

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

February 9, 2012

1:34 p.m.

MEMBERS PRESENT

Senator Dennis Egan, Chair
Senator Joe Paskvan, Vice Chair
Senator Linda Menard
Senator Bettye Davis
Senator Cathy Giessel

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 175

"An Act relating to the practice of naturopathy; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 125

"An Act relating to certain vehicles, including trailers; and relating to motor vehicle dealer advertising, motor vehicle dealer sales of used motor vehicles, motor vehicle sales contracts, motor vehicle service contracts, and motor vehicle sales financing."

- HEARD & HELD

SENATE BILL NO. 149

"An Act providing a tax credit for certain contributions to a qualified dog mushing corporation."

- HEARD & HELD

SENATE BILL NO. 146

"An Act establishing a snow classic as an authorized form of charitable gaming."

- MOVED SB 146 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 146

SHORT TITLE: SNOW CLASSIC

SPONSOR(s): SENATOR(s) GIESSEL

01/17/12 (S) PREFILE RELEASED 1/6/12
01/17/12 (S) READ THE FIRST TIME - REFERRALS
01/17/12 (S) L&C, FIN
02/07/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/07/12 (S) Heard & Held
02/07/12 (S) MINUTE(L&C)
02/09/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 175

SHORT TITLE: PRACTICE OF NATUROPATHY

SPONSOR(s): SENATOR(s) MCGUIRE

01/25/12 (S) READ THE FIRST TIME - REFERRALS
01/25/12 (S) L&C
02/07/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/07/12 (S) Heard & Held
02/07/12 (S) MINUTE(L&C)
02/09/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 125

SHORT TITLE: MOTOR VEHICLE TRANSACTIONS

SPONSOR(s): SENATOR(s) MEYER

04/12/11 (S) READ THE FIRST TIME - REFERRALS
04/12/11 (S) TRA, L&C
02/02/12 (S) TRA AT 1:00 PM BUTROVICH 205
02/02/12 (S) Moved SB 125 Out of Committee
02/02/12 (S) MINUTE(TRA)
02/03/12 (S) TRA RPT 5DP
02/03/12 (S) DP: KOOKESH, HUGGINS, MENARD, THOMAS,
EGAN
02/09/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 149

SHORT TITLE: TAX CREDIT FOR DONATIONS TO DOG MUSHING

SPONSOR(s): SENATOR(s) THOMAS

01/17/12 (S) PREFILE RELEASED 1/13/12
01/17/12 (S) READ THE FIRST TIME - REFERRALS
01/17/12 (S) L&C, FIN
02/09/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

MARY MINER, Naturopathic Doctor (N.D.)
Fairbanks, Alaska

POSITION STATEMENT: Supported SB 175.

MADELEINE MORRISON
Alaska Association of Naturopathic Doctors
Anchorage, AK

POSITION STATEMENT: Supported SB 175.

WARD HURLBURT, Chief Medical Officer
Department of Health and Social Services (DHSS)
Anchorage, AK

POSITION STATEMENT: Opposed SB 175.

MARY DESMETT, representing herself
Juneau, AK

POSITION STATEMENT: Supported SB 175.

C.W. JASPER, N.D.
Juneau, AK

POSITION STATEMENT: Supported SB 175 and amendments.

MARY ALICE MCKEEN, representing herself
Juneau, AK

POSITION STATEMENT: Supported SB 175.

MARTIN NEIMI, representing himself
Juneau, AK

POSITION STATEMENT: Supported SB 175.

DON HABEGAR, Director
Division of Corporations, Business and Professional Licensing,
Department of Commerce, Community and Economic Development
(DCCED)

Juneau, AK

POSITION STATEMENT: Commented on SB 175.

ANDY HARRINGTON, Assistant Attorney General
Civil Division
Commercial and Fair Business Section
Department of Law
Anchorage, AK

POSITION STATEMENT: Answered legal questions about SB 175.

SENATOR KEVIN MEYER

Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SB 125.

ED SNIFFIN, Assistant Attorney General
Civil Division
Commercial and Fair Business Section
Department of Law (Department of Law)
Anchorage, AK

POSITION STATEMENT: Discussed legal issues concerning SB 125.

