

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 00/2

10952 HOUSE LABOR & COMMERCE

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Juneau Economic Development Council

February 12, 2003

Senator Gene Therriault
Senate President
State Capitol
Juneau, AK 99801-1082

Re: exemptions from marine pilotage statutes for large yachts

Dear Senator:

I am writing on behalf of the Juneau Economic Development Council (JEDC) to voice our support for changes to state pilotage laws to allow large, private foreign flagged private yachts to cruise in Alaska waters without a marine pilot aboard.

The JEDC works to enhance quality of life by actively promoting economic diversity and sustainable development in all of Southeast Alaska. We assist businesses in creating family-wage jobs with our business counseling and loan programs, as well as serving as the Overall Economic Development Planning agency for the City and Borough of Juneau.

It is a goal of JEDC to work with residents of Juneau and Southeast Alaska to help utilize our natural, cultural and intellectual resources wisely in order for our economy to be competitive in a national and international market place. The challenge is to help create family-wage jobs in a sustainable economy while at the same time maintaining our unique quality of life.

Tourism has now become one of the main economic engines in SE Alaska for communities that had previously relied only on resource development. It is my understanding that many coastal communities are missing out on the economic opportunity brought about by the visitation of independent visitors aboard these yachts. If a change in state law can help stimulate these areas towards an improved economy, we are committed to supporting this effort.

Thank you for addressing this important economic issue.

Sincerely,

Lance Miller
Executive Director

Diversifying our Economy • Assisting Business Development • Enriching our Quality of Life

612 Willoughby Avenue, Suite A • Juneau, Alaska 99801-1732
Tel 907-463-3662 • Fax 907-463-3929 • Toll Free 888-393-3662 • www.jedc.org



Greater Ketchikan Chamber of Commerce

P.O. Box 5957, Ketchikan, Alaska 99901

(907) 225-3184 • FAX: (907) 225-3187

February 20, 2003

Senator Gene Therriault
Senate President
State Capitol
Juneau, Alaska 99801-1082

Dear Senator Therriault,

I would like to add the support of the Greater Ketchikan Chamber of Commerce for the current efforts to change Alaska law to allow private yachts registered outside of the US, to travel into Alaskan waters without a marine pilot onboard.

In Ketchikan, the tourism and maritime support industries are important economic sectors. Although cruise ship passengers provide the main economic engine for our visitor industry, our member businesses understand the value of attracting the independent tourists arriving in our city by yacht. Ketchikan's maritime industries are prepared to support the sophisticated vessels that comprise this unique fleet of privately owned ships. The impact of spending in our community by this growing sector of the yacht industry cannot be overstated.

The Chamber supports the efforts by yacht owners, communities and other small businesses to change this state law, whose only effect has been to stifle commerce. It is our hope that the groups working on this issue, including our local marine pilots, will be able to reach a compromise allowing all yachts to safely travel in Alaska.

Please consider this change that will help stimulate the economy for many small businesses in Ketchikan, as well as throughout Southeast Alaska.

Thank you for your timely consideration of this matter.

Sincerely,

A handwritten signature in dark ink that reads "Doug Ward".

Doug Ward
President

Greater Ketchikan Chamber of Commerce



GOLDBELT
SEADROME
MARINE COMPLEX

February 7, 2003

The Honorable Ceno Theriault
Senate President
State Capital
Juneau, AK 99801-1182

Dear Senator Theriault:

I am writing in support of the proposed change to the marine pilotage law concerning foreign flagged yachts. As manager of the Seadrome Marine Complex a docking facility owned by Goldbelt in downtown Juneau, I have observed vessels that become very frustrated with the current regulations and head for friendlier ports. Our customer base is made up of small cruise vessels, day boats and yachts. This past year, approximately 25% of our moorage business came from yachts and transient vessels. Most of these vessels travel from the east coast specifically to visit Alaska while others are on their maiden voyage after leaving one of the boat builders in the Puget Sound area.

We have noticed a steady increase of yachts visiting Alaska over the past five years and hear about many more that decide not to make the trip because of the costly pilotage requirements. Although I have no way of knowing the potential market that is discouraged from visiting Alaska because of the current regulations, my feeling is that it is considerable. The limited availability of pilots is also problematic for vessels such as yachts with an ever-changing schedule.

The independent yacht visitor has a comparably greater positive economic impact by spending days if not weeks in Alaska and spreading their purchasing power over numerous businesses and communities. This positively impacts a wide variety of businesses from groceries to carpet cleaners and flower shops and fuel companies.

I urge you to consider an exemption or similar action to allow this market to reach its potential in Alaska. Many businesses and communities throughout the region will realize the benefits.

Best regards,

A handwritten signature in black ink, appearing to read "Jeff White", is written over a horizontal line.

Jeff White
Manager
Seadrome Marine Complex



Summit Restaurant/Inn at the Waterfront
455 South Franklin Street
Juneau, AK 99801
Phone 907-586-2050 Fax 907-586-2999
E-mail: AN1898INN@AOL.COM

February 12, 2003

Senator Gene Therriault
Senate President
State Capital
Juneau, AK 99811-3100

Dear Senator Therriault:

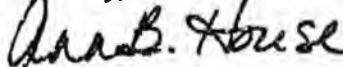
As the long time owner of a small hotel and restaurant in downtown Juneau, I am supporting a change in Alaska's Marine pilotage laws to allow large pleasure yachts to operate without additional marine pilots while in Alaska. I cannot stress strongly enough the impact the private yacht traffic has on my business.

The Summit Restaurant and the Inn at the Waterfront is one of the few businesses on the South end of Franklin Street that stays open throughout the winter months to better help serve our visitors and legislative friends from all over the state. Many companies in the downtown area enjoy business brought from all sectors of our cruise ship industry. As you may know when passage is booked on one of the larger cruise ships, all meals are included. (As are the midnight buffets the ships are so famous for!). For this reason, the independent visitor traffic is of the utmost importance to my economic viability.

The amount of money that is spent these yachts in a community can be staggering. I have witnessed this first hand on numerous occasions. It would seem that the legislature should do all it can to attract these desirable tourist to Alaska; ones that spend freely and leave no negative impacts behind.

Thank you for your consideration to these charges that will have a very positive impact on my small business.

Sincerely,



Ann B. House
Owner

Miss Scarlett's Greenery

124 Seward Street Juneau, Alaska 99801 907-586-1766 Fax: 907-586-6545 800-586-1767

February 10, 2003

Senator Gene Therriault
Senate President
State Capitol
Juneau, AK 99801-1082

Dear Senator Therriault:

As the co-owner of a local, family owned business that depends on Juneau's summer visitors for our economic viability, I would like to add my voice of support to a change in Alaska's marine pilotage laws to allow large pleasure yachts to operate without additional pilots aboard while in our waters.

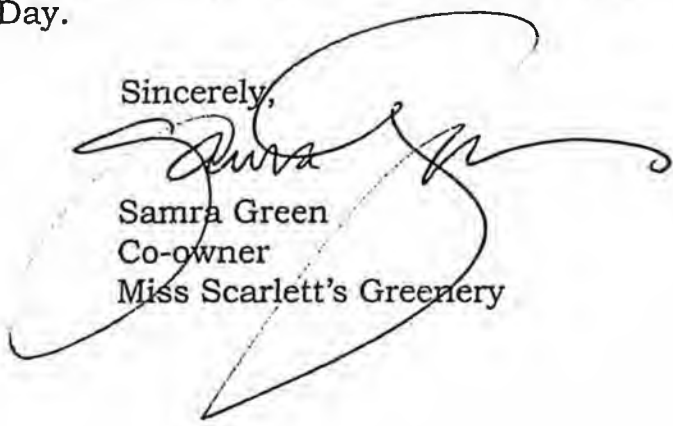
Although Miss Scarlett's Greenery enjoys a steady local business during most of the year, I can truthfully state that the income we derive from independent yacht traffic is crucial to our bottom line. It makes the difference between having a great season and having one in which we wonder how we'll make it through the very slow fall and winter until the legislature arrives.

We are one of many small businesses in Southeast that wouldn't typically come to mind when you think of these affluent visitors. But we supply a product that can only be enjoyed while fresh, not unlike produce, dairy and meat, which must be purchased while in port.

Please bear in mind the impact your decision will have on our livelihood. Alaska is the destination of a lifetime for many of the customers we come in contact with each summer. The government should be doing all it can to attract these desirable visitors to our state, especially during these times of economic uncertainty.

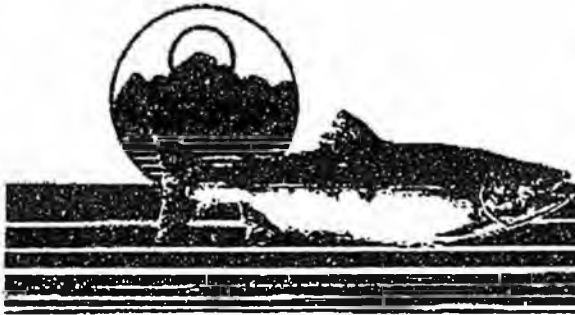
Thank you for your consideration of this issue. Please let me know if you would like any further information regarding our reliance on this important sector of the tourism industry-but please call after Valentine's Day.

Sincerely,



Samra Green
Co-owner

Miss Scarlett's Greenery

**Douglas Island Pink and Chum, Inc.**

2697 Channel Dr. • Juneau, Alaska 99801

Telephone: (907) 463-5114 • Fax: (907) 463-3213

Senator Gene Therriault
Senate President
State Capitol
Juneau, AK 99801-1082

February 10, 2003

Dear Senator Therriault:

As the Executive Director of the Douglas Island Pink and Chum Corporation (DIPAC) in Juneau, I am writing to support a change in Alaska law that will allow large private yachts to travel into Alaskan waters without an additional marine pilot aboard.

As the main producer of enhanced salmon for the communities of northern Southeast, we are very aware of and concerned about issues affecting sport fishing in the inside waters. We produce salmon for sport and commercial fishermen, as well as the expanding local salmon charter business. Although most of our operating funds are earned in a traditional manner through cost recovery of our fish, a percentage of our expenses are covered each year by money brought in through the tourism attraction attached to our hatchery. We host over 100,000 visitors at our facility each summer, with a growing number originating from non-cruise ship travel.

We in Juneau understand the economic opportunity associated with independent travelers to Alaska. The cruiseships provide the majority of our client base, but locals, their relatives and other tourists visiting Juneau have a significant impact. The money spent in our community by developing the private yacht industry is welcome and needed. I am in total support of any changes in statute which will increase the traffic to our area by these desirable tourists. It is my understanding that the current law has never been enforced, and this is all the more reason to investigate changes at this time.

Thank you for your consideration of these changes in statute which benefit all the coastal communities in Southeast Alaska

Sincerely,

A handwritten signature in black ink that reads "Jon Carter". The signature is written in a cursive, flowing style.

Jon Carter
Executive Director



DAVID L. SOKOL
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

January 28, 2003

Senator Gene Therriault
State President
State Capitol
Juneau, AK 99801-1182

Re: SB20 – Board of Marine Pilots

Dear Senator Therriault:

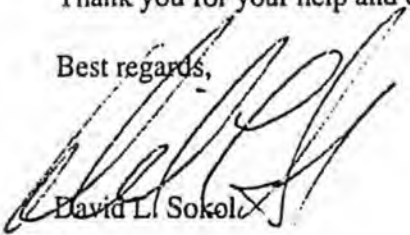
The purpose of this letter is to offer my strong support in regard to an amendment to SB20 – Board of Marine Pilots that would provide an exemption for pleasure craft of foreign registry of less than 200 feet in length.

I, and several other boat owners who used to cruise the Southeastern Alaskan waters, have been unable to do so in recent years due to an inadvertent change in the statute in 1995.

We are hopeful to enjoy your beautiful state this summer if such an amendment could be approved. I have attached some prior correspondence that may be of use to your staff as they consider this request.

Thank you for your help and consideration.

Best regards,



David L. Sokol

Encl.
:bt



3107 Channel Drive, Suite 300 • Juneau AK 99801
(907) 463-3488 • Fax (907) 463-3489

February 12, 2003

Governor Frank Murkowski
State of Alaska
PO Box 110001
Juneau, AK 99811

Dear Governor Murkowski:

As the Executive Director of the Juneau Chamber of Commerce, I would like to add the support of our organization for a change in Alaska statutes that will allow additional private yachts to travel into Alaskan waters without a marine pilot aboard.

Although Juneau is enjoying a stable economy at this time based on a combination of government and private employment and summer tourism positions, other areas of Southeast are not as lucky. In communities where timber and fish were once the mainstays, the tourism industry is becoming an important partner. In Juneau, a community which hosts nearly one million visitors a year, we have long understood the value of these independent travelers to our economy.

