

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

March 25, 2008

1:32 p.m.

**MEMBERS PRESENT**

Senator Johnny Ellis, Chair  
Senator Gary Stevens, Vice Chair  
Senator Bettye Davis  
Senator Con Bunde

**MEMBERS ABSENT**

Senator Lyman Hoffman

**COMMITTEE CALENDAR**

Confirmation Hearing: Alcohol Beverage Control Board - Joe DelDonno

CONFIRMATION ADVANCED

SENATE BILL NO. 179

"An Act requiring family health care insurance coverage for dependent children who are less than 26 years of age."

MOVED CSSB 179(L&C) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 320(FIN)

"An Act relating to search and rescue training and search and rescue parties; requiring certain search and rescue volunteers to be considered state employees for purposes of workers' compensation coverage; and allowing political subdivisions to elect to provide workers' compensation insurance coverage for search and rescue personnel."

MOVED CSHB 320(FIN) OUT OF COMMITTEE

SENATE BILL NO. 77

"An Act prohibiting use of agency shop fees for political contributions or expenditures."

HEARD AND HELD

SENATE JOINT RESOLUTION NO. 18

Requesting the President of the United States to direct the United States Consumer Product Safety Commission to test the materials used in children's toys and other children's products for toxicity and to make the results publicly available.

HEARD AND HELD

SENATE BILL NO. 305

"An Act relating to recorking, sealing, or packaging of wine served with a meal and removal of recorked, sealed, or packaged wine from licensed premises."

SCHEDULED BUT NOT HEARD

CS FOR HOUSE BILL NO. 289(FSH)

"An Act exempting employers from paying unemployment tax for temporary services provided by fishing vessel crewmembers and related to emergency oil spill training and response activities; and providing for an effective date."

HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 179

SHORT TITLE: DEPENDENT HEALTH INSURANCE; AGE LIMIT

SPONSOR(S): SENATOR(S) DAVIS

05/14/07	(S)	READ THE FIRST TIME - REFERRALS
05/14/07	(S)	L&C, HES, FIN
03/18/08	(S)	L&C AT 1:30 PM BELTZ 211
03/18/08	(S)	Heard & Held
03/18/08	(S)	MINUTE(L&C)
03/25/08	(S)	L&C AT 1:30 PM BELTZ 211

BILL: HB 320

SHORT TITLE: SEARCH & RESCUE: CERTIFICATION/WORK.COMP

SPONSOR(S): REPRESENTATIVE(S) MEYER

01/15/08	(H)	READ THE FIRST TIME - REFERRALS
01/15/08	(H)	L&C, FIN
01/28/08	(H)	L&C AT 3:00 PM CAPITOL 17
01/28/08	(H)	Heard & Held
01/28/08	(H)	MINUTE(L&C)
02/06/08	(H)	L&C AT 3:00 PM CAPITOL 17
02/06/08	(H)	Moved CSHB 320(L&C) Out of Committee
02/06/08	(H)	MINUTE(L&C)
02/08/08	(H)	L&C RPT CS(L&C) NT 5DP 1NR
02/08/08	(H)	DP: GARDNER, BUCH, NEUMAN, RAMRAS, OLSON
02/08/08	(H)	NR: LEDOUX
02/18/08	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
02/18/08	(H)	Moved CSHB 320(FIN) Out of Committee
02/18/08	(H)	MINUTE(FIN)
02/19/08	(H)	FIN RPT CS(FIN) NT 4DP 2NR 1AM

02/19/08 (H) DP: HAWKER, NELSON, THOMAS, MEYER  
02/19/08 (H) NR: KELLY, STOLTZE  
02/19/08 (H) AM: GARA  
03/04/08 (H) TRANSMITTED TO (S)  
03/04/08 (H) VERSION: CSHB 320(FIN)  
03/05/08 (S) READ THE FIRST TIME - REFERRALS  
03/05/08 (S) L&C, FIN  
03/20/08 (S) L&C AT 1:30 PM BELTZ 211  
03/20/08 (S) Heard & Held  
03/20/08 (S) MINUTE(L&C)  
03/25/08 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 77

SHORT TITLE: USING UNION DUES FOR POLITICAL PURPOSES  
SPONSOR(s): SENATOR(s) BUNDE

02/09/07 (S) READ THE FIRST TIME - REFERRALS  
02/09/07 (S) STA  
02/12/07 (S) L&C REFERRAL ADDED AFTER STA  
02/07/08 (S) STA AT 9:00 AM BELTZ 211  
02/07/08 (S) Moved SB 77 Out of Committee  
02/07/08 (S) MINUTE(STA)  
02/08/08 (S) STA RPT 4DP  
02/08/08 (S) DP: MCGUIRE, STEVENS, BUNDE, GREEN  
03/25/08 (S) L&C AT 1:30 PM BELTZ 211

