

**ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE**

March 6, 2018

3:19 p.m.

MEMBERS PRESENT

Representative Jonathan Kreiss-Tomkins, Chair
Representative Gabrielle LeDoux, Vice Chair
Representative Chris Tuck
Representative Adam Wool
Representative Chris Birch
Representative DeLena Johnson
Representative Gary Knopp

MEMBERS ABSENT

Representative Andy Josephson (alternate)
Representative Chuck Kopp (alternate)

COMMITTEE CALENDAR

HOUSE BILL NO. 184

"An Act adding to the powers and duties of the State Commission for Human Rights; and relating to and prohibiting discrimination based on sexual orientation or gender identity or expression."

- MOVED HB 184 OUT OF COMMITTEE

HOUSE BILL NO. 310

"An Act relating to the minimum age of eligibility for marriage."

- HEARD & HELD

CS FOR SENATE CONCURRENT RESOLUTION NO. 10 (STA)

Proclaiming 2019 to be the Year of Innovation in Alaska.

- HEARD & HELD

HOUSE BILL NO. 360

"An Act relating to state procurement regulations."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 184

SHORT TITLE: DISCRIMINATION: GENDER ID.;SEXUAL ORIENT.

SPONSOR(s): REPRESENTATIVE(s) JOSEPHSON

03/17/17 (H) READ THE FIRST TIME - REFERRALS
03/17/17 (H) STA, JUD
05/04/17 (H) STA AT 3:00 PM GRUENBERG 120
05/04/17 (H) Heard & Held
05/04/17 (H) MINUTE(STA)
02/27/18 (H) STA AT 3:15 PM GRUENBERG 120
02/27/18 (H) Heard & Held
02/27/18 (H) MINUTE(STA)
03/06/18 (H) STA AT 3:15 PM GRUENBERG 120

BILL: HB 310

SHORT TITLE: MARRIAGE AND MINIMUM AGE FOR MARRIAGE

SPONSOR(s): REPRESENTATIVE(s) CLAMAN

01/26/18 (H) READ THE FIRST TIME - REFERRALS
01/26/18 (H) STA, JUD
02/22/18 (H) STA AT 3:15 PM GRUENBERG 120
02/22/18 (H) Heard & Held
02/22/18 (H) MINUTE(STA)
03/06/18 (H) STA AT 3:15 PM GRUENBERG 120

BILL: SCR 10

SHORT TITLE: ALASKA YEAR OF INNOVATION

SPONSOR(s): SENATOR(s) COSTELLO

04/07/17 (S) READ THE FIRST TIME - REFERRALS
04/07/17 (S) L&C, STA
04/10/17 (S) L&C AT 9:00 AM BELTZ 105 (TSBldg)
04/10/17 (S) Heard & Held
04/10/17 (S) MINUTE(L&C)
04/11/17 (S) L&C AT 9:00 AM BELTZ 105 (TSBldg)
04/11/17 (S) Scheduled but Not Heard
04/11/17 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/11/17 (S) Moved CSSCR 10(L&C) Out of Committee
04/11/17 (S) MINUTE(L&C)
04/12/17 (S) L&C RPT CS 4DP 1AM NEW TITLE
04/12/17 (S) DP: COSTELLO, HUGHES, MEYER, GARDNER
04/12/17 (S) AM: STEVENS
02/01/18 (S) STA AT 3:30 PM BUTROVICH 205
02/01/18 (S) Moved CSSCR 10(STA) Out of Committee
02/01/18 (S) MINUTE(STA)

02/02/18 (S) STA RPT CS 2DP 2NR NEW TITLE
02/02/18 (S) DP: MEYER, EGAN
02/02/18 (S) NR: WILSON, GIESSEL
02/09/18 (S) TRANSMITTED TO (H)
02/09/18 (S) VERSION: CSSCR 10(STA)
02/12/18 (H) READ THE FIRST TIME - REFERRALS
02/12/18 (H) STA, L&C
03/06/18 (H) STA AT 3:15 PM GRUENBERG 120

BILL: HB 360

SHORT TITLE: STATE INTERNET PROCUREMENT
SPONSOR(S): REPRESENTATIVE(S) KAWASAKI

02/19/18 (H) READ THE FIRST TIME - REFERRALS
02/19/18 (H) STA, FIN
03/06/18 (H) STA AT 3:15 PM GRUENBERG 120

WITNESS REGISTER

REPRESENTATIVE MATT CLAMAN
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions on HB 310, as prime sponsor.

