



April 3, 2017

Representative Sam Kito
House Labor & Commerce Committee Chair
Alaska State House of Representatives
Alaska State Capitol, Rm 409
Juneau, AK 99801

Re: Support of HB 209 – Product Warranties & Required Updates

Dear Representative Kito:

The Alaska State Chamber of Commerce (Alaska Chamber) supports the current version of House Bill 209, an act relating to product warranties and services for certain products; relating to certain dealers, distributors, and manufacturers; and establishing an unfair trade practice under the Alaska Unfair Trade Practices and Consumer Protection Act.

The Alaska Chamber is a non-profit founded in 1952 working to promote a positive business environment in Alaska. The Chamber is the voice of small and large business representing hundreds of employers and local chambers across Alaska. Our member companies employ over 100,000 hard-working Alaskans. The Alaska Chamber believes HB 209 will provide increased consumer protection for owners of heavy equipment when manufacturers require updates and/or warranty work is needed.

As you know Alaska is unique in its vast geographical size as well as the remoteness of where many businesses operate their heavy equipment. This size and remoteness leads to higher costs and challenges when getting goods and services out to these locations. The manufacturers do not reimburse for the higher costs of the updates and warranty work, and so Alaska businesses are forced to absorb these costs.

The Alaska Chamber thanks you for sponsoring HB 209 and your support for Alaska's business community.

Sincerely,

A handwritten signature in black ink, reading 'Curtis W. Thayer'.

Curtis W. Thayer
President & CEO



ASSOCIATED GENERAL CONTRACTORS of ALASKA

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April 12, 2017

Representative Sam Kito, Chair
House Labor and Commerce Committee
State Capitol, Room 403
Juneau AK, 99801

Re: House Bill 209

Dear Representative Kito,

Sam

The Associated General Contractors of Alaska is a trade association representing over 640 Alaskan businesses in the construction industry. Within our membership is a majority of Alaska's construction industry. On behalf of the AGC and those businesses, I offer the following support for House Bill 209.

No too many years ago, some suppliers in the lower 48 were known to send their rejects to Alaska, knowing that the cost of return freight meant the purchaser was going to be stuck with it. It's not like that anymore, but there are still a few issues where Alaska's remoteness imposes a burden on our businesses. Our remote locations, high shipping costs and transportation challenges result in high costs for warranty and update services for a manufacturer's defective products. Many of these services are discounted or not reimbursed at all by the manufacturers who require them. Alaska businesses have to absorb expenses for shipping, transportation, and labor that should be paid by the companies that manufacture defective products, provide warranties and require equipment updates.

House Bill 209 is modeled after laws in many other states for warranties covering boats and ATVs. This bill extends that same protection to the heavy equipment that keeps Alaska's construction and resource extraction businesses running. Fixing this problem is another consumer protection and business friendly action the legislature can take to help our resource and construction businesses and the companies that supply and serve them as they try to support the economy of Alaska.

Thank you for sponsoring this bill which will help ensure that Alaskans buying, selling or owning heavy equipment are adequately protected by manufacturers' required "updates" and warranties.

Sincerely,

John MacKinnon, Executive Director
Associated General Contractors of Alaska