MARTIN MARTINSON
Alaska Auto Dealers Association
Juneau, AK

POSITION STATEMENT: Supported SB 125.

SENATOR JOE THOMAS
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SB 149.

GRIER HOPKINS, Staff
Senator Joe Thomas
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Explained SB 149 for the sponsor.

GEORGE ATTLA, representing himself
Huslia, Alaska

POSITION STATEMENT: Supported SB 149.

KATHRYN FITZGERALD
Alaska Dog Musers Association
Fairbanks, AK

POSITION STATEMENT: Supported SB 149.

DAVID VANDENBERG, Executive Director
Downtown Association of Fairbanks
Fairbanks, AK

POSITION STATEMENT: Supported SB 149.

ANDY BAKER, Chairman
Iditarod Board of Directors
Anchorage, AK

POSITION STATEMENT: Supported SB 149.

ACTION NARRATIVE

[1:34:38 PM](#)

CHAIR DENNIS EGAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:34 p.m. Present at the call to order were Senators Giessel, Menard, Davis, Paskvan and Egan.

SB 146-SNOW CLASSIC

[1:36:14 PM](#)

CHAIR EGAN announced consideration of SB 146. He said testimony had been taken previously; he found that Senator Giessel, sponsor, had no further comments.

SENATOR PASKVAN moved to report SB 146, version 27-LS1079\A, from committee with individual recommendations and attached zero fiscal note. There were no objections and it was so ordered.

[1:37:49 PM](#)

At ease from 1:37 to 1:39 p.m.

SB 175-PRACTICE OF NATUROPATHY

[1:39:25 PM](#)

CHAIR EGAN announced consideration of SB 175 [version 27-LS1230\M]. He said that public testimony was still open.

SENATOR GIESSEL moved to adopt Amendment 1.

27-LS1230\M.4

AMENDMENT 1

OFFERED IN THE SENATE
TO: SB 175

SENATOR GIESSEL

Page 1, line 13, through page 2, line 2:

Delete all material and insert:

"* **Sec. 2.** AS 08.45.050 is amended by adding new subsections to read:

(b) Notwithstanding (a)(1)(A) of this section, a person who practices naturopathy may give, prescribe, or recommend in the practice a device or, in a form that is not a controlled substance, an herbal or homeopathic remedy, a dietetic remedy, or hydrotherapy.

(c) In this section,

(1) "dietetic remedy" means nutritional therapy, nutritional counseling, a nutritional

substance, vitamins, minerals, or supplements to promote health and to diagnose, treat, or prevent disease, illness, or conditions;

(2) "herbal remedy" means a substance derived from or a concentrate or extract of a plant, tree, root, moss, or fungus;

(3) "homeopathic remedy" means a remedy defined in the current version of Homeopathic Pharmacopoeia of the United States;

(4) "hydrotherapy" means the use of water in all forms and temperatures to promote health and to diagnose, treat, and prevent disease, illness, and conditions."

SENATOR GIESSEL explained that this amendment would replace Section 2 of the bill.

[1:40:30 PM](#)

SENATOR PASKVAN objected for purposes of discussion.

[1:41:25 PM](#)

MARY MINER, Naturopathic Doctor (N.D.), Fairbanks, Alaska, said Valentine's Day is the 28th anniversary of her being licensed in Washington State. She supported SB 175 as amended. She has been well trained and does not want to limit the services she is able to deliver to her patients and has a sense of urgency because these services wouldn't be available to them otherwise. They would have to go to their other provider who wouldn't have a clue what they are.

[1:44:18 PM](#)

MADELEINE MORRISON, Alaska Association of Naturopathic Doctors, Anchorage, said she had practiced in Alaska since 1996 and agreed with Ms. Miner's testimony. She added that she works with M.D.s on a regular basis together with patients for the best possible outcome.

