

Friday, March 25, 2016

Senate Judiciary Committee
Sen. Lesil McGuire, *chair*
Sen. John Coghill, *vice chair*
Sen. Mia Costello, *member*
Sen. Peter Micciche, *member*
Sen. Bill Wielechowski, *member*

The Honorable Lesil McGuire
Alaska State Legislature
State Capitol Room 121
Juneau, AK 99801

Dear Senate Judiciary Committee members:

Thank you very much for the Committee's consideration of Senate Bill 165, to be heard on Monday, March 28. In addition to the presentation we will provide at that time, we wanted to offer clarity regarding a topic that came up during public testimony about Senate Bill 165 during the Senate Labor and Commerce Committee meeting on Tuesday, February 23. We wish to inform the members of this committee of this important aspect of the bill and how it came about, and we would be happy to answer any further questions during Monday's hearing.

As co-chairs of the Title 4 Review Steering Committee, we have been involved in this process from its beginning in 2012. The proposed change to composition of the ABC Board was the result of a two-year negotiation within the Title 4 Review stakeholder process, and ultimately put forward in the package as one of many recommendations that had consensus. Initially, the public health and public safety partners had proposed to increase the board to seven members, with two designated seats for public health and public safety, in addition to the existing two industry members, two public members, and one public rural member. We were locked on this issue for many months. The compromise between industry, public health and public safety perspectives was negotiated by the two of us, in Mr. Klein's role as CHARR board member and chair of CHARR's Government Affairs Committee, and Mr. Jessee as a staunch public health advocate. The resulting language in the bill represents a compromise reached in 2014, which was further refined in Senate Labor and Commerce, and remains a key policy change in Title 4 to ensure the ABC Board brings a consistent and balanced approach to alcohol regulation in Alaska.

We feel strongly that SB 165 should move forward with the provision to change 04.06.020 Board Composition included, because:

- The items in SB 165 have already achieved consensus with the stakeholder group, and represent just the first step in a comprehensive package of changes to Title 4 that as a whole will result in a better system of alcohol regulation for all Alaskans. The changes to ABC Board composition and underage drinking penalties are simply too important to wait for another session.
- The items in SB 165 can also be implemented now, without impacting the remainder of proposed changes to Title 4, which we continue to refine and still intend to bring forward as a comprehensive package next year.
- The discussions had during our process and the resulting proposed change to the Alcoholic Beverage Control Board helped to shape the newly-formed Marijuana Control Board. Updating Title 4 will help both of these boards work in parallel with the state's Alcohol and Marijuana Control Office.

Thank you again for your consideration of Senate Bill 165, and we look forward to Monday's committee hearing.

Sincerely,



Bob Klein
Co-chair
Title 4 Review Steering Committee



Jeff Jessee
Co-chair