

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

April 4, 2018

3:18 p.m.

**MEMBERS PRESENT**

Representative Sam Kito, Chair  
Representative Adam Wool, Vice Chair  
Representative Andy Josephson  
Representative Louise Stutes  
Representative Chris Birch  
Representative Gary Knopp  
Representative Colleen Sullivan-Leonard

**MEMBERS ABSENT**

Representative Mike Chenault (alternate)  
Representative Bryce Edgmon (alternate)

**OTHER LEGISLATORS PRESENT**

Senator Pete Kelly  
Representative Harriet Drummond  
Representative Scott Kawasaki  
Representative Steve Thompson

**COMMITTEE CALENDAR**

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."

- MOVED HB 230 OUT OF COMMITTEE

CS FOR SENATE BILL NO. 125(CRA)

"An Act extending the expiration date of the authorization to finance and issue bonds through the Alaska Industrial Development and Export Authority for a liquefied natural gas production system and natural gas distribution system for an Interior energy project; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 264

"An Act relating to a fee for disposable shopping bags; relating to the sale of reusable shopping bags; relating to the recycling of disposable shopping bags; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 262

"An Act relating to temporary courtesy licenses for certain nonresident professionals; and relating to the Department of Commerce, Community, and Economic Development."

- MOVED CSHB 262(L&C) OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 401(L&C)

"An Act relating to insurance; relating to credit for reinsurance; relating to insurance standard valuation; and providing for an effective date."

- BILL HEARING CANCELED

**PREVIOUS COMMITTEE ACTION**

BILL: HB 230

SHORT TITLE: TELECOMMUNICATIONS & INTERNET PRIVACY

SPONSOR(S): REPRESENTATIVE(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
03/30/18	(H)	Heard & Held
03/30/18	(H)	MINUTE(L&C)
04/04/18	(H)	L&C AT 3:15 PM BARNES 124

BILL: SB 125

SHORT TITLE: EXTEND BOND AUTH FOR INTERIOR ENERGY PROJ

SPONSOR(S): SENATOR(S) KELLY

01/16/18	(S)	PREFILE RELEASED 1/8/18
01/16/18	(S)	READ THE FIRST TIME - REFERRALS
01/16/18	(S)	CRA, FIN
01/25/18	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)
01/25/18	(S)	Heard & Held

01/25/18 (S) MINUTE (CRA)  
 01/30/18 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)  
 01/30/18 (S) Moved CSSB 125 (CRA) Out of Committee  
 01/30/18 (S) MINUTE (CRA)  
 01/31/18 (S) CRA RPT CS 4DP 1NR NEW TITLE  
 01/31/18 (S) DP: BISHOP, GARDNER, STEDMAN, HOFFMAN  
 01/31/18 (S) NR: MACKINNON  
 02/12/18 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 02/12/18 (S) Heard & Held  
 02/12/18 (S) MINUTE (FIN)  
 02/16/18 (S) FIN RPT CS (CRA) 2DP 4NR  
 02/16/18 (S) NR: MACKINNON, VON IMHOF, OLSON,  
 MICCICHE  
 02/16/18 (S) DP: BISHOP, STEVENS  
 02/16/18 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 02/16/18 (S) Moved CSSB 125 (CRA) Out of Committee  
 02/16/18 (S) MINUTE (FIN)  
 02/21/18 (S) TRANSMITTED TO (H)  
 02/21/18 (S) VERSION: CSSB 125 (CRA)  
 02/23/18 (H) READ THE FIRST TIME - REFERRALS  
 02/23/18 (H) L&C, FIN  
 03/23/18 (H) L&C AT 3:15 PM BARNES 124  
 03/23/18 (H) -- MEETING CANCELED --  
 04/04/18 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 264