[1:45:27 PM](#)

WARD HURLBURT, Chief Medical Officer, Department of Health and Social Services (DHSS), Anchorage, said the administration has concerns with SB 175 because it could either potentially or in reality expand the scope of naturopathic practice. Dr. Jackson, who testified at an earlier meeting, said that he ran into a problem with a prescription being required for capsicum. Their Chief Pharmacist did some research and talked with the company that manufactures it and found that it was their decision to put

on the box that a prescription be required, not something the FDA did.

He said the state has in the past considered that naturopathic doctors do not have prescribing authority and believes that the bill would expand it, which would incur a cost. Dr. Jackson said his understanding is that authorizing prescriptions for substances derived from plant, trees, roots, moss and fungus would include substances like penicillin. Fifteen to twenty percent of drugs used by allopathic and osteopathic physicians are originally derived from natural substances.

Some confusion may be because of different training and vocabulary used for the disciplines. Dr. Jackson testified that in his training drugs and medicines are different; the drugs are synthetic chemical substances whereas the medicines more broadly include natural substances. Mr. Hurlburt said in his training those terms are interchangeable.

SENATOR MENARD clarified that vitamins are from natural sources and are sometimes put into 11 percent of prescription-type drugs to enhance them.

MR. HURLBURT answered they are not talking about vitamins. Examples of other kinds of pharmaceuticals that are derived from plants would be digitalis, used for heart failure, and quinine, originally an anti-malaria drug, some anti-cancer drugs and penicillin.

SENATOR GIESSEL said the current definition in regulation for naturopath says herbal remedies include "medicines derived". The amended form of the bill says herbal remedy means "a substance", the effort there being to separate digitalis from an herbal preparation. Did he not think that was clear enough that it's not a prescription, pharmaceutical agent?

MR. HURLBURT replied his initial take is that it would clarify it, but their Chief Pharmacist felt the language in the amendment was broad enough to lead to some confusion in saying they are derived from natural substances and opened the possibility of prescribing things like digitalis and anti-cancer drugs.

SENATOR GIESSEL asked if a clearer statement would have a semicolon and another phrase that says, "these substances do not include pharmaceutical agents."

MR. HURLBURT answered yes.

1:53:03 PM

MARY DESMETT, representing herself, Juneau, said she is a consumer and patient of both naturopathic and allopathic care. Her life had been profoundly affected in a positive way by being able to choose when to see a naturopathic doctor or a western doctor. She was well on her way to type 2 diabetes and now her labs are all good and she is off every medication including an anti-depressant.

1:54:32 PM

C.W. JASPER, N.D., said he supported SB 175 and the amendments. He enjoyed meeting with Dr. Hurlburt, but the concerns about anti-cancer drugs that may come from an herb or digitalis forgets an important issue - that every health care provider is limited by his training and education. And even though this definition in the regulations might have allowed the use of those anti-cancer drugs in the last 18 years, the fact of the matter is that nobody has used them for the last 18 years, because that is not what their training is. That is the safety factor. Digitalis is always mentioned because it's a famous herbal medicine, but nobody uses it anymore. Penicillin was brought up, and the definition would allow it, but after speaking to many colleagues on the phone he found that no one knows of any naturopath who has used it in the last 18 years, just that the definition would allow it. But again, he said they practice what they are trained to do. He just didn't think it was an issued because it's not part of naturopathic practice based on their training.

1:56:36 PM

SENATOR PASKVAN asked what notice he received of any change from the department or division.

DR. JASPER replied none. He had a nice meeting with Mr. Habegar this morning who wasn't aware of putting out any notice to that effect and didn't know where it came from; he was checking into it.

1:58:07 PM

SENATOR PASKVAN asked how long naturopaths have used pharmacists.

MR. JASPER answered for the past 18 years pharmacists have honored their prescriptions, but for just very few things, because there aren't a lot of prescription drugs.

SENATOR PASKVAN asked for 18 years consistent with the statutes and administrative codes of Alaska.

MR. JASPER responded that was correct.

SENATOR GIESSEL asked what he would think if she amended item 2 in Section 2 to say "herbal remedy means a substance derived from; substance does not mean pharmaceutical agent."

MR. JASPER said he thought it would be confusing because it would add an undefined word to the definition.

