

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

February 13, 2018
1:32 p.m.

MEMBERS PRESENT

Senator Mia Costello, Chair
Senator Kevin Meyer
Senator Gary Stevens
Senator Berta Gardner
Senator Peter Micciche

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 108

"An Act relating to the State Medical Board; relating to the licensing of physicians, osteopaths, and podiatrists; relating to the certification of medical assistants; relating to the practice of medicine; relating to the practice of podiatry; relating to the practice of osteopathy; relating to assault of a medical professional; and providing for an effective date."

- MOVED SSSB 108 OUT OF COMMITTEE

SENATE BILL NO. 160

"An Act relating to the regulation of broadband Internet; and making certain actions by broadband Internet service providers unlawful acts or practices under the Alaska Unfair Trade Practices and Consumer Protection Act."

- HEARD & HELD

HOUSE BILL NO. 18

"An Act relating to race classics."

- MOVED HB 18 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 108

SHORT TITLE: MEDICAL CARE/LICENSING/MEDICAL BOARD
SPONSOR(s): SENATOR(s) GIESSEL

04/07/17 (S) READ THE FIRST TIME - REFERRALS
04/07/17 (S) L&C, FIN
01/18/18 (S) SPONSOR SUBSTITUTE INTRODUCED-REFERRALS
01/18/18 (S) L&C, FIN
02/13/18 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 160

SHORT TITLE: BROADBAND INTERNET: NEUTRALITY/REGULATION
SPONSOR(s): SENATOR(s) BEGICH

01/24/18 (S) READ THE FIRST TIME - REFERRALS
01/24/18 (S) L&C, STA
02/13/18 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 18

SHORT TITLE: RACE CLASSICS
SPONSOR(s): REPRESENTATIVE(s) ORTIZ

01/18/17 (H) PREFILE RELEASED 1/9/17
01/18/17 (H) READ THE FIRST TIME - REFERRALS
01/18/17 (H) L&C, FIN
01/30/17 (H) L&C AT 3:30 PM BARNES 124
01/30/17 (H) Heard & Held
01/30/17 (H) MINUTE(L&C)
02/03/17 (H) L&C AT 3:15 PM BARNES 124
02/03/17 (H) Moved HB 18 Out of Committee
02/03/17 (H) MINUTE(L&C)
02/06/17 (H) L&C RPT 6DP 1NR
02/06/17 (H) DP: STUTES, WOOL, JOSEPHSON, BIRCH,
KNOPP, KITO
02/06/17 (H) NR: SULLIVAN-LEONARD
02/10/17 (H) FIN REFERRAL WAIVED
02/13/17 (H) TRANSMITTED TO (S)
02/13/17 (H) VERSION: HB 18
02/15/17 (S) READ THE FIRST TIME - REFERRALS
02/15/17 (S) CRA, L&C
03/28/17 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
03/28/17 (S) Heard & Held
03/28/17 (S) MINUTE(CRA)
04/04/17 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
04/04/17 (S) Heard & Held
04/04/17 (S) MINUTE(CRA)
04/13/17 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
04/13/17 (S) Moved SCS HB 18(CRA) Out of Committee

04/13/17 (S) MINUTE (CRA)
04/14/17 (S) CRA RPT SCS 2DP 2NR SAME TITLE
04/14/17 (S) DP: BISHOP, STEDMAN
04/14/17 (S) NR: GARDNER, MACKINNON
02/13/18 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

SENATOR CATHY GIESSEL
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 108.

DR. DANNY ROBINETTE, MD., Chief Medical Officer
Fairbanks Memorial Hospital and Tanana Valley Clinic
Fairbanks, Alaska

POSITION STATEMENT: Offered supporting testimony for SB 108

KIRA BOYD, Chief Operating Officer
ALGONE

Wasilla, Alaska

POSITION STATEMENT: Testified in support of SB 108.

BRYAN FARTHING, President
Alaska Academy of Physician Assistants (PA)
Anchorage, Alaska

POSITION STATEMENT: Expressed concern that physician assistants aren't always included when physicians and other medical professionals are listed in SB 108.

FRED PARADY, Deputy Commissioner
Department of Commerce, Community and Economic Development
Juneau, Alaska

POSITION STATEMENT: Provided information and answered questions related to SB 108.