As you may know, a private sector group in Juneau is in the permitting stage for construction of a new dock to provide additional moorage space for yachts, small cruise ships and lightering vessels. There is no better way to gauge business opportunities than by those who are willing to invest in the infrastructure of our community.

The Chamber supports the efforts by Alaska Yacht Services and Provisioning to change this state law which significantly discourages yacht visitation. Without an amendment to the current marine pilot regulation that states that "all pleasure craft foreign flagged must hire a state marine pilot onboard," Southeast Alaska is missing out on a wonderful economic opportunity. Please consider this change in direction that will help stimulate the economy for many small businesses in Juneau, as well as throughout Southeast and coastal Alaska.

Thank you for your consideration of this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Jamie Parsons", written over a horizontal line.

Jamie Parsons
Executive Director
Juneau Chamber of Commerce

CC: Senate President Gene Therriault



DAVID L. SOKOL
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

January 28, 2003

Governor Frank Murkowski
State of Alaska
PO Box 110001
Juneau, AK 99811-0001

Re: SB20 – Board of Marine Pilots

Dear Governor Murkowski:

First, let me congratulate you on your gubernatorial victory. My team and I at MidAmerican Energy Holdings Company very much enjoyed working with you in the United States Senate. The State of Alaska is fortunate to have you as Governor, and we are pleased to continue our relationship with you.

The purpose of this letter is to offer my strong support in regard to an amendment to SB20 – Board of Marine Pilots that would provide an exemption for pleasure craft of foreign registry of less than 200 feet in length.

I, and several other boat owners who used to cruise the Southeastern Alaskan waters, have been unable to do so in recent years due to an inadvertent change in the statute in 1995.

We are hopeful to enjoy your beautiful state this summer if such an amendment could be approved. I have attached some prior correspondence that may be of use to your staff as they consider this request.

Thank you for your help and consideration.

Best regards,


David L. Sokol

Encl.
:bt

MIDAMERICAN ENERGY HOLDINGS COMPANY

302 SOUTH 36TH STREET • SUITE 400 • OMAHA, NEBRASKA 68131-3845 • 402-341-4500 • FAX: 402-231-1403



Motor Yacht Mi Gaea

20 February 2003

Senator Gene Therriault
Senate President
State Capitol
Juneau, AK 99801-1082

Dear Senator,

As the Master of the Motor Yacht Mi Gaea, I had the opportunity to operate the yacht for her owners in the beautiful waters of Southeast Alaska during the summer of 2002. This is my second voyage in Alaskan waters, and by far, the most extensive. During this second trip, I became aware of the little known regulation regarding the compulsory use of a marine pilot aboard yachts while cruising Alaskan waters. Further, I understand that there is currently an effort underway to modify the regulations by providing for an exemption to the pilotage requirements for qualified yachts and captains. It is this subject I wish to address.

The Motor Yacht Mi Gaea is a Cayman Islands registered private yacht, 158 feet in length and 476 Gross Registered Tons displacement. We carry as many as 12 guests in the owner's party and a full time crew of 12. The past summer we spent approximately 50 days underway with owners and their guests, and all of the fuel, provisions, supplies, and equipment required to supply the vessel for that period were purchased in Alaska. In addition, we hired aircraft, fishing guides, buses, rental cars, and frequented many restaurants.

Also associated with many of the larger private yachts are the private aircraft that bring the guests to the vessels. This generates revenue in aircraft fuel, landing fees, and fees charged by Fixed Base Operators at airports.

I conservatively estimate that this yacht and her guests spent in excess of \$200,000.00 in the 3 months we were in Alaska. In my experience, this revenue and the activities that generated it are of low impact to an area. We certainly don't generate the revenues the cruise ships do, but neither do we bring the hordes of people that inundate some of your port cities at times.

I would like to plan more visits to Alaska, and encourage my fellow captains to do so as well. However, the pilotage requirement for yachts as currently written, will prevent me and many of my colleagues from doing so.

MI GAEA LTD.

Box 268, Bank of Nova Scotia Building, Georgetown, Grand Cayman, British West Indies
Satcom Tel: (871/874) 331-948222 • Satcom Fax: (871/874) 331-948234
U.S.A. Contact Address : 5 Hog Island Road, Philadelphia, PA 19153
Email: Captain@MiGaea.com

**MI GAEA**

Page 2

The nature of the operation of yachts is simply not compatible with the pilotage system. Our owners and guests make or change plans with very short notice, sometimes only hours. I don't believe that the pilotage system of any area can respond that quickly. I might add that with the exception of the Panama Canal, yachts are generally not required to carry pilots.

My suggestion is to pattern an exemption for yachts similar to what the State of Washington has done. Prior to entry into the pilotage area, a yacht captain is required to identify his experience in the waters of the Puget Sound, identify communications and navigation equipment aboard, and identify crew members and their experience. This, in addition to the required Alaska State Water Pollution insurance coverage, which has its own equipment requirements, should provide for safe navigation and the continuation of this valuable commerce.

Most Sincerely,

A handwritten signature in cursive script that reads 'Mark A. Howard'. The signature is written in dark ink and is positioned above the typed name.

Mark A. Howard, Master
Motor Yacht Mi Gaea
United States Merchant Marine No. 881 518



M/Y ALLIANCE

PACCAR Inc
P.O. Box 1518
Bellevue, WA 98003
(425) 453-2529

Skip Sethmann, Captain

Loyd Harris, Engineer

February 6, 2003

Senator Gene Therriault
Senate President
State Capitol
Juneau, AK 99801-1082

Dear Senator Therriault:

I am writing to you in my position as the captain of the M/Y Alliance, a 136ft American flagged private yacht homeported in Seattle. Although my vessel is exempted from the current Alaska marine pilotage laws, I would like to add my support to the effort underway to expand this exemption to allow larger foreign flagged yachts into Alaska waters without an additional marine pilot.

I have two years of experience cruising in Alaska, and have sailed in nearly every body of water in the world. With a crew of four and eight guests, the economic impact of a visit from our yacht is a significant one. We regularly take on 12,500 gallons of fuel during a typical season. Our crew and guest eat in local restaurants on an average of 5 nights during a 3 week trip and shop heavily whenever we are in port. I would estimate our spending during a normal cruising season to be in excess of \$100,000. In the communities visited by our vessel.

I have recently had contact with other captains and owners who are in the process of making alternative cruising plans because of the restrictive pilotage regulations in Alaska. It is unreasonable to expect them to accommodate an additional and unknown crewperson for the length of time they generally spend on a cruise in Southeast. Owners typically keep their yacht and crew on 24 hour standby, as to be available to ship out within a period of a few days or less. This also contributes to the impracticality of hiring a marine pilot. It is my understanding that the pilot organization in Southeast prefers to schedule their trips many weeks, if not months, in advance. It must be very hard to accommodate our yachts that are required to notify them only 48 hours in advance of entering a pilotage region.

As this law has never been enforced, it is serving only to impede commerce in Alaska. Thank you for your consideration of these changes. I look forward to visiting your beautiful state again in the near future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Skip Sethmann', written over a horizontal line.

Captain Skip Sethmann



February 5, 2003

Senator Gene Theriault
Senate President
State Capitol
Juneau, AK 99801-1182

Dear Senator,

Delta Marine, located in Seattle, Washington is a manufacturer of custom luxury yachts with a complete refit & repair division. Our operation builds and services yachts of up to 225-foot and 1300 gross tons for a global clientele.

Many of our customers look forward to cruising Alaska when departing from Delta. However, several recent customers have decided to cancel their Alaska trips due to the stringent pilotage requirements of the State of Alaska. This affects Delta and our community as well as the waterfront communities of Alaska.

The following are three cases in particular that I wanted to bring to your attention:

- The 151' *Sally Ann* (498 gross international tonnage), after completing a five-year circumnavigation in 2001, returned to Delta for some routine maintenance work. The last leg of their amazing journey was to take them to Alaska. However, due to the rigorous pilotage requirements of the State of Alaska they canceled their trip and headed south instead.
- The 167' *Georgia* (381 gross international tonnage), is yet another a foreign flagged yacht that had plans to cruise Alaska. This story is unique, as this yacht sailed from the Mediterranean for a complete re-paint at Delta in 2002, as well as the opportunity to cruise the beautiful waters of the North Pacific. Once here, they were made aware of the strict pilotage requirements and too, canceled their plans to cruise to Alaska.
- Finally, the 126' *Andrea* (456 gross international tonnage), is a tough, seaworthy expedition yacht due to be delivered by Delta late this spring. Delta has quickly become known around the world for building these types of yachts and this client has come from Europe to Seattle to build. Although they would like to spend the summer cruising Alaska, taking this yacht to the far places it was built to see, they are planning to cancel their cruise to Alaska, again due to the strict Alaska pilotage requirements.

This is an issue that will continue to affect Delta, our customers, and the coastal communities of Alaska. We believe that changes to the law should be addressed as par:

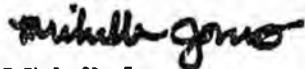
DELTA MARINE INDUSTRIES
1608 SOUTH 96TH STREET
SEATTLE, WASHINGTON 98108 USA
T: 206.763.1583 F: 206.763.1627

of your current work on SB 20, the Board of Marine Pilots extension legislation. The requirement for pilotage of yachts should be thoroughly reviewed, with a goal of eliminating or narrowing this requirement.

The large yachts Delta builds and services are well maintained and well run. As a group, these yachts have an outstanding safety record. Removal of the pilotage requirement for these private pleasure craft is consistent with both maintaining environmental protection and encouraging economic opportunity, as well as standardizing marine pilotage law along the entire coastline from Washington to Alaska.

Your attention and efforts are appreciated. If I can be of any further assistance or answers any questions please let me know.

Sincerely,



Michelle Jones
Marketing Manager

DAVID L. SOKOL
302 SOUTH 36TH STREET
SUITE 400
OMAHA, NEBRASKA 68131

RECEIVED
JUN 19 2002
DIVISION OF
OCCUPATIONAL LICENSING
JUNEAU

June 14, 2002

The Honorable Tony Knowles
State Capitol
P. O. Box 110001
Juneau, AK 99811-0001

Dear Governor Knowles:

I would like to bring to your attention a situation which I believe may have been caused inadvertently; however, it has the potential to significantly impact the economy of several southeastern communities in Alaska.

Several years ago I had the privilege of being a guest on a private motor yacht that cruised the waterways of southeastern Alaska, primarily in the areas between Ketchikan, Sitka and Juneau. I, and the other seven guests, had a wonderful time shopping in Sitka and Juneau, fishing and sightseeing in some of America's most beautiful waterways. Following on this experience, two years ago I had the opportunity to purchase my own boat and it was our intention to spend this summer in southeastern Alaska. Unfortunately, when my captain was preparing the cruise this spring he came across *Alaska Statute 08.62.180* which deals with marine pilotage requirements in Alaska. While we are familiar with typical pilotage requirements in other states and countries, this law is unique, in our understanding, in that it essentially requires full time pilotage not just in and out of harbors, but also throughout the waterways. Further, there are no qualification exemptions for demonstrated captain proficiency.

As such, pursuant to this statute we must essentially hire a pilot from one of the two companies providing this service for the entirety of our cruise. I contacted both of these firms in Ketchikan and was informed that the cost would be \$1,400.00 to \$2,200.00 per day depending on our schedule. This would equate to approximately \$72,000.00 for our summer cruise. Because of this requirement we have altered our plans and we are going to spend the summer in British Columbia. This is obviously a severe disappointment given that I am an American citizen.

I do fully understand the need for appropriate pilotage requirements under certain circumstances; however I believe that this statute's lack of flexibility is unreasonable. By way of example, our boat is approximately 135 feet in length and we have three licensed captains as part of our seven-person crew. Our captain is fully licensed to 1600 gross

Page Two
Governor Tony Knowles
June 14, 2002

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JUN 19 2002
DIVISION OF
OCCUPATIONAL LICENSING
JUNEAU

tons and is intimately familiar with the Alaskan waterways. Under *AK 08.62.180* those qualifications are irrelevant; however, in British Columbia we received a pilotage exemption in less than two weeks.

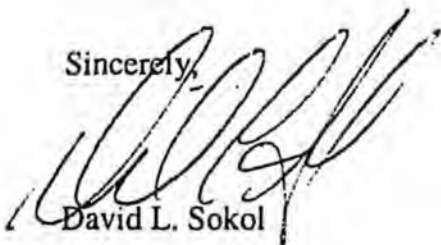
We would recommend to you a change in *AK 08.62.180* to either allow an exemption process for qualified captains or to place a reasonable length limitation (possibly 200 feet or less) exemption for pleasure craft with properly licensed captains. While the statute currently has gross tonnage limitations, I believe you will find such measurements inconsistent and difficult to administer due to the many tonnage conventions utilized in the United States and Internationally.