2:01:02 PM

MARY ALICE MCKEEN, representing herself, Juneau, said she is a consumer of naturopathic care and an administrative judge for the federal government. She supported SB 175 and appreciated all the efforts to solve this problem, because people want access to this type of care. In 1986 the legislature made a policy decision that people in Alaska should have access to it and severely restricting the scope of practice [for naturopaths] really undermines that decision.

Referencing the department's letter that said patients could use substances in their natural form, she remarked the legislature did not intend for naturopaths to recommend that patients grind up their own red pepper but that they could obtain a capsicum tincture by prescription. She said the regulation answers that squarely because it says in 12 AAC 42.990(a) that a prescription drug does not include a device or herbal or homeopathic remedy or dietetic substance in a form that is not a controlled substance. It doesn't say it has to be in its natural form; it really answers the form question by saying the prescription drug cannot be in a form that is not a controlled substance.

MS. MCKEEN said this new interpretation didn't have any notice or comment period but the regulations have all gone through a notice and comment procedure and the public got a chance to weigh in. If there was a proposed regulation that said "prescription drug" means everything you need a prescription to get, people would come out and testify against it and she mused that in a way, this is the comment period for this new interpretation.

2:05:07 PM

MARTIN NEIMI, representing himself, Juneau, said he is a 69 year-old patient of a naturopathic doctor and old enough to

choose which kind doctor to see first. The way he views his choices is that the naturopathic doctor guides him to a better and healthier life style and when it gets to the point of needing drugs or surgery, he will go to a medical doctor. He summarized that he was a P.E. and health teacher before he retired and knows a little bit about health care and has had a wonderful experience with naturopathic doctors.

[2:06:12 PM](#)

DON HABEGAR, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development (DCCED), came forward to answer questions.

SENATOR PASKVAN asked if he agreed that naturopaths didn't have any notice of this change.

MR. HABEGAR replied that his staff hadn't released any kind of formal information to pharmacists or naturopaths, but he was still looking into it.

SENATOR PASKVAN said that answer seems to infer that no process was followed, so there was no foundation for his position in the last meeting.

MR. HABEGAR said in the last meeting he referred to recent licensure action and he also referred to what appears to be a consistent no prescriptive authority position based on the division's history.

SENATOR PASKVAN asked if he agreed that whatever the source, there had been a material restriction in the naturopath's ability to access pharmacies as part of their practice from what has occurred over the last 18 years.

MR. HABEGAR replied he agreed that that is the issue before everyone and that is what they are saying, but he personally didn't have any evidence of it.

SENATOR PASKVAN said everything he is hearing says that there are statutes going back to 1986 and administrative regulations that go back to 1994 and it appears that they have solid practices going back 18 years. No notice was given to the naturopaths, and that implies there was no opportunity for them to be heard. Therefore, something has occurred that appears to be arbitrary and capricious. Whatever the source, he was pretty troubled.

2:10:14 PM

ANDY HARRINGTON, Assistant Attorney General, Civil Division, Commercial and Fair Business Section, Department of Law, Juneau, responded that a complaint was filed about a naturopath for using or administering prescriptive drugs in 2008. During the investigation, the division asked the naturopath where and how the prescription drugs were being obtained and the naturopath indicated an unwillingness to provide that information. Then the division served several local pharmacies with administrative subpoenas regarding any prescriptions they may have filled for the naturopath. The division investigator gave a heads up to the Pharmacy Board as to why the subpoenas were being served. The Pharmacy Board eventually sent a cautionary letter to the one pharmacy that had been filling the prescriptions. He surmised, Alaska being a small state, that word of the subpoena and perhaps the letter got discussed on the pharmacist grapevine and passed along. So, it is not surprising that other naturopaths in other parts of the state found pharmacists who may have normally been filling prescriptions written by naturopaths were less willing to do so.

MR. HARRINGTON said that any pharmacist either in state or out who called him would have been told that Alaska statute very clearly prohibits naturopaths from giving, prescribing or recommending in the practice a prescription drug. The division felt compelled to interpret its regulations consistent with that statutory prohibition. Director Habegar is correct that since shortly after the regulations were enacted the division has consistently taken the position that the regulations did not forge any kind of an exception to the statutory prohibition. It is also fair to say that the naturopaths who were saying they assumed the regulations trumped the statute are also being very truthful in their testimony, but regulations don't trump statute.

