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# Alaska State Legislature

## House of Representatives



### Representative Max F. Gruenberg, Jr.

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### SPONSOR STATEMENT

#### HB 275 – ANTITRUST ACTIONS & PENALTIES

*“An Act authorizing certain causes of action for relief for direct or indirect injuries sustained as a result of antitrust violations; repealing the provision limiting to the attorney general the recovery of monetary relief for injury directly or indirectly sustained as a result of an antitrust violation; and relating to criminal and civil penalties for antitrust violations.”*

The purpose of HB 275 is threefold:

1. Increase the penalties for antitrust violations
2. Allow recovery for parties injured indirectly, as well as directly, by antitrust violations
3. Allow the attorney general to bring an antitrust action for additional equitable and monetary relief.

The first function of HB 275 is to increase the penalties levied against those who violate antitrust laws. Under current law, an antitrust violation under AS 45.50.562 or 45.50.564 is only a misdemeanor and is only punishable by a fine of \$20,000 or \$50,000, respectively, for natural persons or organizations. Because of the enormous profits that may potentially be realized through antitrust violations, the current penalties do not serve as significant deterrents. HB 275 will make an antitrust violation under AS 45.50.562 or 45.50.564 a class C felony. The bill will also increase the fines for such violations to \$1,000,000 for natural persons and \$50,000,000 for organizations. This will provide a much stronger deterrent to would-be antitrust violators.

The second purpose of the bill is to expand the pool of parties who may bring an action against antitrust violators. Under current law, only parties injured directly by antitrust violations may bring a private action. This bill will allow parties who are injured directly *or indirectly* by antitrust violations to bring an action to recover damages, terminate an interlocking relationship, or both.

Finally, HB 275 will also expand the attorney general’s ability to seek, in addition to monetary damages, expanded equitable relief including a forfeiture of the organization’s business license, divestiture of assets, and dissolution of the organization, if necessary.

These are important changes that will not only prevent antitrust violators from continuing harmful behavior, but will provide additional deterrents for would-be violators.

Please contact my legislative aide, Gretchen Staft, at 465-4940 with any questions.