JANEY MCCULLOUGH, Director
Corporations, Business & Professional Licensing
Department of Commerce, Community and Economic Development
Juneau, Alaska

POSITION STATEMENT: Answered questions related to SB 108.

SENATOR TOM BEGICH
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 160.

SYNDEY LIENEMANN, PhD. Staff
Senator Tom Begich
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided information related to SB 160 on behalf of the sponsor.

JEANIE PIERCE, representing self
Kasilof, Alaska

POSITION STATEMENT: Testified in support of SB 160.

DON MCNAMARA, representing self
Homer, Alaska

POSITION STATEMENT: Testified in support of SB 160.

DONNA RAE FAULKNER, representing self
Homer, Alaska

POSITION STATEMENT: Testified in support of SB 160.

TARA RICH, Legal and Policy Director
American Civil Liberties Union (ACLU) of Alaska
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 160.

REPRESENTATIVE ORTIZ
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 18.

KATRINA MITCHELL, Gaming Group Manager
Tax Division
Department of Revenue
Juneau, Alaska

POSITION STATEMENT: Answered questions related to HB 18.

CHELSEA GOUCHER, President
Board of Directors
Greater Ketchikan Chamber of Commerce
Ketchikan, Alaska

POSITION STATEMENT: Testified in support of HB 18.

ACTION NARRATIVE

[1:32:08 PM](#)

CHAIR MIA COSTELLO called the Senate Labor and Commerce Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Stevens, Micciche, Gardner, and Chair Costello. Senator Meyer arrived soon thereafter.

SB 108-MEDICAL CARE/LICENSING/MEDICAL BOARD

[1:33:10 PM](#)

CHAIR COSTELLO announced the consideration of SB 108.

[1:33:36 PM](#)

SENATOR CATHY GIESSEL, Alaska State Legislature Juneau, Alaska, sponsor of SB 108, introduced the legislation speaking to the following sponsor statement:

Senate Bill 108 is a streamlining bill which will improve the licensing process for physicians in Alaska. Outdated and overly cumbersome statutes and regulations are interfering with the ability of our medical community to meet the needs of Alaskans because of delays of licensure that negatively impact both doctors and patients. A fully qualified doctor in good standing should not be required to wait months to obtain a license to serve our state.

The Alaska State Medical Board has requested this legislation so they may expeditiously and responsibly issue licenses to physician applicants.

SB 108 gives the executive secretary of the State Medical Board expanded authority to review and issue licenses to applicants with uncomplicated applications. With a better system in place DCCED and the State Medical Board will be able to respond more efficiently at a time when healthcare access is of great concern in our state.

SB 108 will authorize the board's executive secretary to grant licenses to qualified applicants for a permanent medical license, a temporary permit, or a locum tenens permit. It will also authorize the board to designate a board member to grant temporary permits to qualified applicants. [Sections 10 and 11] The bill outlines exceptions to that authority such as a suspended or revoked license or other special

circumstances that would necessitate a full board review.

The bill creates a new category of certified medical assistants who will perform additional duties in medical settings. The Board will set criteria for educational requirements, certification, renewal and revocations for Certified Medical Assistants.

The bill provides for physician delegation of specific, routine activities to unlicensed personnel working in physician offices. [Sections 3, 6, and 13]

SENATOR GIESSEL advised that licenses are currently issued within two months but just five percent of the applications are complete when they're submitted. That has contributed to the current backlog of about 290 applications. Also, the number of applicants has increased markedly, largely due to telemedicine applicants. She reminded members that any physician who provides care through telemedicine must be licensed in the state.

[1:40:41 PM](#)

SENATOR GIESSEL explained that the request for the new category of "certified medical assistant" came from pain management doctors who need an assistant in the office who can look at the prescription drug monitoring program (PDMP) for them. She reminded members that when the legislature crafted the opioid bill it required licensure to look at the database. In practice this takes a lot of time in a physician's day. Certifying medical assistants provides a solution. The board will outline the criteria for certification in regulation. [Sections 4 and 5] Section 12 provides a penalty for anyone practicing as a CMA without a license.

SENATOR GIESSEL said the State Medical Board and DCCED's Division of Corporations, Business and Professional Licensing support the bill.

