

HOUSE FINANCE COMMITTEE  
April 25, 2017  
4:03 p.m.

4:03 :46 PM

CALL TO ORDER

Co-Chair Seaton called the House Finance Committee meeting to order at 4:03 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair  
Representative Paul Seaton, Co-Chair  
Representative Les Gara, Vice-Chair  
Representative Jason Grenn  
Representative David Guttenberg  
Representative Dan Ortiz  
Representative Lance Pruitt  
Representative Steve Thompson  
Representative Cathy Tilton  
Representative Tammie Wilson

MEMBERS ABSENT

Representative Scott Kawasaki

ALSO PRESENT

Representative Geran Tarr, Sponsor; Don Etheridge, Alaska AFL-CIO, Juneau; Jerri Roe, Self, Juneau; John Sonin, Self, Juneau; Barbara Huff-Tuckness, Teamsters, Juneau; Leslie Ridle, Deputy Commissioner, Department of Administration; Representative Gary Knopp; Representative Lora Reinbold; Representative Jonathan Kreiss-Tomkins; Representative DeLena Johnson.

PRESENT VIA TELECONFERENCE

Edward Hasbrouck, Consultant, The Identity Project; Joan Priestley M.D., Director, Institute for Health Renewal, Anchorage; William Harrington, Self, Anchorage; Matt Flanders, Citizen Council for Health Freedom, Minnesota; Vince Beltrami, Alaska AFL-CIO, Anchorage; Becca Brado, Project Manager, Fairbanks Economic Development

Corporation, Fairbanks; Aves Thompson, Alaska Trucking Association, Anchorage; Patrice Lee, Self, Fairbanks; Daniel Lynch, Self, Soldotna; William Warren, Self, Nikiski; Mike Coons, Self, Palmer; Paul D. Kendall, Self, Anchorage; Bob Murphy, Self, Kodiak; Ross Mullins, Self, Cordova; Pam Goode, Self, Rural Deltana; James Squares, Self, Rural Deltana.

SUMMARY

HB 74 DRIVER'S LICENSE & ID CARDS & REAL ID ACT

HB 74 was HEARD and HELD in committee for further consideration.

HB 177 AQUATIC INVASIVE SPECIES

HB 177 was HEARD and HELD in committee for further consideration.

Co-Chair Seaton reviewed the meeting agenda.

#hb177

HOUSE BILL NO. 177

"An Act relating to the response to, and control of, aquatic invasive species; establishing the aquatic invasive species response fund; and relating to the provision of information about aquatic invasive species to users of the Alaska marine highway system."

[4:05:27 PM](#)

REPRESENTATIVE GERAN TARR, SPONSOR, introduced the bill. She shared the bill would create an infrastructure for rapid response to an aquatic invasive species outbreak, would create a fund for invasive species response, directed the Alaska Marine Highway to provide information to passengers bringing boats to Alaska, and directed the Department of Motor Vehicles to provide information to Alaskans when they registered their boats. She provided a document titled Appendix G that included various examples of invasive species (copy on file). The first example was didemnum vexillum (d-vex). The second example was elodea - a western waterweed. The third slide pictured Reed canarygrass, and Northern Pike and the Norway rat were the fourth and fifth examples. One of the reasons for the

discussion was related to the cost associated with the outbreaks. She provided examples from the Capital Budgets passed in FY13 and FY14, which each contained appropriations used to address invasive species outbreaks in the state. She spoke to the two provisions of the bill that pertained to communication surrounding invasive species hitchhiking on boats and float planes. She pointed to the bottom left hand corner of the document titled, "Help Stop the Spread of Aquatic Invasives!" (copy on file), which illustrated watercraft checkpoints. She spoke of a major project taking place in the Columbia River basin for a type of invasive mussel, which was estimated to cost hundreds of millions of dollars to address the problem.

