



Jan. 18, 2024

RE: Opposition to House Bill 186, volunteer labor compliance officer program

EXECUTIVE PARTNERS

DIAMOND

Costco Wholesale
Denali State Bank

Mt. McKinley Bank

PLATINUM

ConocoPhillips Alaska
Doyon, Limited
Foundation Health Partners
Golden Heart Utilities
Hilcorp Alaska, LLC

GOLD

Contango Ore Inc.
Design Alaska
Doyon Utilities LLC
First National Bank Alaska
GHEMM Company, LLC.
Kirk Ross Fort Knox
Matson
Northern Star Resources Limited
PeopleAK
TDL Staffing Inc.
TOTE Maritime Alaska
University of Alaska Fairbanks
Usibelli Coal Mine
Wal-Mart
Westmark Fairbanks &
Princess Riverside Lodge

SILVER

Ahtna Incorporated
Alaska Airlines
Alaska Railroad
AT&T
Everts Air Cargo, Everts Air AK
Exclusive Paving/University Redi-Mix
FNSB Riverside Division
Full Tilt Mechanical & Construction
GCI
Gene's Chrysler Dodge Jeep RAM
Global Credit Union
Golden Valley Electric Association
Interior Gas Utility
JL Properties, Inc.
LifeMed Alaska
Lynden
MAC Federal Credit Union
McDonald's of Fairbanks
Northrim Bank
Robinson & Ward PC
Sourdough Fuel/Petro Star
Spirit of Alaska Federal Credit Union
Stewart Title Company – Yukon Division
Tower Hill Mines-Livengood Gold Project
Vivlamore Companies

Dear members of the 33rd Alaska Legislature,

Data from the Alaska Department of Labor and Workforce Development shows that wage complaints have declined across all industries and also for the construction industry since 2019. We appreciate the House Labor and Commerce Committee's intent to improve conditions for workers and to make sure they are receiving accurate compensation, but we see no need for a voluntary labor compliance program to reduce conflicts over compensation given that such conflicts have declined dramatically from 258 wage claims across all industries in 2018 to 55 total claims in 2023. For the construction industry, the total number of wage complaints this year was 11 as of Dec. 20, 2023. This is down from 51 complaints in 2019. Please see the attached graphic, outlining data provided by the AKDOL.

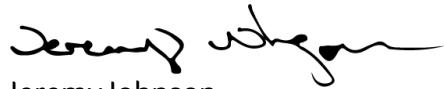
We are the largest business member organization in Alaska's Interior, with more than 600 members, and we support efforts by policymakers to help businesses and entrepreneurs to be successful. Requiring employers to grant unknown third parties access to private records is a barrier to success. The proposed scope of House Bill 186 provides a level of intrusion onto private property and facilities that is not needed. This proposed access has potential to expose proprietary and confidential information with significant potential to negatively impact businesses.

Payroll errors are unfortunate but the data on wage recovery in Alaska fails to support the claim that a new regulatory scheme is needed for the construction industry. Across all industries, wage recovery represents 0.001% of the overall \$18.1 billion annual payroll for Alaska's workers. In addition, we hold that using volunteers to conduct compliance checks is a novel idea with little precedent and the potential to introduce new problems for the state. For example, who will carry the workers' compensation insurance on these volunteers if someone is hurt? Is the state prepared to take on this additional expense? Is this a meaningful allocation of state resources given that the U.S. Occupational Safety and Health Act of 1970 and Alaska Statute 23.05.100 already allows trained public servants to access work sites for compliance checks?

Data on the state of the economy would suggest that this is a good time in history to be in the workforce. Employers are economically motivated to treat workers fairly as workers have become more scarce. Consequently, wages are growing faster than inflation in the U.S. In Alaska, wage inequality is decreasing, and wages are increasing in real terms for the lowest wage earners, according to the University of Alaska Institute of Social and Economic Research. Alaska currently offers tremendous opportunity for people who need work, and employers are boosting compensation in a hypercompetitive labor market. The labor shortage is one of the biggest barriers to success for our members. We hold that efforts to address the labor shortage would be a meaningful direction for legislators looking to improve conditions for employers and employees alike.