The real damage caused by making these pilotage requirements unreasonable is to the small towns of southeast Alaska. I have become aware of eleven vessels that have chosen to not cruise in Alaskan waters this summer. I am certain there are others as well. In our own case we would have had 48 guests (6 cruises with 8 guests) over the summer, seven crew living with the boat all summer, fuel, food, fishing licenses, tackle, airline traffic, souvenir shopping, restaurants, cabs, etc. Just our boat alone would have generated over \$250,000 in economic activity in Ketchikan, Sitka and Juneau. If we assume 20 boats avoid Alaska because of unnecessary pilotage requirements, \$5,000,000 of economic activity will be lost.

Please understand, we are fully in favor of proper safety and environmental standards, and we wish for Alaskan waterways to be kept clean and safe for all future generations. Providing reasonable exemptions, as is done throughout the rest of the United States and around the world, will not require these standards to be lessened.

I recognize that since this will require a legislative solution, you cannot resolve this situation for this summer. I hope that something can be done before next spring. Please call me if I can provide additional information, or if I can help you in dealing with this situation.

Sincerely,



David L. Sokol

CC: Peter Christensen, Pilot Coordinator
Board of Marine Pilots
P. O. Box 110806
Juneau, AK 99811-0806

DAVID L. SOKOL
302 SOUTH 36TH STREET
SUITE 400
OMAHA, NEBRASKA 68131

June 14, 2002

The Honorable Tony Knowles
State Capitol
P. O. Box 110001
Juneau, AK 99811-0001

Dear Governor Knowles:

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As such, pursuant to this statute we must essentially hire a pilot from one of the two companies providing this service for the entirety of our cruise. I contacted both of these firms in Ketchikan and was informed that the cost would be \$1,400.00 to \$2,200.00 per day depending on our schedule. This would equate to approximately \$72,000.00 for our summer cruise. Because of this requirement we have altered our plans and we are going to spend the summer in British Columbia. This is obviously a severe disappointment given that I am an American citizen.

I do fully understand the need for appropriate pilotage requirements under certain circumstances; however I believe that this statute's lack of flexibility is unreasonable. By way of example, our boat is approximately 135 feet in length and we have three licensed captains as part of our seven-person crew. Our captain is fully licensed to 1600 gross

Page Two
Governor Tony Knowles
June 14, 2002

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We would recommend to you a change in *AK 08.62.180* to either allow an exemption process for qualified captains or to place a reasonable length limitation (possibly 200 feet or less) exemption for pleasure craft with properly licensed captains. While the statute currently has gross tonnage limitations, I believe you will find such measurements inconsistent and difficult to administer due to the many tonnage conventions utilized in the United States and Internationally.

The real damage caused by making these pilotage requirements unreasonable is to the small towns of southeast Alaska. I have become aware of eleven vessels that have chosen to not cruise in Alaskan waters this summer. I am certain there are others as well. In our own case we would have had 48 guests (6 cruises with 8 guests) over the summer, seven crew living with the boat all summer, fuel, food, fishing licenses, tackle, airline traffic, souvenir shopping, restaurants, cabs, etc. Just our boat alone would have generated over \$250,000 in economic activity in Ketchikan, Sitka and Juneau. If we assume 20 boats avoid Alaska because of unnecessary pilotage requirements, \$5,000,000 of economic activity will be lost.

Please understand, we are fully in favor of proper safety and environmental standards, and we wish for Alaskan waterways to be kept clean and safe for all future generations. Providing reasonable exemptions, as is done throughout the rest of the United States and around the world, will not require these standards to be lessened.

I recognize that since this will require a legislative solution, you cannot resolve this situation for this summer. I hope that something can be done before next spring. Please call me if I can provide additional information, or if I can help you in dealing with this situation.

Sincerely,



David L. Sokol

CC: Peter Christensen, Pilot Coordinator
Board of Marine Pilots
P. O. Box 110806
Juneau, AK 99811-0806

This same letter was also sent to:

The Honorable Rick Halford
President of the Senate
State Capitol
Juneau, AK 99801-1182

The Honorable Brian S. Porter
Speaker of the House of Representatives
State Capitol
Juneau, AK 99801-1182

The Honorable Frank H. Murkowski
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

ASVTS: GMDSS as a Maritime Security Tool: ASVTS Graphics

Introduction
System
Sample
Info and
Sales

Login

ASVTS as
a Maritime
Security
Tool

NMFS

Authorizes

Alternative

Satellite

System

Automated

Secure

Vessel

Tracking

System

GMDSS (Global Marine Distress Signaling System) as a Maritime Security Tool

Published in Pacific Maritime September 2002

Fortunately, there are already easy, low cost and timely options in place that can help provide Maritime Domain Awareness now. Vessels equipped with GMDSS (Global Marine Distress Signaling System) are capable of automatically sending their vessel's position on a regular or modified schedule to a centralized tracking system for dissemination to the Coast Guard and other federal, state and private entities charged with addressing maritime security. The International Maritime Organization (IMO) has prescribed all vessels over 300 gross tons engaged in international trade be equipped with GMDSS to aid notification of maritime emergencies. Polling of vessels' positions can be initiated when a vessel provides its 96 hour Advance Notice of Arrival, which for many vessels is 2,000 miles offshore. The position information on participating vessels can be compared to other data sources, such as satellite imagery, to identify vessels that have no correlating advance notice of arrival or vessel tracking information. These few vessels, the needles in the haystack, become the focus of interest and become subject to additional control measures exercised by the Coast Guard, such as prior boarding, interception at sea, etc. The fastest and least expensive way to bring this Maritime Domain Awareness tool on line is to tap the maritime community who has a "shared commitment" to aid homeland security. The non-profit Maritime Information Service of North America's (MISNA) network of marine exchanges can use available secure chart display software such as Secure Asset Reporting System (SARS) to process and disseminate the GMDSS generated vessel position reports to the Coast Guard and other agencies to aid Maritime Domain Awareness. As the equipment, organizational infrastructure and software are all in place, this vessel tracking system can be in place in a matter of months. The cost to the marine industry would be minimal, averaging less than \$30 per month/ per vessel for the satellite communication fees incurred in sending position reports. MISNA refers to this vessel locating system as the "Automated Secure Vessel Tracking System".

When implemented it will complement the existing and developing VTS and AIS systems, providing the long range strategic input needed for Maritime Domain Awareness. Example of ASVTS Tracking.

The satellite component uses the IMO approved Inmarsat worldwide satellite communications network to send and receive messages. Once the owner/operator authorizes access, a vessel tracking entity such as MISNA can remotely, through a satellite transmission, download a program into the transceiver directing it to periodically transmit the vessel's position to a satellite. The information is then relayed from the satellite to a Land User Terminal to the end user, i.e. marine exchange, via e-mail for display on a chart or database and further dissemination to authorized entities. As the proposed legislation also addresses the tracking of domestic vessels, there are a number of other satellite or other communications equipment vessel tracking options available for a reasonable fee.



Ed Page is the Executive Director of the Marine Exchange of Alaska, and was previously the Captain of the Port of Los Angeles/Long Beach

Reporting Service have been testing this system for the last year on CG vessels, the Alaska Marine Highway System ferries, tug boats, fishing vessels and a cruise ship. It works!

Coast Guard personnel are already fully tapped assigning their limited and stretched work force to operate their vessels and aircraft, conduct security boardings, inspect ships, and patrol our ports. They are not in the position to now stand up a nationwide vessel tracking system. The added information/data management workload can quickly and adequately be done by the Maritime Information Service of North America and member marine exchanges that can serve as the "trusted agents".

As President Bush has stated, we must push our borders further out. Requiring vessels to operate transponders only when operating in U.S. navigable waters, extending 12 miles off our shores is not providing adequate Maritime Domain Awareness. International maritime law and Freedom of Navigation issues may lead the U.S. to hesitate to require the operation of transponders out to our territorial sea limit of 200 miles, or a vessel's position some 2,000 miles offshore when it provides its 96 hour advance notice of arrival. Security processing incentives can lead vessel owners and operators to keep their transponders on at all times, even when they are in foreign ports and waters. A vessel cooperating with the U.S. ASVTS program can receive "express lane" privileges, and receive a lower security threat risk rating. The old adage "Time is Money" applies. A majority of vessels will voluntarily cooperate.



The above provides a straightforward and easy way to implement Maritime Domain Awareness option. While this is not the panacea and many other maritime security issues remain to be addressed, the proposed Maritime Information Service of North America's ASVTS can address one of the more vexing aspects of our homeland defense issues today.

STATE OF WASHINGTON
BOARD OF PILOTAGE COMMISSIONERS
2911 2nd Avenue, Suite 100
Seattle, Washington 98121
(206) 515-3904
(206) 515-3969 FAX

PETITION FOR VESSEL EXEMPTION FROM PILOTAGE REQUIREMENTS

_____ (DATE) _____ NEW _____ RENEWAL

1. Applicant:

Name _____

Address _____

Telephone _____

2. Owner of vessel, if different from applicant:

Name _____

Address _____

Telephone _____

3. Name of vessel and country of registry:

4. Type and use of vessel, including length (LOA) and gross tonnage (international):

5. Length of time sought for exemption when vessel will be exclusively in the waters of the Puget Sound Pilotage District and lower British Columbia:

6. Purpose of visit:

7. Names and addresses of captain, crew and passengers: (use additional sheets if necessary)

8. Experience of master and crew in waters of Puget Sound and lower British Columbia: (attach any government licenses)

9. Identities of the captain and/or crew who speak English:

10. Type and quantity of fuel and any other potentially environmentally damaging substances on board:

11. Brief description of navigational aids on board:

12. Brief description of communications equipment: (list accessible VHF channels)

13. List any propulsion, navigation or communication equipment not currently operational:

RCW 88.16.070

Vessels exempted and included under chapter -- Fee -- Penalty.

A United States vessel on a voyage in which it is operating exclusively on its coastwise endorsement, its fishery endorsement (including catching and processing its own catch outside United States waters and economic zone for delivery in the United States), and/or its recreational (or pleasure) endorsement, and all United States and Canadian vessels engaged exclusively in the coasting trade on the west coast of the continental United States (including Alaska) and/or British Columbia shall be exempt from the provisions of this chapter unless a pilot licensed under this chapter be actually employed, in which case the pilotage rates provided for in this chapter shall apply. However, the board shall, upon the written petition of any interested party, and upon notice and opportunity for hearing, grant an exemption from the provisions of this chapter to any vessel that the board finds is a small passenger vessel or yacht which is not more than five hundred gross tons (international), does not exceed two hundred feet in length, and is operated exclusively in the waters of the Puget Sound pilotage district and lower British Columbia. Such an exemption shall not be detrimental to the public interest in regard to safe operation preventing loss of human lives, loss of property, and protecting the marine environment of the state of Washington. Such petition shall set out the general description of the vessel, the contemplated use of same, the proposed area of operation, and the name and address of the vessel's owner. The board shall annually, or at any other time when in the public interest, review any exemptions granted to this specified class of small vessels to insure that each exempted vessel remains in compliance with the original exemption. The board shall have the authority to revoke such exemption where there is not continued compliance with the requirements for exemption. The board shall maintain a file which shall include all petitions for exemption, a roster of vessels granted exemption, and the board's written decisions which shall set forth the findings for grants of exemption. Each applicant for exemption or annual renewal shall pay a fee, payable to the pilotage account. Fees for initial applications and for renewals shall be established by rule, and shall not exceed one thousand five hundred dollars. The board shall report annually to the legislature on such exemptions. Every vessel not so exempt, shall while navigating the Puget Sound and Grays Harbor and Willapa Bay pilotage districts, employ a pilot licensed under the provisions of this chapter and shall be liable for and pay pilotage rates in accordance with the pilotage rates herein established or which may hereafter be established under the provisions of this chapter: PROVIDED, That any vessel inbound to or outbound from Canadian ports is exempt from the provisions of this section, if said vessel actually employs a pilot licensed by the Pacific pilotage authority (the pilot licensing authority for the western district of Canada), and if it is communicating with the vessel traffic system and has appropriate navigational charts, and if said vessel uses only those waters east of the international boundary line which are west of a line which begins at the southwestern edge of Point Roberts then to Alden Point (Patos Island), then to Skipjack Island light, then to Turn Point (Stuart Island), then to Kellet Bluff (Henry Island), then to Lime Kiln (San Juan Island) then to the intersection of one hundred twenty-three degrees seven minutes west longitude and forty-eight degrees twenty-five minutes north latitude then to the international boundary. The board shall correspond with the Pacific pilotage authority from time to time to ensure the provisions of this section are enforced. If any exempted vessel does not comply with these provisions it shall be deemed to be in violation of this section and subject to the penalties provided in RCW 88.16.150 as now or hereafter amended and liable to pilotage fees as determined by the board. The board shall investigate any accident on the waters covered by this chapter involving a Canadian pilot and shall include the results in its annual report.