BILL: SJR 18

SHORT TITLE: CHILD PRODUCT SAFETY  
SPONSOR(s): SENATOR(s) WIELECHOWSKI

02/19/08 (S) READ THE FIRST TIME - REFERRALS  
02/19/08 (S) HES, L&C  
03/14/08 (S) HES AT 1:30 PM BUTROVICH 205  
03/14/08 (S) Heard & Held  
03/14/08 (S) MINUTE(HES)  
03/19/08 (S) HES AT 1:45 PM BUTROVICH 205  
03/19/08 (S) Moved SJR 18 Out of Committee  
03/19/08 (S) MINUTE(HES)  
03/21/08 (S) HES RPT 5DP  
03/21/08 (S) DP: DAVIS, ELTON, THOMAS, COWDERY,  
DYSON  
03/25/08 (S) L&C AT 1:30 PM BELTZ 211

BILL: HB 289

SHORT TITLE: EMPLOYMENT TAX EXEMPTION: SPILL RESPONSE  
SPONSOR(s): REPRESENTATIVE(s) HARRIS, SEATON

01/04/08 (H) PREFILE RELEASED 1/4/08  
01/15/08 (H) READ THE FIRST TIME - REFERRALS  
01/15/08 (H) FSH, L&C  
01/23/08 (H) FSH AT 8:30 AM BARNES 124  
01/23/08 (H) Heard & Held  
01/23/08 (H) MINUTE(FSH)  
01/28/08 (H) FSH AT 8:30 AM BARNES 124  
01/28/08 (H) Moved CSHB 289(FSH) Out of Committee  
01/28/08 (H) MINUTE(FSH)  
01/30/08 (H) FSH RPT CS(FSH) NT 4DP  
01/30/08 (H) DP: HOLMES, EDGMON, JOHANSEN, SEATON  
02/13/08 (H) L&C AT 3:00 PM CAPITOL 17  
02/13/08 (H) Moved CSHB 289(FSH) Out of Committee  
02/13/08 (H) MINUTE(L&C)  
02/15/08 (H) L&C RPT CS(FSH) NT 4DP 2NR  
02/15/08 (H) DP: GARDNER, LEDOUX, BUCH, GATTO  
02/15/08 (H) NR: NEUMAN, OLSON  
03/13/08 (H) TRANSMITTED TO (S)  
03/13/08 (H) VERSION: CSHB 289(FSH)  
03/14/08 (S) READ THE FIRST TIME - REFERRALS  
03/14/08 (S) L&C, FIN  
03/25/08 (S) L&C AT 1:30 PM BELTZ 211

**WITNESS REGISTER**

JOSEPH DELDONNO

Anchorage, AK

**POSITION STATEMENT:** Alcohol Beverage Control (ABC) Board  
nominee.

ROBERT KLEIN

Anchorage, AK

**POSITION STATEMENT:** Alcohol Beverage Control (ABC) Board  
nominee.

ROBERT M. PICKETT

Anchorage, AK

**POSITION STATEMENT:** Regulatory Commission of Alaska (RCA)  
nominee.

LINDA HALL, Director

Division of Insurance

Department of Commerce, Community & Economic Development

Juneau, AK

**POSITION STATEMENT:** Answered questions on SB 179.

MEREDITH CAMERON

University of Alaska Fairbanks (UAF) student  
Fairbanks, AK

**POSITION STATEMENT:** Supported SB 179.

JAKE HAMBURG, Student Body President  
University of Alaska Fairbanks (UAF)  
Fairbanks, AK

**POSITION STATEMENT:** Supported SB 179.

TOM OBERMEYER  
Staff to Senator Davis  
Alaska State Capitol  
Juneau, AK

**POSITION STATEMENT:** Commented on SB 179 for the sponsor.

MIKE PALOWSKI  
Staff to Representative Meyer  
Alaska State Capitol  
Juneau, AK