[1:43:27 PM](#)

CHAIR COSTELLO recognized that Senator Meyer joined the committee some time ago.

SENATOR MICCICHE asked if it's typical that Section 3 leaves the definition for "routine medical duties" to the board instead of putting it in the bill.

SENATOR GIESSEL said it's logical; similar authority is given to the Board of Nursing that also delegates to unlicensed assisted personnel. The board knows exactly which routine medical duties would be appropriate for an unlicensed person to do.

SENATOR MICCICHE asked if the statutes allow an applicant who meets the qualifications to receive a temporary permit.

SENATOR GIESSEL said yes. The bill allows the executive administrator or a board designee to issue the temporary license.

[1:45:34 PM](#)

SENATOR STEVENS said he assumes the executive administrator would be carefully chosen, but it sounds a little loose to then extend authority to another person.

SENATOR GIESSEL said the Board of Medicine in collaboration with the Division of Corporations, Business and Professional Licensing hires the executive administrator. It is generally a rigorous process and there are qualifying criteria for the individual that's hired. She added that it was the board that wanted the additional board member who could act if the executive administrator were absent.

SENATOR STEVENS said he was reading on page 4 where it says, "allow another person designated by the board." He asked if that was in the bill because it doesn't say another board member.

[1:47:13 PM](#)

At ease

[1:47:47 PM](#)

CHAIR COSTELLO reconvened the meeting.

SENATOR GIESSEL explained that the board requested the language and may have been thinking of delegating the authority to the licensing examiner who also scrutinizes applications. She added that the Board of Medicine is extremely careful about who receives licensure. She said this pertains to a temporary permit and she is confident in the board's judgement.

SENATOR STEVENS summarized it is not a willy-nilly appointment of someone off the street. It's someone with qualifications and background.

[1:49:19 PM](#)

CHAIR COSTELLO opened public testimony for SB 108.

1:49:34 PM

DR. DANNY ROBINETTE, Chief Medical Officer, Fairbanks Memorial Hospital and Tanana Valley Clinic, Fairbanks, Alaska, advised that the hospital has experienced periodic delays in getting physicians licensed. On three occasions in the past two years this has resulted in physician candidates accepting positions out of state because they needed a paycheck. A surgeon currently on staff had to wait eight months for his license. He said each candidate should be rigorously screened and those with issues should receive closer scrutiny and take more time. However, the process should be streamlined so that clean, unblemished candidates are not unduly held up causing good physicians to accept positions in other states.

SENATOR STEVENS asked if there could be any justification for holding up an application for eight months.

DR ROBINETTE said it could certainly be justified in some instances, but not the case he mentioned.

SENATOR STEVENS asked if his belief was that this would speed the process while giving the board time to investigate concerns and red flags.

DR. ROBINETTE said yes; the statute and regulations clearly define the things that constitute a clean application. There shouldn't be a timeline that rushes an application that isn't clean.

1:53:59 PM

SENATOR MICCICHE read questions and answers about processing times from the legislative research document titled "State Medical Licensing Timeframes." He said it looks like the requirements for a temporary permit are the same as the requirements for a regular license, which makes him wonder about the timesaving.

DR. ROBINETTE deferred a full answer to the board. He didn't know all the details for issuing a temporary permit, but Fairbanks Memorial Hospital typically issues temporary privileges to someone with a clean application and for exigent patient care reasons.

SENATOR MICCICHE asked if someone from the board was available.

CHAIR COSTELLO said she didn't see anyone from the board online but would try to get an answer before the end of the meeting.

[1:56:16 PM](#)

KIRA BOYD, Chief Operating Officer, ALGONE, Wasilla, Alaska, testified in support of SB 108. She explained that the clinic offers regenerist medicine, interventional pain management, and dependency therapy with a focus on opioid use disorders. The clinic regularly treats a high-needs, high-touch patient population and is faced with high overhead costs, particularly because specialty providers often require lucrative compensation packages to lure them to the state.

She said ALGONE has a team of over 40 medical assistants who team up with the providers to take care of the high-needs, high-touch patients. However, existing statute relating to opioid oversight and implementation of the PDMP has made these care teams dramatically less efficient. ALGON sought immediately to find the solution and eventually looked at other states that license medical assistants. They were able to send model legislation to the sponsor's staff. ALGON fully supports SB 108 and wants the committee to know that the process works.