CERI GODINEZ, Staff
Representative Matt Claman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 310, on behalf of Representative Claman, prime sponsor.

DAKOTA ORM, Staff
Senator Mia Costello
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced CSSCR 10(STA) on behalf of Senator Costello, prime sponsor.

SENATOR MIA COSTELLO
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on CSSCR 10(STA), as prime sponsor.

MATT MORRISON, Executive Director
Pacific NorthWest Economic Region (PNWER)

Seattle, Washington

POSITION STATEMENT: Testified in support of CSSCR 10(STA).

NOLAN KLOUDA

Executive Director

Center for Economic Development (CED)

University of Alaska Anchorage (UAA)

Anchorage, Alaska

POSITION STATEMENT: Testified in support of CSSCR 10(STA).

JULIET SHEPHERD

Project Manager

Fairbanks Economic Development Corporation

Fairbanks, Alaska

POSITION STATEMENT: Testified in support of CSSCR 10(STA).

JACOB GERRISH, Staff

Representative Scott Kawasaki

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented HB 360 on behalf of Representative Kawasaki, prime sponsor.

ACTION NARRATIVE

[3:19:27 PM](#)

CHAIR JONATHAN KREISS-TOMKINS called the House State Affairs Standing Committee meeting to order at 3:19 p.m. Representatives LeDoux, Tuck, Wool, Birch, Johnson, Knopp, Kreiss-Tomkins were present at the call to order.

HB 184-DISCRIMINATION: GENDER ID.;SEXUAL ORIENT.

[3:20:51 PM](#)

CHAIR KREISS-TOMKINS announced that the first order of business would be HOUSE BILL NO. 184, "An Act adding to the powers and duties of the State Commission for Human Rights; and relating to and prohibiting discrimination based on sexual orientation or gender identity or expression."

[3:21:18 PM](#)

The committee took an at-ease from 3:21 p.m. to 3:25 p.m.

[3:24:49 PM](#)

REPRESENTATIVE KNOPP stated that he supports HB 184.

[3:25:32 PM](#)

REPRESENTATIVE BIRCH stated that he does not support HB 184 and expressed his belief that it is unnecessary.

[3:25:49 PM](#)

REPRESENTATIVE JOHNSON stated that she does not support HB 184 and offered the following statement: "The law prohibits discrimination based on immutable characteristics such as race, color, sex; based on characteristics that may be immutable over time which, nonetheless, can be objectively discerned, such as pregnancy, marital status, physical or mental disabilities, and religion. Sexual orientation and gender identity or expression do not meet that definition, ... and remedy in the state and federal law already exist to address those complaints."

[3:26:32 PM](#)

REPRESENTATIVE WOOL moved to report HB 184 out of committee with individual recommendations and accompanying zero fiscal note.

[3:27:06 PM](#)

REPRESENTATIVE BIRCH objected.

A roll call vote was taken. Representatives Tuck, Knopp, Wool, and Kreiss-Tomkins voted in favor of reporting HB 184 out of committee. Representatives Birch and Johnson voted against it. Therefore, HB 184 was reported from the House State Affairs Standing Committee by a vote of 4-2.

HB 310-MARRIAGE AND MINIMUM AGE FOR MARRIAGE

[3:27:37 PM](#)

CHAIR KREISS-TOMKINS announced that the next order of business would be HOUSE BILL NO. 310, "An Act relating to the minimum age of eligibility for marriage."

[3:28:16 PM](#)

REPRESENTATIVE JOHNSON mentioned that her marriage would not have been allowed under the proposed legislation. She referred

to page 1, line 8, of HB 310, requiring marriage partners to be 18 years of age or older and otherwise capable. She asked for an explanation of "otherwise capable."

[3:29:31 PM](#)

REPRESENTATIVE MATT CLAMAN, Alaska State Legislature, as prime sponsor of HB 310, answered that he believed that phrase to be in existing statute and not new language.