**POSITION STATEMENT:** Commented on HB 320 for the sponsor.

LT. RODNEY DIAL, Alaska State Troopers  
Anchorage, AK

**POSITION STATEMENT:** Support CSHB 320 (FIN).

SENATOR CON BUNDE  
Alaska State Capitol  
Juneau, AK

**POSITION STATEMENT:** Sponsor of SB 77.

MARK TORGERSON, Administrator and Hearing Examiner  
Alaska Labor Relations Agency  
Department of Labor and Workforce Development (DOLWD)  
Juneau, AK

**POSITION STATEMENT:** Answered questions on SB 77.

JOHN ALCANTRA, Government Relations Director  
National Education Association (NEA) Alaska  
Juneau, AK

**POSITION STATEMENT:** Opposed SB 77.

DON ETHERIDGE  
Alaska AFL-CIO  
Juneau, AK

**POSITION STATEMENT:** Commented on SB 77.

SENATOR WIELECHOWSKI

Alaska State Capitol  
Juneau, AK  
**POSITION STATEMENT:** Sponsor of SJR 18.

KATHERINE PUSTAY  
Staff to Senator Wielechowski  
Alaska State Capitol  
Juneau, AK  
**POSITION STATEMENT:** Answered questions on SJR 18.

SUZANNE ELY  
Alaska Conservation Alliance  
No address provided  
**POSITION STATEMENT:** Supported SJR 18.

COLLEEN KEANE  
Alaska Community Action on Toxics  
No address provided  
**POSITION STATEMENT:** Supported SJR 18.

REPRESENTATIVE PAUL SEATON  
Alaska State Capitol  
Juneau, AK 99801-1182  
**POSITION STATEMENT:** Sponsor of HB 289.

JAMES HERBERT, Fishing Vessel owner  
Seward, AK  
**POSITION STATEMENT:** Supported HB 289.

TRACEY MAYHEW, Port Representative  
Seafarers International Union  
No address provided  
**POSITION STATEMENT:** Supported HB 289.

JERRY MCCUNE  
United Fishermen of Alaska (UFA)  
Cordova Fishermen United  
Cordova, AK  
**POSITION STATEMENT:** Supported HB 289.

**ACTION NARRATIVE**

**CHAIR JOHNNY ELLIS** called the Senate Labor and Commerce Standing Committee meeting to order at [1:32:23 PM](#). Present at the call to order were Senators Bunde, Davis, Stevens and Ellis.

Confirmation hearing - Alcohol Beverage Control Board and  
Regulatory Commission of Alaska

[1:34:07 PM](#)

JOSEPH DELDONNO, Alcohol Beverage Control Board nominee, said he was born and raised in Alaska and is a home inspector by trade and that the Governor asked him to serve on the board.

SENATOR BUNDE asked why he visited Georgia in 2007.

MR. DELDONNO answered he was taking a certification course.

SENATOR ELLIS asked him to comment on the board's past enforcement actions and explain how aggressive he thought the board should be in relation to sting operations. He asked what direction he would like it to take in the future.

MR. DELDONNO answered that he didn't have any direction or preconceived agenda in mind, but he stated he would exercise good judgment in interpreting the state's laws.

[1:36:42 PM](#)

SENATOR BUNDE said a while back at least one member of the ABC Board advocated carrying side arms and he asked if now that Alaska has concealed carry laws, would that be an issue for him.

MR. DELDONNO replied no.

CHAIR ELLIS asked if he saw any improvements the ABC Board needed to make.

MR. DELDONNO responded that alcohol abuse is a big issue in communities all over the state, but he said this is an evolutionary process and he was happy to be part of it and rely on his common sense judgments.

CHAIR ELLIS said he received a letter in February from the Regional Wellness Forum relating to the ABC Board that argued for broader representation in terms of geographical distribution, more public members and a greater sensitivity to Alaska's alcohol abuse problem. He asked Mr. DelDonno if he had any thoughts about those concerns.

MR. DELDONNO replied that he didn't have any comments at this time.

CHAIR ELLIS noted no further questions or comments for Mr. DelDonno and said they all appreciated his willingness to serve. Next he asked Mr. Klein to comment on how he viewed his service and where he wanted to see the board go.

1:40:48 PM

ROBERT KLEIN, ABC board nominee, said he spent all of his working life in Alaska and in the retail business. He was with the Carr-Gottstein organization for 28 years until its sale to Safeway, and during the last 15 years he ran the Oaken Kegs. He is now the operations manager for Brown Jug. He explained that Title 4 requires industry members to be on the board and it was his pleasure to already have served for 12 years, 9 of which he served as chairman. He was replaced by Governor Murkowski and he was happy to return under Governor Palin.

