

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

March 30, 2018

3:24 p.m.

**MEMBERS PRESENT**

Representative Sam Kito, Chair  
Representative Adam Wool, Vice Chair  
Representative Andy Josephson  
Representative Louise Stutes  
Representative Chris Birch

**MEMBERS ABSENT**

Representative Gary Knopp  
Representative Colleen Sullivan-Leonard  
Representative Mike Chenault (alternate)  
Representative Bryce Edgmon (alternate)

**COMMITTEE CALENDAR**

CS FOR SENATE BILL NO. 15 (FIN)

"An Act relating to possession of an electronic smoking product or a product containing nicotine by a minor and to selling or giving a product containing nicotine or an electronic smoking product to a minor; relating to business license endorsements to sell cigarettes, cigars, tobacco, products containing tobacco, electronic smoking products, or products containing nicotine; and relating to citations for certain offenses concerning tobacco, products containing nicotine, or electronic smoking products."

- MOVED HCS CSSB 15 (L&C) OUT OF COMMITTEE

CS FOR SENATE BILL NO. 45 (FIN)

"An Act relating to an exemption from the regulation of construction contractors."

- MOVED CSSB 45 (FIN) OUT OF COMMITTEE

HOUSE BILL NO. 384

"An Act relating to the Regulatory Commission of Alaska and broadband Internet regulations."

- HEARD & HELD

HOUSE BILL NO. 230

"An Act relating to the collection of customer information by telecommunications and Internet service providers; and establishing an unfair trade practice under the Alaska Unfair Trade Practices and Consumer Protection Act."

- HEARD & HELD

SENATE BILL NO. 165

"An Act relating to the Alaska comprehensive health insurance fund; and providing for an effective date."

- MOVED SB 165 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 15

SHORT TITLE: E-CIGS/TOBACCO/NICOTINE & MINORS; SALES

SPONSOR(S): SENATOR(S) STEVENS

01/18/17	(S)	PREFILE RELEASED 1/13/17
01/18/17	(S)	READ THE FIRST TIME - REFERRALS
01/18/17	(S)	L&C, JUD
02/14/17	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/14/17	(S)	Heard & Held
02/14/17	(S)	MINUTE(L&C)
02/21/17	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/21/17	(S)	Heard & Held
02/21/17	(S)	MINUTE(L&C)
02/28/17	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/28/17	(S)	<Bill Hearing Canceled>
03/02/17	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/02/17	(S)	Moved CSSB 15(L&C) Out of Committee
03/02/17	(S)	MINUTE(L&C)
03/06/17	(S)	L&C RPT CS 4DP NEW TITLE
03/06/17	(S)	DP: COSTELLO, HUGHES, MEYER, GARDNER
03/27/17	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)
03/27/17	(S)	Heard & Held
03/27/17	(S)	MINUTE(JUD)
03/29/17	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)
03/29/17	(S)	<Bill Hearing Canceled>
04/03/17	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)
04/03/17	(S)	Heard & Held
04/03/17	(S)	MINUTE(JUD)
04/05/17	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)
04/05/17	(S)	Heard & Held

04/05/17 (S) MINUTE(JUD)  
 04/07/17 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)  
 04/07/17 (S) Moved CSSB 15(JUD) Out of Committee  
 04/07/17 (S) MINUTE(JUD)  
 04/10/17 (S) JUD RPT CS 3DP 1NR 1AM NEW TITLE  
 04/10/17 (S) NR: COGHILL  
 04/10/17 (S) DP: WIELECHOWSKI, KELLY, COSTELLO  
 04/10/17 (S) AM: MEYER  
 04/10/17 (S) FIN REFERRAL ADDED AFTER JUD  
 02/16/18 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 02/16/18 (S) Heard & Held  
 02/16/18 (S) MINUTE(FIN)  
 02/28/18 (S) FIN RPT CS 6DP 1NR NEW TITLE  
 02/28/18 (S) DP: HOFFMAN, MACKINNON, BISHOP, VON  
 IMHOF, STEVENS, MICCICHE  
 02/28/18 (S) NR: OLSON  
 02/28/18 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 02/28/18 (S) Moved CSSB 15(FIN) Out of Committee  
 02/28/18 (S) MINUTE(FIN)  
 03/08/18 (S) TRANSMITTED TO (H)  
 03/08/18 (S) VERSION: CSSB 15(FIN)  
 03/09/18 (H) READ THE FIRST TIME - REFERRALS  
 03/09/18 (H) L&C, FIN  
 03/21/18 (H) L&C AT 3:15 PM BARNES 124  
 03/21/18 (H) -- MEETING CANCELED --  
 03/23/18 (H) L&C AT 3:15 PM BARNES 124  
 03/23/18 (H) -- MEETING CANCELED --  
 03/28/18 (H) L&C AT 3:15 PM BARNES 124  
 03/28/18 (H) Heard & Held  
 03/28/18 (H) MINUTE(L&C)  
 03/30/18 (H) L&C AT 3:15 PM BARNES 124