SHORT TITLE: SHOPPING BAG FEES & RECYCLING

SPONSOR (s): REPRESENTATIVE (s) JOSEPHSON

01/16/18 (H) PREFILE RELEASED 1/8/18  
 01/16/18 (H) READ THE FIRST TIME - REFERRALS  
 01/16/18 (H) CRA, L&C  
 01/30/18 (H) CRA AT 3:00 PM BARNES 124  
 01/30/18 (H) -- MEETING CANCELED --  
 02/10/18 (H) CRA AT 10:00 AM BARNES 124  
 02/10/18 (H) Heard & Held  
 02/10/18 (H) MINUTE (CRA)  
 02/13/18 (H) CRA AT 8:00 AM BARNES 124  
 02/13/18 (H) Heard & Held  
 02/13/18 (H) MINUTE (CRA)  
 02/22/18 (H) CRA AT 8:00 AM BARNES 124  
 02/22/18 (H) Moved CSHB 264 (CRA) Out of Committee  
 02/22/18 (H) MINUTE (CRA)  
 02/23/18 (H) CRA RPT CS (CRA) 1DP 2DNP 3AM  
 02/23/18 (H) DP: DRUMMOND  
 02/23/18 (H) DNP: SADDLER, TALERICO  
 02/23/18 (H) AM: LINCOLN, KREISS-TOMKINS, PARISH

03/09/18 (H) L&C AT 3:15 PM BARNES 124  
 03/09/18 (H) Scheduled but Not Heard  
 03/10/18 (H) L&C AT 3:00 PM BARNES 124  
 03/10/18 (H) Heard & Held  
 03/10/18 (H) MINUTE (L&C)  
 04/04/18 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 262

SHORT TITLE: MILITARY SPOUSE COURTESY LICENSE

SPONSOR(s): REPRESENTATIVE(s) KAWASAKI

01/16/18 (H) PREFILE RELEASED 1/8/18  
 01/16/18 (H) READ THE FIRST TIME - REFERRALS  
 01/16/18 (H) MLV, L&C  
 02/06/18 (H) MLV AT 1:00 PM GRUENBERG 120  
 02/06/18 (H) Heard & Held  
 02/06/18 (H) MINUTE (MLV)  
 02/15/18 (H) MLV AT 1:00 PM GRUENBERG 120  
 02/15/18 (H) Moved CSHB 262 (MLV) Out of Committee  
 02/15/18 (H) MINUTE (MLV)  
 02/16/18 (H) MLV RPT CS (MLV) 4DP 1AM  
 02/16/18 (H) DP: SADDLER, PARISH, LEDOUX, TUCK  
 02/16/18 (H) AM: RAUSCHER  
 03/28/18 (H) L&C AT 3:15 PM BARNES 124  
 03/28/18 (H) <Bill Hearing Canceled>  
 03/31/18 (H) L&C AT 1:00 PM BARNES 124  
 03/31/18 (H) Heard & Held  
 03/31/18 (H) MINUTE (L&C)  
 04/04/18 (H) L&C AT 3:15 PM BARNES 124

**WITNESS REGISTER**

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

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

REPRESENTATIVE HARRIETT DRUMMOND  
 Alaska State Legislature  
 Juneau, Alaska

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

SENATOR PETE KELLY  
 Alaska State Legislature  
 Juneau, Alaska

**POSITION STATEMENT:** Presented SB 125 as prime sponsor.

JOSEPH BYRNES, Staff  
Senator Pete Kelly  
Alaska State Legislature

**POSITION STATEMENT:** Answered questions in the hearing on SB 125.

GENE THERRIAULT  
Alaska Industrial Development and Export Authority  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in the hearing on SB 125.

JOMO STEWART  
Interior Gas Utility  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of SB 125.

JON COOK, CFO  
Airport Equipment Rentals  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of SB 125.

ELIZABETH WARLICK  
Greater Fairbanks Chambers of Commerce  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of SB 125.

JIM WILLIAMS, Chief of Staff  
Fairbanks Northstar Borough Mayor  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of SB 125.

CAITLYN ELLIS, Staff  
Representative Sam Kito  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented the CS to HB 264 on behalf of House Labor and Commerce Standing Committee.

SUZANNE COHEN  
350 Juneau  
Juneau, Alaska

**POSITION STATEMENT:** Testified support of HB 264.

KATHIE WASSERMAN, Executive Director  
Alaska Municipal League

Juneau, Alaska

**POSITION STATEMENT:** Testified in the hearing on HB 264.

MARY VAVIRK

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 264.