2:14:32 PM

SENATOR PASKVAN asked why it isn't appropriate to allow a practice that has been in place for 18 years to continue while the legal issue is addressed since it appears the risk is nonexistent.

MR. HARRINGTON replied that it is appropriate because the problem arises from a mismatch between language of the statute with its fairly clear prohibition and the language of the regulations, which leaves much room for debate. If the statute is not changed to correspond to regulatory language, the division would have to go through the notice and public comment

procedure to propose a regulatory change that would be more in accordance with the statute, AS 08.45.050(1)(A). But the division has wisely decided to await the outcome of the legislative process and is neutral as to the merits of the bill, but recognizes the current situation is pretty untenable. Naturopaths and their patients and the people in the division who are trying to administer this law are all disserved by the confusion created for everyone.

[2:17:52 PM](#)

SENATOR GIESSEL said AS 08.45.200 says naturopathy means the use of hydrotherapy and dietetics and later says that "dietetics includes herbal and homeopathic remedies" and those are not defined there; they are defined in regulation and that is the definition that is being offered in this bill.

SENATOR DAVIS asked if a pharmacist was on line. She heard someone from a pharmacy say that they had been giving out the medicine but had received information saying it was illegal to do so.

CHAIR EGAN said Dr. Hurlburt said that.

SENATOR DAVIS said she had been trying to increase the scope of practice for naturopaths for years and hasn't gotten anywhere. This bill doesn't give them any more authority, but it would put current practice in statute and she was ready to move it.

SENATOR PASKVAN removed his objection to the Amendment 1.

CHAIR EGAN said he would hold SB 175 in committee.

SB 125-MOTOR VEHICLE TRANSACTIONS

[2:21:39 PM](#)

CHAIR EGAN announced SB 125 to be up for consideration.

SENATOR MEYER, sponsor of SB 125, said it updates the statute that is commonly referred to as the Auto Dealers Practice Act; it does that by clarifying several provisions concerning the advertising on new and used automobiles. These revisions will assist the consumers in understanding auto comparison pricing and will eliminate any ambiguities contained in current statutes while assisting the dealers in their quest to follow state law.

This bill was drafted in conjunction with the Department of law. It also makes the document fees a moot issue.

[2:23:30 PM](#)

ED SNIFFIN, Assistant Attorney General, Civil Division, Commercial and Fair Business Section, Department of Law (DOL), said the language in SB 125 was worked on with the auto dealers and clarifies many provisions of the statute to make it easier for auto dealers and consumers in their buying experience. A couple of substantive changes would allow auto dealers the ability to engage in price comparison advertising with used automobiles, and that is something that isn't in statute. Another change allows dealers the ability to advertise free merchandise with the vehicle which is prohibited currently. All other changes to the statute are clarifications and consumer friendly.

MARTIN MARTINSON, Alaska Auto Dealers Association, Juneau, said auto dealers are not trying to get an unfair business advantage, they are simply trying to clarify language that would make it easier to both follow and enforce the law.

CHAIR EGAN said that public testimony was closed and asked the sponsor if he had any closing comments.

[2:26:38 PM](#)

SENATOR MEYER replied no, the bill is pretty self-explanatory and people are in concurrence with its need.

[SB 125 was held in committee.]

SB 149-TAX CREDIT FOR DONATIONS TO DOG MUSHING

[2:27:04 PM](#)

CHAIR EGAN announced SB 149 to be up for consideration.

SENATOR JOE THOMAS, sponsor of SB 149, said dog mushing is Alaska's state sport and has a long and storied history and background from its development by indigenous Alaskans to dog teams connecting and supplying mining and military camps to the Nome serum run to today's recreation and sports traditions.