MS BOYD said the State Medical Board expressed concern about cost and resources to get medical assistants licensed. However, the choice is to either create an efficient system for licensing or require clinics to hire more nurses and pass that cost on to the already overburdened health care consumers. She said SB 108 is the solution that Alaska needs now.

SENATOR STEVENS asked how many of the 40 currently unlicensed medical assistants would become certified should SB 108 pass.

MS. BOYD said not all ALGON's medical assistants are unlicensed, but in a perfect world all their medical assistants would become certified.

SENATOR STEVENS said he thought that certifying medical assistants was new.

MS. BOYD clarified that some but not all ALGON medical assistants are certified. The ones that are not certified are not currently able to assist providers by looking at the PDMP database.

[2:00:31 PM](#)

At ease

2:01:13 PM

CHAIR COSTELLO reconvened the meeting and continued with public testimony on SB 108.

2:01:22 PM

BRYAN FARTHING, President, Alaska Academy of Physician Assistants (PA), Anchorage, Alaska, said he appreciates the work that's been done on SB 108, but the PA community is concerned that when physicians and other medical professionals are listed in the bill physician assistants aren't always included.

2:03:10 PM

FRED PARADY, Deputy Commissioner, Department of Commerce, Community and Economic Development (DCCED), said the workload of the State Medical Board has increased dramatically, primarily due to telemedicine legislation. In 2015 the application processing backlog reached an average of six months. Telemedicine companies were coming in to license 100 doctors at a time. Complaints came in from applicants and medical companies and the responding to those complaints was time consuming.

MR. PARADY said the division processed 22 percent more medical licenses and 31 percent more nursing licenses last year than the year before and they've already received more this fiscal year to date than the entire previous year. Through the budget process and previous legislation, the division has been able to devote more staff to these programs. They have added two new PCNs that are paid by licensing fees and they went through a triage process to reduce the backlog. They also initiated a strategic planning process to streamline the application process for health care professions. That was identified as the highest priority. He shared the results of that hard-working team.

The strategic planning process included a comprehensive examination of the application process to identify barriers or obstacles ("rubs"). Twenty-seven were identified. He directed attention to a handout and explained that the department requires applicants to send certified and true copies of their diploma and all certificates. The question the team asked was whether certified and true copies were necessary when verification was already required. He said rub 17 is specifically germane to the bill; it is the requirement that every application needs to be approved by the executive administrator. Considering the number of applications the department moves forward, waiting for approval can be time consuming both at the executive director and at the board level.

The board might meet just once every three months. Rub 22 is that the board needs to review every file, even those that have no discrepancies. What SB 108 proposes is to delegate that authority. In answer to Senator Steven's question about delegation, he clarified that is an active delegation of authority to another board member or the director or deputy director of the division.

CHAIR COSTELLO asked Mr. Parady to send a copy of the handout to the committee aide.

MR. PARADY agreed. He continued to explain that the strategic planning process continued as the team evaluated the cause of each problem, determined whether it served a public safety need, and whether the process needed to be updated or simplified. In response to those 27 rubs the department initiated a three-pronged approach to implement solutions that would streamline the licensure process. The first prong was to make small changes through board regulations. Specific to SB 108, the State Medical Board proactively scrubbed its regulations. He cited an example of a regulation that served no public safety need.

The second prong of the streamlining strategy adds two features to the technology platform. The first makes the online application process like the one used for the permanent fund dividend. The user cannot advance until the question is answered. The second implements a tracker so the applicant can see the progress of their application and what a holdup might be. Rollout of this technology enhancement is anticipated in March.

The third prong of the streamlining strategy is a change in the statutes that would improve license processing times while continuing to ensure public safety. The minor changes in SB 108 will allow the State Medical Board to grant additional authority to the executive administrator to issue licenses that meet the strictest guidelines and allow further delegation to supervisors to expedite and issue temporary licenses. The bill also closes the loop with the prescription drug monitoring program (PDMP) by certifying medical assistants so they are eligible to access that database for the doctor.

MR. PARADY concluded his comments emphasizing that the department is focused and attentive to these issues. "We've been hard at work on those granular details where we can better serve the public and, ultimately, better serving these professionals better serves Alaska citizens."