[1996 c 144 § 1; 1995 c 174 § 1; 1987 c 194 § 2; 1977 ex.s. c 337 § 5; 1971 ex.s. c 297 § 3; 1967 c 15 § 3; 1935 c 18 § 4; RRS § 9871-4.]

NOTES:

Intent -- 1987 c 194: "The legislature intends to provide a limited exemption from the provisions of this chapter for a specified class of small vessels registered as passenger vessels or yachts. It is not the intent of the legislature that such an exemption shall be a precedent for future exemptions of vessels from the provisions of this chapter." [1987 c 194 § 1.7]

Severability – 1977 ex.s. c 337: See note following RCW 88.16.005.

WAC 363-116-360 Exempt vessels. (1) Under the authority of RCW 88.16.070, application may be made to the board of pilotage commissioners to seek exemption from the pilotage requirements for the operation of a limited class of small passenger vessels or yachts, which are not more than five hundred gross tons (international), do not exceed two hundred feet in length, and are operated exclusively in the waters of the Puget Sound pilotage district and lower British Columbia. For purposes of this section, any vessel carrying passengers for a fee, including yachts under charter where both the vessel and crew are provided for a fee, shall be considered a passenger vessel.

The owners or operators of the vessel for which exemption is sought must:

(a) Complete and file with the board a petition requesting an exemption at least sixty days prior to planned vessel operations in the Puget Sound pilotage district where possible. Petitions filed with less than sixty days notice may be considered by the chair at the chair's discretion.

(b) The petition requesting exemption shall be on a board-approved form which shall include a description of the vessel, the contemplated use of vessel, the proposed area of operation, the names and addresses of the vessel's owner and operator, the dates of planned operations, and such other information as the board shall require on its petition form.

(c) Pay the appropriate initial application or renewal fee with the submittal of the petition, which is listed in subsection (5) of this section.

(2) All petitions for exemption filed with the board shall be reviewed by the chair, who shall make a recommendation to the board to be considered at its next regularly or specially scheduled meeting. Consistent with the public interest, the chair may grant an interim exemption to a petitioner subject to final approval at the next board meeting, where special time or other conditions exist. Any grant of an interim exemption may contain such conditions as the chair deems necessary to protect the public interest in order to prevent the loss of human life and property and to protect the marine environment of the state of Washington.

Such conditions may include a requirement that the vessel employ the services of a pilot on its initial voyage into Puget Sound waters or that the master of the vessel at all times hold as a minimum, a United States government license as a master of ocean or near coastal steam or motor vessels of not more than sixteen hundred gross tons or as a master of inland steam or motor vessels of not more than five hundred gross tons, such license to include a current radar endorsement.

(3) The recommendation of the chair shall be considered at the next regular or specially scheduled meeting of the board. Interested parties shall receive notice and opportunity for hearing at that time, provided that the party notifies the board at least five days in advance of the meeting of its desire for hearing.

(4) The board shall annually, or at any other time when in the public interest, review any exemptions granted to the specified class of small vessels to ensure that each exempted vessel remains in compliance with the original exemption and any conditions to the exemption. The board shall have the authority to revoke such exemption when there is not continued compliance with the requirements for exemption.

(5) Fee Schedule for Petitioners for Exemption

	3 Months or Less	1 Year or Less	Annual Renewal
A. Yachts			
Up to 100 feet LOA	\$ 300	\$ 500	\$ 200
Up to 200 feet LOA	500	750	300
B. Passenger Vessels			
Up to 100 feet LOA	750	1000	400
Up to 200 feet LOA	1250	1500	500

RCW 88.16.005**Legislative declaration of policy and intent.**

The legislature finds and declares that it is the policy of the state of Washington to prevent the loss of human lives, loss of property and vessels, and to protect the marine environment of the state of Washington through the sound application of compulsory pilotage provisions in certain of the state waters.

The legislature further finds and declares that it is a policy of the state of Washington to have pilots experienced in the handling of vessels aboard vessels in certain of the state waters with prescribed qualifications and licenses issued by the state.

It is the intent of the legislature to ensure against the loss of lives, loss or damage to property and vessels, and to protect the marine environment through the establishment of a board of pilotage commissioners representing the interests of the people of the state of Washington.

It is the further intent of the legislature not to place in jeopardy Washington's position as an able competitor for waterborne commerce from other ports and nations of the world, but rather to continue to develop and encourage such commerce.

[1977 ex.s. c 337 § 1.]

NOTES:

Severability -- 1977 ex.s. c 337: "If any provision of this 1977 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected." [1977 ex.s. c 337 § 18.]

RCW 88.16.150

General penalty -- Civil penalty -- Jurisdiction -- Disposition of fines -- Failure to inform of special directions, gross misdemeanor.

(1) In all cases where no other penalty is prescribed in this chapter, any violation of this chapter or of any rule or regulation of the board shall be punished as a gross misdemeanor, and all violations may be prosecuted in any court of competent jurisdiction in any county where the offense or any part thereof was committed. In any case where the offense was committed upon a ship, boat or vessel, and there is doubt as to the proper county, the same may be prosecuted in any county through any part of which the ship, boat or vessel passed, during the trip upon which the offense was committed. All fines collected for any violation of this chapter or any rule or regulation of the board shall within thirty days be paid by the official collecting the same to the state treasurer and shall be credited to the pilotage account: PROVIDED, That all fees, fines, forfeitures and penalties collected or assessed by a district court because of the violation of a state law shall be remitted as provided in chapter 3.62 RCW as now exists or is later amended.

(2) Notwithstanding any other penalty imposed by this section, any person who shall violate the provisions of this chapter, shall be liable to a maximum civil penalty of ten thousand dollars for each violation. The board may request the attorney general or the prosecuting attorney of the county in which any violation of this chapter occurs to bring an action for imposing the civil penalties provided for in this subsection.

Moneys collected from civil penalties shall be deposited in the pilotage account.

(3) Any master of a vessel who shall knowingly fail to inform the pilot dispatched to said vessel or any agent, owner, or operator, who shall knowingly fail to inform the pilot dispatcher, or any dispatcher who shall knowingly fail to inform the pilot actually dispatched to said vessel of any special directions mandated by the coast guard captain of the port under authority of the Ports and Waterways Safety Act of 1972, as amended, for the handling of such vessel shall be guilty of a gross misdemeanor.

[1995 c 174 § 2. Prior: 1987 c 485 § 5; 1987 c 202 § 247; 1977 ex.s. c 337 § 8; 1969 ex.s. c 199 § 41; 1967 c 15 § 7; 1935 c 18 § 10; RRS § 9871-10; prior: 1888 p 179 § 27.]

NOTES:

Intent -- 1987 c 202: See note following RCW 2.04.190.

Severability -- 1977 ex.s. c 337: See note following RCW 88.16.005.

Audit Report

DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT
DIVISION OF OCCUPATIONAL LICENSING
BOARD OF MARINE PILOTS
SUNSET REVIEW

November 1, 2002



Audit Control Number:

08-20015-02

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 Juneau, Anchorage, or at our web site <http://www.legis.state.ak.us/legaud/web/default.htm>.

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Senator Randy Phillips
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DIVISION OF LEGISLATIVE AUDIT

Pat Davidson, CPA
Legislative Auditor

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Alaska State Legislature



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SENATOR DONALD C. OLSON

DISTRICT S

SPONSOR STATEMENT

SB 43, Extend State Medical Board

Alakanuk
Ambler
Anaktuvuk Pass
Atkasuk
Barrow
Brevig Mission
Browerville
Buckland
Chuvak
Deering
Diomedes
Elim
Emmonak
Gambell
Golovin
Hooper Bay
Kaktovik
Kiana
Kivalina
Kobuk
Kotlik
Kotzebue
Koyuk
Mekoryuk
Mountain Village
Newtok
Nightmute
Noatak
Nome
Noorvik
Nuiqsut
Nunam Iqua
Pitka's Point
Point Hope
Point Lay
Savoonga
Scammon Bay
Selawik
Shaktolik
Shishmaref
Shungnak
St. Mary's
St. Michael
Stebbins
Teller
Toksook Bay
Tununak
Unalakleet
Wainwright
Wales
White Mountain

This is the year for the legislative sunset review of the Alaska State Medical Board's operations and activities. I introduced SB 43 to extend the life and function of the board based on a satisfactory performance audit and my own experience.

The Legislative Budget and Audit Report (#08-20017-02) concludes that the board "has carried out its responsibilities in a manner consistent with statutes, good administrative practice, and the public interest." The report further recommends that the board's termination date be extended for another eight years.

In my own view, I expect there will be a greater necessity for the board's licensing function in the near future to serve both the medical community's expansion needs and the substantial replacement anticipated from the retirement of senior professionals. Indeed, last year the legislature modified the state's locum tenens law specifically to better recruit and retain medical personnel essential for the future health care of the Alaskan population.

I respectfully urge your favorable consideration of SB 43.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 43
 (S) Publish Date: 2/28/03

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title An Act extending the termination date of the BRU Occupational Licensing (117)
State Medical Board Component Occupational Licensing
 Sponsor Senator Olson
 Requester Senate Labor and Commerce Component No. 2360

)/ 803p.Afd0CE0T03f0C (Thousands of Dollars)

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

rb)Pn B1Vhs)mb)VD1B2P):	Fi scaal	Fi scaa	Fi scaaN	Fi scaao	Fi scaat	Fi scaae
Personal Services	389.5	389.5	389.5	389.5	389.5	389.5
Travel	33.8	33.8	33.8	33.8	33.8	33.8
Contractual	301.4	301.4	301.4	301.4	301.4	301.4
Supplies	5.0	5.0	5.0	5.0	5.0	5.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
BrBn (srb)P nB1Vh	ocew	ocew	ocew	ocew	ocew	ocew

xnb1 Bn(s)mb)V D1B2P):						
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xgnVh) s1VsPR) V2):ssUMM Nq	ocew	ocew	ocew	ocew	ocew	ocew
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F2VDs:r2Px) (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1156- Receipt Supported Services	729.7	729.7	729.7	729.7	729.7	729.7
Br Bn(ocew	ocew	ocew	ocew	ocew	ocew

Estimate of any current year (FY2003) cost: 729.7
 J9dksA,.Csv5/dJmqb543p.3Os45ds,.Csv.LLcs.34f p0ps.3sA,0sh5Td35d&CsFiscatsvf p00As8d5850LS

br:1B1 rV:

Full-time	5	5	5	5	5	5
Part-time						
Temporary						

nV n(i:1 :S (Attach a separate page if necessary)

The bill extends the State Medical Board to June 30, 2011. In accordance with AS 08.03.020, funding is extended one year following the termination date allowing the board to conclude its affairs. The information above identifies direct expenditure and revenue information included in the FY 2004 Operating Budget request. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
 Division Occupational Licensing Date/Time 2/21/03 4:57 PM
 Approved by: Edgar Blatchford, Commissioner Date 2/21/2003
 Agency Department of Community & Economic Development

SB

54

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 54
 (S) Publish Date: 2/19/03

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
 Title: Overtime Pay for Airline Employees BRU: Labor Standards & Safety
 Component: Wage and Hour
 Sponsor: Senator Olson
 Requester: Senate TRA Component Number: 345

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2003) cost: None

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill codifies existing department policy based on the Attorney General's 1980 interpretation of the exempt status of flight crews employed by air carriers subject to 45 USC 181 - 188.

The State of Alaska overtime laws are pre-empted by the federal Railway Labor Act. Since the early 1980's the department has held that flight crews on subject airlines are not under the state's jurisdiction with regard to state overtime laws. However, the department's opinion has not stopped former employees from bringing private lawsuits. By placing this into the law, the likelihood of such private causes of action will be greatly reduced and air carriers will be saved the considerable expense of having to defend themselves in court.

Prepared by: Hali Denton, Acting Director Phone: 465-4855
 Division: Labor Standards & Safety Date/Time: 2/14/03 3:04 PM
 Approved by: Greg O'Claray, Commissioner Date: 02/14/03
 Agency: Department of Labor and Workforce Development

For distribution information, call the Governor's Legislative Office

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SENATOR DONALD C. OLSON

DISTRICT S

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Barrow
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Deering
Diomedea
Elim
Emmonak
Gambell
Golovin
Hooper Bay
Kaktovik
Kiana
Kivalina
Kobuk
Kotlik
Kotzebue
Koyuk
Mekoryuk
Mountain Village
Newtok
Nightmute
Noatak
Nome
Noorvik
Nuiqsut
Nunam Iqua
Pitka's Point
Point Hope
Point Lay
Savoonga
Scammon Bay
Selawik
Shaktolik
Shishmaref
Shungnak
St. Mary's
St. Michael
Stebbins
Teller
Toksook Bay
Tununak
Unalakleet
Wainwright
Wales
White Mountain

March 7, 2003

MEMORANDUM

To: Representative Anderson, Chair
House Labor and Commerce Committee

From: Senator Olson 

Re: Schedule hearing for SB 54, Overtime Pay for Airline Employees.