BILL: SB 45

SHORT TITLE: EXEMPTION: LICENSING OF CONTRACTORS

SPONSOR(S): LABOR & COMMERCE

02/01/17 (S) READ THE FIRST TIME - REFERRALS  
 02/01/17 (S) L&C, FIN  
 02/07/17 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 02/07/17 (S) Heard & Held  
 02/07/17 (S) MINUTE(L&C)  
 02/28/17 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 02/28/17 (S) Moved SB 45 Out of Committee  
 02/28/17 (S) MINUTE(L&C)  
 03/01/17 (S) L&C RPT 1DP 4NR  
 03/01/17 (S) DP: COSTELLO  
 03/01/17 (S) NR: HUGHES, MEYER, STEVENS, GARDNER

04/07/17 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 04/07/17 (S) Heard & Held  
 04/07/17 (S) MINUTE(FIN)  
 04/11/17 (S) FIN AT 1:30 PM SENATE FINANCE 532  
 04/11/17 (S) Moved CSSB 45(FIN) Out of Committee  
 04/11/17 (S) MINUTE(FIN)  
 04/12/17 (S) FIN RPT CS 5DP 1NR SAME TITLE  
 04/12/17 (S) DP: HOFFMAN, MACKINNON, BISHOP, VON  
 IMHOF, MICCICHE  
 04/12/17 (S) NR: OLSON  
 04/15/17 (S) TRANSMITTED TO (H)  
 04/15/17 (S) VERSION: CSSB 45(FIN)  
 04/16/17 (H) READ THE FIRST TIME - REFERRALS  
 04/16/17 (H) L&C  
 03/23/18 (H) L&C AT 3:15 PM BARNES 124  
 03/23/18 (H) -- MEETING CANCELED --  
 03/26/18 (H) L&C AT 3:15 PM BARNES 124  
 03/26/18 (H) Heard & Held  
 03/26/18 (H) MINUTE(L&C)  
 03/30/18 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 384

SHORT TITLE: REGULATORY COMM OF AK; BROADBAND INTERNET  
 SPONSOR(s): GUTTENBERG

02/21/18 (H) READ THE FIRST TIME - REFERRALS  
 02/21/18 (H) L&C, FIN  
 03/30/18 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 230

SHORT TITLE: TELECOMMUNICATIONS & INTERNET PRIVACY  
 SPONSOR(s): DRUMMOND

04/15/17 (H) READ THE FIRST TIME - REFERRALS  
 04/15/17 (H) L&C, JUD  
 05/01/17 (H) L&C AT 3:15 PM BARNES 124  
 05/01/17 (H) Heard & Held  
 05/01/17 (H) MINUTE(L&C)  
 03/30/18 (H) L&C AT 3:15 PM BARNES 124

BILL: SB 165

SHORT TITLE: COMPREHENSIVE HEALTH INSURANCE FUND  
 SPONSOR(s): SENATOR(s) MACKINNON

01/26/18 (S) READ THE FIRST TIME - REFERRALS  
 01/26/18 (S) L&C, FIN  
 02/22/18 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

02/22/18 (S) Moved SB 165 Out of Committee  
 02/22/18 (S) MINUTE(L&C)  
 02/26/18 (S) L&C RPT 5DP  
 02/26/18 (S) DP: COSTELLO, STEVENS, MICCICHE, MEYER,  
 GARDNER  
 02/27/18 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 02/27/18 (S) Heard & Held  
 02/27/18 (S) MINUTE(FIN)  
 02/28/18 (S) FIN RPT 6DP 1NR  
 02/28/18 (S) DP: HOFFMAN, MACKINNON, BISHOP, VON  
 IMHOF, STEVENS, MICCICHE  
 02/28/18 (S) NR: OLSON  
 02/28/18 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 02/28/18 (S) Moved SB 165 Out of Committee  
 02/28/18 (S) MINUTE(FIN)  
 03/05/18 (S) TRANSMITTED TO (H)  
 03/05/18 (S) VERSION: SB 165  
 03/07/18 (H) READ THE FIRST TIME - REFERRALS  
 03/07/18 (H) L&C, FIN  
 03/21/18 (H) L&C AT 3:15 PM BARNES 124  
 03/21/18 (H) -- MEETING CANCELED --  
 03/23/18 (H) L&C AT 3:15 PM BARNES 124  
 03/23/18 (H) -- MEETING CANCELED --  
 03/26/18 (H) L&C AT 3:15 PM BARNES 124  
 03/30/18 (H) L&C at 3:24 PM BARNES 124

