

**ALASKA STATE LEGISLATURE  
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

May 6, 2002

3:25 p.m.

**MEMBERS PRESENT**

Representative Lisa Murkowski, Chair  
Representative Andrew Halcro, Vice Chair  
Representative Kevin Meyer  
Representative Norman Rokeberg  
Representative Harry Crawford  
Representative Joe Hayes

**MEMBERS ABSENT**

Representative Pete Kott

**COMMITTEE CALENDAR**

HOUSE BILL NO. 323

"An Act relating to emergency and disaster relief forces as state employees for purposes of workers' compensation benefits; relating to the Emergency Management Assistance Compact and the implementation of the compact; and providing for an effective date."

- MOVED HB 323 OUT OF COMMITTEE

CS FOR SENATE BILL NO. 215(FIN)

"An Act relating to licensing common carriers to dispense alcoholic beverages; and providing for an effective date."

- HEARD AND HELD

**PREVIOUS ACTION**

BILL: HB 323

SHORT TITLE:EMERGENCY MANAGEMENT ASSISTANCE COMPACT

SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

Jrn-Date	Jrn-Page		Action
01/16/02	1970	(H)	READ THE FIRST TIME - REFERRALS
01/16/02	1970	(H)	MLV, STA, L&C
01/16/02	1970	(H)	FN1: ZERO(MVA)
01/16/02	1970	(H)	GOVERNOR'S TRANSMITTAL LETTER

04/04/02		(H)	MLV AT 3:00 PM CAPITOL 124
04/04/02		(H)	Moved Out of Committee MINUTE(MLV)
04/05/02	2814	(H)	MLV RPT 4DP 1NR
04/05/02	2814	(H)	DP: KOTT, MURKOWSKI, HAYES, CHENAULT; NR: GREEN
04/05/02	2814	(H)	FN1: ZERO(MVA)
04/25/02		(H)	STA AT 8:00 AM CAPITOL 102
04/25/02		(H)	Moved Out of Committee
04/25/02		(H)	MINUTE(STA)
04/25/02	3127	(H)	STA RPT 7DP
04/25/02	3127	(H)	DP: WILSON, CRAWFORD, STEVENS, JAMES,
04/25/02	3127	(H)	FATE, HAYES, COGHILL
04/25/02	3127	(H)	FN1: ZERO(MVA)
05/06/02		(H)	L&C AT 3:15 PM CAPITOL 17

BILL: SB 215

SHORT TITLE:COMMON CARRIER LIQUOR LICENSE

SPONSOR(S): SENATOR(S) COWDERY

Jrn-Date	Jrn-Page		Action
04/30/01	1357	(S)	READ THE FIRST TIME - REFERRALS
04/30/01	1357	(S)	TRA, FIN
01/22/02		(S)	TRA AT 1:30 PM BUTROVICH 205
01/22/02		(S)	Moved CS(TRA) Out of Committee MINUTE(TRA)
01/23/02	2017	(S)	TRA RPT CS 3DP 2NR SAME TITLE
01/23/02	2017	(S)	DP: COWDERY, WILKEN, TAYLOR;
01/23/02	2017	(S)	NR: WARD, ELTON
01/23/02	2017	(S)	FN1: (REV)
03/04/02		(S)	FIN AT 9:00 AM SENATE FINANCE 532
03/04/02		(S)	Scheduled But Not Heard
03/05/02		(S)	FIN AT 9:00 AM SENATE FINANCE 532
03/05/02		(S)	Moved CS(FIN) Out of Committee MINUTE(FIN)
03/06/02	2382	(S)	FIN RPT CS 5DP 3NR SAME TITLE
03/06/02	2382	(S)	DP: KELLY, HOFFMAN, WILKEN, WARD,
03/06/02	2382	(S)	LEMAN; NR: DONLEY, GREEN, OLSON
03/06/02	2383	(S)	FN2: (REV)

03/26/02		(S)	RLS AT 11:00 AM FAHRENKAMP 203
03/26/02		(S)	MINUTE(RLS)
04/19/02	2858	(S)	RULES TO CALENDAR 4/19/02
04/19/02	2859	(S)	READ THE SECOND TIME
04/19/02	2859	(S)	FIN CS ADOPTED UNAN CONSENT
04/19/02	2859	(S)	ADVANCED TO THIRD READING UNAN CONSENT
04/19/02	2860	(S)	READ THE THIRD TIME CSSB 215(FIN)
04/19/02	2860	(S)	PASSED Y14 N4 E1 A1
04/19/02	2860	(S)	EFFECTIVE DATE(S) SAME AS PASSAGE
04/19/02	2863	(S)	TRANSMITTED TO (H)
04/19/02	2863	(S)	VERSION: CSSB 215(FIN)
04/22/02	3058	(H)	READ THE FIRST TIME - REFERRALS
04/22/02	3058	(H)	L&C, FIN
04/29/02		(H)	L&C AT 3:15 PM CAPITOL 17
04/29/02		(H)	Heard & Held MINUTE(L&C)
05/06/02		(H)	L&C AT 3:15 PM CAPITOL 17

**WITNESS REGISTER**

MG PHILLIP OATES, Adjutant General/Commissioner  
Department of Military & Veterans' Affairs  
PO Box 5800

Fort Richardson, Alaska 99505-0800

POSITION STATEMENT: Presented HB 323 on behalf of the  
administration.