REPRESENTATIVE JOHNSON referred to page 1, lines 11-12, exempting a member of the U.S. Armed Force from the requirement to be 18 years of age or older or emancipated to be married. She asked whether a member of the national guard would also be exempt.

REPRESENTATIVE CLAMAN replied that he did not know. He offered that a person under 18 years of age can only join the military if he/she has parental consent.

REPRESENTATIVE JOHNSON pointed out that the proposed legislation specifies the U.S. military; she asked whether the national guard is part of the U.S. military.

REPRESENTATIVE CLAMAN answered that he did not believe that the national guard was part of U.S. military.

REPRESENTATIVE JOHNSON asked whether someone in the [U.S. Army] Reserve would be exempt and suggested another scenario for consideration - one person [in the marriage] is active duty military, but the other person is a civilian.

[3:31:33 PM](#)

CERI GODINEZ, Staff, Representative Matt Claman, Alaska State Legislature, on behalf of Representative Claman, prime sponsor of HB 310, relayed that for the member of the U.S. Armed Forces to marry, the other person must be either 18 years of age, emancipated, or also in the U.S. Armed Forces. The member of the U.S. Armed Forces could not marry a civilian under 18 years of age unless that person was emancipated.

REPRESENTATIVE JOHNSON referred to page 1, line 4, in which "one man and one woman" would be replaced with "two natural persons"; she asked for a definition of "natural person."

MS. GODINAZ replied that Legislative Legal and Research Services recommended the substitution to make the statute [comply with the Alaska and U.S. Constitutions].

REPRESENTATIVE JOHNSON suggested that there is a definition for "natural persons."

REPRESENTATIVE CLAMAN responded that he was not aware of a definition for "natural persons" in Alaska statute.

REPRESENTATIVE JOHNSON offered that "natural person" may refer to how someone is born and asked for more clarity in the use of the term.

[3:34:31 PM](#)

REPRESENTATIVE WOOL mentioned that emancipation is a legal action; he asked whether there is a parental permission clause in statute giving a minor permission to marry with the consent of his/her parents, or whether that clause had been removed from statute.

MS. GODINAZ replied that to be emancipated, a minor needs parental consent unless the parents are unreasonably withholding their consent or cannot be reached. She added that the minor would also need judicial approval.

REPRESENTATIVE WOOL asked whether the consent for marriage is linked to emancipation or can be separate.

MS. GODINEZ responded that under HB 310, parents would give their consent in court to the emancipation; the only reason for no parental consent in this instance, is if they were unreasonably withholding it.

REPRESENTATIVE JOHNSON expressed her understanding that a minor must go to court for an emancipation and if underage, would need an attorney. She referred to her own situation by saying, "I know I wouldn't have ... even pursued emancipation out of respect for my parents." She suggested that it would be unfortunate to require emancipation for marriage.

CHAIR KREISS-TOMKINS announced that HB 310 would be held over.

SCR 10-ALASKA YEAR OF INNOVATION

[3:37:46 PM](#)

CHAIR KREISS-TOMKINS announced that the next order of business would be CS FOR SENATE CONCURRENT RESOLUTION NO. 10(STA), Proclaiming 2019 to be the Year of Innovation in Alaska.

[3:38:35 PM](#)

DAKOTA ORM, Staff, Senator Mia Costello, Alaska State Legislature, on behalf of Senator Costello, prime sponsor of CSSCR 10(STA), stated, "Introduced by Robert Tucker [chief executive officer (CEO), Innovation Resource Consulting Group, Santa Barbara, California] last year [2017] at the [Alaska] Innovation Summit, SCR 10 would proclaim 2019 as the year of innovation in Alaska." She said that this designation spotlights a crucial need in the state and highlights the work being done by the legislature and Alaskans statewide. She relayed that innovation can help address all challenges that Alaska faces, whether it be harnessing technology or growing economic diversification.

MS. ORM continued by saying that Alaskans are innovators by tradition and necessity. She maintained that there is a pioneering spirit in Alaska that requires innovation and adaptation; it existed among the founders that helped build our state and encompasses public policy and how Alaska manages its resources.