LISBETH JACKSON

Palmer, Alaska

**POSITION STATEMENT:** Testified in support of HB 264.

MICHELLE PUTZ

Bags for Change

Sitka, Alaska

**POSITION STATEMENT:** Testified in support of HB 264.

SOPHIA TIDLER, Member

Anchorage Waterway Council

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 264.

MATT SEAHOLM

American Progressive Bag Alliance

Washington, DC

**POSITION STATEMENT:** Testified in opposition to HB 264.

KAREN PERRY

Chugiak, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 264.

CAROL MONTGOMERY

Matsu Zero Waste Coalition

Palmer, Alaska

**POSITION STATEMENT:** Testified in the hearing on HB 264.

REPRESENTATIVE SCOTT KAWASAKI

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Reintroduced HB 262 as prime sponsor.

WILLAM JODWALIS

Representative Scott Kawasaki

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Answered questions in the hearing on HB 262.

SARA CHAMBERS, Deputy Director  
Department of Commerce, Community & Economic Development (DCCED)  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions in the hearing on HB 262.

**ACTION NARRATIVE**

[3:18:51 PM](#)

**CHAIR SAM KITO** called the House Labor and Commerce Standing Committee meeting to order at 3:18 p.m. All members were present at the call to order.

**HB 230-TELECOMMUNICATIONS & INTERNET PRIVACY**

[3:19:37 PM](#)

CHAIR KITO announced that the first 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."

[3:20:01 PM](#)

PATRICK FITZGERALD, Staff, Representative Harriet Drummond, Alaska State Legislature, reintroduced HB 230 on behalf of Representative Drummond, prime sponsor. He explained that the proposed bill would replace a protection on the personal property from internet service providers which was repealed in the recent decision by the Federal Communications Commission (FCC).

[3:20:33 PM](#)

REPRESENTATIVE DRUMMOND, Alaska State Legislature, presented HB 230 as prime sponsor. She mentioned similar legislation in a recent vote in the Minnesota State Senate. She remarked that in March [2018], Congress had voted to lift a ban on the practice of selling consumer data. She noted that many communities have limited choice in ISPs.

[3:22:45 PM](#)

REPRESENTATIVE KNOPP asked about the rationale behind the proposed bill.

REPRESENTATIVE DRUMMOND answered that the Alaska constitution has one of the most stringent privacy protections in the nation.

[3:24:41 PM](#)

CHAIR KITO announced that public testimony was open from the previous hearing. Upon ascertaining that no one was available to testify, he closed public testimony on HB 230.

REPRESENTATIVE BIRCH stated he did not support the bill. He said the move to remedy the issue needed to be on a national level.

REPRESENTATIVE WOOL said he thinks the bill is precautionary, but he thinks "our data is being bought and sold like crazy," and he does not think a box on a form to state that he does not want his data sold is not a big burden.

[3:27:34 PM](#)

REPRESENTATIVE WOOL moved to report HB 230 out of committee with individual recommendations and the accompanying fiscal notes.

[3:27:53 PM](#)

REPRESENTATIVE BIRCH objected.

A roll call vote was taken. Representatives Stutes, Josephson, Wool, and Kito voted in favor of HB 230. Representatives Birch, Knopp, and Sullivan-Leonard voted against it. Therefore, HB 230 was reported out of the House Labor and Commerce Standing Committee by a vote of 4-3.

[3:28:38 PM](#)

The committee took an at-ease from 3:28 p.m. to 3:31 p.m.

**SB 125-EXTEND BOND AUTH FOR INTERIOR ENERGY PROJ**

[3:31:27 PM](#)

SENATOR PETE KELLY, Alaska State Legislature, presented SB 125 as prime sponsor. He said the proposed bill was the companion to HB 261. He explained it would extend the authorization date for AIDEA bonds for the Interior Energy Project (IEP). He gave some history of the projects and bonds. He said the sunset is

nearing. He spoke to air quality concerns in the Interior. He said to date the project is going well. He said the project has taken a lot of time for due diligence. He spoke to the distribution system for natural gas in the area. He said construction had begun on a storage facility. He underlined the proposed bill does not propose spending more money, just reauthorizes a project that the AIDEA board has already vetted.