[2:13:00 PM](#)

SENATOR MICCICHE asked 1) why there is a temporary permit and 2) if the temporary permit satisfies the requirements of the other permits why it is still considered temporary.

[2:13:20 PM](#)

JANEY MCCULLOUGH, Director, Corporations, Business & Professional Licensing, Department of Commerce, Community and Economic Development (DCCED), Juneau, Alaska, said a temporary permit is a way of getting an applicant to work as fast as possible. Currently the executive administrator can approve a temporary license and the formal full license is issued after the board meets and approves every license.

SENATOR MICCICHE said his point is that other than the board's action, the requirements are no less rigorous for a temporary license.

MS. MCCULLOUGH confirmed that other than the board approval, the criteria for a temporary license is the same as for a full license.

CHAIR COSTELLO asked Mr. Parady if he shared the creative new application tracking process with other departments.

MR. PARADY said he'd be happy to share but he wanted to make certain it operates correctly first. If it's successful, it will next be rolled out across the department's 43 license groups.

[2:15:51 PM](#)

CHAIR COSTELLO closed public testimony on SB 108.

[2:16:09 PM](#)

SENATOR MEYER moved to report SB 108, version U, from committee with individual recommendations and attached fiscal note(s).

CHAIR COSTELLO announced that without objection, SB 108 moves from the Senate Labor and Commerce Standing Committee.

[2:16:31 PM](#)

At ease

SB 160-BROADBAND INTERNET: NEUTRALITY/REGULATION

[2:19:53 PM](#)

CHAIR COSTELLO reconvened the meeting and announced the consideration of SB 160.

SENATOR TOM BEGICH, Alaska State Legislature Juneau, Alaska, sponsor of SB 160, introduced the legislation speaking to the following sponsor statement.

SB 160 would require Internet Service Providers (ISPs) who provide broadband Internet to Alaskans to engage in the practice of net neutrality. The bill would make sure all data on the Internet is treated equally. It would protect small businesses from uncompetitive practices and guarantee unrestricted Internet access for all Internet users.

Without net neutrality, ISPs may legally speed up certain sites, slow down others, block sites all together, and require certain users to pay more for Internet fast lanes. The elimination of net neutrality gives ISPs the power to determine what websites consumers could visit and what content website creators could share. Allowing ISPs to discriminate based on content undermines a free and open Internet.

On multiple occasions, millions of Americans have publicly commented in favor of protecting net neutrality and have spoken out against the recent Federal Communications Commission order to eliminate net neutrality rules implemented in 2015. The internet is a modern necessity for individuals and businesses. Net neutrality is widely supported by consumer rights groups, privacy groups, and businesses organizations.

This bill would ensure that the Internet remains a platform for economic competition and free communication.

SENATOR BEGICH thanked the committee for passing SJR 12. The resolution relates to net neutrality and SB 160 moves the issue to the local level. He explained that net neutrality means that an internet service provider (ISP) is not able to decide what an individual does on the internet and cannot block content or slow the service.

[2:22:23 PM](#)

SENATOR BEGICH read the following excerpts from Fast Facts for Conservatives on Net Neutrality by the Christian Coalition to

illustrate that net neutrality affects everyone regardless of their beliefs:

"Net neutrality" policies helped create the most free and fair marketplace in history, allowing consumers to choose the winners and losers in a competitive marketplace. This resulted in the best ideas, products and services rising to top.

The new regulations will leave consumers with less choice and our economy with less innovation and competition. Without equality of access, such innovation would be diminished at best, or perhaps even begin to move to competing countries in the world economy.

The new FCC regulations set the cable and phone companies up to become the equivalent of the mafia to the Internet. Today, consumers dictate the evolution of the Internet. Under the new regulations, cable and phone companies will be making the decisions. And their decisions will not be made based on quality, but rather on who pays the most "protection money" to be protected from the competition of a truly free marketplace.

To the question of whether the bill preempts federal law, Senator Begich said the state has repeatedly questioned the federal government's authority to dictate to the state. Some of the issues on which the state pushed back were navigable rivers, coastlines, and hunting and fishing rights. In each instance the legislature sought to protect the rights of Alaskans first and then let the courts decide when it was ambiguous. On the issue of net neutrality, it is unclear whether it is or is not ambiguous. Over 30 states are considering or have introduced similar legislation. This sends a message to Washington, D.C.