[4:12:34 PM](#)

Representative Tarr continued to address the bill. She relayed that her goal with the legislation was to be preventative in nature and provide a bit of funding for the issue. She relayed that the potential for the problem to become expensive to the state was great. She suggested that one way to raise funds for the issue was a \$1 surcharge on boat registration. She said that the fiscal note reflected \$5,000 for production of materials for distribution, which could involve signage as well as brochures. She said that any excess revenue could be used for future outbreaks. She shared that the state of Montana had vehicle checkpoints where boats were checked and properly cleaned for a fee. She lamented that the international borders surrounding Alaska limited the state's jurisdiction. She related that state law required the registration of all motorized boats, which could provide the opportunity to check vessels for hitchhikers. She said that both the marine highway and the DMV had the potential to assess fees, and the legislature might think about allowing those entities to implement a surcharge. She stressed that prevention and immediate response was the low-cost alternative to a full-blown invasion, which could impact salmon fisheries and other recreational opportunities for Alaskans.

[4:16:09 PM](#)

Co-Chair Foster noted there were several people available for questions.

Representative Thompson thought the bill should include the northern region of the state as well. He relayed there were

areas of the Chena River that were experiencing problems with Elodea.

Representative Tarr recalled that mechanical controls had been attempted in the Chena River slough, but had been unsuccessful. She agreed that the norther regions of the state should be included in the conversation.

Representative Wilson directed the committee's attention to Page 2, lines 1 through 4:

(b) In responding under (a) of this section to the occurrence of an aquatic invasive species, the department may apply for suspension of, or emergency, quarantine, public health, crisis, or other exemptions to, applicable environmental laws and regulations.

Representative Wilson asked where the public input could be found under the sub-section.

Representative Tarr replied that the intent was that some of the standard procedures would not apply in the circumstances defined in the bill because of the need for an immediate response. She stressed that not having the infrastructure readily available could delay a response by a year, which would make the problem worse. She added that the language was intended to empower the departments to side-step the typical public process in emergency situations.

Representative Wilson shared that chemicals were being used to fight invasive species in the North Pole area, which had spurred concern for the shallow wells in the vicinity. She requested information on what would qualify as an emergency, and she voiced concern at the truncating of the public process.

Representative Tarr replied that she would follow up on the matter. She relayed that the bill highlighted the use of the least toxic means possible as the number one priority. She hopes that chemical controls could be used when mechanical controls did not work, but that the default would be to do the least harmful method first.

[4:20:13 PM](#)

Representative Wilson rebutted that "least toxic" in her drinking water well was not sufficient.

Vice-Chair Gara referred to Page 2, lines 20 through 23:

(f) In responding under (a) of this section to the occurrence of freshwater aquatic invasive species, the department shall respond in a manner determined to cause the least harm to noninvasive fish populations that are used for recreational, personal use, commercial, or subsistence purposes

Vice-Chair Gara related that he supported the least harmful response possible. He said that chemicals could sometimes do more harm than good when it came to human health. He understood that the section could allow for a "no action" alternative. He requested clarification from the Department of Fish and Game.

Representative Tarr replied in the affirmative. She elaborated if drinking water were involved, direct application of an herbicide would not be applied.

HB 177 was HEARD and HELD in committee for further consideration.

#hb74

HOUSE BILL NO. 74

"An Act relating to the implementation of the federal REAL ID Act of 2005; and relating to issuance of identification cards and driver's licenses; and providing for an effective date."

[4:21:50 PM](#)

EDWARD HASBROUCK, CONSULTANT, THE IDENTITY PROJECT (via teleconference), provided detail about the organization. He testified in opposition to the legislation. He noted that his concerns had been outline in a letter sent to the committee (copy on file.) He spoke to the cost for compliance with the REAL-ID Act, which he contended were not included in the current fiscal notes attached to the bill. He stated that the Department of Administration and the Department of Motor Vehicles had testified that participation in the act would require uploading all Alaska driver's licenses and state ID cards into the SPEXS

database, which had been developed to enable states to comply with the data-sharing requirements of the REAL-ID Act. No other system exists or is under development that would enable any state to comply and none of the costs of SPEXS participation was included in the fiscal notes. He lamented that the costs associated with the SPEXS database were unknown. He detailed more of his concern with the SPEXS database.