**WITNESS REGISTER**

KATIE STEFFENS

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 15.

JOE DARNELL

Division of Behavioral Health

Department of Health and Social Services (DHSS)

Anchorage, Alaska

**POSITION STATEMENT:** Answered questions in the hearing on SB 15.

JAMES SQUYRES

Rural Deltana, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 45.

NATASHA MCCLANAHAN, Staff

Senator Mia Costello

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Reintroduced SB 165 on behalf of Senator Costello, prime sponsor.

REPRESENTATIVE DAVID GUTTENBERG  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 384 as prime sponsor.

RICH GAZAWAY, Regulatory Commission of Alaska (RCA)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in the hearing on HB 384.

STEPHEN MCALPINE, Commissioner, Regulatory Commission of Alaska (RCA)  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions in the hearing on HB 384.

PATRICK FITZGERALD, Staff  
Representative Harriet Drummond  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Reintroduced HB 230 on behalf of Representative Drummond, prime sponsor.

REPRESENTATIVE HARRIET DRUMMOND  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Reintroduced HB 230 as prime sponsor.

#### **ACTION NARRATIVE**

[3:24:48 PM](#)

**CHAIR SAM KITO** called the House Labor and Commerce Standing Committee meeting to order at 3:24 p.m. Representatives Stutes, Birch, Wool, Josephson, and Kito were present at the call to order.

#### **SB 15-E-CIGS/TOBACCO/NICOTINE & MINORS; SALES**

[3:25:42 PM](#)

CHAIR KITO announced that the first order of business would be SENATE BILL NO. 15, "An Act relating to possession of an electronic smoking product or a product containing nicotine by a minor and to selling or giving an electronic smoking product to

a minor; relating to business license endorsements to sell cigarettes, cigars, tobacco, products containing tobacco, electronic smoking products, or products containing nicotine; and relating to citations for certain offenses concerning tobacco or nicotine products."

CHAIR KITO announced that public testimony was still open from the previous hearing.

[3:26:56 PM](#)

KATIE STEFFENS testified in support of SB 15. She described the particulate matter emanating from vaping devices. She stated she thinks it is important to keep these products out of the hands of minors.

REPRESENTATIVE WOOL asked how many tickets are going out to kids for having e-cigarettes.

[3:30:08 PM](#)

JOE DARNELL, Division of Behavioral Health, Department of Health and Social Services (DHSS), answered questions in the hearing on SB 15. He stated people cannot be cited for using vape products which was the aim of the proposed bill.

[3:30:49 PM](#)

CHAIR KITO closed public testimony.

[3:31:02 PM](#)

REPRESENTATIVE WOOL moved to report CS for SB 15 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

[3:31:26 PM](#)

The committee took an at-ease from 3:31 p.m. to 3:32 p.m.

**SB 165-COMPREHENSIVE HEALTH INSURANCE FUND**

[3:32:46 PM](#)

CHAIR KITO announced that the next order of business would be SENATE BILL NO. 165, "An Act relating to the Alaska

comprehensive health insurance fund; and providing for an effective date."

[3:33:29 PM](#)

CHAIR KITO stated that public testimony was still open from the previous hearing. Upon ascertaining that no one was available to testify, he closed public testimony on SB 165.

[3:34:03 PM](#)

REPRESENTATIVE WOOL moved to report SB 165 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

[3:34:24 PM](#)

The committee took an at-ease from 3:34 p.m. to 3:34 p.m.

**SB 45-EXEMPTION: LICENSING OF CONTRACTORS**

[3:34:29 PM](#)

CHAIR KITO announced that the next order of business would be SENATE BILL NO. 45, "An Act relating to an exemption from the regulation of construction contractors."

CHAIR KITO said public testimony was still open on SB 45 from the previous hearing.