SENATOR BEGICH said this issue should be decided at the federal level and an Alaska ISP agrees. His office also agrees that the Alaska Legislature should send a message to the Alaska delegation, just as it did with the resolution [SJR 12] that it is willing to act and protect Alaskans. The internet has always been and should always be a platform for free speech and free enterprise. It should not be up to ISPs to pick the winners and losers. Labor and Commerce is the Senate's committee on the economy and innovation and this committee should speak with the

strongest voice on all the issues that could threaten the economy or innovation.

[2:26:45 PM](#)

SENATOR STEVENS asked who could be opposed to this legislation.

SENATOR BEGICH said he can't imagine reasonable people would be opposed to it, but the record shows that very large ISPs would oppose it.

CHAIR COSTELLO read the language on page 1, lines 7-9, and asked if this is already being publicly disclosed and the meaning of "accurate information."

[2:29:31 PM](#)

SYNDEY LIENEMANN, PhD., Staff, Senator Tom Begich, Alaska State Legislature, Juneau, Alaska Juneau, Alaska, said the FCC requires internet providers to make public the things listed in subsection (a). The state Consumer Protection Board does not currently require public disclosure.

CHAIR COSTELLO asked for a list of the states that have passed or are contemplating legislation similar to SB 160, and who drafted the bill.

SENATOR BEGICH agreed to provide the list. He advised that Legislative Legal drafted the bill based on Washington State law.

CHAIR COSTELLO referred to the language on page 3, lines 8-9, and asked what the ramification would be if a company did not publicly disclose accurate information.

SENATOR BEGICH said they'd be taken to court by the Consumer Protection Bureau.

CHAIR COSTELLO asked him to talk about the difference between the legislature communicating through a resolution versus statutory changes.

SENATOR BEGICH explained that the resolution instructs the Congressional delegation to act within the prescribed window and reject the new federal regulation. If that were to happen the bill would be moot. SB 160 is a backup plan that sets a model and a template for legislation at the federal level. That's where the decision ultimately should be made.

DR. LIENEMANN advised that the Congressional Review Act allows Congress to reject new regulations within 60 days of publication in the federal registry. To date the FCC has not published that regulation.

[2:34:48 PM](#)

SENATOR MEYER opined that this should be done at the federal level. He posited that Alaska could be disadvantaged if individual states pass laws and large ISPs decide to go only to those states that have the largest populations.

SENATOR BEGICH said he believes that passing SB 160 could improve the ability of providers like ACS and GCI to compete because they would be required to offer Alaskans broader content than an outside competitor that isn't bound by net neutrality. Second, the bill sets an example and a template for the federal government to follow. Marijuana, marriage, and federal land issues have been driven by action at the state level. "We have a chance to be a leader in this process and I think we should."

[2:36:36 PM](#)

SENATOR STEVENS asked him to talk about the FCC decision and what that commission thought it was accomplishing.

SENATOR BEGICH explained that when the internet was in its infancy it was regulated like a telephone call under Title I of the FCC Act. This is fairly light-touch on the regulatory spectrum. Regulation under Title II was used for information sources and information services that one might want to store or keep and download. While the internet was developing, a series of actions took place that led the FCC to realize it needed to attempt to more fully regulate the internet under Title I. One example was when Comcast forced Netflix to compromise to ensure smooth content delivery. In 2010 the FCC attempted further regulation under Title I and in 2014 a federal district court judge in Washington, D.C. rejected the attempt. The FCC moved the regulation of the internet to Title II in 2015. This time the judge agreed with the FCC that Title II was a more appropriate place to regulate the industry to ensure content neutrality.

In November 2017 there was indication that the FCC was about to make a change. Millions of pro and con statements were sent to the FCC, many of which were falsified on both sides. The FCC was urged to hold the decision. Governor Walker wrote to urge the FCC to examine the issue further. However, the chair of the FCC chose to move forward in late December 2017 and returned the

internet to the light-touch regulatory framework. Experience shows that is not a way to protect net neutrality, he said.

SENATOR STEVENS asked how members voted.

SENATOR BEGICH said it passed by one vote.

CHAIR COSTELLO added that the vote was 4:3.