DON SMITH, Staff  
to Senator John Cowdery  
Alaska State Legislature  
Capitol Building, Room 101  
Juneau, Alaska 99801

POSITION STATEMENT: Testified on behalf of the sponsor of CSSB  
215(FIN), Senator Cowdery.

**ACTION NARRATIVE**

TAPE 02-72, SIDE A  
Number 0001

CHAIR LISA MURKOWSKI called the House Labor and Commerce  
Standing Committee meeting to order at 3:25 p.m.

Representatives Murkowski, Halcro, Meyer, Crawford, and Hayes were present at the call to order. Representative Rokeberg arrived as the meeting was in progress.

HB 323 - EMERGENCY MANAGEMENT ASSISTANCE COMPACT

Number 0061

CHAIR MURKOWSKI announced that the first order of business would be HOUSE BILL NO. 323, "An Act relating to emergency and disaster relief forces as state employees for purposes of workers' compensation benefits; relating to the Emergency Management Assistance Compact and the implementation of the compact; and providing for an effective date."

Number 0099

MG PHILLIP OATES, Adjutant General/Commissioner, Department of Military & Veterans' Affairs (DMVA), presented HB 323 on behalf of the administration. He said that the Emergency Management Assistance Compact (EMAC) is very important because no state or nation can have enough resources or wealth to deal with the large contingencies of an attack with weapons of mass destruction. Therefore, compacts with other states is very important due to the need for rapid access to resources as well as the ability to rapidly provide resources to those in need. He explained that the EMAC is a duty roster of support in which a state is prepared to provide a certain package of assistance. The state is indemnified from providing the support and is reimbursed for this support. The state can ultimately have these resources returned, if need be. General Oates pointed out that quick response to a weapons of mass destruction event can result in great success. However, a slow response, especially with a biological event, could result in no success. Therefore, it's important to enter into the compact, he reiterated. He estimated that only four states wouldn't be part of EMAC by the end of this legislative session.

GENERAL OATES informed the committee of discussions with Governor Tom Ridge, the Director of the Office of Homeland Security and the Federal Emergency Management Agency (FEMA) regarding the notion that states should have the availability to have a soft match for the federal assistance. Because of the country's economic recession, states are having difficulty funding their existing programs. Therefore, a hard match to obtain federal dollars will be difficult to achieve. Moreover, most state legislative sessions have ended. General Oates noted

that the need for a procedural match and soft match have been argued. [It has also been argued] that one of the most important things for receiving federal assistance is having an EMAC. General Oates related his belief that this legislation is good and helps Alaska assist others, which is a long-standing Alaskan trait. He requested that the committee move this legislation forward this year.

Number 0424

CHAIR MURKOWSKI informed the committee that in the House Special Committee on Military and Veterans' Affairs she had asked whether it's necessary to include the language of the entire compact to which the National Emergency Management Association responded in the affirmative.

Number 0530

REPRESENTATIVE HAYES moved to report HB 323 out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, HB 323 was reported from the House Labor and Commerce Standing Committee.

SB 215-COMMON CARRIER LIQUOR LICENSE

CHAIR MURKOWSKI announced that the next order of business would be CS FOR SENATE BILL NO. 215(FIN), "An Act relating to licensing common carriers to dispense alcoholic beverages; and providing for an effective date."

REPRESENTATIVE HALCRO recalled that the public testimony was closed on CSSB 215(FIN).

CHAIR MURKOWSKI informed the committee that she had concern that there might have been some small [carriers] who, upon this legislation coming into effect, would face higher [fees]. In looking through the list of licensees in Alaska, almost all the smaller entities with a common carrier license has a common carrier seasonal license. This common carrier seasonal license can be obtained for about half the price and thus they're not in the same situation as Alaska Airlines and its multiple carrier licenses.

Number 0708

REPRESENTATIVE ROKEBERG turned to the reference labeled "SB 215 - License Renewal Breakdown". He remarked that the "Others" category seems significant in regard to the gains and losses.