[4:26:12 PM](#)

Mr. Hasbrouck addressed the issue of whether a Real-ID would be needed to pass through Transportation Security Administration (TSA) checkpoints at airports. He related that documents released to the organization by TSA showed that on average, 77,000 people each year - more than 200 per day - passed through TSA checkpoints without showing ID. Ninety-eight percent of the would-be travelers who showed up at TSA checkpoints without ID or with "acceptable" ID could board these flights, after questioning that took an average of between seven and nine minutes. He furthered that threats by the Department of Homeland Security (DHS), TSA, and state officials about what Congress will do to impose new requirements were speculation and not based on any current or proposed law.

[4:31:23 PM](#)

Mr. Hasbrouck discussed how a passport card compared to a compliant driver's license. He asserted that it would be harder to acquire a compliant Real ID than it currently was to get a passport. Mr. Hasbrouck stated that to apply for a passport card if you did not already have a passport, residents must go to a designated Post Office, in person, with only one or two of the following documents:

1. Birth or naturalization certificate or other evidence of U.S. citizenship
2. Evidence of your identity (which can be provided by an identifying witness)

He explained that to apply for a compliant driver's license or state ID, residents must go to a DMV office, in person, with original copies of four documents:

1. Birth or naturalization certificate or other evidence of U.S. citizenship

2. Evidence of your identity (which must be in the form of an ID card or document)
3. Evidence of your residence in Alaska
4. Original Social Security card

Mr. Hasbrouck stated that a passport card could be used for everything that a REAL-ID could be used for except for driving. He lamented that the people that would be most adversely affected by REAL-ID Act compliance included the elderly, people who were born at home, people who have moved far from their place of birth, and people who could not afford to wait months to obtain documents from other states. He hoped that the committee would reject the legislation.

[4:33:23 PM](#)

Representative Thompson asked about the need for the REAL ID to access military bases. He opined that the increased desire for passport cards had contributed to long wait periods for obtaining the cards.

Mr. Hasbrouck answered that typically in other states it took substantially longer to get compliant state identification. He hoped that the legislature could get a discretionary extension from DHS, but he added that would only postponed the problem. He said that if the federal government followed through on the threats to restrict unescorted access to military bases, people would have to get either a compliant state ID or a passport card.

[4:35:48 PM](#)

Representative Ortiz believed the issues for The Identity Project concerning the act were related to privacy concerns. He suggested that the information was already out there for most Alaskans, and that going to REAL-ID would not jeopardize the privacy of Alaskans.

Mr. Hasbrouck responded that if a person was required to give their information to a government agency it would be protected by a variety of laws. He said that because the SPEXS database was being run by a contractor for a private non-profit organization, it was not subject to the federal privacy act, and none of the protections of accountability and transparency were in place that would normally be associated with a government database. He warned that it

could be possible for the government to secretly demand the information found on the SPEXS database. He added that the system had limited capacity to update information that would be shared between states.

Vice-Chair Gara asked for clarification on required identification for airline travel.

Mr. Hasbrouck explained that 98 percent of people with no ID at all were allowed on planes.

Vice-Chair Gara asked about the TSA website information that stated that a driver's license would be unacceptable after January 1, 2018.

Mr. Hasbrouck answered that the information was speculation based on what the TSA believed Congress might do. He said that he had heard sworn testimony from TSA agents in court that had stated that the information was not completely accurate.

Representative Wilson asked which of the 20 state that were still working under a waiver had decided to enact legislation on the issue.

Mr. Hasbrouck answered that at least 40 states were noncompliant. He said that only the small number of states participating in the SPEXS system were considered compliant.

[4:40:21 PM](#)

Representative Wilson spoke to states on a waiver at present. She wondered how many states that had received a waiver were working toward compliance.

Mr. Hasbrouck thought that many states were pursuing waivers because that process was easier than becoming compliant.

Representative Pruitt spoke to the June 6, 2017 deadline for military base access. He asked if Alaska was the only state with that deadline. He wondered what other states were doing to ensure people had access to air travel and to military bases.

Mr. Hasbrouck referred to the date as a "threat date" and not a deadline. He lamented that the dates had been arbitrary and should be subject to constitutional challenge for denying equal protection to residents of different states. He relayed that most people working on bases already had federal ID.

Representative Pruitt expressed concern that the state could be "playing chicken" with the federal government. He worried that Alaskans might lose access to employment on military bases and that the state could lose access to federal dollars for being non-compliant. He wondered what ramifications the state would face for non-compliance.