[2:40:16 PM](#)

CHAIR COSTELLO opened public testimony on SB 160.

[2:40:32 PM](#)

JEANIE PIERCE, representing self, Kasilof, Alaska, testified in support of SB 160. Responding to Senator Steven's query, she said Sinclair Broadcasting doesn't like net neutrality. She said this issue is about whether consumers can trust the FCC to act in the best interest to maintain the free, open, and neutral internet that consumers have enjoyed for decades. To roll back net neutrality protections would allow ISPs to give preferential treatment to certain users to the detriment of others. She emphasized that everyone should be treated equally. She urged members to, "Do what's right for the Alaska citizens, not what's best for your political party's interest."

[2:44:51 PM](#)

DON MCNAMARA, representing self, Homer, Alaska, testified in support of SB 160. He said he is in favor of a free and open internet and agrees with the previous speaker.

[2:45:27 PM](#)

DONNA RAE FAULKNER, representing self, Homer, Alaska, testified in support of SB 160. She said she supports a free and open internet and everything the sponsor said to the committee. She appreciates SB 160 and hopes it passes.

[2:45:47 PM](#)

TARA RICH, Legal and Policy Director, American Civil Liberties Union (ACLU) of Alaska, Juneau, Alaska, said it would be shocking and abhorrent if a telephone company could detect who you were talking to or the subjects you were talking about. Similarly, everyone would be up in arms if a telephone company were to intentionally drop or block calls based on subject matter. Because it is possible for internet companies to track what people look at and what they do on the internet, net neutrality is important to prevent an ISP from slowing or blocking content. This has happened in the past on more than one

occasion. In 2007 Comcast saw its business model threatened and throttled a peer-to-peer sharing network called BitTorrent. Young people primarily used it to download free movies, but it is also used for open content such as trade manuals and videos. Video sharing has since proliferated throughout the internet and net neutrality prevents an identical throttling situation. It's a matter of letting the market forces work. She said net neutrality is also a free speech issue. Today the internet is used extensively for work and entertainment, but freedom of expression isn't worth much when the fora where people are having those conversations are not themselves free.

MS. RICH said there isn't agreement about whether federal law would preempt legislation such as SB 160. Given that lack of consensus, the ACLU believes the courts should decide the issue rather than trying to preempt it legislatively.

She recommended looking at Portugal's internet plan to see what a world without net neutrality looks like. It's a stark image, she said.

[2:50:56 PM](#)

SENATOR STEVENS asked if a court case was underway.

MS. RICH said 22 state attorneys general have filed suit related primarily to the FCC process during public comment. It also challenges whether the FCC would need to create an entirely new regulatory scheme rather than just eliminating the prior one. Mozilla, the Free Press and others have lawsuits pending waiting for the law to take effect and be published on the federal register.

SENATOR STEVENS commented it's likely to take years and years.

MS. RICH agreed that was a possibility.

SENATOR MICCICHE said he supports net neutrality and the resolution but this legislation seems premature. He asked if she would agree that Congress probably supports net neutrality.

MS. RICH said she believes that SB 160 would encourage Congress to overturn the FCC's open internet order of December 2017. It would certainly show the Alaska delegation that Alaska is united on the issue.

SENATOR MICCICHE opined that the bill would be completely unenforceable outside of state lines and the issue is larger than that.

MS. RICH agreed that the Alaska Legislature can't regulate companies that have no business in Alaska. Alaskans would also be affected if GCI or ACS uses Comcast's cables through peering agreements to transmit Netflix and other video to Alaska. She said states should present a united front; 30 states have introduced or are contemplating similar legislation.

SENATOR MICCICHE shared a personal example to illustrate that internet use is tracked. He asked if the ACLU considers and is concerned that it's unconstitutional under Alaska's privacy clause. "How much right do we have to push back as a state on those larger privacy issues?"

MS. RICH said the ACLU of Alaska is about to launch the Alaska Privacy Project that looks directly at those issues. She said there are privacy implications with the way net neutrality would be enforced that are relevant to the privacy clause of the constitution. The ISP would need to know what people are accessing to be able to block or throttle it.

[2:58:14 PM](#)

CHAIR COSTELLO closed public testimony on SB 160 and held the bill in committee.