CHAIR MURKOWSKI informed the committee that those entities impacted by this [legislation are] ERA Aviation, Marriott, Phillips Alaska, Inc., Revolution Airways, the State of Alaska, United Airlines, and the White Pass and Yukon Route Railroad. The others have seasonal common carrier licenses. She related her feeling that the [smaller] seasonal operators are addressed. In further response to Representative Rokeberg, Chair Murkowski confirmed that the cruise ships have to sign up as well and pointed out that they are seasonal as well. She noted that these fees haven't increased since 1980. [This legislation] would raise the fees for everyone and pass the discount to Alaska Airlines.

CHAIR MURKOWSKI commented that she didn't know how other states deal with their licensure fees. The sponsor statement specifies that what Alaska Airlines pays in Alaska is an inordinate amount compared to what it pays in other states. Therefore, she questioned whether there are other taxes that the other states might impose in addition to the licensure fee, which would make Alaska's licensure fee look incongruent with the licensure fees of other states.

REPRESENTATIVE HALCRO related his belief that the difference may have to do with landing fees.

Number 1050

CHAIR MURKOWSKI informed the committee that Texas charges a per drink tax on alcohol consumed over the air in Texas. Chair Murkowski announced that the bill could be held until answers to the committee's questions are received.

REPRESENTATIVE ROKEBERG noted his preference to move the bill.

CHAIR MURKOWSKI restated her question regarding whether other states charge other fees related to alcohol provided by an airline that the state would recoup.

Number 1140

DON SMITH, Staff to Senator John Cowdery, Alaska State Legislature, said that he didn't know. In further response to Chair Murkowski, Mr. Smith answered that he didn't know how

Alaska has gotten so "out of whack" with the other states because he wasn't familiar with how other states charge for liquor licenses. Mr. Smith mentioned [Alaska Airlines'] growth and [the fact] that in the aggregate about 40 percent of Alaska Airlines' air time is spent in Alaska. Mr. Smith recalled that there were problems each time an airplane was licensed when it received a new start-up date.

CHAIR MURKOWSKI remarked that Section 1 seems important due to making it easier to obtain the licensing.

MR. SMITH pointed out that eventually everything will be on a two-year cycle.

CHAIR MURKOWSKI characterized this matter as a policy call and noted that this would be a direct benefit to Alaska Airlines.

Number 1274

REPRESENTATIVE ROKEBERG expressed concern with regard to the symmetry between the \$1,000 fee for the first ten licenses and the \$100 fee for each thereafter, as it relates to the seasonal fees.

MR. SMITH indicated that the [licenses] fall under the applicable fee. He noted that some of the trains and cruise ships purchase a half-year license, which is cheaper. He related that someone had told him that West Tours would have to have three more train cars before this legislation would make economic sense for them. Although this legislation is written as if it will impact everyone, it only impacts one carrier at the moment.

REPRESENTATIVE ROKEBERG related his belief that this legislation will increase the fees on everyone else until the entity reaches the number of ten aircraft or train cars.

MR. SMITH said that his understanding is that those with less than ten would stay under the current [license fees].

CHAIR MURKOWSKI interjected her belief that the reason the smaller entities would be Okay under this is because most of the smaller entities operate under a seasonal license.

MR. SMITH indicated agreement that such is the case and would be the case unless the entity grew.

CHAIR MURKOWSKI directed attention to Section 3, which relates that this legislation applies to a new common carrier dispensary license or renewal occurring on or after the effective date. Therefore, if the licenses are up for renewal every other year, these entities will fall under these renewal fees [at that time].

REPRESENTATIVE ROKEBERG noted that this has to do with Title 4.

Number 1407

CHAIR MURKOWSKI commented that it seems a bit ironic to provide a break in the amount collected from a carrier on the carrier's license to dispense alcoholic beverages when the legislature just voted to increase the alcohol tax.

REPRESENTATIVE MEYER, after discussion, surmised that Alaska Airlines would probably buy alcohol in Alaska because it's cheaper in Alaska when one considers the taxes in Seattle.

The committee took an at-ease from 3:50 p.m. to 3:52 p.m.

CHAIR MURKOWSKI recalled that one of the questions hasn't been answered and thus this legislation would be held to Wednesday.

REPRESENTATIVE ROKEBERG remarked that it would be impossible to sort out the landing fees that may be incorporated in the [license fees] of other states.

CHAIR MURKOWSKI disagreed and remarked that someone in the administration of Alaska Airlines should be able to specify what, beyond the license fee, is paid in various states.

REPRESENTATIVE ROKEBERG suggested that a list of the common carrier license fees in each state would probably be adequate.

CHAIR MURKOWSKI agreed that might be helpful. She reiterated that the legislation would be held until Wednesday.

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 3:50 p.m.