[3:36:40 PM](#)

JAMES SQUYRES testified in opposition of SB 45. He paraphrased from his written statement. He mentioned the bill had been presented in several legislative sessions without success. He questioned the validity of the committee bill.

[3:39:36 PM](#)

REPRESENTATIVE WOOL asked about the changes to the bill through the years.

[3:39:55 PM](#)

NATASHA MCCLANAHAN, Staff, Senator Mia Costello, Alaska State Legislature, reintroduced SB 165 on behalf of Senator Costello, prime sponsor. She answered there had been changes but that she

did not have the bill history before her. She stated she would provide the information to the committee.

REPRESENTATIVE STUTES surmised that all the bill does is require the builder to provide information on the home after two years.

MS. MCCLANAHAN answered in the affirmative.

REPRESENTATIVE STUTES asked why two years was established as the limit.

CHAIR KITO said it was the minimal amount of time required to build a house for personal use. He said it was thought that multiple properties built in two years indicated competition with licensed contractors.

REPRESENTATIVE STUTES suggested the proposal would not preclude the builder needing to get the appropriate permits.

MS. MCCLANAHAN clarified the proposed bill would apply to owner builders and not to licensed contractors.

REPRESENTATIVE STUTES surmised the proposed bill would not preclude the individual from getting the permits required by a contractor.

MS. MCCLANAHAN deferred to the department.

CHAIR KITO answered that it does not preclude the local authority from requiring the appropriate permits.

REPRESENTATIVE WOOL said he remembered that earlier iterations of the bill required anyone building within two years to get a contractor's license.

MS. MCCLANAHAN answered that the requirement is not in the proposed legislation.

[3:42:57 PM](#)

CHAIR KITO closed public testimony on SB 45.

[3:43:23 PM](#)

REPRESENTATIVE WOOL moved to report SB 45 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

[3:43:42 PM](#)

The committee took an at-ease from 3:43 p.m. to 3:46 p.m.

**HB 384-REGULATORY COMM OF AK; BROADBAND INTERNET**

[3:46:01 PM](#)

CHAIR KITO announced that the next order of business would be HOUSE BILL NO. 384, "An Act relating to the Regulatory Commission of Alaska and broadband Internet regulations."

[3:46:12 PM](#)

REPRESENTATIVE DAVID GUTTENBERG, Alaska State Legislature, presented HB 384 as prime sponsor. He stated that the proposed bill represents a conflict that needs to be remediated or corrected. He said it is not clear which entity in the state is responsible for broadband. He read the definition in statute of telecommunications from AS 42.05.990(13), which reads as follows:

(13) "telecommunications" means the transmission and reception of messages, impressions, pictures, and signals by means of electricity, electromagnetic waves, and any other kind of energy, force variations, or impulses whether conveyed by cable, wire, radiated through space, or transmitted through other media within a specified area or between designated points.

REPRESENTATIVE GUTTENBERG said the entities cannot establish amongst themselves who has jurisdiction on broadband internet access. He said the FCC says they don't have responsibility of any kind. He stated the RCA says it does not have authority. He said he thinks someone in the state should have authority. He added that there is no entity for consumer complaints or information.

REPRESENTATIVE GUTTENBERG spoke to the issue of mapping. He said his district appears on maps to have fast speeds, but it does not. He said he has spoken to the Department of Administration (DOA) about increasing access to the state's broadband and they also say it is not their role. He stated he thinks the RCA is the appropriate entity to oversee broadband in the state.

[3:53:36 PM](#)

REPRESENTATIVE BIRCH stated his opposition to the bill, comparing it to the debate over Uber services in the previous year. He said he thinks it is a federal issue.

[3:55:00 PM](#)

REPRESENTATIVE GUTTENBERG answered the FCC has exclusive remedy to regulate, so the state would not have the ability to regulate [broadband] like a utility. He said there are things that the state can do, such as mapping. He said there is no one that could provide consumer protection. He added there are things the FCC doesn't do, but which are not covered by an entity in the state. He said the consumers need an avenue and the FCC isn't it. He said it's up to the states. He pointed to service in the denser areas. He stated the FCC has a "hands-off" position and the state isn't providing the information. He said he does not think the [ISPs] are doing anything illegal, just looking after their business plan. He said the state has no one looking after its interests. He reiterated that he thinks the RCA is the right entity.

REPRESENTATIVE STUTES asked if the proposed bill mirrors the net neutrality bill.