CHAIR ELLIS asked him to comment on what he accomplished in the time he had already served.

MR. KLEIN answered that during the time he served there was an excellent level of cooperation between the ABC and industry in terms of adhering to the standards of behavior amongst licensees and their employees. But now with the shift to the Department of Public Safety (DPS), the emphasis seems to have drifted to the police doing stings and issuing citations. No one in the industry wants the bad people and he hoped to bring back the spirit of cooperation.

CHAIR ELLIS asked if he envisioned pulling back on enforcement actions, maintaining them with a greater sensitivity or how just how did he think the board could calibrate its work better.

MR. KLEIN replied sensitivity is not necessary when talking about those who are violating the public trust. One issue he has with this effort is that state and national industry numbers indicate that 97 percent of the alcohol going to kids comes from friends and people buying for them; only 7 percent is coming from license holders. And yet 100 percent of the sting activity is spent going after license holders so he wanted to direct efforts towards solving the real problems.

SENATOR STEVENS asked what Medical Pathfinders is.

MR. KLEIN answered it is a website that was founded a number of years ago for people to access medical services. However, things like Web M.D. have obviated the need for it.

SENATOR STEVENS asked how one stops friends from buying liquor for under-aged kids.

MR. KLEIN replied that as operations manager of Brown Jug, he teaches his clerks to be very aware of everyone in a party; they check cars and actually ask people to present their licenses even if they are not in the store buying. "Most of all is education of the parents. I don't think parents realize how much they are adding to this problem."

CHAIR ELLIS thanked Mr. Klein for his comments today and his willingness to serve. He said his name as well as Mr. DelDonno's would be forwarded for consideration to the Joint Session. He said the committee would consider Mr. Pickett next as the appointee to the RCA.

ROBERT M. PICKETT, Regulatory Commission of Alaska (RCA) appointee, said he is a 33-year resident of Alaska and came here in 1975 with the intent to pay off student loans and leave. He was hooked by the state and intends to stay here. His work experience has included blue collar, technical and professional positions in both rural and urban settings, but for the last 21 years he has worked for Alaska Housing Finance Corporation (AHFC) in a variety of positions, the last one being managing the Low Income Housing Tax Creditor Program and special needs counseling for AHFC.

He appreciates the challenges the state faces and as well as its opportunities. The RCA with its broad authority to regulate nearly 200 utilities and 21 pipelines impacts the economic health of the state and the quality of life for all its citizens. The RCA's mandate is to keep rates as low as possible, yet allow the regulated utilities and pipeline companies to earn a fair return. The commission must also conduct its business in a manner that has the confidence and respect of all stakeholders - the consumers, customers, utility companies, cooperatives, local governments, pipeline carriers, and the legislative, executive and judicial branches. Balancing all these varying interests must also be done within the various statutory time lines - openly and transparently - while respecting the due process rights of all involved parties. He said he was excited to bring his skills to the commission to assist in this important work.

SENATOR BUNDE commented that probably a lot of college students would be happy to know he was involved in creation of the Pell grant and he thanked him for his work.

SENATOR STEVENS asked what he sees himself bringing to the commission.

MR. PICKETT answered a lot of experience reviewing the financial feasibility of projects. At the corporation he was responsible for creating a new marketing study process for its affordable housing programs. He has looked at a lot of balance sheets, pro-formas, trending analyses and that type of thing. He said the workload on the commission is tremendous and it would take a while to figure out what to emphasize first.

SENATOR DAVIS wished him success.

**SB 179-DEPENDENT HEALTH INSURANCE; AGE LIMIT**

[1:52:34 PM](#)

CHAIR ELLIS announced SB 179 to be up for consideration.

LINDA HALL, Director, Division of Insurance, Department of Commerce, Community & Economic Development, suggested the title of SB 179 actually requires health care coverage for dependent children less than age 26 and the body of the bill does not require it - it merely requires that the coverage be offered. She said the bill language itself would leave the decision whether to cover dependents under 26 up to the individual or with the employers, but language goes on to indicate that if the employer or individual decides to no longer cover dependent children up to 26, then an insurer would be prohibited from un-enrolling them. She suggested if that's really not the intent, they could simply add "at the option of a policy holder".

SENATOR DAVIS said the language in the body of the bill is what she wants.

CHAIR ELLIS said the title language would be checked out.

[1:55:59 PM](#)

SENATOR BUNDE stated that a broad reading of the title would require parents to cover their dependent children up to age 26. What if the parent doesn't want to be responsible for the child any longer? Could he tell the company to disenroll that formerly dependent child?