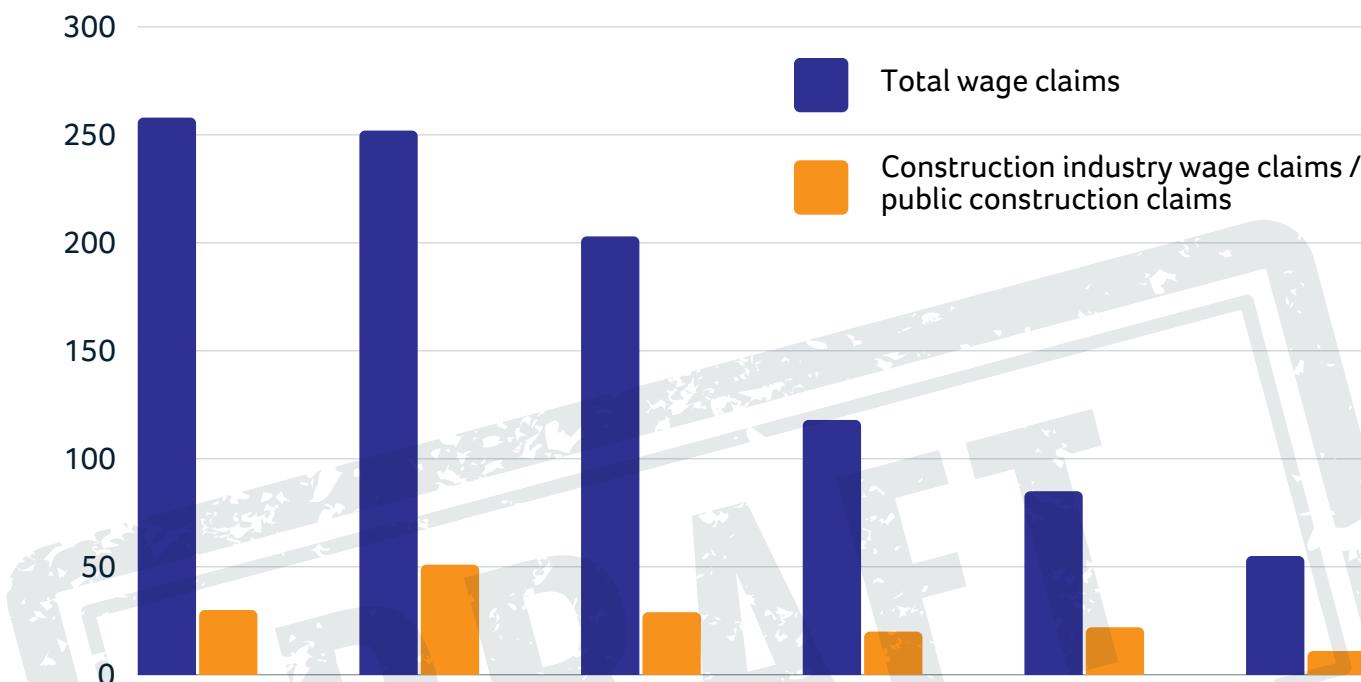
Sincerely,

Greater Fairbanks Chamber of Commerce

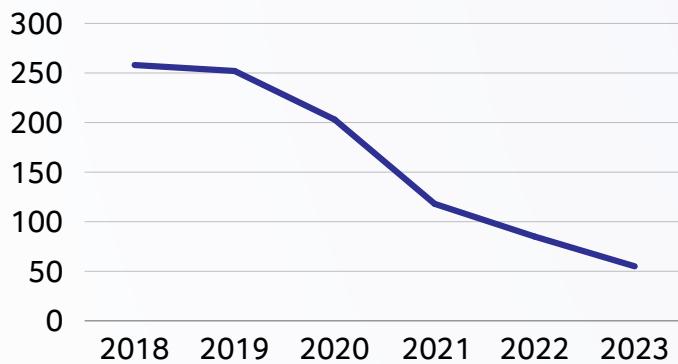


Jeremy Johnson
President & CEO

ALASKA WAGE COMPLAINT DATA 2018 - 2023



TOTAL WAGE CLAIMS



CONSTRUCTION INDUSTRY WAGE CLAIMS / PUBLIC CONSTRUCTION CLAIMS