I respectfully request a House Labor and Commerce Committee hearing of SB 54 at your earliest convenience. My sponsor statement, a fiscal note and support documentation is attached. Please contact me if you need additional information.

Thank you for your attention to this request.

Alaska State Legislature



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Golovin
Hooper Bay
Kaktovik
Kiana
Kivalina
Kobuk
Kotlik
Kotzebue
Koyuk
Mekoryuk
Mountain Village
Newtok
Nightmute
Noatak
Nome
Noorvik
Nuiqsut
Nunam Iqua
Pitka's Point
Point Hope
Point Lay
Savoonga
Scammon Bay
Selawik
Shaktolik
Shishmaref
Shungnak
St. Mary's
St. Michael
Stebbins
Teller
Toksook Bay
Tununak
Unalakleet
Wainwright
Wales
White Mountain

SPONSOR STATEMENT

SB 54, Overtime Pay for Airline Employees

By Senator Olson

I introduced SB 54 to bring certainty to the interpretation of existing federal and state wage and hour statutes as they pertain to payment of overtime in the air transportation industry. Because of the uniqueness of their working conditions, flight crews have been considered professionals that are exempt from the standard 8 hour work day, 40 hour week and associated overtime pay requirements [AS 23.10.055(9)]. In conjunction with the maximum flight hour requirements set by the Federal Aviation Administration, these exemptions at both the state and federal level have allowed the industry to structure wage and hour schedules best suited to the work requirements of their flight crew personnel.

Several Alaska court decisions have raised a question about the correct interpretation of state wage and hour laws and the application of overtime exemptions for flight crews.

Indeed, the confusion has stimulated other court challenges.

SB 54 explicitly adds flight crews to the list of occupations and employment situations that are exempt from Alaska's overtime wage and hour requirements. The bill cites the provisions of the federal Railway Labor Act that governs air carriers in order to provide consistency between federal and state applications of the exemption.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 54
 (S) Publish Date: 2/19/03

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
 Title: Overtime Pay for Airline Employees BRU: Labor Standards & Safety
 Component: Wage and Hour
 Sponsor: Senator Olson
 Requester: Senate TRA Component Number: 345

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2003) cost: None

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill codifies existing department policy based on the Attorney General's 1980 interpretation of the exempt status of flight crews employed by air carriers subject to 45 USC 181 - 188.

The State of Alaska overtime laws are pre-empted by the federal Railway Labor Act. Since the early 1980's the department has held that flight crews on subject airlines are not under the state's jurisdiction with regard to state overtime laws. However, the department's opinion has not stopped former employees from bringing private lawsuits. By placing this into the law, the likelihood of such private causes of action will be greatly reduced and air carriers will be saved the considerable expense of having to defend themselves in court.

Prepared by: Hali Denton, Acting Director Phone: 465-4855
 Division: Labor Standards & Safety Date/Time: 2/14/03 3:04 PM
 Approved by: Greg O'Clary, Commissioner Date: 02/14/03
 Agency: Department of Labor and Workforce Development

For distribution information, call the Governor's Legislative Office



Era Aviation, Inc.
6160 Carl Brady Drive
Anchorage, Alaska
99502

February 3, 2003

The Honorable Con Bunde
The Honorable Donny Olson
State Capitol
Juneau AK 99801-1182

RE: Proposed Overtime Exemption Bill for Interstate Air Carriers

Dear Senators Bunde and Olson:

Thank you for agreeing to sponsor the attached proposed legislation regarding the exemption of flight crew personnel employed by Interstate Air Carriers from the state's overtime exemption laws. The Alaska Air Carriers Association (AACA) has made this legislative amendment a priority and fully supports its passage.

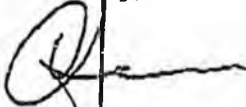
Era has become increasingly concerned with the uncertainty associated with the appropriate wage and hour treatment of its flight crews under Alaska wage and hour laws. The Alaska Department of Labor, Wage and Hour Section has assisted the Alaska based interstate air carrier industry by providing a chart that outlines the treatment of air carriers under the Alaska Wage and Hour Act. (See Attachment 2). Era is paying its flight crew employees in a manner consistent with this directive. However, the Alaska state courts have clouded this approach. In Davhoff v. Temsco Helicopters, Inc., 848 P2d 1367 (Alaska 1993), the Alaska Supreme Court concluded that a helicopter pilot was owed overtime, while in a later Era case, an Alaska Superior Court judge denied overtime to a fixed wing co-pilot. (See Attachments 3 and 4). The non-Alaska based interstate air carriers, such as Alaska Airlines, Delta Airlines, and various air cargo carriers, do not really have a stake in this issue because the pay of their flight crews is governed by collective bargaining agreements, which preempt the state's overtime laws. Era, like most of the Alaska based interstate air carriers, is non-unionized. Thus, there are no labor agreements that take us outside the state's wage and hour laws. Even though we adhere to the Alaska Department of Labor's pay policy guidance, there is no guarantee that a court will not choose to interpret the state's overtime laws differently in the future, thereby exposing us to liability for two years of back wage recalculations.

We believe that the proposed exemption would remove this uncertainty by codifying the existing position of the Alaska Department of Labor, Wage and Hour Section administrators. The proposed exemption would not change the way the law is currently being administered. The codified exemption would however, provide a clear, consistent rule for the interstate air carrier industry and remove any uncertainty as to how a court would address overtime issues in the future.

Letter to The Honorable Con Bunde and
The Honorable Donny Olsen
February 3, 2003
Page 2 of 2

Thank you for your assistance in this matter. If you have any questions about this letter or its attachments, please feel free to give me a call at 907-266-8361.

Sincerely,

A handwritten signature in black ink, appearing to be 'Charles Johnson', written over a vertical line.

Charles Johnson
President

Cc: Karen Casanovas, Executive Director AACA
Paul Landis, Senior Vice President, Era
Kip Knudson, Manager of Government Affairs, Era
Marcia Davis, General Counsel, Era
David Parish

A BILL

FOR AN ACT ENTITLED

"An act relating to an exemption from the requirement for payment for overtime for certain employees in the airline industry; and providing for an effective date."

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

Section 1. AS 23.10.060(d) is amended by adding a new paragraph to read:

(19) work performed by a flight crew member employed by an interstate air carrier subject to subchapter II of the Railway Labor Act (45 U.S.C. 181-188); for purposes of this exemption, flight crew is defined as the pilot, co-pilot, flight engineer and flight attendant.

Section 2. This Act takes effect immediately under AS 01.10.070(c).

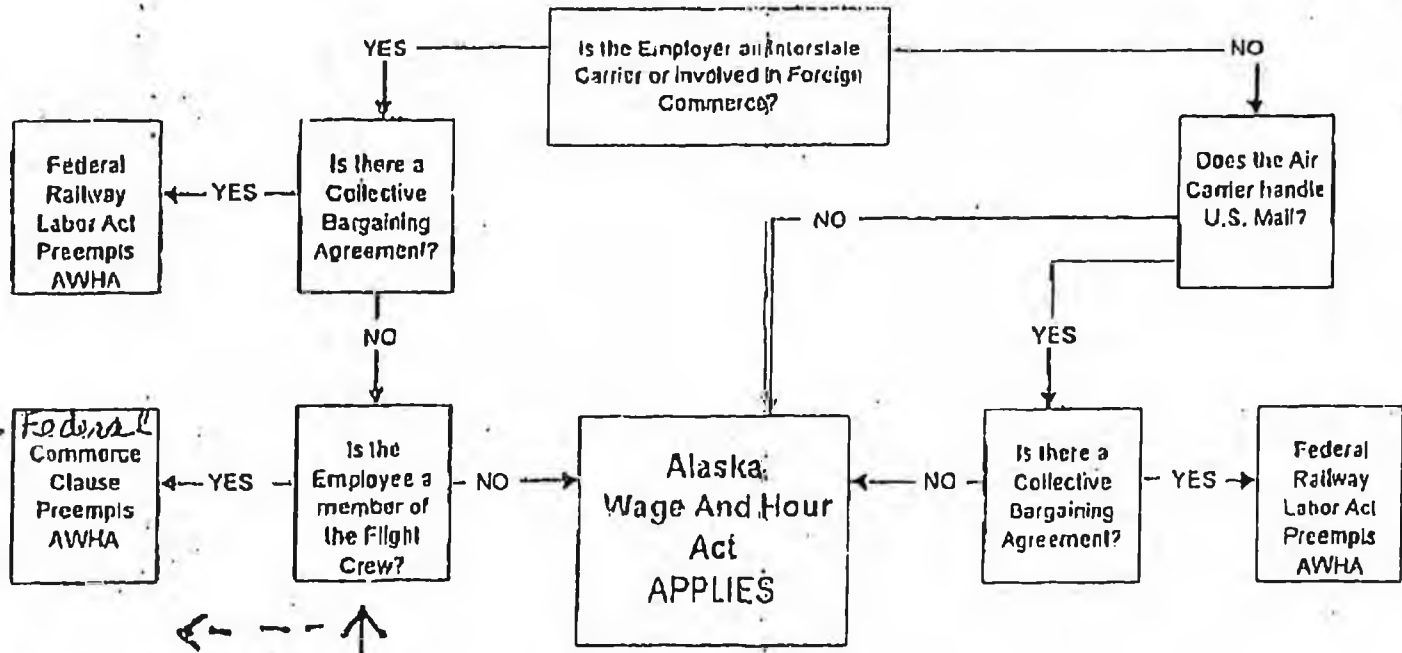
Attachment 1

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

**AIR CARRIERS
&
The Alaska Wage And Hour Act
(AWHA)**



Attachment 2



*proposed
(19) captures
this exemption
from AWHA*

1372 Alaska

848 PACIFIC REPORTER, 2d SERIES (1993)

burden to prove the exemption is applicable. *Reeves v. International Tel. & Tel. Corp.*, 357 F.Supp. 295, 298 (W.D.La.1973), *aff'd*, 618 F.2d 1342 (5th Cir.1980), *cert denied*, 449 U.S. 1077, 101 S.Ct. 887, 66 L.Ed.2d 800 (1981). "Exemptions are to be narrowly construed against the employer." *Id.* at 297. "If there is a reasonable doubt as to whether an employee meets the criteria for exemption, the employee should be ruled non-exempt." *Adam v. United States*, 26 Cl.Ct. 782, 786 (Cl.Ct.1992). All four elements must be met before an employee is found exempt. *Id.*

The parties agree that Dayhoff was a salaried employee, compensated on a fee basis. The parties dispute the level of education required of Dayhoff, what Dayhoff's primary duty was, how to characterize the discretion exercised by Dayhoff, and if the character of work was intellectual or physical.

Dayhoff claims the knowledge required to become a commercial pilot is not the type of advanced learning needed to qualify as a professional. Dayhoff also claims his primary duty was not professional because approximately 62% of his time was spent performing non-aviation duties. Even while flying, Dayhoff had no discretion as his actions were controlled by superiors. The only discretion and judgment exercised was in the physical operation of the aircraft.

Temasco argues that Dayhoff's primary duty was to be a pilot. He was hired as a pilot and his time was spent flying or waiting to fly. Temasco contends that being a commercial helicopter pilot requires knowledge of an advanced type. Further, Temasco argues that a commercial helicopter pilot is required to consistently exercise discretion and judgment.

[12, 13] The applicability of exemptions are questions of fact to be determined considering the individual's duties and other qualifications, and not upon how the employer classified the employee. *Reeves*, 357 F.Supp. at 302-09. A trial court must make a finding of fact in determining an employee's status. *Dalheim v. KDFW-TV*, 918 F.2d 1220, 1226, 1228 (5th Cir.

1990). While both parties moved for summary judgment on this issue, we first review the grant of summary judgment in favor of Temasco. We must view the facts in a light most favorable to Dayhoff. Dayhoff was primarily self-educated. He claims that for approximately 62% of his time he performed non-aviation duties. Dayhoff had no significant authority to control decisions regarding flight assignments or routes. The only discretion Dayhoff exercised was in the physical operation of his aircraft. Viewing the facts in the light most favorable to Dayhoff, Temasco does not meet the burden of showing that the exemption is applicable. Dayhoff can, at most, be classified as a highly trained technician and not as a professional.

Next we review the denial of Dayhoff's motion for summary judgment. For this purpose we view the facts in the light most favorable to Temasco. It is undisputed that Dayhoff obtained his commercial helicopter license through self study and obtained his flight instructor certificate after only ten hours of formal instruction. This is not the type of advanced study required to classify an employee as a professional. Further, the discretion exercised by Dayhoff in flying a helicopter is not the type of discretion which characterizes a person as a professional for purposes of this exemption.