MS. HALL replied that the division understands that couldn't occur under current language.

[1:56:52 PM](#)

MEREDITH CAMERON, University of Alaska Fairbanks (UAF) student, supported SB 179. She said insurance coverage is mandatory for people who live on campus and if she has to purchase it from the University, it can cost as much as \$945/year and that number is higher for students at UAA and UAS. The services provided by the campus health center are extremely limited and there are stories of long lines and lack of medication. As students, they are always facing these rising costs of a college education and she is already struggling to pay her tuition.

SENATOR BUNDE said he understands the bill requires parents to cover students, but it might cost the parent \$600 more. He asked if that would be less than what the university coverage costs.

MS. CAMERON answered yes.

SENATOR BUNDE asked if she understood that the fewer people who buy university insurance, probably the higher that premium would be.

MS. CAMERON replied that was a possibility, but the university would have to handle it.

SENATOR BUNDE remarked that perhaps they could cut out basketball.

[1:59:29 PM](#)

JAKE HAMBURG, Student Body President, UAF, supported SB 179. He explained that the university provides coverage for \$945 per year, but that - added to the 56 percent increase in tuition over the last four years, rising text book costs, fuel prices, housing, food and more - is a lot to students who are already struggling to graduate in six years instead of four, largely because of financial reasons.

He said the student coverage that exists is modest and that for serious health problems the university suggests you get other, more expensive, coverage.

SENATOR BUNDE asked Ms. Hall what COBRA coverage for young people costs.

MS. HALL answered COBRA normally is applied to an employee or an individual who leaves employment. Employers who have more than 25 or 50 [she didn't know which] employees are required to provide COBRA to employees who terminate so they can keep that

coverage for 18 months. They continue on the group policy of the employer at whatever the premium is. If the premium is \$700/mo., that's what it would continue to be.

CHAIR ELLIS asked the sponsor about the title issue.

[2:03:36 PM](#)

TOM OBERMEYER, staff to Senator Davis, sponsor of SB 179, responded that this is the first time the issue has been brought up.

CHAIR ELLIS said he would set bill aside so the drafter could be consulted.

### **CSHB 320(FIN)-SEARCH & RESCUE: CERTIFICATION/WORK.COMP**

CHAIR ELLIS announced CSHB 320(FIN) to be up for consideration. He said Senator Bunde expressed a concern at the last meeting and that he had chosen not to prepare a CS.

MIKE PALOWSKI, staff to Representative Meyer, sponsor of HB 320, said he talked to Senator Bunde as well as Mr. Owen, committee staff, at length about it. But the distinctions in section 1 on training are very important and subtle. The authority given to the Department of Public Safety (DPS) to oversee and authorize training exercises is critical to the bill.

SENATOR BUNDE said they had satisfied his concerns. One big concern was if the state okayed some training program and someone was injured or killed, would the state be liable. He has been assured that will not be the case.

He was also concerned the troopers would get their email melted down by various different groups that would suddenly want to make themselves available to this coverage. His concerns there had been satisfied as well.

LT. RODNEY DIAL, Alaska State Troopers, said they support CSHB 320 (FIN) and he offered to address concerns about the fiscal note.

SENATOR BUNDE moved to report CSHB 320(FIN) from committee with individual recommendations and attached fiscal notes. There were no objections and it was so ordered.

### **SB 77-USING UNION DUES FOR POLITICAL PURPOSES**

[2:08:38 PM](#)

CHAIR ELLIS announced SB 77 to be up for consideration.

SENATOR BUNDE, sponsor of SB 77, explained that there is a difference between union dues and agency fees. An agency fee is what everyone pays for activities of the union; it's the major cost to an employee. Recent court cases have held that if a union wants to use a portion of a member's fee to engage in political activity, that member can "opt out." Unfortunately in existing situations, the option comes after the fact. If an employee's union, for instance, gets involved in a political activity he disagrees with, he can file a notice of appeal within 30 days that goes to a committee of the union and six months or a year later, it will maybe decide to give him his money back.

SB 77 very simply says we should have an "opt in" rather than an "opt out" procedure. However, even if he gets his money back, he can't withdraw the impact on the political activity. This bill would require getting an "opt in" procedure from the employee every year that allows the union to use the agency fee for political activities. He explained that courts have held that money is political speech and that people should have a lot of control over it.