SENATOR THOMAS said he used to run dogs in Fairbanks and today dog mushing not only preserves our heritage but also brings international attention to the state. Alaska's dog mushing races inject needed money and activity into dozens of small rural Alaskan towns. There are, however, dozens of races of all

different lengths and difficulties each year from the Iditarod with its nearly \$4 million budget to small town sprint races run on a shoestring budget. All play a vital role in numerous towns and their economies.

He said SB 149, the Support Alaska's Mushing Sport Heritage Act (SAMSHA), creates a stronger financial base of support for dog mushing by bringing together the private business sector in races organized by non-profits through modest tax credits. It allots a certain amount of tax credits to a qualified dog mushing race that then solicits private donations on a first come, first served basis. By limiting the available credits, SB 149 not only limits the fiscal impacts to the state, it also creates a competitive environment for access to credits by bringing in financial support earlier in the year, filling a hole that these races generally suffer on an annual basis. By incentivizing the small and medium sized donations, the bill will help create a more diversified base of support that is not reliant on one or more large donations (so if that donor drops out, all the money dissipates). It will also help foster Alaska's winter tourism industry in the many towns they take place in.

[2:31:01 PM](#)

GRIER HOPKINS, staff to Senator Thomas, said the impetus behind this bill was to begin developing a stronger financial base for dog mushing races across the state from big too small. Dog mushers have a number of operating costs throughout the year, but their fund raising efforts do not come to fruition until the energy behind these races starts building. The expenses include the purses and salaries for people who work on the races. The idea behind SB 149 would be to create a competitive system of tax credits where businesses that would be donating to these organizations know there is a specific limited amount of tax credits available to them based on the non-profit's budget. Fundraising efforts don't come to fruition until these races start being promoted, and businesses would have to come to the races early in the year for their credits or the allotted amount could have already been used by others. He explained that a specific amount of credits would be available to all the races in the state and the amount is based on 5 percent of the race's allotted budget from the year before.

[2:33:44 PM](#)

MR. HOPKINS said there are 22 different non-profit dog mushing races in the state. Most of those do not get anywhere near the \$1 million budget, but if they all start doing well, a worst

case scenario would be a \$1.1 million impact to the state from these credits.

He explained that the bill works by requiring qualified non-profit dog mushing races to have offered a minimum \$5,000 purse in the previous two years (to make sure it's a legitimate organization). At that time the race would submit its budget to the department showing how much it spent last year; they would then receive a tax credit allocation in an amount based on 5 percent of their annual budget. A dog mushing non-profit with a \$500,000 or less budget would receive \$12,500 in credit, a budget of \$1 million would receive \$25,000 in credit and more than \$1 million would receive \$50,000 in credit. Those non-profit races would go out and solicit their own donations from the community starting at the beginning of the year spreading out the funding base, so that something like the BP Top of the World Race doesn't happen again where one big donor pulls out and it goes defunct.

A step system was created where donations of \$2,000-\$5,000 would receive 50 percent credit, \$5,000-\$10,000 would receive a 33 percent donation; \$10,000-\$25,000 would receive a 25 percent donation and anything greater than \$25,000 would be capped at \$7,900. He said there are races all over the state and all of them would benefit.

MR. HOPKINS noted that people from all across the state support this bill and he has recently received letters of support from the City of Huslia, the City of Alakaket and the Montana Creek Dog Mushers Association that runs the Sheep Mountain Race in Juneau. He said he would be working with the department on the fiscal note trying to find a way to remove the fiscal impact to the state.

[2:37:37 PM](#)

SENATOR PASKVAN asked if the maximum credit that any one corporation may claim is \$7,900.

MR. HOPKINS replied yes.

SENATOR PASKVAN asked if depending on the annual budget there are caps that apply to the race so that a late-comer corporately, assuming a race were to reach that limit, wouldn't be eligible for a credit.

MR. HOPKINS replied that was correct.

SENATOR PASKVAN asked how he got to the \$1.1 million impact to the state.

SENATOR THOMAS said most of these races have been in place for many years and haven't grown dramatically and that is the total of the existing 22 races having the maximum amount of credits applied times the \$50,000.

SENATOR MENARD suggested that the big sponsors could start advertising at certain check points in a race like golf tournaments that have sponsors for each hole.

