing
8 shall issue or require the insurer's agent, contractor, or third-party administrator to
9 issue a uniform prescription drug information card for an insured, enrollee, or
10 participant in the insurer's health insurance plan as required in this section. The
11 director shall by regulation specify the information to be contained on a uniform
12 prescription drug information card and shall require, at a minimum, that a uniform
13 prescription drug information card

14 (1) except as required in this section, conform to the standards and

1 format of the current National Council for Prescription Drug Programs Pharmacy
2 Identification Card Implementation Guide; or

3 (2) contain, in a clear, readable, and understandable manner, all
4 information necessary for prescription drug claims submission, including

5 (A) the card issuer's name or logo on the front of the card;

6 (B) the name and identification number of the enrollee or
7 enrollee's dependent displayed on the front of the card;

8 (C) if the insurer accepts electronic prescription drug claims
9 submissions, complete and clearly labeled information for electronic
10 transaction claims routing, including

11 (i) the international or bank identification number;

12 (ii) the processor control number;

13 (iii) the group number if required for adjudication;

14 (D) the name and address of the benefits administrator or other
15 entity responsible for prescription claims submission, adjudication, or
16 pharmacy provider correspondence for prescription benefits claims; and

17 (E) a help desk telephone number for pharmacy benefit claims
18 assistance, unless provided electronically at the time of adjudication.

19 (b) This section

20 (1) does not apply to a health care insurer providing prescription drug
21 coverage under an excepted benefits policy;

22 (2) may not be construed to require the issuance of a uniform
23 prescription drug information card or other technology more than once a year; and

24 (3) does not require issuance of a separate prescription drug
25 information card if an existing information card contains the information required
26 under this section.

27 (c) In this section,

28 (1) "device" has the meaning given in AS 08.80.480;

29 (2) "excepted benefits" has the meaning given in AS 21.54.160;

30 (3) "health care insurer" has the meaning given in AS 21.54.500;

31 (4) "prescription drug" has the meaning given in AS 08.80.480 and

1 includes a device.

2 * Sec. 2. This Act takes effect July 1, 2003.

HB

319

ALASKA STATE LEGISLATURE

REPRESENTATIVE
PETE KOTT
10928 Eagle River Rd Ste. 141
Eagle River, Alaska 99577
(907) 694-8944
FAX (907) 694-8945



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-3777
FAX (907) 465-2819

House of Representatives
House District 24

Sponsor Statement

HB 319

One of Alaska's major attractions is outdoor adventure and recreation activities. Yet high liability insurance costs are prohibitive, especially for smaller businesses offering commercial recreation opportunities.

Without exception, participation in outdoor recreational activities carries some degree of inherent risk for its participants. Many tourism related businesses, the majority of which, are small, offer recreational activities such as river rafting, guided hiking, snowboarding and sport fishing, to name a few. HB 319 has been introduced to establish the responsibilities of commercial recreation businesses and the responsibilities of persons who elect to participate in recreation activities. It addresses specific guidelines operators and participants must follow to minimize the possibility of accidents. Commercial businesses are still responsible for meeting safety standards and providing trained and competent personnel, as outlined in Section 05.50.040.

However, HB 319 will add the presumption that a participant accepts the inherent risks of a commercial recreation activity and as such has played a part in any damages resulting from that inherent risk. Likewise, a non-paying guest who is transported by a non-commercial aircraft or watercraft is considered to have assumed the same inherent risks as the commercial recreation user.

This legislation will decrease uncertainties regarding the legal responsibilities for injuries and encourage the continued viability of responsible businesses that offer commercial recreational activities to the public. Existing legal uncertainties have resulted in high liability insurance costs, which are prohibitive, especially for smaller businesses. This bill will help avoid unfair and unreasonable claims that make it difficult to provide recreational and outdoor activities that are synonymous with Alaska lifestyles and visitor expectations.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 319
 () Publish Date: 2/27/2002

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title Recreational Activity Liability BRU Alaska Court System
 Component Trial Courts
 Sponsor Representative Kott
 Requester House Labor and Commerce Component No. 768

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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 ()						
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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 (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The court system does not anticipate any fiscal impact from the passage of HB 319.

Prepared by: Douglas Wooliver Phone 463-4750
 Division Alaska Court System Date/Time 2/27/02 1:08 PM
 Approved by: Stephanie Cole Date 2/27/2002
 Agency Alaska Court System

ALASKA STATE LEGISLATURE

REPRESENTATIVE
PETE KOTT
 10928 Eagle River Rd Ste. 141
 Eagle River, Alaska 99577
 (907) 694-8944
 FAX (907) 694-8945



While in Juneau
 State Capitol
 Juneau, Alaska
 99801-1182
 (907) 465-3777
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House of Representatives
 House District 24

Sectional Analysis
CS for HB 319

Section 1: Establishes the purpose of the bill, which is to decrease the legal uncertainties regarding liability for injuries that result from participation in commercial recreational activities.

As well, the purpose of this legislation is to encourage the continued availability of businesses that offer recreational activities to the public.

Section 2: Amends Title 5 – Amusements & Sports, by adding a new chapter entitled, “Civil Liability for Commercial Recreational Activities.”

1. This chapter establishes an acceptance of inherent risk on the part of the participants and responsibilities of the operators. Specifically,
 - a. **Acceptance of inherent risks.** Participation in a commercial recreational activity constitutes acceptance of the inherent risks.
 - b. **Contributory negligence.** A person who accepts the inherent risks of a commercial recreational activity is contributorily negligent to the extent that the inherent risk caused the injury or loss. An action to recover damages shall be reduced for contributory negligence as provided under *AS 09.17.060.
 - c. **Responsibilities of participants.** The participant is responsible to learn about and to expressly accept the risks of the activity and they must heed all relative warnings. They must act within the constraints of their health. The participant must heed all warnings regarding their The participant must maintain control of themselves, any minors under their control and any equipment or animals that the participant is using. The participant must not act in a fashion that could contribute to the injury of another participant.
 - d. **Responsibilities of operators of commercial recreational activities.** An operator must explain to the participants the fundamental inherent

risks of the commercial recreational activity and must explain the skills and equipment that are not apparent to a novice. The operator must ensure that employees that assist participants are trained in basic first aid and in CPR. The operator must maintain all equipment, provide trained and competent employees and act in a reasonably safe and competent manner.