[4:44:43 PM](#)

Mr. Hasbrouck did not believe there had been another state that had experienced as much potential adverse impact as Alaska feared. He said that he was not suggesting "playing chicken" with the federal government. He stated that if the federal government was threatening to interfere with the rights of Alaskans then the state should prepare for litigation. He thought that the state should hold off on capitulation until the courts determined whether the federal government's demands were backed by any legal force.

Representative Pruitt argued that Alaska did not have money to litigate. There were many other challenges facing the state. He asked if litigation was the only mechanism to challenge the act and he wondered how the state should go about it. He recalled being told by the ACLU the prior week that it would not necessarily have strong standing in court. He wondered what alternative tools were available as an alternative to litigation. He queried legal actions that could be taken by residents who could not litigate.

[4:48:11 PM](#)

Mr. Hasbrouck responded that if the state could not afford to litigate then it could also not afford the open-ended costs associated with compliance with the act. He said that it was likely that the state would have better standing in court than individual Alaskans because federal courts accepted the standing of states to assert their residents interest in travel as the basis for federal challenges. He

asserted that litigation, rather than compliance, would cost less in the long term.

Representative Pruitt asked whether there were other states looking to litigate.

Mr. Hasbrouck replied that the issue was speculative. He elaborated that he had spoken to legislators from other states that were exploring alternatives to compliance.

[4:51:44 PM](#)

Representative Guttenberg asked whether any states had been successful in challenging the federal government on the matter.

Mr. Hasbrouck answered that the issue was critical to the state. He said that residents should have the right to do their jobs and to move about the state and country as they wished. He relayed that the REAL-ID Act had an initial schedule of 3 years for implementation starting in 2005, and that states had be threatened with sanctions for non-compliance by 2008. He related that the reason that the sanctions had not be imposed on any state was because states had continued to resist; the deadlines currently being given by the federal government were merely threats without validity. He shared that there had been states that had been successful in bringing lawsuits on behalf of their residents that had resulted in injunctions against some of the executive orders restricting travel and immigration.

[4:55:01 PM](#)

Representative Guttenberg expressed dissatisfaction with Mr. Hasbrouck's answer.

^PUBLIC TESTIMONY

[4:55:21 PM](#)

DON ETHERIDGE, ALASKA AFL-CIO, JUNEAU, spoke in support of HB 74. He emphasized the importance of worker's being able to travel to work.

[4:56:52 PM](#)

Representative Grenn queried the number of members of the AFL-CIO.

Mr. Ethridge responded that there were approximately 55 thousand members in the state.

[4:57:09 PM](#)

Vice-Chair Gara wondered about the expressed difficulty of acquiring a passport card by those that opposed the legislation.

Mr. Ethridge stated that the concerns had to do with the length of time to get an original passport, and the length of time for replacement if lost. He said that a REAL-ID could be replaced in a timely manner.

[4:58:20 PM](#)

Representative Pruitt thought it was possible to receive two passports.

Mr. Ethridge was unaware of the possibility of getting two passports.

Co-Chair Foster offered several reminders regarding public testimony.

[4:59:34 PM](#)

JERRI ROE, SELF, JUNEAU, spoke in opposition of opposition of HB 74. She had read that by 2020, passports would no longer be sufficient for air travel or military base access. She expressed concern that travel would be restricted. She contended that the federal government should not be allowed to give her private identity to a private company.

[5:02:09 PM](#)

JOHN SONIN, SELF, JUNEAU, spoke in opposition of HB 74. He was concerned with the possible limitations on air travel.

[5:05:40 PM](#)

BARBARA HUFF-TUCKNESS, TEAMSTERS, JUNEAU, testified in favor of the legislation. She reiterated that the REAL-ID

was optional and that alternative choices were available. She listed that members of her organization that were already required to have a federally required driver's license. She understood that people were concerned for their right to privacy. She said that many Alaskans would be impacted by the legislation.

Representative Wilson wondered what would stop the federal government from issuing more identification requirements.

Ms. Huff-Tuckness reiterated her statement that the legislation offered residents a choice not to participate.

