



January 21, 2010

Senator Lesil McGuire
Alaska Senate
Room 125
State Capitol
Juneau, AK 99801

RE: In Support of Committee Substitute for Senate Bill 117

Dear Senator McGuire:

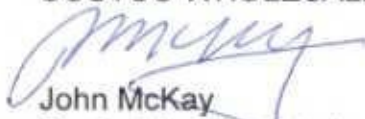
I am writing to you on behalf of Costco Wholesale Corporation ("Costco") to support Committee Substitute for Senate Bill 117 ("CSSB 117"). Costco holds licenses as a wholesale distributor and a retailer of cigarettes and other tobacco products.

Currently, the law is difficult to interpret. CSSB 117 clarifies the language in the statute and makes it easier for wholesale distributors and retailers to determine the minimum price of cigarettes. The Department of Revenue and all licensees will benefit with CSSB 117 because the determination of price for cigarettes is simpler and more efficient, thus saving valuable state resources. Further, we believe that CSSB 117 is consistent with the fair and competitive practices in Alaska.

Thank you for your time and the opportunity to comment on this pending legislation.

Sincerely,

COSTCO WHOLESAL



John McKay
Senior Vice President