REPRESENTATIVE GUTTENBERG answered it does not. He said, "if you don't have broadband, net neutrality isn't an issue." He said the proposed bill attempts to ensure that people have internet access.

[4:00:08 PM](#)

REPRESENTATIVE WOOL asked what the RCA position is.

CHAIR KITO stated that representatives from the RCA would be testifying. He asked about the change Representative Guttenberg would make to the statute.

REPRESENTATIVE GUTTENBERG said that under the existing statute defining telecommunications, RCA says they don't have authority to regulate the service. He said the legal opinion is that the RCA does have authority.

CHAIR KITO asked whether Representative Guttenberg was anticipating that the RCA will field complaints against the entities even if the entities are not regulated by the RCA.

REPRESENTATIVE GUTTENBERG said he is defining that RCA is covering this.

CHAIR KITO asked what Representative Guttenberg wants the RCA to cover.

REPRESENTATIVE GUTTENBERG said he would like to see examples of where the state could be more competitive. He remarked there is limited competition in the state. He said the amount of money coming into the ISP carriers now prevents a lot of competition from happening. He said he thinks there are places where competition can be promoted.

CHAIR KITO said he was trying to understand how the bill as it is written would institute the change for the RCA to regulate the industry. He asked said it does not seem that the RCA would be able to be proactive to increase broadband when that hasn't been their role with other utilities.

[4:05:43 PM](#)

REPRESENTATIVE GUTTENBERG said the FCC has preempted regulation by the state. He said the proposed bill would just put internet and broadband under their purview.

REPRESENTATIVE STUTES asked for definitions of "they" and "it" in the context of the proposed bill.

REPRESENTATIVE GUTTENBERG answered that the FCC (they) is the only entity that can regulate broadband (it) and internet. He said the RCA can do things inside the state that the FCC is not doing.

[4:08:34 PM](#)

RICH GAZAWAY, Regulatory Commission of Alaska (RCA) Anchorage, Alaska, testified in the hearing on HB 384. He indicated he was testifying with Stephen McAlpine and David Parrish of the common carrier section.

CHAIR KITO asked what the RCA would be eligible or prepared to do with respect to broadband internet.

MR. GAZAWAY said that the RCA has never proclaimed that it has no jurisdiction over broadband whatsoever. He informed that the federal government has precluded much of the RCA's activity in

the internet market. He said the RCA cannot impose a regulatory cost charge (RCC). He added that under the Net Neutrality order it has been further limited so that the RCA cannot require non-discriminatory access. He stated there is an informational docket open requesting information regarding broadband networks, and the RCA was told by carriers that it cannot ask for that information. He informed that any network carrying interstate service can fall under the RCA's jurisdiction. He acknowledged that the RCA does not have rate oversight jurisdiction.

[4:11:03 PM](#)

REPRESENTATIVE BIRCH referred to a Legal Service memorandum stating that with the proposed bill, the RCA will still not be able to regulate any area that is preempted by federal law and any attempt by the RCA to reinstate that the FCC intends to preempt by the order would likely be unconstitutional. He shared his concern about the state attempting to define Alaska as a unique market and thereby compromise competition.

MR. GAZAWAY asked whether the question is whether he agrees with the legal opinion.

REPRESENTATIVE BIRCH said he is concerned about defining Alaska as different from the other 49 states.

MR. GAZAWAY said the jurisdictional oversight refers to the telecommunications industry. He added there was no oversight on other entities. He said, "they are subsidized while other ISPs are not." He said there were federally funded performance grants.

[4:14:34 PM](#)

REPRESENTATIVE WOOL asked Mr. Gazaway whether he agrees whether broadband falls under the definition of telecommunications that has been presented.

MR. GAZAWAY clarified that as staff his opinion is not binding on the commission, but he agrees.

[4:15:23 PM](#)

STEPHEN MCALPINE, Commissioner, Regulatory Commission of Alaska (RCA), answered questions in the hearing on HB 384. He pointed out that it has been stated that the RCA is "totally preemptive." He said there are varying opinions. He said that

by putting it in statute, it can only clarify that which has some doubt.

REPRESENTATIVE WOOL asked about voice over internet protocol (VOIP) regulation.

MR. GAZAWAY answered that VOIP is not regulated by the RCA. He said payment expectations can be imposed, but states all have a different approach. He mentioned that some states have sued over the issue and there has never been a proclamation from the FCC either way.

[4:17:13 PM](#)

CHAIR KITO opened public testimony on HB 384.