- e. **Interaction with other laws.** This chapter doesn't affect the immunity of the ski area operator immunity or owner of unimproved land.
- f. **Effect of violations.** A commercial operator who breaches their responsibilities laid out in this chapter is negligent and liable to the extent t'.at the breach caused injury or loss to a participant.

Section 3: Amends Title 9 by adding a new section entitled, "Civil liability for aircraft and watercraft guest passengers."

1. This chapter establishes that an owner or operator is not liable for civil damages of their guest except for damages resulting from:
 - a. gross negligence or reckless or intentional misconduct
 - b. an act or omission of a common carrier owner or operator
 - c. an act or omission that occurs while demonstrating an aircraft or watercraft to a prospective buyer
2. This new section also provides that if the owner or operator has insurance is not liable for damages that exceed their insurance coverage.
3. The owner or operator is not shielded by this chapter if they fail to provide notice to the guest that they are uninsured.

***09.17.060 Effect of contributory fault.** In an action based on fault seeking to recover damages for injury or death to a person or harm to property, contributory fault chargeable to the claimant diminishes proportionately the amount awarded as compensatory damages for the injury attributable to the claimant's contributory fault, but does not bar recover.

HB

323



TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 323
P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532
www.gov.state.ak.us

January 14, 2002

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

This bill I transmit today is part of a package of bills I am forwarding to the Legislature to address Alaska's ability to respond to disasters and emergencies. It would enact the Emergency Management Assistance Compact (EMAC), making Alaska the 43rd state to do so.

The EMAC is a mutual aid agreement that facilitates inter-state assistance in declared disasters and emergencies, including man-made disasters and civil emergencies as well as natural disasters. A party state, through its authorized representative, may request assistance of another party state in the form of personnel, equipment, materials, or supplies for emergency functions such as fire services, medical services, transportation, or other necessities. The EMAC provides that states shall honor requests for assistance, but may withhold resources as necessary to ensure reasonable protection in its own state. The requesting state shall reimburse states rendering aid including actual costs incurred and any losses or damages.

The EMAC addresses certain legal issues of common concern relating to emergency assistance. It provides that officers and employees of the state rendering aid are considered agents of the requesting state for tort liability and immunity purposes. An assisting state's officers or employees may not be liable for any good faith act or omission of its forces or because of maintenance or use of equipment or supplies. This provides officers or employees of another state coming to assist Alaska in a disaster the same immunity from liability afforded our employees and agents.

The Honorable Brian Porter

Page 2

Under the EMAC, each state pays compensation and death benefits to members of its emergency forces who are killed while rendering aid to another state in the same manner and on the same terms as if they were injured or killed within their own state.

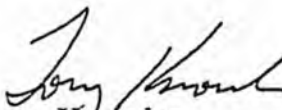
The bill also updates state law so that an Alaskan civilian volunteer performing emergency or disaster relief functions in another state under the EMAC, or at the request of our state division of emergency services, is considered an Alaska state employee for workers' compensation purposes. The reenacted statute will control state liability for workers' compensation benefits by limiting eligibility to those volunteers who are on a roster maintained by the division of emergency services.

Finally, this bill repeals the outdated Interstate Civil Defense and Disaster Compact; its goals are being met under the EMAC.

Enacting the EMAC will benefit the state by providing immediate access to additional trained and experienced emergency specialists and other emergency resources nationwide during a disaster. It will further benefit the state by providing for prompt reimbursement by the Federal Emergency Management Agency (FEMA) of the costs of emergency resources provided by other states to Alaska in the event of a disaster. Presently, the state must negotiate an agreement with the FEMA for reimbursement in each disaster.

I urge your support for joining EMAC, as most other states have done.

Sincerely,


Tony Knowles
Governor

HB 323 Emergency Management Assistance Compact (EMAC)

What does this bill accomplish?

1. It repeals the outdated Interstate Civil Defense and Disaster Compact (AS 26.23.120 and 130) and replaces it with the Emergency Management Assistance Compact (EMAC), a mutual aid agreement that facilitates disaster assistance among member states.
2. It updates AS 23.30.244 to provide worker's compensation for specific categories of disaster volunteers, namely those who perform duties in another state under EMAC or those who perform duties in Alaska under the Division of Emergency Services.

What is EMAC?

EMAC allows states to assist one another during emergencies. It offers a quick and easy way for states to send personnel and equipment to help disaster relief efforts in other states. There are times when state and local resources are overwhelmed and federal assistance is inadequate or unavailable. Out-of-state aid through EMAC helps fill such shortfalls.

EMAC establishes a firm legal foundation. Requests for EMAC assistance are legally binding, contractual arrangements which make states that ask for help responsible for reimbursing all out-of-state costs and liable for out-of-state personnel. States that send aid will not incur a financial burden.

EMAC provides fast and flexible assistance. EMAC allows states to ask for whatever assistance they need for any emergency, from earthquakes to acts of terrorism. At the same time, EMAC makes no requirement for a state to send assistance unless they determine to provide the requested assistance.

Why should Alaska join EMAC?

While Alaska is capable of handling most disasters/emergencies, as demonstrated by past events, there are times when disasters exceed State and local resources and therefore require outside assistance. Normally this assistance comes from federal agencies through the Federal Emergency Management Agency (FEMA). However, not all disasters qualify for a Presidential Disaster Declaration and therefore are not eligible for federal assistance.

EMAC provides a means for Alaska to receive interstate assistance when federal assistance is not merited or available. Even when federal assistance is merited, EMAC assistance may be more readily available or more cost effective, or it may be necessary to supplement federal assistance. In any case, EMAC allows other member states to assist Alaska by rapidly providing their unique resources and expertise in the event of a large-scale disaster. EMAC costs incurred for a disaster that receives a Presidential Disaster Declaration are reimbursable by FEMA at the same cost share (75/25) as other costs incurred by the state.

Because a terrorist attack has the potential to be catastrophic and therefore overwhelming, Alaska should take all possible measures to obtain outside assistance prior to such an event.

Membership in EMAC will also allow Alaska to rapidly provide requested assistance to other states in a process that provides mutually agreed upon and understood requirements for reimbursement and responsibility for the welfare of personnel and resources.

SECTIONAL ANALYSIS OF HB 323

(Re emergency and disaster relief forces as state employees
for workers' comp and re the Emergency Management Assistance Compact)

Section 1 repeals and reenacts existing AS 23.30.244 (workers' compensation; civil defense and disaster relief forces as state employees). Presently, this statute provides that an Alaskan temporarily engaged in civil defense or disaster relief, whether in another state under an interstate compact or as a volunteer in this state, is considered an employee of the state for purposes of workers' compensation. The statutory change will make administration of workers' compensation coverage for disaster workers the same as for emergency medical technicians—in order to be covered as state employees for workers' compensation purposes, these workers must be listed on a roster maintained by the Division of Emergency Services. This will result in faster payment of claims, and will assist in risk management in tracking the number of potential claimants.