MS. ORM maintained that declaring a year of innovation would not only spur conversations but also allow organizations to take advantage of that declaration in various ways. She asserted that it would recognize innovation already occurring in the state from the university level to groups such as those engaged in LEGO® robotics and Lemonade Day. She offered that Alaska constructs a culture in which innovation, entrepreneurship, and "out of the box thinking" is encouraged and accepted. She maintained that declaring a year of innovation would aid in the growth of this culture, as well as Alaska's overall economy.

[3:39:58 PM](#)

REPRESENTATIVE TUCK asked, "Why 2019?"

MS. ORM replied that 2019 was chosen to allow for an entire year to "really enjoy and prosper in innovation."

REPRESENTATIVE TUCK mentioned that sexual assault awareness resolutions are proposed year after year. He asked if it is the

intent of the sponsor that resolutions like CSSCR 10(STA) be introduced every year, or if this would be just for one year.

[3:40:57 PM](#)

SENATOR MIA COSTELLO, Alaska State Legislature, responded that as the sponsor of CSSCR 10(STA) and because she has made innovation and entrepreneurship the hallmark of her legislative career, her intent is to proclaim only 2019 as the year of innovation in Alaska. She expressed her belief that proclaiming a year of innovation would have positive results in the form of startup companies ("startups") and new jobs. She said that it is her intent to designate 2019 and is open to other years being designated.

REPRESENTATIVE TUCK expressed his appreciation that the University of Alaska (UA) is included in the proposed resolution. He stated that Alaska is 49th or 50th in patents among the [states]. He relayed that Texas invested in their universities to do research and development for its petrochemical industry. Texas set up the [Texas] Materials Institute (TMI) so that once the students learned the science and technologies of the industry, they were able to develop the machine tool technologies and applications, then entrepreneurially apply them to the industry. He added that Silicon Valley heavily invested in California's universities for high-technology ("high-tech") innovation and development.

REPRESENTATIVE TUCK expressed his belief that Alaska has a great deal of underutilized potential; the university could play a significant role; and university research dollars can leverage federal funds. He referred to page 2, lines 26-28, which read,

WHEREAS university research contributes to the development of intellectual property, interdisciplinary entrepreneurial programming and education, and effective technology transfer and is a vital component of an effective innovation ecosystem;

REPRESENTATIVE TUCK referred to page 3, lines 6-8, which read,

WHEREAS 20 percent of innovations come from collaborations between multiple institutions, half of which are public-private partnerships between private companies and universities or government research labs;

REPRESENTATIVE TUCK expressed his appreciation that this language was included in the proposed innovation resolution.

[3:43:21 PM](#)

CHAIR KREISS-TOMKINS stated that he supports the proposed resolution. It is consistent with trends in Alaska, which are needed more than ever with the current fiscal situation. He offered examples of startup businesses and creating value where none existed before: [Barnacle] Kelp Salsa [in Juneau]; The Boardroom co-working space in Anchorage; and microgrid and energy startups.

[3:44:01 PM](#)

REPRESENTATIVE BIRCH relayed that he fully supports the proposed resolution. He stated that as a mining engineer, he can attest to Alaska's long tradition in the creation of innovative products. He mentioned as an example the "Intelligiant," a water cannon used in hydraulic mining, invented by John Miscovich of Fairbanks. He added that it is used around the world and is the standard for water delivery. He opined that the proposed resolution is a great idea; from the oil fields to the fish processors, Alaska could improve techniques.

[3:44:54 PM](#)

REPRESENTATIVE WOOL commented that between the new University of Alaska Fairbanks (UAF) Engineering Learning and Innovation Facility (ELIF) and the adjacent School of Management (SOM) [Bunnell] Building is a lounge where business students and engineering students are encouraged to collaborate and eat together.

[3:45:31 PM](#)

CHAIR KREISS-TOMKINS opened public testimony on CSSCR 10(STA).