[2:12:48 PM](#)

SENATOR STEVENS said he is very sympathetic to Senator Bunde's comments, because they were in the same union. He recalled that he paid a small amount of dues and an enormous amount of agency fees and those were moved around without his knowledge or understanding. He asked if dues could also be used for political purposes.

SENATOR BUNDE said he didn't have an answer, but his experience is that the dues are nominal and the major fee is the agency fee.

CHAIR ELLIS asked if something specific motivated this bill.

SENATOR BUNDE replied that he has heard from some folks as well as having some personal experience. When his wife was a member of a union that campaigned for his opponent unknown to her at the time, she researched the issue and found and found she could ask for her money back. She did receive it, but they had already campaigned against him.

He said he followed this issue in the State of Washington where it went to court and the employee prevailed - for an "opt in" system. While he shared his personal experience, he said, it is more than just Con Bunde against the universe here.

CHAIR ELLIS asked if this bill targeted a certain type of operation that he disagreed with, because he is starting to learn that different unions operate in different ways. Will this bill affect some and not others?

SENATOR BUNDE said the title is focused on agency fees and people who pay them should expect more.

[2:17:31 PM](#)

MARK TORGERSON, Administrator and Hearing Examiner, Alaska Labor Relations Agency, Department of Labor and Workforce Development (DOLWD), said he was available for questions and had a minor suggestion.

SENATOR STEVENS asked if union dues can be used for political purposes.

MR. TORGERSON replied the language in the proposed bill discusses agency fees used for political contributions and expenditures. Under the Alaska Public Employment Relations Act, when non-members or employees start employment with the state, they have 30 days to decide to be union members or non-union members. If they decide to be a non-union member, they have to pay, under proposed language, an "agency shop fee." This service fee can only be used for three purposes based on a U.S. Supreme Court case. The three purposes are for collective bargaining, contract administration or grievance adjudication. He explained that dues are currently divided into the service fee part and the member's contribution, the smaller of the two.

SENATOR STEVENS asked if the agency fees and member dues of a member of the union can be used for political purposes.

MR. TORGERSON answered yes; there is no prohibition on members' fees being used for political purposes. Some unions have political action committees that employees may join and perhaps even make an additional contribution to. There is no statutory prohibition against using a part of the members' dues for political purposes.

[2:21:50 PM](#)

JOHN ALCANTRA, Government Relations Director, National Education Association (NEA) Alaska, opposed SB 77. He said that about 400 of 13,000 NEA members are agency fee payers. They do not pay a single dollar towards the political activity of NEA Alaska. Also they do not contribute to the NEA Alaska Political Action Committee for Education or the NEA Alaska PACE Committee. Since "there is absolutely no political involvement through the use of agency fee payers in the business of NEA Alaska," he asked, what is the point of this legislation? Aren't there enough real issues to deal with in the legislative process?

MR. ALCANTRA said that Senator Bunde states his constituents have said they did not know their agency fees were being used for political involvement until after the fact. But the fact is as he stated, that of the NEA agency fee members, not a single dollar is spent on political activity or campaigning related activities. This means quite simply that only members pay for his time in Juneau. NEA Alaska strictly adheres to all the rules set forth by the legislature and the Alaska Public Offices Commission; its campaign activity is conducted through NEA Alaska PACE. His members are protected by the union and this superfluous bill will do nothing to change that.

[2:24:10 PM](#)

SENATOR BUNDE asked why he opposes SB 77 if it doesn't affect NEA.

MR. ALCANTRA answered it goes into tracking and accounting issues. NEA's 400 agency payer fees add up to \$6,000 and those don't go into PACE. NEA already does everything this bill is trying to address.

[2:24:57 PM](#)

DON ETHERIDGE, Alaska AFL-CIO, said he was concerned about having to "opt in" every year instead of once in perpetuity. That would generate a lot of wasted paper from its 60,000 members.

CHAIR ELLIS held SB 77 for further work.

[2:26:12 PM](#) at ease [2:27:06 PM](#)

**SB 179-DEPENDENT HEALTH INSURANCE; AGE LIMIT**

[2:27:06 PM](#)

CHAIR ELLIS called the meeting back to order and announced SB 179 to be back before the committee.

MR. OBERMEYER said draft language for the title of SB 179 was being sent to comport with language in the body of the bill. CHAIR ELLIS held SB 179.

### SJR 18-CHILD PRODUCT SAFETY

[2:27:56 PM](#)

CHAIR ELLIS announced SJR 18 to be up for its initial consideration.

