

Public Testimony Regarding House Bill 60: "An Act Relating to Municipal and State Procurement Preferences for Agricultural and Fisheries Products"

Dear Honorable Members of the Alaska Legislature,

I am writing to provide public testimony concerning House Bill 60, which proposes preferential procurement for in-state agricultural and fisheries products. While I appreciate the intent to support local industries, the bill poses a significant risk to our state's economic future, agricultural sector, and legal standing. I strongly urge you to reconsider the bill in light of the following legal, economic, and social concerns.

1. Constitutional Issues: Violation of the Dormant Commerce Clause

HB 60 directly violates the Dormant Commerce Clause of the U.S. Constitution. This clause prohibits state laws that discriminate against or unduly burden interstate commerce. The bill's preference for local agricultural and fisheries products creates an unconstitutional barrier against out-of-state goods. By mandating that municipalities and state entities must purchase local goods at a price premium (10-25%), the bill unfairly favors Alaska-based producers at the expense of interstate competitors. This runs afoul of long-standing Supreme Court decisions, such as *Granholm v. Heald* and *Hunt v. Washington State Apple Advertising Comm'n*, which protect the free flow of commerce between states.

2. Conflict with Federal Law and Trade Agreements

Furthermore, HB 60 conflicts with numerous federal procurement laws, such as the Buy American Act, which governs federal contracts and supports interstate competition. The bill also jeopardizes Alaska's standing in international trade agreements, including the U.S.-Mexico-Canada Agreement (USMCA), which prohibits protectionist policies that favor local businesses at the expense of foreign competitors. This legislation risks retaliatory trade measures that could severely harm Alaska's exports and economy.

3. Harm to Local Farmers and Agriculture

While the bill's intent is to support local farmers, it could have devastating consequences for them in the long run:

A. Increased Costs for Municipalities and Schools: By imposing a preference for more expensive local products, municipalities and state-funded schools will face higher food costs, potentially leading to budget cuts in other critical areas.

B. Supply Chain Disruptions: Alaska's agricultural producers already face significant challenges due to limited growing seasons and logistical issues. If the state mandates purchasing preferences, it could result in shortages of critical goods when local supply cannot meet demand, forcing the government to buy from more expensive local producers.

C. Reduced Competition and Innovation: By protecting local producers from competition, the bill dampens market-driven innovation, reducing the incentive for local farmers to improve quality, reduce costs, or develop more efficient practices. Over time, this could hinder the growth of Alaska's agricultural sector, as farmers become reliant on government mandates rather than consumer demand.

D. Legal and Regulatory Uncertainty: The bill could spark legal challenges both within the state and from out-of-state producers. The uncertainty surrounding its implementation could raise the cost of doing business in Alaska for our local farmers, driving away potential investment and increasing operating expenses.

4. Violation of the Equal Protection Clause

HB 60 could also be challenged under the Equal Protection Clause of the 14th Amendment, as it explicitly favors in-state producers over out-of-state competitors. The bill creates a discriminatory advantage for local producers without sufficient justification, potentially leading to legal action from out-of-state producers who are harmed by these preferential treatment measures.

5. Impact on Consumer Choice and Prices

Local consumers will also suffer from the effects of HB 60. Higher prices for food products are inevitable, as the mandatory preference for local goods creates an inflated market. This may lead to less variety and increased prices in grocery stores, particularly for products that Alaska farmers cannot supply in sufficient quantities. Local farmers may struggle to diversify their product lines, further limiting consumer choice.

6. Economic Retaliation and Damage to Other Industries

HB 60 risks economic retaliation from other states and international partners, who could enact similar protectionist measures against Alaska's agricultural exports. This could reduce market access for Alaska producers and harm other sectors of our economy, such as the fishing industry, which is already facing significant challenges in a competitive global market.

Call for Impeachment of Governor

In light of these concerns, I must also raise the issue of accountability for the actions surrounding this bill. The Governor's endorsement and suggestion of HB 60 and the continued push for such protectionist policies are detrimental to the long-term health of our state. By promoting an agenda that violates constitutional principles, creates legal conflicts, and harms local businesses and taxpayers, the Governor is not serving the best interests of Alaska's people.

The Governor's actions in supporting this bill undermine the foundation of free markets, interstate commerce, and responsible governance. As such, I believe that these actions warrant impeachment proceedings. Alaska deserves leadership that respects constitutional principles and works to promote economic growth, legal integrity, and fair competition. The Governor's continued endorsement of such policies shows a blatant disregard for the state's legal obligations and economic well-being, necessitating an urgent call for impeachment. The Governor's intentions have grown unglaring and unable to ignore. It is made worse by the willingness of his own Attorney General failing to conduct his job faithfully, nor in accordance to the law, nor constitutionally.

In conclusion, I urge you to reject HB 60 due to its unconstitutional provisions, its potential to harm local farmers, and its economic and legal risks for Alaska. Furthermore, I call on the legislature to hold the Governor and Attorney General accountable for supporting policies that could undermine the state's future prosperity and place Alaska in direct conflict with federal law and trade agreements.

Thank you for your time and attention to this critical matter.

Susan Allmeroth

Two Rivers

Myself