Sections 2 and 4 makes conforming amendments to AS 26.23.070 (establishment of interjurisdictional disaster planning and service areas) and AS 26.23.210 (relationship of disaster laws to civil defense laws) to make these statutes consistent with the adoption of the Emergency Management Assistance Compact and the repeal of the Interstate Civil Defense and Disaster Compact, discussed below in sections 3 and 5.

Section 3 enacts the Emergency Management Assistance Compact (EMAC). The compact is a uniform agreement that establishes a framework by which states can request assistance from and provide assistance to other states in declared disasters and emergencies. The EMAC was originally developed and adopted by states in the southeastern United States and now has been adopted by 43 states, including New York, New Jersey, and Michigan, which joined after the September 11 attack.

Article I of the EMAC describes its purpose, and provides for mutual cooperation in emergency-related exercises and training as well as in disaster response.

Article II describes the general implementation of the EMAC, with each state designating an emergency management official responsible for formulating appropriate mutual aid plans and procedures consistent with the EMAC.

Article III describes party states' responsibilities for planning and preparedness, and describes the procedures by which a state may request assistance of another state. Such assistance may be in the form of personnel, equipment, materials, supplies, or emergency services such as fire services, medical services, transportation.

Article IV provides that the state receiving a request for assistance shall take such action as is necessary to provide the requested resources, however it may withhold them to the extent necessary to provide reasonable protection in its own state. This article also

specifies that the requesting state must declare a state of emergency or disaster, and the emergency forces are under the immediate command and control of their regular leaders, but are under the operational control of the requesting state.

Article V provides that in general, a license, certificate, or other permit held by a responder in the assisting state is valid when providing assistance in the requesting state.

Article VI provides that employees of the assisting state are considered agents of the requesting state for tort liability and immunity purposes, and no assisting state's employees shall be liable for any good faith act or on account of the maintenance or use of equipment or supplies.

Article VII authorizes supplementary agreements in addition to the EMAC.

Article VIII specifies that the requesting state shall pay workers' compensation and death benefits to members of its emergency forces and the representatives of deceased members who are injured and killed while rendering aid to another state, in the same manner and on the same terms as if they were injured or killed within their own state.

Article IX provides for reimbursement by the requesting state of the costs incurred by the assisting state in responding to the request.

Article X addresses planning for and implementation of evacuations from one state to another.

Articles XI, XII, and XIII cover administration of the EMAC, including provisions for withdrawal, principles of interpretation, and additional provisions respecting the use of the National Guard.

Section 5 repeals the outdated Interstate Civil Defense and Disaster Compact.

Bill History/Action Display



BILL: HB 323

SHORT TITLE: EMERGENCY MANAGEMENT ASSISTANCE COMPACT

BILL VERSION:

SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

CURRENT STATUS: (H) L&C

STATUS DATE: 04/25/02

HEARING: (H) STA Apr 25 8:00 AM CAPITOL 102 TELECONFERENCE

TITLE: "An Act relating to emergency and disaster relief forces as state employees for purposes of workers' compensation benefits; relating to the Emergency Management Assistance Compact and the implementation of the compact; and providing for an effective date."

[Full Text](#)

[Fiscal Notes](#)

[Committee Action with Bill History](#)

Jrn-Date	Jrn-Page	Action
01/16/02	<u>1970</u>	(H) READ THE FIRST TIME - REFERRALS
01/16/02	<u>1970</u>	(H) MLV, STA, L&C
01/16/02	<u>1970</u>	(H) FN1: ZERO(MVA)
01/16/02	<u>1970</u>	(H) GOVERNOR'S TRANSMITTAL LETTER
04/05/02	<u>2814</u>	(H) MLV RPT 4DP 1NR
04/05/02	<u>2814</u>	(H) DP: KOTT, MURKOWSKI, HAYES,
04/05/02	<u>2814</u>	(H) CHENAULT; NR: GREEN
04/05/02	<u>2814</u>	(H) FN1: ZERO(MVA)
04/25/02		(H) STA RPT 7DP
04/25/02		(H) DP: WILSON, CRAWFORD, STEVENS, JAMES,
04/25/02		(H) FATE, HAYES, COGHILL
04/25/02		(H) FN1: ZERO(MVA)
04/25/02		(H) REFERRED TO LABOR & COMMERCE

Similar Subject Match or Exact Subject Match

COMPACTS

DISASTER

PUBLIC SAFETY

WORKERS COMPENSATION

Bill Root: [Display Bill Root](#)



TO REPORT PROBLEMS WITH BASIS INQUIRY

LIVE KTOO STREAMS

[Fwd: [Fwd: EMAC bill]]

Subject: [Fwd: [Fwd: EMAC bill]]

Date: Sun, 05 May 2002 14:27:59 -0800

From: Lisa Murkowski <Representative_Lisa_Murkowski@legis.state.ak.us>

To: Amy Erickson <Amy_Erickson@legis.state.ak.us>

for bill packets

Subject: [Fwd: EMAC bill]

Date: Fri, 19 Apr 2002 14:23:45 -0800

From: carol carroll <carol_carroll@dnr.state.ak.us>

To: Lisa Murkowski <Representative_Lisa_Murkowski@legis.state.ak.us>

Rep. Murkowski, here is the answer to a question you asked in House Military and Veterans Affairs Committee. It concerned the ability to adopt the Emergency Management Assistance Compact by reference instead of in full. The following message is from Mike Mitchell, Dept. of Law. Let me know if you have further questions.

Carol

----- Original Message -----

Subject: EMAC bill

Date: Fri, 19 Apr 2002 13:20:26 -0800

From: "Mike Mitchell" <Mike_Mitchell@law.state.ak.us>

To:

<Dave_Liebersbach@ak-prepared.com>, <carol_carroll@dnr.state.ak.us>

CC: "Deborah Behr" <Deborah_Behr@law.state.ak.us>

A question came up at the last hearing on HB 323 (I believe from Rep. Murkowski, but I'm not sure) as to whether the entire Emergency Management Assistance Compact needs to be adopted into statute, or whether the legislature can simply enact a statute adopting and ratifying the compact.