SENATOR WIELECHOWSKI, sponsor of SJR 18, said this measure calls on the United States consumer product safety commission to test the material used in toys and children's products for hazardous products like lead. Over \$15 billion worth of toys and children's products were imported into the U.S. from China in 2006 and almost \$10 billion in 2007. In 2007 over half the toy and child product recalls by the Child Product Safety Commission (CPSC) were due to chemical poisoning hazards.

He explained that the CPSC tests toys for choking, aspiration or ingestion hazards, but relies on toy and child product manufacturers to self-regulate the materials used in making them. He noted that children's bodies and brains are developing and are more susceptible to hazardous impacts to chemicals than those of adults and that limiting their exposure is essential.

SENATOR WIELECHOWSKI said the Department of Environmental Conservation (DEC) had testified in support of this resolution and a number of states have already passed legislation limiting lead or cadmium levels. He is not going that route, because he thought it was more appropriate, at this point, for the federal government to do something like this. He related according to lab tests sponsored last fall by more than two dozen consumer groups, about 25 percent of 2,500 randomly selected toys sold in the U.S. contained lead in quantities that would exceed the limit in the Washington State bill that just passed.

SENATOR STEVENS remarked that this issue has been in the news a lot lately and asked if the federal government hasn't already been working on it.

SENATOR WIELECHOWSKI answered that SR 4040 [he thought] recently passed the U.S. Senate 79-13, but it still needs to get through the House and to be signed by the president.

CHAIR ELLIS mentioned that lobbyists have been hired by manufacturers outside of the U.S. to lobby against it; so it's not a done deal.

SENATOR WIELECHOWSKI said all he is asking is that the toys get tested. Parents have no idea what they're buying in a store for their children and it is fair to ask the federal government to come up with standards and tests for toys.

SENATOR BUNDE asked who initiated the recalls if it wasn't the Consumer Protection Agency.

KATHERINE PUSTAY, staff to Senator Wielechowski, responded that the recalls are predominantly done by the manufacturers themselves. They include familiar names like Fischer-Price and Mattel. The CPSC doesn't do them. The process has been that watchdog groups test the toys.

SENATOR BUNDE asked if, in essence, this measure is asking for a duplication of testing.

MS. PUSTAY replied that the American consumer is busy and putting faith in someone that these toys have been tested. They are tested by the Consumer Products Safety Commission for choking and aspiration hazards, but they are not tested to see if the plastic in the pacifier will have adverse affects on a child's health. It's just not in their purview. The watch dog groups are nonprofits and their testing is not comprehensive.

2:35:15 PM

SUZANNE ELY, Alaska Conservation Alliance, a consortium of 40 Alaska-based conservation groups, supported SJR 18. She illustrated the need for this measure by noting that just this weekend some Easter eggs were recalled because of high levels of lead paint.

She said the federal agency testing these products is not funded enough to include this activity. In fact, it has only one full-time employee testing toys and only 15 inspectors policing all consumer imports that are valued at about \$614 billion. They rely on self-reporting and have instances of poisoning before recalling these toys.

MS. ELY said while the federal legislation has support, it is not in the bag yet. SJR 18 would increase staffing budget; it would create a public database for complaints about products; it would give power to state prosecutors to act if they think the

federal government is not doing enough, which is incredibly important for a state like Alaska, because it could empower Alaskans to do what the federal government wasn't doing. It also increases the possible maximum penalty for violations from \$1.25 million to \$20 million.

[2:37:56 PM](#)

COLLEEN KEANE, Alaska Community Action on Toxics, supported SJR 18. She said a lot of the recalls were due to lead and other chemicals that have been found in children's toys and other children's products. These toxins have been found to seriously affect brain development, causing decreased I.Q. scores, shorter attention spans, late learning in children and hypertension and nerve problems in adults. Another group of chemicals commonly found in children's toys is a plasticizer used to make plastics flexible and resilient; they are found in a lot of babies' bibs, teething rings and other soft plastic toys. This group of chemicals has been linked to all sorts of male reproductive development problems in humans. Children are among the most susceptible groups in society for these poisons.

MS. KEANE said according to the Environmental Protection Agency, environmental contaminants can affect children quite differently than adults, both because children may be more highly exposed to contaminants and because they may be more vulnerable to their effects as they eat and drink more than adults in proportion to their body weight.

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CHAIR ELLIS said SJR 18 would be held, but it would be back before the committee in the very near future.