[3:35:34 PM](#)

CHAIR KITO asked how much has been spent on the project.

JOSEPH BYRNES, Staff, Senator Pete Kelly, answered questions in the hearing on SB 125. He referred to the quarterly report on the project.

[3:36:18 PM](#)

REPRESENTATIVE WOOL asked about the ramifications on the project if the funding is not provided.

SENATOR KELLY suggested the project may be "demobbed."

[3:37:07 PM](#)

GENE THERRIAULT, Alaska Industrial Development and Export Authority (AIDEA), testified in the hearing on SB 125. He pointed to a table on page 9 of the report showing expenditures to date. He underlined that none of the bonds have been spent to date. He spoke to storage issues and an increased source of LNG. He said there was a general understanding that Fairbanks, Alaska, has fairly limited overall demand for natural gas. He said a lot of time was spent negotiating consolidation of the utilities.

REPRESENTATIVE BIRCH asked how flexible the system is to source gas from multiple areas.

MR. THERRIAULT answered the project had continually evaluated the issue. He said it took longer to get a high level of conversions. He spoke to sourcing from Cook Inlet. He said supply had been negotiated with Hilcorp. He spoke to working closely with the railroad. He said the railroad lends itself to bulk shipments which are more than the current supply. He said working out logistics with the railroad might tip the costs in its favor, but currently tankers were used. He said it would continue to be examined.

3:44:00 PM

REPRESENTATIVE KNOPP asked what is going to be the storage capacity in the tanks that were being used.

MR. THERRIAULT answered the tank being constructed is 5.2 million gallons. The existing tank is about 300,000 to 350,000 gallons. He said the tank will be redeployed out to North Pole, Alaska. He said the two tank farms would link together.

CHAIR KITO referred to the report and asked why the authorized funding is not available for the component of the project.

MR. THERRIAULT answered the remaining capital funds are committed to Pentex assets for the local utility. He added the storage tank being constructed is using Sustainable Energy Transmission and Supply Development Fund (SETS) money.

CHAIR KITO asked for an explanation of the ultimate ownership of the project. He shared his concern that the state of Alaska is paying to capitalize a purchase of a utility.

MR. THERRIAULT gave some history of the funding. He described the AIDEA revolving loan fund. He said AIDEA would oversee the SETS loans.

3:50:07 PM

CHAIR KITO suggested Mr. Therriault was saying that the money being used for the utility will be paid back. He said he was trying to understand what capital the state is putting into the project and what the benefit to the state is.

MR. THERRIAULT said when AIDEA stepped in, it did not use IEP funds, but revolving load funds. It was agreed there would be temporary ownership while an agreement was negotiated with a local entity. He said the original purchase price came with an interest rate of 5.06 percent while the funds were deployed. He said at the end of May the original purchase price plus interest would be repaid and the revolving loan fund would be made whole. He explained that as those funds come back, they will be made available for AIDEA to relend under the terms of the SETS fund.

CHAIR KITO asked how much state General Fund (GF) money is going into this utility.

MR. THERRIAULT answered that at closing the deal at the end of May, the full \$57.5 million of GF will have been expended to consolidate the utilities under local control.

CHAIR KITO asked whether the state was purchasing a utility or a part of the utility.

MR. THERRIAULT answered the funds were provided to the project to consolidate the project under local control.

CHAIR KITO suggested the money is being given to the utility directly from AIDEA.

MR. THERRIAULT answered in the affirmative.

[3:53:57 PM](#)

JOMO STEWART, Interior Gas Utility, testified in support of SB 125. He stated the plan calls for the use of over \$40 million of the \$57 million for bonding authority. He added that the remaining amount of the funds in the SETs fund would be quite small.

[3:55:11 PM](#)

CHAIR KITO opened public testimony on SB 125.