I spoke with Trina Hembree of the National Emergency Management Association this morning. She told me that the entire compact must be enacted and set out in the statutes, so that other states and anyone else concerned know the specific terms of what the state enacted.

HB

333

Audit Report

DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT
REGULATORY COMMISSION OF ALASKA
SUNSET REVIEW

November 28, 2001



Audit Control Number:

08-20013-02

Division of Legislative Audit
P.O. Box 113300, Juneau, Alaska 99811-3300

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

The Legislative Budget and Audit Committee is a permanent interim committee of the Alaska Legislature. The committee is made up of five senators and five representatives, with one alternate from the Senate and two from the House. The chairmanship of the committee alternates between the two chambers every legislature.

The committee is responsible for providing the legislature with audits of state government agencies. The programs and activities of state government now cost more than \$6 billion a year. As legislators and administrators try increasingly to allocate state revenues effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by the Division of Legislative Audit helps provide that information.

As a guide to all their work, the Division of Legislative Audit complies with generally accepted auditing standards established by the American Institute of Certified Public Accountants and with government auditing standards established by the U.S. General Accounting Office.

Audits are performed as mandated by Alaska Statutes or at the direction of the Legislative Budget and Audit Committee. Individual legislators or committees can submit requests for audits of specific programs or agencies to the committee for consideration. Copies of all completed audits are available from the Division of Legislative Audit's offices in either Juneau, Anchorage, or our web site <http://www.legis.state.ak.us/legaud/web/default.htm>.

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ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



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November 30, 2001

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Titles 24 and 44 of the Alaska Statutes, the attached report is submitted for your review.

DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT
REGULATORY COMMISSION OF ALASKA
SUNSET REVIEW

November 28, 2001

Audit Control Number
08-20013-02

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Alaska Statute 44.66.050(c) lists criteria to be used to assess the demonstrated public need for a given board, commission, agency, or program subject to the sunset review process. Currently, under AS 44.66.010(a)(4), the Regulatory Commission of Alaska is scheduled to terminate on June 30, 2002.

In our opinion, the termination date for this commission should be extended. The regulation of public utilities and pipelines contributes to the protection of the public's welfare. We recommend the legislature extend the termination date to June 30, 2006.

The audit was conducted in accordance with generally accepted government auditing standards. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope, and Methodology section.

A handwritten signature in cursive script that reads "Pat Davidson".

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Regulatory Commission of Alaska (RCA). The purpose of this audit was to determine if there is a demonstrated public need for the continued existence of this commission and if it has been operating in an efficient and effective manner.

Legislative intent requires consideration of this report during the legislative oversight hearings to determine whether the Regulatory Commission of Alaska should be reestablished. The law currently specifies that the board will terminate on June 30, 2002.

Objectives

RCA was created to protect and promote the public interest by certificating and economically regulating qualified public utilities and pipeline carriers. It oversees the availability, affordability, and quality of utility services throughout Alaska. The primary objective of this audit was to determine whether the public need for this commission continues to exist.

A secondary objective was to review the commission's major functions, such as notice to the public, certification of utilities, tariff actions, and investigations and complaint follow-up for effectiveness in meeting the public need. A further objective was to evaluate these functions and the commission's overall operations for economy and efficiency of operation.

Our analysis of public need, findings and recommendations, and our conclusions have been summarized in the applicable sections of this report.

Scope and Methodology

Alaska Statute 44.66.050 requires the factors outlined in the Analysis of Public Need section of this report be evaluated as part of this audit in order to determine need for the commission's continued existence.

To address these areas we:

- Interviewed commissioners and staff members.
- Reviewed applicable statutes and regulations.
- Contacted the acting ombudsman, assistant attorney general, Alaska Human Rights Commission, and Equal Employment Opportunity offices.
- Analyzed consumer complaints against utilities filed with the commission.

- Reviewed decisions made by the commission.

Additionally, we interviewed employees of various regulated public utilities and other public interest groups including:

Rural Utilities Service, U.S. Dept. of Agriculture

Institute of Social and Economic Research

Alaska Rural Electric Cooperative Association

Alaska Village Electric Cooperative

Alaska Telephone Association

Matanuska Telephone Association

Alaska Public Research Group

National Regulatory Research Institute

Denali Commission

Chugach Electric

Municipal Light and Power

Utility Service of Alaska

Alaska Power & Telephone

United Utilities

TelAlaska

AT&T

Our audit reviewed the operations and activities of the commission from January 1999 through November 2001.

ORGANIZATION AND FUNCTION

The Regulatory Commission of Alaska was created July 1, 1999, upon reorganization of the Alaska Public Utilities Commission by ch. 25, SLA 1999. Under AS 42.04, 42.05 and 42.06, RCA is charged with the responsibility to ensure the furnishing of safe and adequate service to all public utility patrons, without discrimination and at reasonable rates, consistent with the interests of both the public and the utility. RCA certifies qualified providers of public utility and pipeline services. After issuance of this certificate, the commission also regulates the rates, classifications, rules, regulations, practices, services, and facilities of a public utility or pipeline, unless it is specifically exempted or has been deregulated by a vote of its customers. The commission has the authority to adopt regulations and to hold formal, quasi-judicial hearings to accomplish these purposes.

RCA regulates pipeline, telephone, electric, natural gas, water, sewer, refuse, cable TV, and steam services. All pipelines, and all other public utilities with ten or more customers, are regulated by the certification process. Most are also economically regulated.

The commission consists of five commissioners appointed by the governor and confirmed by the legislature. The commissioners must either be a member in good standing of the Alaska Bar Association or have a degree in engineering, finance, economics, accounting, business administration, or public administration from an accredited college or university. The commissioners serve six-year terms.

The staff of RCA is divided into the seven major functions of administration, finance, tariff, engineering, communication carriers, consumer protection, and public advocacy. RCA has 61 funded positions in its \$5.9 million FY 02 operating budget. A brief description of the services provided by each functions is as follows.

- **Administration:** The commission chair is responsible for fiscal and personnel administration, budget preparation, and records and document management. The chair is aided by a special assistant, an administrative manager, documents processing and accounting personnel, and other clerical support staff.
- **Finance:** This section examines, analyzes, and evaluates financial statements submitted for rate cases. It audits financial records of utilities and pipeline carriers and examines historical operating year data and pro forma adjustments. It presents these analyses at proceedings before the commission.

