



INTERNATIONAL UNION OF PAINTERS & ALLIED TRADES
DISTRICT COUNCIL 5/ALASKA LOCAL 1959



ANCHORAGE OFFICE
5821 Arctic Blvd., Unit B
Anchorage, AK 99518
Ph: 907 562-8843
Fax: 907 563-8843

MEMBERSHIP OFFICE
6770 E Marginal Way S, E321
Seattle, WA 98108
Ph: 855-297-0229

FAIRBANKS OFFICE
800 30th Ave., Unit A
Fairbanks, AK 99701
Ph: 907 457-4444
Fax: 907 457-4446

April 11, 2018

Senate Finance Committee
State Capitol Room 524
Juneau, AK 99801

Re: HB 79

Members of the Senate Finance Committee,

I'm writing you today as the Business Representative for the International Union of Painters and Allied Trades (IUPAT) Alaska Local 1959 and on behalf of the hundreds of men and women our Union represents around the State. Personally, I've spent my entire adult life in the commercial construction industry here in Anchorage and I was also recently appointed by Governor Walker to the Workers' Compensation Board of Alaska.

I would like to voice strong support for workers' compensation reform via HB 79 specifically because of the much-needed definition on what a true "independent contractor" is.

Far too often in our state unscrupulous construction employers wrongfully classify their workers as so-called "independent contractors" instead of as "employees" specifically so that they can avoid paying workers' compensation premiums and payroll taxes. By lowering their company's labor costs by misclassifying their workers in this manner they give themselves a huge competitive advantage in the construction bidding process where most projects are awarded to the lowest bidder.

This business model of purposely misclassifying workers in the construction industry forces honest, law abiding employers and businesses to compete on an uneven playing field because their dishonest competitors game the system to give themselves a competitive advantage. Even worse, these unprincipled contractors gain this advantage by shifting the burden of liability for injury at work down onto the employees themselves. This is both a fairness in contracting issue and a moral issue related to the way workers should be insured and classified.

The passage of HB 79 will help even the playing field for honest construction contractors by creating a clear definition of what an "independent contractor" truly is and HB 79 will also ensure that workers are covered by appropriate worker's compensation policies. Thank you for your time and consideration of this important legislation. If you have any questions I can be reached at bfrye@local1959.org.

Respectfully,

-B. Bronson Frye

Bronson Frye
Business Representative, IUPAT Alaska Local 1959