[3:45:57 PM](#)

MATT MORRISON, Executive Director, Pacific NorthWest Economic Region (PNWER), testified that the proposed resolution represents an opportunity for Alaska to provide leadership not only in state but in the Pacific Northwest to enhance ecosystems for innovation, which requires empowering local public-private collaboration. He opined that naming next year [as the year of innovation] could spawn events around the state and encourage

young and old to enhance creativity to solve real challenges within their own communities. He maintained that Senator Costello has been instrumental in leading the PNWER Innovation Working Group; it serves to inform neighboring states and provinces as to the role they can play in promoting shared leadership with local governments, communities, neighborhoods, schools, universities, and the private sector. He opined that the resolution is a great idea; he looks forward to Alaska's leadership in the region, especially with its unique environmental challenges; and the proposed resolution could empower collaboration between the public and private sector.

[3:48:24 PM](#)

NOLAN KLOUDA, Executive Director, Center for Economic Development (CED), University of Alaska Anchorage (UAA,) testified that he believes that the time is right in Alaska for dialogue about innovation, entrepreneurship, and future directions for the state. He relayed that CED research has shown that Alaskans are more likely to start businesses than residents of most other states; Alaska ranks in the top two or three states for individuals starting a business. He said that startup companies in Alaska add about 4,000 to 6,000 jobs each year to the state's economy, and that has continued despite Alaska entering a recession and its economy losing jobs. Businesses are still being started, and they are continuing to hire.

MR. KLOUDA maintained that Alaska has many of the assets that fuel innovation: the UA System has research specialties in energy and atmospheric science in Arctic technology; some of the research is moving into the commercialization phase with a very active commercialization effort within the university. He stated that Alaska also has a high concentration of engineers and experts in technology for many of its industries - resource development industries and transportation and aviation industries. He said that there is a strong "knowledge economy" component to the industries in the state.

MR. KLOUDA maintained that there is also an entrepreneurship ecosystem forming and maturing within the state; a formal Angel Investor Network (AIN) that specializes in investing in early stage startup companies now exists in the state; and there is a startup accelerator in state, called Launch Alaska, to advance startup companies to a more mature phase.

MR. KLOUDA mentioned there is a regular calendar of events including a startup weekend, which takes people through the process of creating a new business over a 54-hour period during a weekend. He stated that CED staff perform research on the economy and apply it to activities that might foster more entrepreneurship. He relayed that CED uses Google's Design Sprint process, in which an interdisciplinary team focuses on creating a new product.

[3:51:55 PM](#)

JULIET SHEPHERD, Project Manager, Fairbanks Economic Development Corporation, expressed her appreciation for the inclusive and meaningful resolution to align infrastructure in state, through which innovation can be developed and startups come to fruition as full stage Alaska businesses with the support of the legislature, the UA, economic development entities, and the communities in public-private partnership. She reported that she is one of the founders of the "year of innovation" pipeline piloted over the past two years, which has resulted in three startup businesses from the cycle of the integrative (indisc.) through a process in a cyclical manner incorporating available infrastructure. She stated that she knows that the process works. She maintained that the proposed resolution would offer an opportunity to highlight the emerging pipelines that collectively make up a channel through which not only private individuals in communities can enter into the startup process but also have the opportunity to work closely with the university; it would diversify the perspectives for creating products useful to the public both in and well beyond Alaska and incorporate intellectual properties through university research.

[3:54:20 PM](#)

CHAIR KREISS-TOMKINS closed public testimony on CSSCR 10(STA).

CHAIR KREISS-TOMKINS announced CSSCR 10(STA) would be held over.

HB 360-STATE INTERNET PROCUREMENT

[3:54:52 PM](#)

CHAIR KREISS-TOMKINS announced that the final order of business would be HOUSE BILL NO. 360, "An Act relating to state procurement regulations."

[3:55:21 PM](#)

JACOB GERRISH, Staff, Representative Scott Kawasaki, Alaska State Legislature, on behalf of Representative Kawasaki, prime sponsor of HB 360, stated that the proposed legislation is an act relating to state procurement regulations. He paraphrased from the sponsor statement, included in the committee packet, which read in part, as follows:

HB 360 would require contracted Internet Service Providers (ISPs) to practice net neutrality while doing business with the State of Alaska. It would add to the state procurement code a prohibition from contracting with ISPs that do not treat all websites equally or that engage in paid prioritization. HB 360 would harness the State's market power to incentivize ISPs to keep their word and follow net neutrality in practice.