[3:55:24 PM](#)

JON COOK, CFO, Airport Equipment Rentals, testified in support of SB 125. He stated he was affiliated with a number of entities in Fairbanks, Alaska, which own the largest retail properties in the area. He said the lack of an uninterrupted supply of gas has meant they could not bring new box stores to town, as all major box stores use natural gas for heating and cooling. He said having the supply will mean major retailers can come to town and keep the costs low in the cities and villages.

[3:56:59 PM](#)

ELIZABETH WARLICK, Greater Fairbanks Chambers of Commerce, testified in support of SB 125. She said the extension of AIDEA bonding would be an essential financing component for the project.

[3:57:36 PM](#)

JIM WILLIAMS, Chief of Staff, Fairbanks North Star Borough Mayor, Testified in support of SB 125. He said the Interior Gas Utility (IGU) project is a priority for consistency in pricing. He said it is believed natural gas is a solution to the area's air quality problem. He said there was an expectation that the price of diesel fuel could go up another .43 per gallon due to new regulations. He urged support of the proposed bill.

[3:59:51 PM](#)

CHAIR KITO held over SB 125.

### **HB 264-SHOPPING BAG FEES & RECYCLING**

[4:00:00 PM](#)

CHAIR KITO announced that the next order of business would be HOUSE BILL NO. 264, "An Act relating to a fee for disposable shopping bags; relating to the sale of reusable shopping bags; relating to the recycling of disposable shopping bags; and providing for an effective date."

[4:00:49 PM](#)

REPRESENTATIVE WOOL moved to adopt the CS to HB 264 as a working document. There being no objection, it was so ordered.

[4:01:17 PM](#)

CAITLYN ELLIS, Staff, Representative Sam Kito, Alaska State Legislature, presented the CS to HB 264 on behalf of the House Labor and Commerce Standing Committee. She paraphrased the summary of changes [included in committee packet], which reads as follows [original punctuation provided]:

1. Title: from "An Act relating to a fee for disposable shopping bags; relating to the sale of reusable shopping bags; relating to the recycling of disposable shopping bags; and providing for an effective date." to "An Act prohibiting disposable plastic shopping bags; relating to a minimum price for paper and other shopping bags; relating to the sale of reusable shopping bags; and providing for an effective date."
2. Removes the fee for single-use bags and creates a ban for single-use (disposable) plastic bags.

3. Establishes a minimum 10-cent fee for all other bags (plastic, reusable). The retail seller keeps 100% of this fee. Its purpose is to prevent a loophole that would allow store to give away thick plastic bags in lieu of single-use plastic bags.

4. Removes the exemption for communities of less than 5,500 persons.

5. Removes the 18-pound weight capacity requirement for reusable bags.

[4:02:48 PM](#)

REPRESENTATIVE WOOL asked whether the proposed bill would require restaurants to charge for plastic bags used for take-out orders and "doggy bags".

MS. ELLIS answered that was not addressed in the current proposed legislation.

[4:04:43 PM](#)

SUZANNE COHEN, 350 Juneau, testified in support of HB 264. She said the only way to change behavior is to establish a fee for plastic bags. She said Denmark had seen a drop in usage after establishing a ban. She listed countries and cities which have established fees or bans on plastic bags. She addressed impacts on wildlife.

REPRESENTATIVE WOOL asked whether members of 350 Juneau are small business owners. He asked about being charged extra for the bags.

MS. COHEN answered that she and her husband own a small business and described their efforts to reduce usage by reusing the bags their stock comes in.

REPRESENTATIVE KNOPP asked whether the group had approached local authorities about the restriction.

MS. COHEN answered the organization was a recent entity. She said there had been a push which had failed previously.

CHAIR KITO brought up Styrofoam packages and asked whether those were being addressed by the organization.

MS. COHEN said the parent organization is very much sticking to climate issues. She said she did not think it was addressing Styrofoam.