**SB 179-DEPENDENT HEALTH INSURANCE; AGE LIMIT**

[2:43:17 PM](#)

CHAIR ELLIS announced SB 179 to be back before the committee; Amendment 1 was up for consideration.

25-LS0936\C.1  
Chenoweth

**AMENDMENT 1**

OFFERED IN THE SENATE  
TO: SB 179

Page 1, lines 1 - 2:

Delete all material and insert:

"An Act prohibiting a health care insurer who provides health care insurance coverage of a child through family health care insurance from denying enrollment and from disenrolling or eliminating coverage for a dependent child of the insured who is less than 26 years of age."

SENATOR STEVENS moved to adopt Amendment 1. There were no objections and it was adopted.

[2:44:03 PM](#)

SENATOR STEVENS asked if this will make the insurance available, but at a cost.

MR. OBERMEYER replied there may be a cost and the average premium is estimated to rise by 3-5 percent.

SENATOR STEVENS asked if there would any negative impact on insurance companies.

MR. OBERMEYER replied that insurance companies handle these issues in different ways; they could have extra riders for adults up through 30 years, for instance. But he didn't have a specific answer at this point.

SENATOR BUNDE asked if a parent could choose to insure a dependent child to age 26, but they would not be required to.

MR. OBERMEYER answered yes; it requires insurers to offer the coverage through age 26. There could be an additional charge for the coverage, but that is handled in different ways by different companies.

SENATOR DAVIS moved to report CSSB 179(L&C) from committee with individual recommendations and zero fiscal note.

SENATOR BUNDE objected because it says a person who has been insuring a dependent child cannot stop.

A roll call vote was taken. Senators Davis, Stevens and Ellis voted yea; Senator Bunde voted nay; so CSSB 179(L&C) was reported from committee.

**CSHB 289(FSH)-EMPLOYMENT TAX EXEMPTION: SPILL RESPONSE**

[2:49:18 PM](#)

CHAIR ELLIS announced CSHB 289(FSH) to be up for consideration.

[2:50:07 PM](#)

REPRESENTATIVE PAUL SEATON, sponsor of HB 289, explained this measure deals with oil spill response. He explained that under state and federal law, a contingency plan must exist for an oil spill response. About 359 fishing vessels are under contract right now for the contingency plan. These vessels undergo short periods of training each year and HB 289 exempts them from state unemployment insurance for these short periods of time. It only applies if there is less than seven continuous days of training. So if there is a major oil spill and people are employed for any length of time, they are automatically required to be under the unemployment insurance provisions.

He said this bill came about because many fishermen after discovering that they would have to file quarterly reports and all the paperwork that would entail. This would mean the state's contingency plans wouldn't be in effect and oil might not be able to transit Alaska. He noted that this measure only affects commercial fishermen who are paid a percentage of the catch and that his operation is a tender, so this does not affect him. It doesn't cover tug boats or tenders or anyone that is an employee.

SENATOR BUNDE asked if fishermen who are training for oil response are covered by workers' compensation.

REPRESENTATIVE SEATON answered no; fishermen fall outside of that regime and workers' compensation doesn't cover anyone on a fishing vessel.

[2:52:24 PM](#)

JAMES HERBERT, Fishing Vessel owner, Seward, supported HB 289. He said the bottom line is that the amount of revenue the state thinks it's going to get from collecting unemployment insurance from the three or so days of training will be minimal compared to the aggravation of filing these quarterly reports throughout the whole year. That would prompt an exodus of some of the vessels that have participated in the program in the past. With them will go their expertise and knowledge; more importantly if another catastrophic oil spill ever happened, there would be a delay in responding. It's important to keep people trained and not burden them with regulations.

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TRACEY MAYHEW, Port Representative, Seafarers International Union, supported HB 289. She said her union represents merchant

mariners working on board large ocean going vessels in Alaskan waters. They support this bill because the contingency plan for oil spill response relies upon the participation of fishermen. If they don't participate, it could put contingency plans in a non-compliant position and threaten the livelihood of her members working on board those vessels. She emphasized that local fishermen drill with tanker crews and are needed to help maintain a good response team.

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JERRY MCCUNE, United Fishermen of Alaska (UFA), Cordova Fishermen United, briefly stated that both organizations supported HB 289. He noted that he is president of Cordova Fishermen United where the contingency program is housed.

[2:56:51 PM](#)

CHAIR ELLIS closed the public hearing on HB 289 and held it for further consideration. There being no further business to come before the committee, he adjourned the meeting at [2:57:18 PM](#).