Regulatory Commission of Alaska Members

G. Nanette Thompson, Chair
Term Expires July 2004

Bernie Smith
Term Expires July 2003

Patricia DeMarco
Term Expires July 2002

Will Abbott
Term Expires March 2007

Jim Strandberg
Term Expires July 2006

- Tariff: This section examines, analyzes, and investigates tariff filings and presents recommendations to the commission at biweekly tariff action meetings. Administrative functions include organizing those meetings, ensuring that public notice requirements on tariff filings are met, and maintaining current master tariffs for all utilities.
- Engineering: This section is responsible for certification proceedings and the investigation of utility and pipeline carrier procedures and practices affecting service quality. It also reviews legal descriptions for service areas, plans for plant expansion, and plant-in-service and depreciation schedules. These analyses are presented in proceedings before the commission.
- Common Carrier: This section was established to develop, recommend, and administer policies and programs with respect to the regulation of rates, services, accounting, and facilities of communications common carriers within the state involving the use of wire, cables, radio, and space satellites.
- Consumer Protection: This section investigates and resolves informal consumer complaints, and is responsible for public affairs and media relations as well as responding to information requests.
- Public Advocacy: This section was legislatively established upon creation of RCA. The public advocacy section operates separately from the commission and represents the public interest. The commission assigns cases to the public advocacy section when a public interest perspective would clearly add to the full development of the record.

REPORT CONCLUSIONS

While the recommendations included in this report are intended to improve operations, in our opinion, the Regulatory Commission of Alaska operates in a reasonably effective and efficient manner and should continue to regulate public utilities and pipelines. We believe that the public interest is being served by requiring public utilities and pipelines to be certificated and economically regulated by the commission. The regulatory process stabilizes the availability of utility services. Economic regulation by the commission ensures that, despite the absence of competition, utilities provide service at reasonable rates.

We recommend that Alaska Statute 44.66.010(a)(4) be amended to extend the termination date of the Regulatory Commission of Alaska to June 30, 2006.

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FINDINGS AND RECOMMENDATIONS

In our previous sunset audit,¹ we made two recommendations. One of these suggested that RCA utilize findings from a study by the National Regulatory Research Institute. RCA has now reviewed the institute's report and responded to its findings with a variety of improvements. We thus consider RCA to have fully implemented this recommendation.

The other prior audit recommendation concerned the implementation of a management information system with a number of components. This recommendation was subsequently incorporated as a requirement within RCA's enabling legislation.²

At this time, most components of the management information system have been substantially implemented, but on a piecemeal basis. We understand that RCA expects to have a fully integrated system, including the employee time tracking component mandated by statute,³ in operation by February 2002.

Recommendation No. 1

RCA should either require smaller water and sewer utilities to be certificated or establish a meaningful exemption system by regulation.

Alaska Statute 42.05.141(a)(1) empowers RCA to "*regulate every public utility engaged . . . in a utility business inside the state, except to the extent exempted by AS 42.05.711.*" RCA's responsibility "*to regulate*" includes the certification of water and sewer utilities.

Certain larger water and sewer utilities are subject to full ongoing economic regulation, such as the setting of prices. However, even the smaller utilities that are not economically regulated must obtain an RCA operating certificate, unless the agency exempts them under AS 42.05.711(d). This latter subsection permits RCA to "*exempt a utility, a class of utilities, or a utility service from all or a portion of this chapter if the commission finds that the exemption is in the public interest.*"

Sixty-five piped water systems and 65 piped sewer systems do not have the required certificate to operate a utility. These systems are spread among 73 different operators, 52 (71%) of which are incorporated under Alaska law as second class cities. RCA is thus overlooking almost half of the State's 114 second class cities and not fulfilling its statutory role under AS 42.05.141.

¹ Department of Commerce and Economic Development, Alaska Public Utilities Commission, audit control no. 08-1459-99 (December 23, 1998).

² Section 26 of ch. 25, SLA 1999 directs RCA to "*develop its management information system and make the system accessible to the general public through the Internet for the purpose of tracking, scheduling, and managing all dockets within the commission.*"

³ AS 42.04.070(a)(2) directs RCA's chair to "*establish and implement a time management system for the commission.*"

The legislature has entrusted RCA with the legal responsibility for enforcing the certificate requirement,⁴ but RCA takes no action to detect noncompliance. RCA has responded to certificate applications and to complaints, but has not pursued utilities that lack certificates, even though it is generally aware of the scope of this problem.

RCA should more proactively protect the public by investigating the status of new water and sewer systems as they come on line. The following options are available:

- Commence enforcement actions to compel certification applications.
- Streamline the certification filing requirements for small utilities to better reflect their operating environment. The data requirements may not need to be as comprehensive for smaller utilities. This may be one of the reasons for the reluctance of these utilities to apply for certification.
- Exempt certain classes of utilities from certification under AS 42.05.711(d). The criteria could include such factors as the community size, number of customers, type of operating entity, and the system's predominant funding source.

If RCA elects to streamline the filing requirements or exempt certain classes of utilities, it should do so by regulation.⁵

Recommendation No. 2

RCA should issue regulations that clarify use of its public advocacy section.

RCA has a public advocacy section of six employees. There is little statutory guidance as to the section's use, with AS 42.04.070(c) simply stating:

The chair of the commission shall direct the public advocacy section to participate as a party in a matter when the commission believes that it is in the public interest to do so.

Out of a total of 330 formal RCA proceedings filed since FY 00, the public advocacy section has been appointed in 71 (22%). However, RCA currently has no published procedures and criteria that guide when the section should be assigned to a case and how its intervention is to be accomplished.⁶ Utility representatives expressed some concern to us about their uncertainty as to when a case would involve the section.

⁴ See AS 42.05.181 – 42.05.201, 42.05.551 – 42.05.621 (administrative orders; injunctions; civil penalties).

⁵ A regulation is required under the Administrative Procedure Act for a standard that "affects the public or is used by the agency in dealing with the public." See AS 44.62.640(a)(3).

⁶ For instance, submission of a brief, testimony, or comment, rather than full formal participation as a party, may be adequate in some cases.

RCA should enact regulations that clarify the role of its public advocacy section. We further recommend that RCA's chair establish a definite linkage between patterns of complaints detected in its consumer complaint section and the priorities for public advocacy intervention.

Recommendation No. 3

RCA's chair should ensure that the publication of notices of formal proceedings is monitored.

Under RCA's statutes and regulations, whether RCA orders public notification of a proceeding, and the specific method to be used, is left to RCA's discretion to determine on a case-by-case basis.