Representative Wilson asked whether she had encouraged workers to apply for passports.

Ms. Huff-Tuckness replied that there had been discussion about the issue. She furthered that passports were expensive and time consuming to acquire. She felt that a system should be in place that every Alaskan could access to get an ID in a timely manner. She believed that the state could offer residents an ID that was less expensive, but allowed for the opportunity to travel for work.

[5:12:10 PM](#)

JOAN PRIESTLEY M.D., DIRECTOR, INSTITUTE FOR HEALTH RENEWAL, ANCHORAGE (via teleconference), spoke against the bill. She asserted that it was currently possible to fly and gain access to military bases without identification. She elaborated on her concerns about privacy rights. She opined the expense to the state for a federally unfunded mandate.

[5:17:15 PM](#)

WILLIAM HARRINGTON, SELF, ANCHORAGE (via teleconference), testified in opposition to the legislation. He expressed concern for the right to privacy.

[5:19:08 PM](#)

MATT FLANDERS, CITIZEN COUNCIL FOR HEALTH FREEDOM, MINNESOTA (via teleconference), spoke against the legislation. He reiterated the concerns of previous testifiers. He argued that the act did not protect the country from terrorism, but created a new set of problems

surrounding data security. He said that Alaska had received \$684,000 in 2011 under the National Driver's License Security Grants Program. He wondered what had been done with the funds. He urged the committee to vote against the bill.

[5:22:54 PM](#)

Representative Wilson requested further information about the grant.

Mr. Flanders said that he would provide the information.

[5:23:33 PM](#)

VINCE BELTRAMI, ALASKA AFL-CIO, ANCHORAGE (via teleconference), spoke in favor of the bill. He understood that there most states were working toward compliance with the act. He asserted that it was not up to base commanders to choose which identification could be used to enter military bases. He thought that those that currently flew without ID were subject to more intense screening at airports, and that soon flying without a compliant ID would not be allowed beginning 2018. He worried about the civilians that needed to access military bases for work. He believed that requiring Alaskans to get a passport to go to work was cumbersome, expensive, and ignored the possibility that there were some workers who could not obtain a passport. He reiterated that compliance was voluntary under the legislation.

[5:27:52 PM](#)

BECCA BRADO, PROJECT MANAGER, FAIRBANKS ECONOMIC DEVELOPMENT CORPORATION, FAIRBANKS (via teleconference), testified in support of the legislation. She stated that if people did not have REAL ID they could be accompanied on base; however, the base had 5,000 visitors monthly and it was unrealistic to think that they would all be accompanied by an escort with access. She spoke to the lengthy time it took to get a passport. She stressed that the state had worked extremely hard to get construction contracts on bases, and the funds that accompanied them, and underscored that the state needed to live up to its end of the bargain. She did not want to potentially deny people work.

Representative Wilson noted that the committee had heard about Minnesota and Missouri being noncompliant and that people were still able to gain access to military bases.

Ms. Brado answered she did not have information about Minnesota.

Representative Wilson asked whether the testifier believed that bases in Minnesota were breaking the federal law.

Ms. Brado maintained that she could not speak to that question.

Vice-Chair Gara referred to testimony from opposition that it would be possible for a person to obtain a passport card if they did not want a REAL-ID. He asked whether the testifier knew if it took longer to get a passport card than a REAL-ID.

Ms. Brado answered that it was a minimum of 4 weeks waiting time for an appointment in Fairbanks, and 6 to 8 weeks beyond that to receive the passport card. She believed that REAL-ID card would be issued more quickly.

[5:32:09 PM](#)

AVES THOMPSON, ALASKA TRUCKING ASSOCIATION, ANCHORAGE (via teleconference), testified in favor of the bill. He spoke to commercial driver's license requirements. He said that military installations were governed by federal rules, and that after June 2017, people would need a federally recognized form of identification to gain access to military bases. He urged the committee to pass the bill.

[5:34:39 PM](#)

PATRICE LEE, SELF, FAIRBANKS (via teleconference), testified in support of the bill. She did not like the idea that a national organization that she could not contact had her personal information. She shared that her mother received healthcare from Joint Base Elmendorf-Richardson, and expressed concern that she might not be able to get on the base quickly if her mother had a medical emergency. She noted that the bill offered a choice, and thought the bill offered a good compromise to the issue.