[4:11:40 PM](#)

KATHIE WASSERMAN, Executive Director, Alaska Municipal League (AML), testified in the hearing HB 264. She said the AML has discussed the issue at length and it was felt [banning bags] should be a municipal issue. She underlined municipalities can work directly with local businesses. She shared personal experience with ordering paper bags which had to be shipped from out of state, adding to the carbon impact, whereas only one truckload was needed for the same number of plastic bags. She said AML is not opposed to the concept but feels it can deal with plastic bags on a local level.

REPRESENTATIVE JOSEPHSON listed some communities that are actively looking at the issue. He asked Ms. Wasserman whether she has seen so many significant communities move in a short period of time over an issue.

MS. WASSERMAN said she has seen municipalities respond to any number of things.

REPRESENTATIVE SULLIVAN-LEONARD commented that Representative Josephson had proved the point that municipalities can deal with the issue locally.

[4:16:19 PM](#)

MARY VAVIRK testified in support of HB 264. She spoke to the unsightly effects of plastic bags in the environment.

[4:17:52 PM](#)

LISBETH JACKSON testified in support of HB 264. She spoke to the unsightly effects of plastic bags and to the health issues. She said it is a state issue. She mentioned the tourist industry and [the importance of] keeping the area beautiful.

REPRESENTATIVE WOOL asked whether Ms. Jackson uses bags in her business.

MS. JACKSON answered that she doesn't use bags for her B&B business. She said she does use plastic bags for garbage.

REPRESENTATIVE WOOL asked whether she lives in a community that bans bags.

MS. JACKSON said she lives near Palmer, Alaska.

REPRESENTATIVE WOOL asked about charges for bags.

MS. JACKSON answered there was never a fee instituted for the bag ban in the city of Wasilla, Alaska.

[4:21:28 PM](#)

MICHELLE PUTZ, Bags for Change, testified in support of HB 264. She said the Sitka, Alaska, assembly was working on a bag ban or fee. She said the effort was to move people to reusable bags, not paper. She said a fee on paper bags would help the plastic bag ban "in court." She spoke to the toxins in plastics and health issues. She mentioned a boat incident due to plastic bags in the ocean. She spoke to local businesses' reactions to a bag fee.

REPRESENTATIVE JOSEPHSON asked how someone's litigation has benefited by a ban on plastic bags.

MS. PUTZ answered there was a court case in California in which the plastic companies tried to sue, but because they had a fee on paper bags as well, the fee on the paper bags protected them

[4:25:47 PM](#)

SOPHIA TIDLER, Member, Anchorage Waterway Council, testified in support HB 264. She said the council organizes waterway cleanup and the amount of plastics collected is unsettling. She said many communities support the ban or fee. She said consumer behavior change is why she supports the proposed bill. She drew parallels with the fight for equal rights and the work of Dr. Martin Luther King, Jr.

[4:29:08 PM](#)

MATT SEAHOLM, American Progressive Bag Alliance, testified in opposition to HB 264. He paraphrased from his written testimony [included in committee packet], which reads as follows [original punctuation provided]:

On behalf of the American Progressive Bag Alliance (APBA), an organization that represents our country's

plastic retail bag manufacturers and recyclers, thank you for the opportunity to submit this testimony to share our collective concerns with HB 264, which would impose a regressive 20-cent fee on disposable shopping bags or as is being reported in the media, be amended to ban all plastic retail bags.

We respect and applaud Representatives Josephson and Drummond and others for taking the goals of waste and litter reduction seriously. We share a common commitment to environmental stewardship and sustainability. Both are critical to ensuring that we are protecting Alaska's natural beauty and are solid business principles.

As a waste reduction measure—and not just a fundraising bill—HB 264 is flawed. Bag bans and taxes may lead to fewer plastic retail bags being used, but similar policies have never delivered significant reductions in overall waste or litter. Policies that ban plastic bags push consumers to use less sustainable alternatives by comparison, and bag taxes often impose a regressive, inequitable burden on the most income-sensitive residents. That's a serious cost to consider for Alaska's hard-working families and fixed income seniors who may incur higher costs to their grocery bills or be forced to buy more expensive alternatives to highly reusable plastic retail bags.