RCA uses a variety of methods to notify potentially-affected consumers of formal proceedings. All notices appear on the Internet. Some are also placed in newspapers in the affected areas, posted at a local post office, or included with customer billings.

We selected 90 out of a total of 330 formal proceedings filed in FY 00 to FY 01 and reviewed RCA's elective choice to place newspaper notices in 55 of those cases. We found RCA's discretion in that selection to have been uniformly reasonable in light of the particular subjects and potential consumer impacts of the 90 cases examined.

However, we did discern a need for RCA to better confirm that newspapers actually print the requested ad and print it correctly. Of the 55 ads that RCA ordered, case files for only 36 contained any verification that the ad was printed.

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A ANALYSIS OF PUBLIC NEED

The following analysis of commission activities relates to the public need factors defined in the "sunset" law, Alaska Statute 44.66.050. This analysis was not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

The extent to which the board, commission, or program has operated in the public interest.

With the exception of smaller water and sewer utilities,⁷ the commission has made a conscientious effort to allow only qualified applicants to provide utility services and to regulate them in such a manner as to ensure service at a reasonable cost. Upon finding that no public interest would be served by regulation, the commission administratively exempts certain utilities through its discretionary power granted by AS 42.05.711(d).

RCA also provides an active complaint resolution function. Exhibit 1 shows that RCA fielded a total of 682 complaints that were filed with it during FY 01.

EXHIBIT 1		
TYPES OF UTILITIES INVOLVED IN CONSUMER COMPLAINTS FILED WITH RCA DURING FY 01		
	<u>Number</u>	<u>Percent</u>
Telecommunications	549	80%
Electric	76	11%
Water / Sewer	18	3%
Refuse collection	14	2%
Natural Gas	22	3%
Cable Television	3	1%
<i>Totals</i>	<u>682</u>	<u>100%</u>

The extent to which the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

To assess the impact of RCA's programs and procedures, we interviewed executives from the broad spectrum of affected entities. A dominant perception in these interviews was that, in comparison with the former Alaska Public Utilities Commission, RCA delivers substantially improved service in terms of interaction with the public, reduction of case backlog, and Internet access to information.

Another recurrent theme was the entities' uncertainty concerning the role of RCA's public advocacy section. Recommendation No. 2 addresses this concern.

A third prevalent theme in our interviews was the industry's desire for RCA to continue progress toward a paperless system. The industry is thus acknowledging that RCA has made some progress in this area, and the industry favors the concept.

⁷ These are discussed later in this section of the report.

Internet filing of all pleadings and online access to entire case files would, of course, be ideal from the users' perspective. Nevertheless, our review of RCA's extensive home page shows that considerable case information, such as notices and orders, is already available.

Interviewees also mentioned disappointment in RCA's inability to implement the management information system envisioned by the new agency's enabling statute.⁸ We understand that RCA expects to have a fully integrated system in operation by February 2002.

The extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

RCA was created at the beginning of FY 00. During this limited time, the agency has not seen a need to pursue any major changes in its statutes.

However, during FY 00 the legislature expanded RCA's jurisdiction to include the intrastate transportation of North Slope natural gas.⁹ This amendment anticipates the possibility that a major gas pipeline may be constructed in the years ahead.

The extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

RCA's consumer complaint function is the most active indicator of its interaction with individual consumers. RCA generally preconditions its informal intervention on an initial attempt by the consumer to work directly with the utility in question. If RCA is unable to resolve the matter informally, the consumer has the option to pursue a formal complaint before the commission.

Such a service is obviously beneficial to consumers. However, it also alerts RCA to potential departures from its expectations for those being regulated. Such patterns may signal the need for RCA's chair to appoint the public advocacy section in particular formal proceedings (see Recommendation No. 2).

Exhibit 1 (page 11) shows that a total of 682 consumer complaints were filed with RCA during FY 01. Exhibit 2 (page 13) shows that 67-82% of these complaints, depending on the type of utility, were cleared by RCA within 15 days. Another 7-21% were cleared within a month.

⁸ Section 26 of ch. 25, SLA 1999 directs RCA to "develop its management information system and make the system accessible to the general public through the Internet for the purpose of tracking, scheduling, and managing all dockets within the commission."

⁹ See AS 42.06.230(b)(2).

RCA is thus quite responsive to consumer complaints concerning utility service. Exhibit 2 shows no major differences among utility types in the timeliness of response that RCA provides consumers, with 80-90% of each category being cleared within a month of receipt.

EXHIBIT 2 RCA'S TIMELINESS IN CLEARING CONSUMER COMPLAINTS FILED IN FY 01	
TELECOMMUNICATIONS	
Within 15 days	72%
Within 16-30 days	9%
Over 30 days	19%
	<u>100%</u>
ELECTRIC	
Within 15 days	67%
Within 16-30 days	21%
Over 30 days	12%
	<u>100%</u>
OTHER UTILITIES	
Within 15 days	82%
Within 16-30 days	7%
Over 30 days	11%
	<u>100%</u>

The extent to which the board, commission or agency has encouraged public participation in the making of its regulations and decisions.

RCA encourages public participation through a variety of methods.

To begin with, the RCA home page is an exemplary tool for communicating with the public.¹⁰ Notices of upcoming meetings and formal actions are posted there along with detailed annual reports, discussions of major utility issues, and invitations for the public to comment. Also, members of the public can place themselves on the "courtesy list" and receive direct e-mail notices concerning topics they select.¹¹

Newspaper notices are still published in a large number of cases when that traditional method will be an effective means to reach the affected public.¹² In Recommendation No. 3, we suggest that RCA improve its monitoring of the newspaper notices.

Public postings at post offices are also used in some situations.

RCA's office has a computer terminal that the public uses to research agency records such as docket pages, orders and transcripts.

RCA's public advocacy section directly represents aggregated consumer interests in matters pending before the commission. We discuss the section further in Recommendation No. 2.

The efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the Office of the Ombudsman have been processed and resolved.

¹⁰ Though the scope of available home page information is exemplary, it remains to be seen how frequently consumers will make use of it. RCA may wish to use home page statistical tools such as counters that register how many people visit RCA's various web page features.

¹¹ For e-mail "courtesy" notices, it would be helpful to individual consumers if they could use customized requests that limit notices to a particular utility provider or location of interest, rather than the current choice of all notices for a given utility type.

¹² Under RCA's statutes and regulations, whether RCA orders public notification of a proceeding, and the specific method to be used, is left to RCA's discretion to determine on a case-by-case basis.