MR. HOPKINS replied creative solutions to making their ends meet do exist; for example, the Kobuk 440 uses a sponsor for a mile.

[2:41:45 PM](#)

GEORGE ATTLA, representing himself, Huslia, Alaska, thanked Senator Thomas for introducing the bill. He said he had been in dog racing for over 50 years and the sport really needs help financially. It is losing lots of mushers because it is hard to raise funds.

[2:43:13 PM](#)

KATHRYN FITZGERALD, Alaska Dog Mushers Association, Fairbanks, said the association was incorporated in the 1950s and hosts the Open North American Championship Sled Dog Race, which in 2012 will be in its 67th consecutive running. SB 149 would help create an environment where additional funding could be raised for their events. She said no other sled dog race in the world has run consecutively for that long.

MS. FITZGERALD said it has become increasingly difficult to raise additional purse money when they host a variety of sled dog races that are world-renowned and are competing for the same piece of the pie. Each one has its own little niche in the sled dog racing world, but Alaska is fortunate enough to have the majority of the most notable races worldwide that people like to participate in and part of that is because of increased funding for the purses. Between December and March over 100 sprint races that take place across the United States and Canada with a participation level of 3,000 to 3,500 people. They want to attract most of them to Alaska to race. The Open North American has been estimated to bring in \$1.8 million for the three day event in Fairbanks. Alaska has been in the forefront of mushing she said, and people no longer ask if events will take place but when.

[2:46:43 PM](#)

DAVID VANDENBERG, Executive Director, Downtown Association of Fairbanks, supported SB 149. He said the Yukon Quest and the Open North American, especially, by taking place in downtown Fairbanks really promote the local businesses that are very aware of the economic impact in an otherwise slow time of the year. He said all the Interior dog races, especially the larger ones, are marketed by the Fairbanks Convention and Visitors Bureau so it's kind of a full-court press to get what they can out of these races. Better financial support for these races means a better economic profile for downtown Fairbanks and for the Interior.

MR. VANDENBERG said the whole downtown turned out for the Yukon Quest that started last weekend. A list of involved business includes: the Fairbanks Community Museum, the Alaska Public Lands Information Center, the Morris Thompson Cultural and Visitors center, Big Daddies' BBQ, the Farthest North Elks Lodge, Lavelle's Bistro, Arctic Travelers' Gift Shops, Forget-Me-Not Books, Julia's Solstice Café, the Big Eye Pub and Lounge, the Fudge Pots in the Coop Plaza and the Pomegranate.

CHAIR EGAN closed public testimony and opened it again for one more person who was on the list to testify.

[2:49:46 PM](#)

ANDY BAKER, Chairman, Iditarod Board of Directors, supported SB 149. He said all the races, big and small, around the state depend on fund raising. Most of the races have the ticket drawing banquet three days before the race and that has to sell all the tickets to pay the prize two weeks later. There is no cushion and you can't plan very well for next year. It gets worse the smaller the race is. It's hard to get outside sponsors, but it should be about Alaskans anyhow, but that makes the pool smaller and they get hit over and over again.

[2:52:19 PM](#)

MR. BAKER said he already has some \$5,000 to \$350,000 sponsors and those on the top end could donate more, so he suggested expanding the cap up to \$500,000. Although they don't want to rely on the one sponsor, an extra \$200,000 would just help them be a little more stable a little bit longer. Just the Iditarod alone the first week in March has a \$10 million economic impact to the Anchorage and MatSu areas according to a 2003 study; that is not counting anywhere else along the Railbelt, Nome or the 20 million website hits that bring the 350 media up. Making each of

these races bigger and stronger all over the state will help the state as a whole.

SENATOR PASKVAN remarked that Mr. Baker was the first Native Alaskan to win the Iditarod and congratulated him.

MR. BAKER thanked him and said breaking the record was a bonus and this year the goal is to break it again!

CHAIR EGAN said that completed public testimony. [SB 149 was held in committee.]

[2:55:04 PM](#)

Finding no other business to come before the committee, Chair Egan adjourned the Senate Labor and Commerce Standing Committee at 2:55 p.m.