Beyond the economic impact for individual families and shoppers, HB 264 would require Alaska businesses—many of whom are APBA members' customers—to track, report and remit shopping bag tax revenue to the state. These additional reporting, training and compliance obligations will increase the cost of doing business in Alaska. Those higher costs may not be covered by the 25-percent allowance this bill designates for retailers and could end up being passed down as an additional consumer burden, on top of the initial regressive transaction fee and ban.

The proposed environmental benefits would neither relieve the burden on Alaska's fixed income families and seniors nor deliver meaningful outcomes on sustainability efforts. Environmental Protection Agency figures show plastic retail bags comprise just 0.5 percent of national waste, and national studies

find the same bags account for less than one to two percent of litter.

When compared side-by-side to its alternatives, plastic retail bags are the most environmentally friendly choice. In relating the life cycle impacts of plastic to the alternatives - paper and cloth bags - University of Oregon professor David Tyler observed:

"There are really good things about plastic bags—they produce less greenhouse gas, they use less water and they use far fewer chemicals compared to paper or cotton. The carbon footprint— that is, the amount of greenhouse gas that is produced during the life cycle of a plastic bag—is less than that of a paper bag or a cotton tote bag. If the most important environmental impact you wanted to alleviate was global warming, then you would go with plastic."

Across the country, several states and cities have decided against implementing taxes and bans on plastic grocery bags because of the burden on the public and lack of environmental benefits. When Denver, CO explored, and ultimately rejected, a bag ordinance in 2013, the city's Office of Sustainability concluded, "Single-use bags of all types constitute well under one percent of all waste delivered to landfills... There are no substantiated claims that a bag fee will result in entirely eliminating even this tiny fraction of waste sent to landfills... Concluding that a bag fee will make a substantial dent in waste going to landfills is misguided." Likewise, voters in Durango, CO overturned a 10-cent bag fee in 2013, and in 2014, the Fort Collins, CO City Council repealed their local fee.

In Austin, TX, and Thurston County, WA, respectively, bag laws actually led to more landfill waste from reusable bags and doubled the use of paper bags that use more resources.

MR. SEACOLM spoke to studies in Denmark comparing plastic and cotton bags, which found that cotton bags have to be used 7,100 times to offset the impact of all environmental indicators.

REPRESENTATIVE JOSEPHSON asked about the bags described in the Denmark study.

[4:34:28 PM](#)

MR. SEAHOLM said the plastic used in Europe is low-density polyethylene and that is what was studied.

REPRESENTATIVE JOSEPHSON asked whether the bags were light 4 milligram bags.

MR. SEAHOLM answered a variety of bag thicknesses are used.

REPRESENTATIVE JOSEPHSON spoke to the effects of plastic bags in caribou and reindeer stomachs. He asked what the solution is.

MR. SEAHOLM answered there are other alternatives. He said recycling is a big part of it. He spoke to reuse. He said a Quebec study found that 77.7 percent of bags are reused. He said some of that is for garbage or pet waste. He indicated that the plastic bags in rivers and streams makes up less than 1 percent. He said some communities found that bans lead to an increase in litter and waste.

[4:38:05 PM](#)

REPRESENTATIVE BIRCH asked about technologies that can aid degrading of plastics.

MR. SEAHOLM answered there not a biodegradable option. He stated that paper takes as long to break down as a plastic bag would.

[4:39:44 PM](#)

KAREN PERRY testified in opposition to HB 264. She expressed her strong opposition to HB 264.

[4:40:49 PM](#)

CAROL MONTGOMERY, Matsu Zero Waste Coalition, testified in the hearing on HB 264. She gave an update on her organization's activity since her previous testimony. She said plastic bags are harmful in part due to their light weight which causes them to "fly all over." She encouraged statewide action.

CHAIR KITO closed public testimony.

CHAIR KITO held over HB 264.

**HB 262-MILITARY SPOUSE COURTESY LICENSE**

[4:44:23 PM](#)

CHAIR KITO announced that the final order of business would be HOUSE BILL NO. 262, "An Act relating to temporary courtesy licenses for certain nonresident professionals; and relating to the Department of Commerce, Community, and Economic Development."