The state ombudsman received only one complaint about RCA since its start in FY 00. The ombudsman found that RCA had appropriately responded to a consumer's dissatisfaction with a utility.

RCA has handled approximately 300 utility adjudications since its creation at the beginning of FY 00. Since RCA orders can be appealed to the superior court by dissatisfied parties, the prevalence of such appeals is another pertinent indicator of RCA's relationship to the public. The superior court has affirmed four RCA decisions and reversed another.¹³ Two other cases are currently pending before the superior court. In short, RCA's workload is seldom challenged in, and even less frequently reversed by, the superior court.

The extent to which the board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

Prior to granting a certificate of public convenience and necessity to a public utility, the commission determines that the applicant is fit, willing, and able to provide the service. To that end, it employs utility financial analysts and utility engineers to perform the appropriate analyses to make this determination.

In recent years, Alaska communities have received substantial state and federal funding to construct water and sewer systems. Nevertheless, a comparatively small number of new certificates have been awarded to operate such utilities.¹⁴

In fact, 65 piped water systems and 65 piped sewer systems do not have the required certificate to operate a utility.¹⁵ These systems are spread among 73 different operators, 52 (71%) of which are incorporated under Alaska law as second class cities. RCA is thus overlooking almost half of the State's 114 second class cities and not fulfilling its statutory role under AS 42.05.141. Recommendation No. 1 addresses the options.

The extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We found no evidence of RCA hiring practices or appointments that were contrary to state personnel practices. Since the establishment of RCA, no complaints have been filed with the Alaska Human Rights Commission, the federal Equal Employment Opportunity Commission, or the Office of Equal Employment Opportunity in the governor's office.

Two situations were reviewed under the Executive Branch Ethics Act. Both involved

¹³ Some of these cases include work originated by RCA's predecessor (the Alaska Public Utilities Commission). Further appeals to the Alaska Supreme Court are pending in two of the five superior court cases (including the reversal).

¹⁴ Since the prior sunset audit (December 1998), RCA has received applications to operate water or sewer systems from only eight utilities.

¹⁵ Under RCA's enabling legislation, systems with at least 10 paying customers are considered to be "utilities" for the purpose of the operating certificate requirement.

technical conflicts of interest that were eliminated to the satisfaction of the assistant attorney general who investigates such matters.

The extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

Please refer to the Findings and Recommendations section.

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APPENDIX A

Regulatory Commission of Alaska Summary of Expenditures FY 01 – FY 02 (unaudited)

Expenditures ¹⁶	FY 01 Authorized	FY 01 Actual	FY 02 Authorized
Personal Services	\$ 3,423,700	\$ 3,402,800	\$ 3,736,500
Travel	52,200	72,400	55,000
Contractual	1,808,700	1,583,600	2,005,500
Supplies	62,500	48,600	62,500
Equipment	<u>13,800</u>	<u>150,800</u>	<u>13,800</u>
Total	<u>\$ 5,360,900</u>	<u>\$ 5,258,200</u>	<u>\$ 5,873,300</u>

Source: The information included in this summary was obtained from the State's accounting records.

¹⁶ Under AS 42.05.254, RCA assesses utilities and pipelines a regulatory cost charge designed to recoup its costs.

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STATE OF ALASKA

DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT
REGULATORY COMMISSION OF ALASKA

TONY KNOWLES, GOVERNOR

701 WEST EIGHTH AVENUE, SUITE 300
ANCHORAGE, ALASKA 99501-3469
PHONE: (907) 276-6222
FAX: (907) 276-0160
TTY: (907) 276-4533

December 26, 2001

RECEIVED

DEC 28 2001

LEGISLATIVE AUDIT

Pat Davidson
Legislative Auditor
State of Alaska
Legislative Audit and Budget Committee
P. O. Box 113300
Juneau, Alaska 99811-3300

Re: Audit Control Number 08-20013-02
Response to Preliminary Audit Report / Regulatory Commission of Alaska

Dear Ms. Davidson:

The RCA appreciates the audit's conclusion that our agency operates in a reasonably effective and efficient manner and should continue its mission for an additional four years. We will implement the recommendations set out in Management Letter No. 1.

Recommendation No. 1

RCA should either require smaller water and sewer utilities to be certificated or establish a meaningful exemption system by regulation.

We recognize that there are at least 130 uncertificated water and sewer systems in this state. This issue was inherited from our predecessor agency and has been exacerbated in recent years, as grant funding became available to construct new water and sewer systems in rural Alaska. Applying for certification has not been part of the process of establishing these new systems. We are analyzing this problem to understand how to solve it, and expect to begin implementing the solution within six months.

To address this problem, we need to coordinate with other state, local and federal agencies and authorities. We have been working with them to understand the RCA's role in assuring the future sustainability of these small water and sewer utilities to properly gauge our level of regulatory oversight. We agree that

our procedures should be standardized and made appropriate for utilities of this size and nature. A staff working group within the RCA is actively working on this matter.

After the streamlined procedures are available, we plan to notify all of the uncertificated utilities of the certification requirement and provide them with compliance information. If they do not respond within a reasonable time, we will consider enforcement actions.

If our analysis concludes that some classes of utilities should be exempted, we will propose and notice regulations. Because this issue is likely to evoke considerable public interest and comment, it will probably be at least nine months from the date that regulations are originally proposed at one of our public meetings until the regulations are finally adopted.

Recommendation No. 2

RCA should issue regulations that clarify use of its public advocacy section.

In the past two years we have gained enough experience with this section's operation to propose clarifying regulations. We agree that this recommendation is timely and have prioritized it among our current regulations projects accordingly. We estimate that these regulations will be approved and in place by the end of 2002.

Recommendation No. 3

RCA's chair should ensure that the publication of notices of formal proceedings is monitored.

We thank the audit team for bringing this to our attention. We are internally discussing procedures to ensure that the required public notices are published. Monitoring publication of public notices is complicated by the requirement that the utility, not the Commission, pays for publication of the notice. Also, by regulation competitive local exchange telecommunications carriers draft their own notices and arrange for their publication. This recommendation highlights an important underlying issue of how the public can effectively be notified about changes in utility services that we will address.

