



RE: Support for SB 190, with an additional suggestion.

To: The Alaska House of Representatives Labor & Commerce Committee

From: The Alaska Public Interest Research Group (AKPIRG)

Founded in 1974, AKPIRG is a state-wide and non-partisan 501(c)3 nonprofit organization, researching, educating and advocating on behalf of consumers and the public interest. AKPIRG works toward a world of self-determined, thriving communities—advancing the public interest by providing individuals with the opportunity and the information to participate equally in and be treated equally by our economic, social and political systems. To our knowledge, we are the only state-wide consumer advocacy non-profit in Alaska.

The Regulatory Commission of Alaska (RCA) serves an essential purpose for all Alaskans, regulating services that have a monopoly over Alaskan consumers and ensuring benefit for consumers and the public. We strongly believe its existence is essential to the protection of the public interest.

One additional change in this bill is that refuse services be allowed to file simplified rate filings. While this is consistent with some other services the RCA oversees, we believe there are a few appropriate considerations to ensure that the RCA retains effective oversight over refuse services on behalf of consumers.

AKPIRG is aware that other cities across the country have changed governance structures of refuse collection services, with some of these leading to large rate hikes because of a lack of consumer protections. Dominant market players initially low-bid to squeeze out competition then raise prices after localities no longer have other options, like their own trucks or equipment to get back into waste services. While early cost-saving is attractive, long term consequences may be more uncertain without safeguards.

Because SB190 wisely articulates a consolidated rate review process within RCA, we strongly urge the legislature to clarify that RCA must review proposed changes in refuse collection services to ensure any proposed changes protect consumers.

In particular, we suggest requiring cost projections for at least 10 years that compare privatization of refuse collection services with continued local operation, as well as public interest considerations beyond cost-effectiveness to avoid compromised services and diminished accountability—such as review of any potential conflicts of interest with local officials; addressing employee displacement due to contracting out services; continued contract monitoring for contingencies, contractor defaults, and inflation; and methods to encourage service quality and competition.

Thank you for your consideration and your service to the people of Alaska.

Sincerely,

A handwritten signature in black ink, consisting of a large 'V' followed by a stylized, cursive name that appears to be 'di Suvero'.

Veri di Suvero
AKPIRG Executive Director

A handwritten signature in black ink, appearing to be 'Alyssa Sappenfield' in a cursive script.

Alyssa Sappenfield
AKPIRG Energy Analyst