



January 18, 2024
Representative Sumner
House Labor and Commerce Committee
State Capitol
Juneau AK, 99801

Sent via email: Represenatative.Jesse.Sumner@akleg.gov

RE: House Bill 186

Dear Representative Sumner,

Associated Builders and Contractors of Alaska ("ABC") is the voice of the Alaska construction industry, advocating the ideals of free enterprise, developing training for the workforce, and providing contractors the resources required to compete in the ever-changing environment.

ABC opposes House Bill 186 "An Act relating to volunteer labor compliance officers".

ABC supports enforcement of Alaska's labor laws but while we may have a common goal to ensure compliance the solution contained in House Bill 186 is the wrong approach and would set a dangerous precedent for enforcement of Alaska laws and regulations. Enforcement of Alaska labor laws and regulations often requires site visits to private property, private businesses and place the investigator on construction sites. These types of activities should be the responsibility of trained public employees, who should not have any conflicts of interest, while operating under Alaska ethics laws where the State can be held responsible for their actions.

While HB 186 deals with construction the underlying premise would support expansion to other agencies where complaints arise of inadequate enforcement allowing citizen investigators in a myriad of sectors such as the Alaska Public Offices Commission or food safety inspectors of restaurants. Simply put, the bill seems to indict the Department of Labor and the current Administration as failing to do their job in enforcing state labor laws and regulations. The solution proposed would have privately paid "investigators" stepping in to do the Department's work. We believe a better path would be to better identify and define problems, if any, and work with the Department to ensure they have the tools necessary to do their job.

With regard to this bill, when looking at the information from the Department of Labor there does not seem to be a significant issue that justifies such a radical approach to change current enforcement programs, but ABC is willing to engage and collaborate with stakeholders to further understand any potential issues.

With regard to specific concerns, we offer the following preliminary thoughts:

- While the bill prohibits investigators from having a conflict of interest there is no definition of what a conflict is. This should be defined in great detail and not left for regulations. Would a union employee investigating a nonunion contractor have an inherent conflict of interest? Alaskans should know before passing the bill what is intended within the context of "conflict of interest." Additionally, there should be some public disclosure of the "investigator's" personal interests such as who they have worked for, if they own a business in construction, and who is paying them to be an "investigator."

- The bill inadequately addresses liability. Who will be liable for any accidents or injuries that are a result of the "investigators" on site activities? Will it be the investigator personally or the entity paying the "investigator"? How much liability coverage will they be required to cover?
- The bill is insufficient in how it deals with conflicts of interest. By simply removing the person from having authority to continue investigating, this leaves little to no deterrence for malfeasance or holds anyone accountable for any actions of the "volunteers." At a minimum, investigating a private business with a conflict of interest should be a crime. Who will manage the complaints over conflicts of interest? If the underlying concern is the Department does not have the resources to investigate labor violations, how would they have the resources to investigate conflicts of interest or other complaints? What type of due process procedure is envisioned to deal with complaints? One suggestion would be to add "volunteer" citizen hearing officers/investigators to the bill to investigate the investigators?
- We do not understand the prohibition on an employee of the State taking leave and "volunteering" to be an investigator. What is the rationale for excluding state employees?

Enforcement of State of Alaska laws and regulations is the sole responsibility of the State. When the full power and authority of the State of Alaska is behind individuals performing said enforcement, those individuals should have the same consequences for improprieties than any other State of Alaska employee has. In short ABC of Alaska feels strongly that any labor compliance should be performed by the State of Alaska, and volunteers would not be appropriate or suitable to perform these duties.

ABC is willing to collaborate with you and the legislature to better define any problems with enforcement and if any exist ensure the Department of Labor has the tools to solve those problems but cannot support the radical idea to delegate such an important responsibility to "volunteers."

We do appreciate your interest in seeing Alaska's labor laws and regulations enforced and Alaska businesses and workers being protected. We look forward to further engagement and collaborating with you on this matter.

Sincerely,



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