On the basis of the foregoing we conclude that the FAA does not preempt the AWhA, that the AWhA is not violative of the commerce clause, and that Dayhoff is not a professional for purposes of the AWhA exemption.

B. DAYHOFF DOES NOT HAVE A CAUSE OF ACTION UNDER THE ALASKA LITTLE DAVIS-BACON ACT (ALDBA).

1. ALDBA provides a private cause of action.

ALDBA was modeled after the Davis-Bacon Act, 40 U.S.C. § 276 (1988). ALDBA stipulates that a contractor or subcontractor on a public construction contract must pay its employees the prevailing

defendant's witnesses not credible does not mean that the defendant acted in bad faith.

2. The plaintiff's motion for JNOV regarding her overtime claim is DENIED. The evidence, considered in a light most favorable to the defendant, supports a jury finding that Ms. Lindfors was an exempt professional employee under AS 23.10.055(9).

Ms. Lindfors participated in hundreds of hours of specialized training prior to obtaining her co-pilot position. That training included intellectual disciplines such as mathematics, aerodynamics, weather, navigation and similar studies. 8 AAC 15.910(a)(11)(A). From this evidence the jury could reasonably conclude that Ms. Lindfors was not a technician, but a highly trained professional charged with exercising substantial judgment and discretion to protect the lives and safety of ERA's commercial airline passengers. *Id.*; 8 AAC 15.910(a)(11)(B)(i).²

3. The defendant's motion for JNOV, new trial or remittitur is DENIED.

ERA's motion for JNOV restates legal arguments raised and decided during trial. Those arguments are rejected for the reasons stated at trial and as follows. Ms. Lindfors' complaint, amended complaint and other pretrial pleadings provided notice to ERA that Lindfors was seeking recovery for disparate treatment in promotions, retaliation for filing a Human Rights Commission complaint and constructive discharge for intolerable working conditions. Although Lindfors' proposed jury instructions combined these claims, the court had discretion and the responsibility to instruct the jury regarding each separate claim, if doing

²The court's 9/28/98 order denying Lindfors' motion for summary judgment addresses the other issues germane to the professional employee exemption.

SB

64

Senator Hollis French


Capitol Room 504
465-3892
465-6595 fax



MEMORANDUM

DATE: April 25, 2003

TO: Representative Tom Anderson, Chair
Labor & Commerce Committee

FROM: Senator Hollis French 

RE: Request for a hearing on CS SB 64(JUD) – “An Act relating to a requirement that certain consumer reporting agencies provide individuals with certain information without charge”

This is a request that you schedule CS SB 64(JUD) – “An Act relating to a requirement that certain consumer reporting agencies provide individuals with certain information without charge” for a hearing at the earliest possible time.

I have attached a copy of the bill, a sponsor statement, a sectional analysis, and some other information for the committee packets.

I anticipate that representatives of the Department of Law (Ed Sniffen), AARP, and AKPIRG, among others, will testify at the Judiciary Committee hearing on this bill. Please arrange to have the meeting teleconferenced to the main locations.

Thank you for your attention.

Attachments

CS SB 64(JUD) - An Act relating to a requirement that certain consumer reporting agencies provide individuals with certain information without charge

SPONSOR STATEMENT

Identity theft is a growing problem both in our state and nationally. **CS SB 64(JUD) - "An Act relating to a requirement that certain consumer reporting agencies provide individuals with certain information without charge"** will provide Alaskans with an additional way to help protect themselves from identity theft and from the negative impacts of inaccurate credit reports.

Having your identity stolen is a devastating experience. More than 750,000 people may be victims of identity theft this year, and each will spend countless hours and, on average, more than \$1,000 to repair the damage done to his or her reputation and finances. Long after the initial damage is done, victims of identity theft continue to be turned down for loans, credit, and jobs. They are often made to feel like they are guilty parties and not, as is truly the case, the victims of a crime.

The first indication many consumers have that they have been the victim of identity theft is when problems crop up with their credit. Regularly reviewing one's own credit report is an easy way to stop identity theft in its early stages. Providing Alaskan consumers with one free credit report per year will help not only consumers but also the many, many businesses that extend credit. Minimizing the losses to the business community through identity theft is one aim of this legislation.

Businesses inspect consumers' credit histories when they evaluate applications for credit, insurance, employment, and even leases. Individuals' credit histories are recorded in files or records maintained by credit reporting agencies, which sell the reports. A credit record contains information about a person's income, debts, and credit payment history. It also indicates whether the person has been sued, been arrested, or filed for bankruptcy. If that information is incorrect, whether as a result of identity theft, fraud, or mistakes made by the consumer reporting agency, a consumer can suffer.

CS SB 64(JUD) will require consumer reporting agencies that maintain files on Alaskans to provide an individual with a free copy of his or her file (including all consumer credit reports) once annually, upon request. The bill does not impose an obligation on businesses to inform consumers of the right to a free credit report. In passing this legislation, Alaska will join six other states whose legislatures have taken strong action to help consumers protect and, if necessary, correct, their credit ratings.

*CS SB 64(JUD) - An Act relating to a requirement that certain
consumer reporting agencies provide
individuals with certain information without charge*

SECTIONAL ANALYSIS

Section 1. (a) Requires a consumer reporting agency that maintains a file on an individual who is a resident of Alaska to provide the individual with a free copy of the individual's file, including all consumer credit reports, upon request. One free report is required per year.

(b) States that the provisions of (a) may not be interpreted to require a person doing business to notify a consumer about the right to receive a free copy of the individual's credit report.

(c) Defines "consumer reporting agency" and "file."

Section 2. Adds violation of this Act to list of violations in AS 45.50.471(b), "unfair methods of competition" and "unfair or deceptive acts or practices."

*Senator Hollis French
April 17, 2003*

*CS SB 64(JUD) - An Act relating to a requirement that certain
consumer reporting agencies provide individuals
with certain information without charge*

- CS SB 64(JUD) will require consumer reporting agencies that maintain files on Alaskans to provide an individual with a free copy of his or her file (including all consumer credit reports) once annually, upon request.
- CS HB 64(JUD) will help Alaskan consumers uncover and prevent identity theft, which is a growing problem both in our state and nationally.
- The first indication many consumers have that they have been the victim of identity theft is when problems crop up with their credit. Regularly reviewing one's own credit report is an easy way to stop identity theft in its early stages.
- Providing Alaskan consumers with one free credit report per year will not only help consumers – it will also help the many, many businesses that extend credit or use credit reports for other screening purposes.
- Businesses inspect consumers' credit histories when they evaluate applications for credit, insurance, employment, and even leases. If the information in one's credit history is incorrect, whether as a result of identity theft, fraud, or mistakes made by the consumer reporting agency, a consumer can suffer.
- Having one's identity stolen is a devastating experience. More than 750,000 people may be victims of identity theft this year, and each will spend countless hours and, on average, more than \$1,000 to repair the damage done to his or her reputation and finances. Long after the initial damage is done, victims of identity theft continue to be turned down for loans, credit, and jobs. They are often made to feel like they are guilty parties and not, as is truly the case, the victims of a crime.
- The bill imposes no obligation on businesses to inform consumers of the right to a free credit report.
- Other states have similar legislation – Georgia requires consumer reporting agencies to provide two credit reports per year; Colorado, Massachusetts, Vermont, New Jersey, and Maryland require one annually.
- SB 64 will help consumers protect and, if necessary, correct, their credit ratings. It will also help reduce businesses' costs related to identity theft and consumer fraud.



Alaska State Legislature House and Senate Democrats

www.akdemocrats.org

FOR IMMEDIATE RELEASE • February 7, 2003

**CONTACT: Jordan Marshall • (907) 465-3842, Toll-free (888) 465-4919, Cell: 321-3682
Fax: 465-5125, Jordan_Marshall@legis.state.ak.us**

Free Credit Report to Help Prevent Identity Theft

Putting Alaskans First 2003

JUNEAU – Alaskan consumers could receive a free credit report annually under a bill introduced today by Senator Hollis French (D-Anchorage) and Representative Harry Crawford (D-Anchorage). SB 64 and HB 85 require consumer reporting agencies that maintain files on Alaskans to provide a free copy of an individual's file upon request.

"Identity theft is a growing problem both in our state and nationally," said Senator French. "The first indication many consumers have that they have been a victim of identity theft is when problems crop up with their credit. This legislation provides consumers with an additional way to help protect themselves. A good credit rating is valuable. It is important for individuals to check their credit files and reports regularly."

Businesses inspect consumers' credit histories when they evaluate applications for credit, insurance, employment, and even leases. Individuals' credit histories are recorded in files or reports maintained by credit reporting agencies, which sell the reports. A credit record contains information about a person's income, debts, and credit payment history. It also indicates whether the person has been sued, been arrested, or filed for bankruptcy. Indeed, credit reports are even used by insurance companies to set premium rates, in the controversial practice known as credit scoring.

"Having your identity stolen is a devastating experience. More than 750,000 people may be victims of identity theft this year, and each will spend, on average, countless hours and more than \$1,000 to repair the damage done to his or her reputation and finances. There is only one truly effective way to keep your identity clean: check your credit report at least once a year. By requiring consumer reporting agencies to provide individuals with one free report every year, this bill will help Alaskans protect their privacy and avoid the trauma and expense of discovering, too late, that their identity has been hijacked," said Crawford.

###

Putting Alaskans First • Moving Alaska Forward 2003

Sen. Bettye Davis, Sen. Johnny Ellis, Sen. Kim Elton, Sen. Lyman Hoffman, Sen. Hollis French, Sen. Gretchen Guess, Sen. Georgianna Lincoln, Sen. Donny Olson, Rep. Ethan Berkowitz, Rep. Sharon Cissna, Rep. Harry Crawford, Rep. Eric Croft, Rep. Les Gara, Rep. Max Gruenberg, Rep. David Guttenberg, Rep. Reggie Joule, Rep. Mary Kapsner, Rep. Beth Kerttula, Rep. Albert Kookesh, Rep. Carl Moses



Honorable Ralph Seekins, Chair
Senate Judiciary Committee
Alaska Capital, Room 125
Juneau, AK 99801-1182

April 16, 2003

RE: SB 64 (Fr) - Support

Dear Chair Seekins:

On behalf of the AARP members in Alaska, we encourage you and your colleagues on the Senate Judiciary Committee to support SB 64, authored by Senator Hollis French, one of your Committee members, and co-sponsored by Senators Ellis, another Committee colleague and Senators Elton and Davis.

AARP has always recommended to our members and their families that credit reports with the three major agencies should be checked once a year. Despite what we feel is good consumer advice, we know that many people do not follow through on this annual check because of the fees involved with charges for up to \$8.50 per company. A free annual check-up will not only increase the number of people who do a check-up but it will also increase the potential of identifying identity theft earlier. As you and your Committee colleagues know, identity theft is a growing problem for people of all ages. A recent AARP Public Policy Institute analysis of FTC complaint data found that complainants age 50 and over were more likely to report a number of different identity crimes than complainants of all ages.

Credit reports and the ability for a consumer to access them at no cost will contribute to the ability of an individual to exercise control over the disclosure and subsequent uses of their personal information. AARP believes this is an essential component for good consumer protection. When you pass SB 64 you will help reduce the vulnerability of older Alaskans to fraud and unfair and deceptive marketing practices. With the widespread use of credit reports and credit scoring and other risk-based pricing models, SB 64 will help the individual consumer assure fair pricing and terms for credit and insurance, as well as access to rental housing and employment opportunities.

AARP urges an "AYE" vote on SB 64.

Should you have any questions about our position, please feel free to contact Marie Darlin (907.586.3637), Coordinator of the AARP Capitol City Task Force; Patrick Luby (907.762.3314), AARP Legislative Representative; or me (907.245.5259).

Thank you for your consideration.

Sincerely,

Marguerite Stetson

Marguerite Stetson
AARP Alaska
Executive Council Member for Advocacy
3009 Northwood Street
Anchorage, AK 99517-1871
907.245.5259 voice
907.245.5279 fax
ffmas@aurora.uaf.edu

cc: Vice-Chair Scott Ogan
Senator Gene Therriault
Senator Bettye Davis
Senator Hollis French
Senator Johnny Ellis
Senator Kim Elton
Marie Darlin
Patrick Luby

Marguerite Stetson
AARP Alaska
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AKPIRG

ALASKA PUBLIC INTEREST RESEARCH GROUP

WWW.AKPIRG.ORG

PO Box 101093 ♦ Anchorage, Alaska 99510-1093 ♦ Ph: (907) 278-3661 ♦ Fax: (907) 278-9300 ♦ email: akpirg@akpirg.org

February 12, 2003

Testimony on SB 64 – Consumer Credit Reports

AkPIRG wishes to express its strong support for SB 64 (Companion HB 85), which will require consumer reporting agencies to provide, free of charge, a complete copy of an individual's file annually.

