



Alaska Cabaret, Hotel, Restaurant, and Retailers Association  
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March 10, 2025

Dear Honorable Members of the 34<sup>th</sup> Alaska State Legislature:

I have served as President & CEO of the Alaska Cabaret, Hotel, Restaurant, and Retailers Association (commonly known as Alaska CHARR) since 2018. Alaska CHARR has over 700 members and represents over 2000 hospitality establishments that employ over 36,000 workers across Alaska communities.

Alaska's hospitality industry continues to face significant, ongoing challenges to business operations. Pre-pandemic, the average restaurant operated at a 5% profit margin. Current margins average closer to 3%, and we expect that to decrease further with the implementation of mandatory paid sick leave on July 1.

House Bill 25 will further decrease restaurant profit margins – resulting in a negative economic impact – while failing to hit its intended environmental goals. Other states that have imposed similar bans have seen inequitable hardship on smaller independent restaurants, forcing small businesses to incur additional debt or even close permanently. Hundreds of restaurants across Alaska are already facing similar decisions due to other recent mandates; HB 25 could be the tipping point for many.

We have an incredibly diverse restaurant industry in Alaska; each restaurant owner/operator should be able to make its own choices for the unique operations of each individual business. Imposing government restrictions on business operations adds unnecessary, ineffective barriers to entry for our industry of opportunity and will inevitably result in decreased diversity in business ownership.

Moreover, states with comprehensive, modernized waste management systems have reported challenges, shortfalls, or even adverse environmental impacts after implementation of similar legislation. Our state lacks the systems and infrastructure necessary for HB 25 to be effective. Most (if not all) communities around Alaska would see biodegradable food service ware end up in landfills – a replacement, not a solution.

HB 25 will be harmful to hundreds of Alaskan-owned establishments around the state that collectively represent Alaska's largest private employer, Alaska's largest group of small businesses, and Alaska's second largest industry. As the voice of Alaska's hospitality industry, I respectfully request that you support your local restaurants by voting in opposition of House Bill 25.

Thank you for your consideration.

Respectfully,

Sarah Oates Harlow  
President & CEO  
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