The Governors of Montana, New York, New Jersey, and Vermont have all signed executive orders implementing procurement restrictions like those in HB 360.

This bill would ensure that the agencies of the State of Alaska have access to a free and open internet and it would put pressure on ISPs to ensure the public has access to the same.

MR. GERRISH added that the Oregon State Legislature just passed legislation like HB 360.

[3:56:33 PM](#)

REPRESENTATIVE BIRCH opined that HB 360 is unnecessary; and there is a competitive market for internet services. He asked if there has been any evidence of reduced or comprised quality of services [since the repeal of net neutrality].

MR. GERRISH replied that he is not aware of any cases of that occurring, but there are cases of reduced or blocked services in other states, usually with Netflix or sharing services.

REPRESENTATIVE BIRCH said, "The Netflix is kind of a red herring that keeps popping up. It's an instance ... that happened some time ago. This appears to me to be ... unfortunately a largely partisan effort to try to make a statement against a problem that doesn't exist." He offered that he will not support HB 360 and relayed, "I don't see why we should be mucking around with

the state procurement guidelines." He maintained that if someone does not like his/her service provider, then he/she should find another one. He stated that the proposed legislation is unnecessary and burdensome at a time when the legislature should be focused on other issues.

REPRESENTATIVE KNOPP stated that he does not see a need for HB 360; and if the other net neutrality legislation [HB 277] passes, this one would not be needed. He asserted that Alaska has three ISPs, which have promised not to exploit the market. He maintained that if they renege on that promise and charge different rates or slow down services in favor of higher paying customers, that would put the state in a difficult position; under HB 360, the state would be prohibited from utilizing the services but would still need the services.

[3:59:19 PM](#)

REPRESENTATIVE TUCK commented that major pieces of infrastructure need to be for the public good. He mentioned that there was a time in American history in which corporations were chartered, and to get a charter, the corporation had to demonstrate that they were operating for the benefit of the public and not just for profit. He maintained that the deregulation of the telecommunications industry, which allowed for competition, was a good thing; however, the concerns are that for the industry, it is more about profit than about delivering necessary infrastructure for the exchange of goods and services and making sure Alaska's economy thrives.

REPRESENTATIVE TUCK relayed that net neutrality provisions and regulations were in place and prevented communications companies from engaging in practices that would give them advantages over other companies, as well as requiring the public to pay for more and more services. He offered that in the capitalistic world, how money is spent determines what happens and what doesn't happen; therefore, the proposed legislation offers a procurement policy that indicates that Alaska wants there to be net neutrality - it wants goods and services to be fair for everyone - and will spend its money using companies that practice net neutrality. He said, "That's capitalism."

REPRESENTATIVE TUCK mentioned that Alaska gives Native Corporations Small Business Administration's (SBA's) 8(a) [Business Development (BD) Program] status because it benefits the communities: the corporations are building septic systems

and water systems; and it serves as an example of Alaska using procurement policies to promote the will of the state.

REPRESENTATIVE TUCK continued by saying that he is amazed at the number of people under age 30 that are familiar with net neutrality; they've expressed their concern for the repeal of net neutrality; some corporations are concerned as well, because it would affect their ability to deliver goods and services; and only a small group of corporations with advantageous positions in the market want it repealed. He concluded by saying that the procurement policy under HB 360 allows the state to spend its money to benefit the public.

[4:03:19 PM](#)

REPRESENTATIVE JOHNSON asked if net neutrality means that all internet websites are treated equally regardless of content, source, and business relationship, and none are blocked.

MR. GERRISH replied yes.

REPRESENTATIVE JOHNSON suggested there are times when a person would want websites to be blocked.

MR. GERRISH answered that a court can order a website to be shut down for legal reasons; the proposed legislation is not related to that situation.

REPRESENTATIVE JOHNSON offered that she is referring to spam [unsolicited electronic messages] - not illegal but terribly annoying. She asked for an explanation of paragraph (1) on page 1, lines 7-8.

MR. GERRISH gave an example: A small company, such as a local bed and breakfast, has a website, and a large company, such as a cruise ship company, has a website. Net neutrality means that the internet company would not be allowed to block the small bed and breakfast website and allow the larger cruise ship company access. Spam filters would still be allowed under the proposed legislation.