This legislation will make Alaska only the seventh state with such forward-thinking consumer protection. Credit reports and credit scores have become crucial to a person's ability to participate in the modern marketplace. Erroneous credit reports have hindered consumers from obtaining home loans, car loans and other financial tools. These errors are often difficult to correct and make consumers feel guilty until such time as they are able to prove themselves innocent.

SB 64 will be a valuable tool for consumers, allowing them to more accurately monitor their credit history in an effort to keep their record current. Accurate information will help all involved in the credit industry and should help reduce credit risks for all involved.

Consumers have the right to know what is in their credit file. A once a year option to receive this information free of charge is not an undue burden on consumer reporting agencies.

Therefore, AkPIRG urges passage and adoption of SB 64.

Thank you,

Steve Cleary
Executive Director, AkPIRG
278-3661

*CS SB 64(JUD) - An Act relating to a requirement that certain
consumer reporting agencies provide individuals
with certain information without charge*

- CS SB 64(JUD) will require consumer reporting agencies that maintain files on Alaskans to provide an individual with a free copy of his or her file (including all consumer credit reports) once annually, upon request.
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- Providing Alaskan consumers with one free credit report per year will not only help consumers – it will also help the many, many businesses that extend credit or use credit reports for other screening purposes.
- Businesses inspect consumers' credit histories when they evaluate applications for credit, insurance, employment, and even leases. If the information in one's credit history is incorrect, whether as a result of identity theft, fraud, or mistakes made by the consumer reporting agency, a consumer can suffer.
- Having one's identity stolen is a devastating experience. More than 750,000 people may be victims of identity theft this year, and each will spend countless hours and, on average, more than \$1,000 to repair the damage done to his or her reputation and finances. Long after the initial damage is done, victims of identity theft continue to be turned down for loans, credit, and jobs. They are often made to feel like they are guilty parties and not, as is truly the case, the victims of a crime.
- The bill imposes no obligation on businesses to inform consumers of the right to a free credit report.
- Other states have similar legislation – Georgia requires consumer reporting agencies to provide two credit reports per year; Colorado, Massachusetts, Vermont, New Jersey, and Maryland require one annually.
- SB 64 will help consumers protect and, if necessary, correct, their credit ratings. It will also help reduce businesses' costs related to identity theft and consumer fraud.



Honorable Tom Anderson, Chair
House Labor and Commerce Committee
Alaska Capital, Room 432
Juneau, AK 99801-1182

May 5, 2003

RE: SB 64 (French) - Support

Dear Chair Anderson:

On behalf of the AARP members in Alaska, we encourage you and your colleagues on the House Labor and Commerce Committee to support SB 64, authored by Senator Hollis French, and co-sponsored by fourteen other Senators, including eight Republicans and six Democrats.

AARP has always recommended to our members and their families that credit reports with the three major agencies should be checked once a year. Despite what we feel is good consumer advice, we know that many people do not follow through on this annual check because of the fees involved with charges for up to \$8.50 per company. A free annual check-up will not only increase the number of people who do a check-up but it will also increase the potential of identifying identity theft earlier. As you and your Committee colleagues know, identity theft is a growing problem for people of all ages. A recent AARP Public Policy Institute analysis of FTC complaint data found that complainants age 50 and over were more likely to report a number of different identity crimes than complainants of all ages.

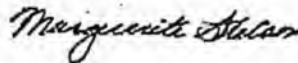
Credit reports and the ability for a consumer to access them at no cost will contribute to the ability of an individual to exercise control over the disclosure and subsequent uses of their personal information. AARP believes this is an essential component for good consumer protection. When you pass SB 64 you will help reduce the vulnerability of older Alaskans to fraud and unfair and deceptive marketing practices. With the widespread use of credit reports and credit scoring and other risk-based pricing models, SB 64 will help the individual consumer assure fair pricing and terms for credit and insurance, as well as access to rental housing and employment opportunities.

AARP urges an "AYE" vote on SB 64.

Should you have any questions about our position, please feel free to contact Marie Darlin (907.586.3637), Coordinator of the AARP Capital City Task Force; Patrick Luby (907.762.3314), AARP Legislative Representative; or me (907.245.5259).

Thank you for your consideration.

Sincerely,



Marquerite Stetson
AARP Alaska
Executive Council Member for Advocacy
3009 Northwood Street
Anchorage, AK 99517-1871
907.245.5259 voice
907.245.5279 fax
ffmas@aurora.uaf.edu

cc: Vice-Chair Bob Lynn
Representative Nancy Dahlstrom
Representative Carl Gatto
Representative Norman Rokeberg
Representative Harry Crawford
Representative David Guttenberg
Senator Hollis French
Marie Darlin
Patrick Luby

ALASKA STATE LEGISLATURE
House of Representatives

COMMITTEE ASSIGNMENTS:
LABOR & COMMERCE COMMITTEE, CHAIRMAN
COMMUNITY & REG. AFFAIRS COMMITTEE, MEMBER
SPECIAL COMMITTEE ON OIL & GAS, MEMBER
ADMINISTRATIVE REGULATION REVIEW COMMITTEE, MEMBER

website: <http://www.akRepublicans.org/Anderson.htm>



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ANCHORAGE, AK 99501
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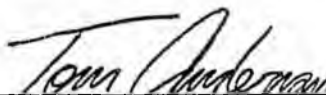
SESSION:
ALASKA STATE CAPITOL
JUNEAU, AK 99801-1182
PHONE: (907) 465-4939
1-800-465-4939
FAX: (907) 465-2418

Representative Tom Anderson


email: Representative_Tom_Anderson@legis.state.ak.us

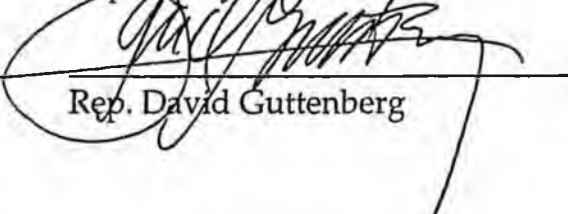
Date: May 5, 2003
To: Members of the House
Labor & Commerce Committee
From: Rep. Tom Anderson, Chair
House Labor & Commerce Committee
RE: Waiver of Referral


The House Labor & Commerce Committee has agreed to waive the Labor & Commerce referral for SB 64, Credit Information. This bill is substantively similar to HB 85, sponsored by Rep. Crawford, and which passed from Committee on February 21st. This bill has a further referral to the House Judiciary Committee.



Rep. Tom Anderson, Chairman

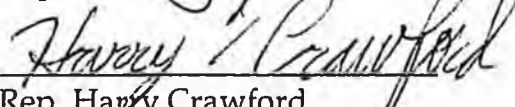

Rep. Norman Rokeberg


Rep. Nancy Dahlstrom


Rep. David Guttenberg


Rep. Bob Lynn, Vice-Chair


Rep. Carl Gatto


Rep. Harry Crawford

SB

95

ALASKA STATE LEGISLATURE



Interim:
600 East Railroad Avenue
Wasilla, Alaska 99554
(907) 376-3370
(907) 376-3157 Fax

Session:
State Capitol
Juneau, Alaska 99801-1132
(907) 465-6600
(907) 465-3805 Fax

SENATOR LYDA GREEN SENATE DISTRICT G

SPONSOR STATEMENT

Senate Bill 95

"AN ACT RELATING TO MANDATORY 72 HOURS WRITTEN NOTICE BY PUBLIC SCHOOL EMPLOYEES OF THE DATE AND TIME WHEN A STRIKE WILL BEGIN."

Senate Bill 95 would require public school employees to provide a school district with written notice of an impending strike at least 72 hours prior to any labor action. This bill would protect students and give parents adequate time to be notified of a change in the school schedule.

Current labor regulations allow public school employees to strike without prior warning to the school district or the community. Without a provision mandating proper notice, student safety is severely compromised. School districts would be unable to alert parents to the possible closure of schools. Students could possibly arrive to near-empty school buildings, buses may not arrive to pick up waiting students, and parents may not have been informed of these circumstances.

Seventy-two hours gives parents sufficient time to make alternative arrangements if schools are actually going to be closed. In order for school district personnel to assure the safety and well being of students during a change of work status, there must be adequate time to prepare for changes to the school day.

The primary purpose of Senate Bill 95 is to allow time for a school district to make the best decision and to inform students, parents and the community of that decision. I urge your support of the legislation.

LEGAL SERVICES

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

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

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 6, 2003

SUBJECT: Sectional Summary of Bill on 72-hour notice of teacher strikes
(Work Order No. 23-LS0670\A)

TO: Senator Lyda Green
Attn: Jacqueline

FROM: Barbara R. Craver *BRC*
Legislative Counsel

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

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. This section amends AS 23.40.200(d) by removing the process to be used by schools when they reach an impasse in collective bargaining negotiations. This process is moved and reorganized in a new subsection (g), which is the subject of Section 2.

Section 2. A new subsection, (g), is added to AS 23.40.200 by this section. Here is a summary of the required process:

1. Schools and employees engage in collective bargaining negotiations.
2. If an impasse or deadlock in negotiations is reached the parties must submit to advisory arbitration. The process of determining the arbitrator is set out.
3. If advisory arbitration fails, and the employees vote to hold a strike, (under subsection (d)) then at least a 72-hour prior notice must be given to the school. The 72-hour notice must include a least one in-session school day.

If I may be of further assistance, please advise.

BRC:med
03-255.med

States that Allow for Strikes

Alaska	Louisiana
Minnesota	California
Montana	Colorado
Ohio	Oregon
Illinois	
Pennsylvania	
Wisconsin (very limited K-12)	
Vermont (all K-12) no (HE)	

Notice of Strike

Vermont

No notice policy

Colorado

No notice policy

California

No notice policy

Hawaii

10 days notice

Louisiana

No notice policy

Ohio

10 days notice

Illinois

5 days notice

Pennsylvania

48 hour notice

Minnesota

10 days notice

Montana

No notice policy

States that Prohibit Teacher Strikes

Arizona

Connecticut

Delaware

D.C.

Florida

Georgia

Idaho

Indiana

Iowa

Kansas

Kentucky

Maine

Maryland

Massachusetts

Michigan

Mississippi

Missouri

Nebraska

Nevada

New Hampshire

New Jersey

New York

North Carolina

North Dakota

Oklahoma

Rhode Island

South Dakota

Tennessee

Texas

Virginia

Washington

West Virginia

ALASKA COUNCIL



OF SCHOOL ADMINISTRATORS

326 Fourth Street, Suite 404 • Juneau, Alaska 99801

Phone: (907) 586-9702 • Fax: 586-5879

web site: www.alaskaacsa.org

Alaska Council of School Administrators

April 11, 2003

The Honorable Lyda Green
State Senate
Alaska State Capitol
Juneau, AK 99801-1182

Dear Senator Green:

Please accept this written testimony in support of SB 95 from the Alaska Council of School Administrators. The Council is comprised of school superintendents and other central administrators, school principals and school business officials.

We support this legislation as a tool to protect students from the possibility of adverse affects of a breakdown in negotiations with bargaining units. Sufficient prior notification is necessary for there to be a smooth transition to a strike situation. Bus scheduling, supervision of students, classroom delivery and the like all require advanced planning, and planning takes time.

Though the parties strive to settle differences without coming to the conclusion that a strike is the solution, if one occurs, administrators need sufficient notice to prepare for its impact.

Thank you for sponsoring this legislation. If I can be of further assistance, please let me know.

Sincerely,

Mary A. Francis
Executive Director

MF:klc

School strike

Few days' grace would have helped

Anchorage parents of public-school children woke up to an ambush Friday morning. School district office workers and teacher aides voted 788-102 Thursday night to strike,

Parents who have paid attention knew a strike and school closing were possible. They didn't expect to learn of a strike at the school doors or the bus stop, or while they were getting their children ready for school.

then on a voice vote called the strike for Friday. The decision came too late for the evening news, and the Anchorage School District, which had warned that a strike would close schools, didn't get the word until 10:40 Thursday night that the strike would begin Friday.

Many parents and students didn't get the word until Friday morning. That left them scrambling for child care and disrupted work and transportation schedules.

Parents who have paid attention knew a strike and school closing were possible. They didn't expect to learn of a strike at the school doors or the bus stop, or while they were getting their children ready for school.

While the union's timing got the community's attention, it's no way to win community support.

Ellen Gamel, president of Totem Association, apologized Friday afternoon for the disruption. She said union members are tired and frustrated at the district's stand in their contract dispute. The decision to walk out Friday reflects the depth of that frustration.

But the union would have served its own cause and the community better by giving Anchorage parents a week-end's warning and time to make child care, work and transportation arrangements. The strike could have begun Tuesday, after the King holiday. Blindsiding thousands of families Friday morning served no one's interests.