[4:44:29 PM](#)

REPRESENTATIVE SCOTT KAWASAKI, Alaska State Legislature, reintroduced HB 262 as prime sponsor. He gave numbers of military and veteran populations in the state. He stated the University of Alaska, the Fairbanks School District, the State, and small businesses offer discounts and aid to military. He said military spouse licensing would align with those efforts to support military families.

CHAIR KITO asked whether there are laws prohibiting someone from using a non-Alaska license if they are in the state on a temporary basis.

REPRESENTATIVE KAWASAKI answered there are different regulations for different states so sometimes there are differences in occupational licenses between states. He said there is work towards a compact so that licenses between states.

[4:48:24 PM](#)

REPRESENTATIVE BIRCH shared his concerns regarding occupational licensing.

[4:49:38 PM](#)

WILLAM JODWALIS, Representative Scott Kawasaki, Alaska Legislature, answered questions in the hearing on HB 262. He said there was already a law passed in 2011 - House Bill 28- regarding courtesy licenses and HB 262 wouldn't touch or alter that. He said the proposed bill would set forth a reporting mechanism for the department to issue a report for statistical data on occupational licenses issued to military spouses.

[4:50:43 PM](#)

REPRESENTATIVE BIRCH asked about the breadth of scope and latitude for military spouse licensing.

[4:51:49 PM](#)

SARA CHAMBERS, Deputy Director, Department of Commerce, Community & Economic Development (DCCED), answered questions in the hearing on HB 262. She said currently military spouses can obtain a 180-day temporary license which can be extended for another 180 days to give them time to comply with state licensure requirements. She said the department was looking at licensure by credential or endorsement. She said this works for professionals who take a national examination. She stated that for those who do not have to take an examination, or for those which require Alaska-specific knowledge, the department has worked to produce a report providing data. She said the bill would codify that report. She indicated it is a small percentage of the overall licenses issued.

REPRESENTATIVE WOOL spoke to the number of military spouses that utilize the program. He asked whether some may simply be using the normal channels for licensure.

MS. CHAMBERS answered it's possible some are using normal channels. She said there is a military licensure webpage for the information which is linked to all state licensure webpages.

REPRESENTATIVE WOOL asked whether the department has a "military spouse" box to click on its website.

MS. CHAMBERS answered it does not.

[5:01:23 PM](#)

REPRESENTATIVE SULLIVAN-LEONARD mentioned she has worked in various hospitals. She said military members who came for jobs often got priority. She asked about the need to create new legislation.

MS. CHAMBERS shared her understanding that supporters of the bill would like to have a more codified reporting system. She said the information could be provided on the department website. She said the department is happy to produce the information when asked.

REPRESENTATIVE SULLIVAN-LEONARD asked whether it could be done without the legislation.

MS. CHAMBERS answered the department does what the legislation is requiring already, with the exception of the mandate that the information be delivered to the legislature on a certain date.

CHAIR KITO pointed to subsection g which he said seems to ask the department to provide informational materials for the purpose of improving the board's knowledge of licensees. He asked whether that is part of the fiscal note (FN).

[5:03:51 PM](#)

MS. CHAMBERS said the element that produced a change to the FN was the change from producing a report at the fiscal year (FY) rather than the calendar year. She said that prior to the amendment to the bill, there was a zero FN.

[5:04:34 PM](#)

The committee took an at-ease from 5:04 p.m. to 5:05 p.m.

[5:05:02 PM](#)

CHAIR KITO closed public testimony.

[5:05:18 PM](#)

REPRESENTATIVE WOOL moved Amendment 1.

Page 1, line 7:  
Delete "calendar"  
Insert "fiscal"

MR. JODWALIS indicated the bill sponsor had no objection to the proposed amendment<sup>6</sup>.

[5:06:01 PM](#)

CHAIR KITO removed his objection to Amendment 1. There being no other objection, Amendment 1 was adopted.

[5:06:12 PM](#)

REPRESENTATIVE JOSEPHSON moved to report HB 262 out of committee as amended with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

5:07:02 PM

**ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:07 p.m.