REPRESENTATIVE JOHNSON expressed her concern that legislators be aware of the consequences when creating regulations. She also mentioned that there are outstanding questions regarding the Federal Communications Commission (FCC) [net neutrality] ruling.

[4:06:35 PM](#)

REPRESENTATIVE LEDOUX asked if the proposed legislation would affect choosing a company that provides higher speed internet services.

MR. GERRISH replied that one could still buy access to higher speed internet services; however, the ISP would not be allowed to speed up or slow down the websites accessed. He stated that under net neutrality, for a person buying a one gigabyte ("gig") plan, all the websites would download at the same speed.

REPRESENTATIVE LEDOUX asked if any of Alaska's internet providers have engaged in activities that did not adhere to net neutrality, since the repeal of net neutrality.

MR. GERRISH replied that all the in-state ISPs have pledged to practice net neutrality; therefore, the proposed legislation would not affect any current state contracts.

REPRESENTATIVE LEDOUX asked why the proposed legislation was introduced if the ISPs have pledged to practice net neutrality and there are no current problems.

MR. GERRISH responded that on April 23 [2018], a company could choose to begin blocking online content and begin packaging online content and charging extra for it. He expressed his belief that HB 360 would harness the state market power and incentivize ISPs to keep their pledges to practice net neutrality.

REPRESENTATIVE LEDOUX asked why the state would not wait to see if a problem develops.

MR. GERRISH answered that the intent of the proposed legislation is to prevent a problem from occurring.

[4:09:40 PM](#)

REPRESENTATIVE KNOPP gave an example: A mega giant ISP with unlimited resources, such as American Telephone & Telegraph (AT&T), and a small independent ISP with limited resources, such as General Communication Inc. (GCI), get into a bidding war to provide streaming service for Netflix. The mega giant, AT&T, has multiple band widths and GCI does not. He asked if GCI could be at a disadvantage competing with AT&T, because AT&T can offer a faster speed internet for less money.

MR. GERRISH replied that he did not believe so; it is the connection between the ISPs in Alaska and the broader [out-of-state] internet that is the determining factor. He stated that GCI connects to the Lower 48 through peer to peer (P2P) agreements; underwater fiber optic cables connect Alaska to Seattle, Portland, and other cities. He mentioned that GCI was just purchased by Liberty Interactive Corporation (LIC) in Colorado, which may have expanded GCI's P2P network to access more bandwidth. He suggested that smaller companies may connect to the internet in state, not out of state. He maintained that the ISPs all connect differently.

REPRESENTATIVE KNOPP said that the point he was making was that if two companies are competing to provide a service, and they have a disparity in resources, the smaller company would be put at a disadvantage to provide the service if its ability to do so was limited under the proposed legislation. He suggested there may be unanticipated consequences.

MR. GERRISH answered that HB 360 would not require any companies to practice net neutrality but would require that the state procure internet services from those that do.

REPRESENTATIVE KNOPP relayed that it would prohibit those companies from doing business with the state.

REPRESENTATIVE JOHNSON asked, "How do you envision this being enforced, and who would be responsible for that enforcement?"

[4:12:38 PM](#)

MR. GERRISH replied that the commissioner of the Department of Administration (DOA) can adopt procurement regulations through AS 36.30.040; the proposed legislation would require that the commissioner of DOA include net neutrality in the adoption of procurement regulations. He offered that he considers it to be like an in-state hire requirement. He said, "If we give money to a contractor, we throw in a 10 percent, 20 percent state hire."

REPRESENTATIVE JOHNSON commented that she is all for free and open use of the internet and equal access [to the internet]. She expressed that she is concerned about unintended consequences and the necessity of HB 360.

[4:14:01 PM](#)

CHAIR KREISS-TOMKINS announced that HB 360 would be held over.

[4:14:57 PM](#)

The committee took a brief at-ease at 4:15 p.m.

[4:15:07 PM](#)

CHAIR KREISS-TOMKINS offered housekeeping remarks on legislation to be heard during upcoming committee meetings and on amendment deadlines.

[4:16:49 PM](#)

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 4:17 p.m.