[4:17:36 PM](#)

REPRESENTATIVE GUTTENBERG pointed to a sheet of paper that helps see what other states have done with broadband. He spoke to a 2008 broadband taskforce report. He said it states there needs to be an entity that regulates broadband, and Alaska has none. He mentioned the universal service fund. He suggested those funds could be used for grants. He opined that Alaska, with its distances and lack of infrastructure, has to do something to promote access to broadband.

[4:20:03 PM](#)

CHAIR KITO held over HB 384.

#### **HB 230-TELECOMMUNICATIONS & INTERNET PRIVACY**

[4:20:23 PM](#)

CHAIR KITO announced that the final order of business would be HOUSE BILL NO. 230, "An Act relating to the collection of customer information by telecommunications and Internet service providers; and establishing an unfair trade practice under the Alaska Unfair Trade Practices and Consumer Protection Act."

[4:20:36 PM](#)

PATRICK FITZGERALD, Staff, Representative Harriet Drummond, Alaska State Legislature, reintroduced HB 230 on behalf of Representative Drummond, prime sponsor. He paraphrased the

sponsor statement which reads as follows [original punctuation provided]:

House Bill 230 restricts any telecommunication service or internet service provider from collecting personal information of a private customer without the consent of the customer to protect the privacy and individual liberty of every Alaskan.

Alaska is one of the most independent states in the Union which is reflected by the citizens who live here. In a time of the most technologically advanced society, Alaskans pride themselves on independence, individual liberty and privacy. HB230 will protect privacy of Alaskans' personal information stored on a cyber based utility.

Cell phones, computers, laptops and tablets are all modern tools with which private citizens are able to conduct commerce and trade. Online shopping and bill paying have become very popular with easy accessibility to businesses and providers. Many of these devices have the capability to retain memory of any account number, social security number, credit card information, medical information and online purchases. Passing HB 230 will put into law that telecommunication companies and internet service providers must be given consent by the user of any service or device before selling, trading, or gifting information entered by a private citizen.

HB230 prevents discrimination of users who decline to allow the sharing of personal information by telecommunication companies and internet service providers. HB230 simply restricts large companies from selling information of a private citizen to the highest bidder without the consent of the user.

Passing HB230 will assure users of cyber connected devices that no information is collected without the express written consent of the user. HB230 keeps Alaskans' information private, preserving the individual liberty and independence of every Alaskan.

[4:22:01 PM](#)

REPRESENTATIVE BIRCH shared his concern about unintended consequences with the proposed bill.

MR. FITZGERALD emphasized that the aim is not to accuse any Alaska ISP of acting in the way described in the bill. He stated the interest is in putting something in place in the absence of federal law.

REPRESENTATIVE BIRCH said that it strikes him there is a presumption of guilt.

[4:25:49 PM](#)

REPRESENTATIVE WOOL said he wonders how the effects of the bill "will play out."

MR. FITZGERALD answered that ISPs have contracts. He said that if ISPs are found to be selling information without consent, the bill would provide for civil recourse.

REPRESENTATIVE WOOL asked whether the behavior is occurring currently.

MR. FITZGERALD answered the legislation was suggested by the Council of State Governments in reaction to the roll-back of federal legislation.

REPRESENTATIVE WOOL asked whether the proposed bill is preemptive.

[4:31:26 PM](#)

REPRESENTATIVE HARRIET DRUMMOND, Alaska State Legislature, reintroduced HB 230 as prime sponsor. She answered that the proposed bill does not have anything to do with net neutrality. She described the legislative internet offering in the Capitol Building. She said the bill would pertain to business and resident internet contracts.

CHAIR KITO asked whether Alaska ISPs are not currently treating consumers with respect.

REPRESENTATIVE DRUMMOND answered the proposed bill is preemptive.

CHAIR KITO noted there is a penalty section in the bill. He asked what the penalty is for violation of the provision.

MR. FITZGERALD shared his understanding that penalties would be established by the department governing the issue.

CHAIR KITO asked to receive information on penalties.

[4:35:38 PM](#)

CHAIR KITO stated that public testimony is still open. Upon ascertaining that no one was available to testify, he closed public testimony on HB 230.

[4:36:05 PM](#)

REPRESENTATIVE BIRCH stated he does not support the proposed bill.

[4:37:06 PM](#)

REPRESENTATIVE WOOL said he would like to have more information on the proposed bill.

CHAIR KITO held over HB 230.

[4:38:41 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:38 p.m.