[5:37:08 PM](#)

DANIEL LYNCH, SELF, SOLDOTNA (via teleconference), testified in opposition to the bill, and stressed the right to privacy under the constitution. He said that he had worked at Fort Greely several times, and under different private employers. He stated that the employers had vetted him upon employment. He worried about the unintended consequences of the legislation.

[5:39:39 PM](#)

WILLIAM WARREN, SELF, NIKISKI (via teleconference), spoke against the bill. He offered a personal history of working travel in the state.

[5:41:32 PM](#)

MIKE COONS, SELF, PALMER (via teleconference), testified against the bill. He said that he understood how access to military bases worked. He said that any non-military person seeking access to a base would not be granted access without a sponsor. He stated that commanders made policy as to access, and if the state did not comply with the act commanders would not stop needed workers from getting to their job sites. He assumed that if airlines suffered a loss of passengers because of the state's non-compliance, the airlines would urge the federal government to reconsider its actions well before mandatory implementation.

[5:44:31 PM](#)

PAUL D. KENDALL, SELF, ANCHORAGE (via teleconference), spoke favor of the bill.

Co-Chair Foster recognized Representative Lora Reinbold in the audience.

[5:49:09 PM](#)

BOB MURPHY, SELF, KODIAK (via teleconference), testified in support of the legislation. He reiterated that the legislation offered Alaskans a choice.

[5:51:18 PM](#)

ROSS MULLINS, SELF, CORDOVA (via teleconference), testified in support of the legislation. He shared that he was no

longer driving due to his poor vision. He continued that he had traveled for surgery the prior year and had been required to receive a state ID. He wanted the legislature to ensure state IDs were qualifying under the act. He shared that he had no fear his information would be misused any more than was already currently possible.

[5:55:08 PM](#)

Vice-Chair Gara relayed that it would be possible to receive a REAL ID compliant state ID.

Co-Chair Seaton referred to questions related to Minnesota and whether the state was compliant. He referred to a handout titled "Current Status of States/Territories" from the Department of Homeland Security website (copy on file). He said that Minnesota currently had an enhanced ID and federal officials were continuing to accept enhanced ID from non-compliant states.

[5:56:19 PM](#)

PAM GOODE, SELF, RURAL DELTANA (via teleconference), testified against the bill. She believed that the act was unconstitutional. She said that the fiscal impact would be detrimental to the state.

[5:59:26 PM](#)

JAMES SQUYRES, SELF, RURAL DELTANA (via teleconference), spoke against the bill. He stated the legislation violated the state constitution and carried a \$1.5 million fiscal note. He felt that most people already had passports and that requiring a REAL ID would be redundant.

Co-Chair Foster recognized that Representative Jonathan Kreiss-Tomkins had been present in the audience.

[6:02:47 PM](#)

AT EASE

[6:32:18 PM](#)

RECONVENED

Co-Chair Foster CLOSED public testimony.

Representative Wilson stated that she had researched the enhanced ID available in Minnesota, which had been available prior to the REAL-ID Act. She said that even with the enhanced IDs, the state was considered non-compliant by the federal government. She felt that the language concerning necessary changes in state statute for non-compliant IDs had been clearer in the governor's original bill.

LESLIE RIDLE, DEPUTY COMMISSIONER, DEPARTMENT OF ADMINISTRATION, did not believe it was the intent of the House State Affairs Committee to eliminate the choice between a compliant and non-compliant ID. She explained that all DMV regulations had to be approved by the legislature.

Representative Wilson said she would submit her question to the sponsor in writing.

[6:36:27 PM](#)

AT EASE

[6:37:06 PM](#)

RECONVENED

HB 74 was HEARD and HELD in committee for further consideration.

Co-Chair Foster addressed housekeeping.

Co-Chair Seaton asked for clarification.

Co-Chair Foster noted that amendments to the legislation were due on Friday, April 28 at 5:00 p.m. He recessed the meeting to a call of the chair [note: the meeting never reconvened].

#

ADJOURNMENT

[6:38:30 PM](#)

The meeting was adjourned at 6:38 p.m.