One of the RCA's main goals is to increase consumer awareness through effective public notice. We have developed an improved Web page and copies of notices are e-mailed or are available electronically through our site. Recognizing the limitations in any one approach, we are exploring the use of

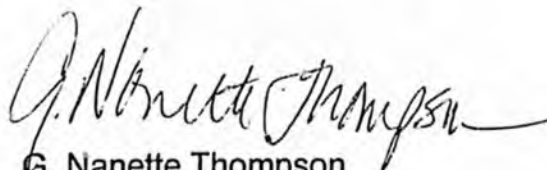
more Public Service Announcements, press releases, and billing inserts to better and more timely inform utility customers. For FY'02, we budgeted for a new Consumer Protection and Information Officer position to facilitate more community outreach.

As part of our new MIS system, the RCA database has been redesigned to record the receipt of affidavits of publication. By the end of February 2002, we will be able to monitor publication issues through this system. As we continue refining our public notice methods, we may implement other changes as well.

We appreciate your diligence and the time spent to prepare your findings and recommendations. We are pleased that the audit confirms our hard work and the improvements in our agency's operations over the past two years.

Sincerely,

REGULATORY COMMISSION OF ALASKA

A handwritten signature in cursive script, reading "G. Nanette Thompson". The signature is written in dark ink and is positioned above the printed name and title.

G. Nanette Thompson
Chair

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HOUSE BILL 333

An Act Extending the Sunset Date of the Regulatory Commission of Alaska

House Bill 333 will extend the sunset date for the Regulatory Commission of Alaska from June 30, 2002 to June 30, 2006. Pursuant to AS 44.66.010(c), The legislature may extend the termination date for this agency for a period not to exceed four years. HB 333 allows an extension for the full four years.

The Division of Legislative Audit published its audit report on November 28, 2001. The report concluded that the Regulatory Commission of Alaska operates in a reasonably effective and efficient manner and should continue to regulate public utilities and pipelines.

HB 333 would be effective immediately, thus the Regulatory Commission of Alaska would not need to begin the process of shutting down its operations pursuant to AS 44.66.010(b).

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 333
 () Publish Date: _____

Revision Date/Time (Note if correction): 2/4/2002 Dept. Affected: DCED
 Title Extending the Termination Date BRU Regulatory Commission of Alaska (399)
 of the Regulatory Commission of Alaska Component Regulatory Commission of Alaska
 Sponsor House Finance
 Requester House Labor & Commerce Component No. 2417

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	3,951.8	3,951.8	3,951.8	3,951.8	3,951.8	
Travel	55.0	55.0	55.0	55.0	55.0	
Contractual	1,920.0	1,920.0	1,920.0	1,920.0	1,920.0	
Supplies	62.5	62.5	62.5	62.5	62.5	
Equipment	13.8	13.8	13.8	13.8	13.8	
Land & Structures		0.0	0.0	0.0	0.0	
Grants & Claims		0.0	0.0	0.0	0.0	
Miscellaneous		0.0	0.0	0.0	0.0	
TOTAL OPERATING	6,003.1	6,003.1	6,003.1	6,003.1	6,003.1	

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						
1141 - RCA Receipts	6,003.1	6,003.1	6,003.1	6,003.1	6,003.1	
TOTAL	6,003.1	6,003.1	6,003.1	6,003.1	6,003.1	

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal: X

POSITIONS

Full-time	61	61	61	61	61
Part-time					
Temporary					

ANALYSIS: (Attach a separate page if necessary)

The bill extends the Regulatory Commission of Alaska to June 30, 2006. In accordance with AS 08.03.020, funding is extended one year following the termination date allowing the commission to conclude its affairs. The information above identifies direct expenditure and revenue information included in the FY 2003 Operating Budget Request. The RCA's budget is funded through the Regulatory Cost Charge (RCC) mechanism and direct charge mechanisms. No general funds are allocated for support of the agency. The RCC is recalculated each year and allows the agency to recover its operating costs through an assessment on the revenues of the utilities and pipeline carriers it regulates.

Prepared by: G. Nanette Thompson, Chair Phone (907) 263-2112
 Division Regulatory Commission of Alaska Date/Time 2/6/02 10:25 AM
 Approved by: Deborah B. Sedwick, Commissioner Date 2/6/2002
 Agency Department of Community & Economic Development

Resolution 02-19

A Resolution Supporting Legislation to Conditionally Extend the Life of the Regulatory Commission of Alaska for One Year

Regulated utilities depend on the RCA for prompt and fair regulatory decisions. Since its establishment, the RCA continues to struggle with its workload. The RCA has created an additional load of work for itself by initiating dockets and inquiries without having first cleared the backlog of old matters. The RCA must work to resolve cases decisively and finally.

ARECA supports the extension of the life of the RCA for only one additional year contingent on an explicit legislative requirement that the RCA complete the activities described below:

- Establish a dialogue with regulated utilities to discuss reform of the regulatory process.
- Prepare a report to the legislature addressing the following:
 1. How the RCA will reduce the backlog of cases and other matters pending before it.
 2. How the RCA can revise its processes to assure that fewer issues must be tried in trial-type proceedings.
 3. How deadlines for adjudication and other approval processes can be incorporated in RCA procedures to produce better and timelier decisions.
 4. Identify areas for which the RCA is currently responsible for regulation that provide the highest public benefit and areas in which regulation produces lower public value.
 5. Recommend areas of regulatory oversight that may be eliminated.

Adopted: December 6, 2001

ALASKA STATE LEGISLATURE

Representative Lisa Murkowski Chair
Representative Andrew Halcro Vice-Chair
Representative Pete Kott
Representative Kevin Meyer
Representative Norman Rokeberg
Representative Harry Crawford
Representative Joe Hayes



Alaska State Capitol
Juneau, AK 99801-1182
Telephone: (907) 465-4954
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Representative_Lisa_Murkowski@legis.state.ak.us

HOUSE LABOR AND COMMERCE COMMITTEE

Letter of Intent

Recognizing that the Regulatory Commission of Alaska is adjusting and evolving its operations since its inception in 1999, and that it receives numerous and complex complaints requiring time and consideration, and that the commission has an enormous backlog of cases, it is the intent of the House Labor and Commerce Committee in conjunction with the Senate Labor and Commerce Committee, to conduct annual oversight hearings of the Regulatory Commission of Alaska to discuss investigations and complaint follow-up, case backlog, and other matters of public inquiry regarding the activities of the commission.

Handwritten signature of Representative Lisa Murkowski.

Representative Murkowski
Chair,
House Labor and Commerce Committee

Handwritten signature of Representative Andrew Halcro.

Representative Halcro
Vice-Chair,
House Labor and Commerce Committee