1-16-99 DS

ANCHORAGE DAILY NEWS EDITORIAL
JANUARY 16, 1999

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 95
(S) Publish Date: 3/26/03

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
Title: 72-Hour Notice of Teacher Strike BRU: Office of the Commissioner
Sponsor: Senator Green Component: Alaska Labor Relations Agency
Requester: Senate HES Component Number: 1200

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: None

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would amend AS 23.40.200(d) and add new subsection (g) to the Public Employment Relations Act (PERA) by requiring labor organizations who represent school district employees to provide school districts with at least 72 hours advance notice before a strike may begin. The bill's intent is to give school districts at least three days to prepare for the effects that a strike would have on schools, students, and parents, and to prepare contingency plans.

Prepared by: Mark Torgerson, Hearing Examiner Phone: 269-4895
Division: Office of the Commissioner Date/Time: 3/14/03 1:53 PM
Approved by: Greg O'Claray, Commissioner Date: 03/14/03
Agency: Department of Labor and Workforce Development

For distribution information, call the Governor's Legislative Office

May 2, 2003

To Members of the House & Labor Commerce Committee:

My name is Kim Floyd, and I'm a resident of the Mat-Su Borough. I'm also the parent of two school-aged children and the Public Information Specialist for the Mat-Su Borough School District. I strongly support SB 95, which would require education bargaining groups to provide parents and the community with advance notice of a strike.

As a parent, I respectfully ask that you not allow anyone to confuse what is really at issue with this bill. It is not about contracts, it is not about adults, it is not about unions, and it is certainly not about a balance of power. It is about our children and their safety.

I know there have been promises made from labor representatives that their associations would never call a last-minute strike. If that were the case, then their concern with and opposition to the bill is interesting, at best. I am seeking your support for legislation that requires everyone to put children first and live up to their promises.

And we do have reason to be concerned. Precipitous strikes have occurred in our state, to include one several years ago in the Anchorage School District. That particular unannounced strike left special education students without services, and many parents without options.

Parents send children to school with the reasonable expectation that they will be cared for and supervised, and it is our professional and moral obligation to provide for a safe learning environment. Our ability to do so in the event of an unannounced strike is minimal. First and foremost, we should do all that we can to protect our children.

As the public information officer for a school district, it is my responsibility to communicate school closure information to parents and community. This is a challenge, especially in light of the fact that our District covers 25,000 square miles, an area roughly the size of West Virginia. Currently, the media is the only resource we have to notify parents of a change to the school day.

Approximately 40 percent of the Valley's workforce commutes to work, the majority traveling 50 miles to Anchorage on a daily basis. Many of these individuals leave by 6 a.m. each day, well before students report to bus stops or schools.

When our district closes schools, which has only happened only two days in the past seven years, the decision is made at approximately 4 a.m. This leaves little more than an hour to alert media and ask for assistance in announcing the closure. While we have a local radio station, it only serves the greater Palmer and Wasilla areas. Anchorage media are also helpful, but they do not begin reporting until 6 a.m., well after many commuters leave for work.

On poor weather days, parents and caregivers are more likely to tune into broadcast media for school closure reports. On normal winter or spring weather days, it is highly unlikely that the community would consider school closures a possibility. Therefore, many people would be left unaware of any changes to the school day.

And, if school was cancelled at the last minute due to an unannounced employee strike, children would be at risk. Without adequate notice, young children may be left unattended at bus stops and at home, or arrive to a school without adequate staffing and supervision.

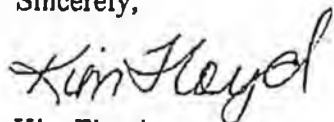
Parents at work, or on their way to work, may be in a position where they can't return home to supervise children. If they're not tuned into the news, they may never hear of the school closure. If and when they are alerted to the situation, home may be more than an hour away. These scenarios are unacceptable.

Because I care about the safety of our students, I support legislation requiring 72-hours advance notice of a strike by public education employees. I firmly believe the 72-hour timeframe is necessary to cover the Friday to Monday weekend period.

As a parent and as a professional communicator for a school district, I respectfully ask you to strongly consider SB 95 as a school safety effort, and a means to protect our children from unnecessary harm. One small child left unattended is one too many.

I especially want to thank Senator Lyda Green and Representative Carl Gatto for sponsoring this important piece of student safety legislation. And, thank you for your consideration.

Sincerely,



Kim Floyd

(907) 746-4827 - home

(907) 746-9251 - work

SB

102

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSSB102(L&C)AM(efd fld)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title Charitable Gaming Revenue/Taxes RDU Revenue Programs & Services
Component Tax Division
Sponsor Rules Committee
Requester Governor Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	125.0	125.0	125.0	125.0	125.0	125.0
Travel	15.0	15.0	15.0	15.0	15.0	15.0
Contractual	22.0	12.0	12.0	12.0	12.0	12.0
Supplies	3.0	3.0	3.0	3.0	3.0	3.0
Equipment	15.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	180.0	155.0	155.0	155.0	155.0	155.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	9,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	180.0	155.0	155.0	155.0	155.0	155.0
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	180.0	155.0	155.0	155.0	155.0	155.0

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

This legislation would increase the state's charitable gaming tax rate from 3 percent of net on pull-tabs (actual gross less prizes) to 15 percent of ideal net for pull-tabs (the amount that would be left after prizes assuming all of the pull-tabs in a series are sold). This marks the first change in tax rates since 1988. This legislation would not change the state tax on raffles, bingo, or other charitable gaming. This legislation also exempts pull-tabs from city sales and use taxes.

The Department of Revenue estimates the increase will generate \$10 million in additional state revenue for a full fiscal year, with approximately \$9 million for Fiscal Year 2005 because the state would receive higher revenues for 11 months of the first fiscal year of implementation. (Taxes are paid one month after sales for distributors on pull-tab games).

Prepared by: Larry Meyers Phone 269-6620
Division: Tax Division Date/Time: 1/14/04 11:43 PM
Approved by: Steve Porter, Deputy Commissioner Date: 1/14/2004
Agency: Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. _____

ANALYSIS CONTINUATION

Operating Expenditures

The Department of Revenue is requesting general fund program receipts to cover the cost of one Revenue Auditor III position and one Investigator III position. With such a large increase in taxes due the state (an estimated \$10 million per year), the department anticipates the need to strenuously verify the ideal net that the tax increase is based upon. A lack of sufficient staff to verify, audit and enforce the state's higher charitable gaming tax rate would exacerbate an already serious shortage in the state's enforcement effort.

The projected annual salary cost for these new positions totals \$125,000.00

The department is also requesting one-time Fiscal Year 2005 funding for \$15,000.00 for equipment and \$10,000.00 for start-up contractual costs.

EXPLANATION OF PROPOSED HOUSE LABOR & COMMERCE COMMITTEE
SUBSTITUTE FOR SENATE BILL NO. 102

Under the proposed House Labor & Commerce CS, the state would impose a 15 percent tax on the "ideal net" receipts from pull-tabs, but the state tax would not apply to pull-tabs that are sold in a municipality that is currently levying a sales or use tax on pull-tabs, regardless of the current rate of the municipal tax.

The CS would allow only those municipalities (boroughs and cities) that are currently levying sales and use taxes on pull-tabs to levy such a tax – in essence a grandfathering provision. Grandfathered municipalities would be allowed to tax either on a gross receipts basis or an "ideal net" basis.

If the municipal tax is levied on gross receipts, the tax rate cannot exceed 5 percent of gross receipts. If the municipal tax is levied on "ideal net" receipts, the tax rate cannot exceed the current state tax rate on "ideal net" receipts.

In the end, pull-tabs would be taxed EITHER by the state OR by one or more of the grandfathered municipalities. If a grandfathered municipality ceases to impose a tax on pull-tabs, then the state tax would apply to pull-tabs in that municipality.

April 5, 2004 Teleconference hearing with the House Labor & Commerce Committee
on Senate bill 102: Charitable Gaming Revenue / Taxes 5 min. limit restriction

Chairman: Tom Anderson

V-Chair: Carl Gatto

Members: Nancy Dahlstrom, Bob Lynn, Norman Rokeberg, Harry Crawford,
David Guttenberg

Mr. Chairman and members, My name is Ed Moeglein and I'm speaking on behalf of
The Alaska Non-profit Charitable Organization.

We are members of local charitable organizations of the VFW, American Legion,
AMVET's, ~~Elks~~ Elks, and Eagles, that have united to protect our ability to raise
revenue for our organizations, members, programs and services we provide to our
communities and their citizens.

We feel that collecting revenue for the State of Alaska from charitable gaming would do
much more harm to all of the Alaskan communities than could ever benefit the State for
state revenue shortfalls.

Once, when Mr. LaGuardia, the famous ex-mayor of New York, was presiding at a police
court, they brought a trembling old man before him, charged with stealing a loaf of bread.
He said his family was starving. "Well, I got to punish You," said Mr. Laguardia.

"The law makes no exception, and I can do nothing but sentence You to a fine of ten
dollars." Then he added, after reaching into his pocket, "and here's the ten dollars to pay
Your fine. And now remit the fine." Then tossing his ten-dollar bill into his famous
outsized hat, he said, "Furthermore, I'm going to fine everybody in this courtroom fifty
cents, for living in a town where a man has to steal bread in order to eat. Mr. Bailiff,
collect the fines, and give them to this defendant," The hat was passed, and the old man
left the courtroom with forty-seven dollars and fifty cents. -Methodist Recorder

Mr. Chairman, Members of our community service organizations volunteer their own
time and money to support their communities, in support of our local charities and people
who need both continual, sometimes in emergency situations, types of support that is not
otherwise provided for by any other local or government agency.

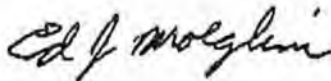
I'm speaking here today to ask Your support against any such legislation that would take
away any volunteer effort or revenue away from our support to our members and our
communities.

We are not stealing bread or asking for any money, but any insinuation or implication
that local charities have deep pockets to obtain revenue from, are not being made from
the hundreds of volunteers and many organizations that are working hard to support their
members and local communities.

We ask Your support to defeat Senate Bill 102, and all other bills, measures, that would
be extremely harmful to all the volunteer efforts making our communities a safer and
more humane places to live.

Thank You, Ed Moeglein

Alaska Non-Profit Charitable Organization
PO Box 656 Kenai, Alaska. 99611



SB102 COMPROMISE PULL TAB TAXATION PROPOSAL*

Current State No Municipality Involvement	Current Taxation FY -03	Governor's '04 Request 2 Million Additional Revenue	Rep. Williams CS for SB102 11.5%-16.5% Averaged @14%
Ideal Net	<u>70,504,867</u>	<u>70,504,867</u>	<u>70,504,867</u>
State Tax of Ideal Net on Pull Tabs	3% 2,115,146	5.84% 4,115,146	14% 9,805,348
1% State: Year End Net Proceeds Fee	341,561	341,561	341,561
Permit License Fees	<u>128,800</u>	<u>128,800</u>	<u>128,800</u>
Total Revenue	2,585,507	4,585,507	10,275,709

Note: '03 Senate CS was 15%

Our Proposal	
15% Ideal Net Tax on Pull Tabs. Split Revenue 50% State, 50% Municipalities **	
Ideal Net	<u>70,504,867</u>
Ideal Net Tax on Pull Tabs	15% <u>10,575,730</u>
State 50% Share of Ideal Net Tax	5,287,865
1% State yearly net proceeds fee	341,561
Permit License Fees	<u>128,800</u>
Total State Revenue	5,758,226 ***
Municipalities 50% Share of Ideal Net Tax	5,287,865

This proposal will return to the State:

\$3,172,719 more than current taxation.
 \$1,172,719 more than the Governor's request.
 \$4,517,483 less than Rep. Williams CS.
 Over \$4,000,000 new revenue to local municipalities not currently taxing gaming.

Municipal Share of Taxation by Region****

Anchorage/Matanuska-Susitna	53%	2,802,568
Fairbanks/Denali/Yukon Koyukuk	15%	793,180
Kenai Peninsula/Kodiak/Valdez/Cordova	12%	634,544
Southeast: Juneau/ + all communities		
Ketchikan through Yakutat	11%	581,665
Southwest: Aleutians/Bethel/Bristol Bay/		
Dillingham/Lake & Peninsula/Wade Hampton	6%	317,272
Northern: Nome/North Slope/Northwest Artic	3%	158,636
Municipalities 50% Share of Ideal Net Tax	100%	5,287,865

* All figures based on Senate Labor and Commerce Interim Pull Tab Sub-Committee Report, Page 4.

** Based on where gaming activity takes place. This will require a statute change to report gaming activity by location.

*** The total State revenue will increase by the municipality share for operations in unorganized boroughs.

**** Figures based on DOL Census Data. 2003 State Population 648,818: Anchorage Region 341,476; Gulf Coast Region 75,261; Interior Region 96,397; Southeast Region 71,841; Southwest Region 39,938. This data is assuming each region/municipality games proportionately equally based on its population. See next page for more detail by location.