HB 18-RACE CLASSICS

[2:58:50 PM](#)

CHAIR COSTELLO announced the consideration of HB 18. [SCS HB 18(CRA) was before the committee.]

[2:59:04 PM](#)

REPRESENTATIVE DAN ORTIZ, Alaska State Legislature, Juneau, Alaska, sponsor of HB 18, said this bill is necessary for the Ketchikan Greater Chamber of Commerce to be eligible to obtain a race classic permit. The category "race classic" is so narrowly defined in statute it only provides for the Mount Marathon Race held by the Seward Chamber of Commerce. The Ketchikan Chamber would like to obtain a permit for a non-motorized boat race beginning in Port Townsend, Washington and ending in Ketchikan, Alaska. The bill was amended in the Senate Community and Regional Affairs Committee expanding the scope to allow other communities to permit race classics.

[3:01:13 PM](#)

SENATOR MEYER asked if he supports the CRA amendment to broaden the scope of the bill.

REPRESENTATIVE ORTIZ said the Ketchikan Chamber would rather not have the amendment, but the chair of the CRA committee did not want to address this issue multiple times when different communities wanted to put on a race classic. As sponsor, he said his interest is seeing the bill move forward, even with the amendment.

SENATOR MEYER expressed concern that the amendment makes the definition overly broad, which could have unforeseen consequences.

CHAIR COSTELLO said she shares that concern. There's a reason that the legislature goes through an approval process.

[3:03:22 PM](#)

SENATOR MICCICHE stated support for the original intent of HB 18.

SENATOR MEYER asked the sponsor if he would support the committee returning to the original version of the bill.

REPRESENTATIVE ORTIZ replied, "I'd be perfectly fine with that."

SENATOR MEYER asked if he said that the sponsor of the amendment supported the bill with or without the amendment.

REPRESENTATIVE ORTIZ replied he couldn't speak for the sponsor of the amendment.

[3:05:02 PM](#)

At ease

[3:06:26 PM](#)

CHAIR COSTELLO reconvened the meeting and asked Ms. Mitchell why classics and games of skill and chance must come before the legislature for authorization. She also asked if the administration had any concerns with the Senate CRA amendment.

[3:07:15 PM](#)

KATRINA MITCHELL, Gaming Group Manager, Tax Division, Department of Revenue, Juneau, Alaska, explained that statute defines a variety of classics. Some like the Nenana Ice Classic are

limited to certain organizations while others like the Crane Classic are open to any organization.

CHAIR COSTELLO asked how many communities or organization have taken advantage of the Crane Classic authorization.

MS. MITCHELL said the Crane Classic is defined as a game of chance in which a money prize is awarded for the closest guess of the arrival time of the first Sandhill Crane to a specific location. Any organization that holds a gaming permit can conduct a Crane Classic. Other classics such as the Cabbage Classic, the Deepfreeze Classic, and the Goose Classic statutorily limit the authority to conduct the classic to a certain organization. Any organization that holds a gaming permit could choose to hold a classic every year, if it is not specific to an organization.

CHAIR COSTELLO asked if the Greater Ketchikan Chamber of Commerce currently holds a gaming permit or if the bill gives permission to hold that classic.

MS. MITCHELL said she presumes the chamber already holds a gaming permit to hold yearly raffles. Should the bill pass, they would check "raffle and race classic" on the annual permit request.

CHAIR COSTELLO asked if she would advise the committee to limit the scope of the proposed race classic. She thought she understood the rationale for the amendment but doing it in the bill may complicate matters.

MS. MITCHELL said just nonprofit organizations and municipalities are authorized to apply for and hold a gaming permit, which limits the field of participants. About 1,000 permits are issued a year. Expanding the field means that more than one organization that holds a gaming permit would be allowed to put on a race classic if it wanted to.

SENATOR MICCICHE stated support for adopting version A that passed the House.

CHAIR COSTELLO polled members and determined there was no objection to returning to HB 18, 30-LS0199\A.

CHAIR COSTELLO opened public testimony on HB 18, version A.

[3:14:16 PM](#)

CHELSEA GOUCHER, President, Board of Directors, Greater Ketchikan Chamber of Commerce, Ketchikan, Alaska, stated that HB 18 would be a great help to Ketchikan Chamber. It is primarily funded through membership and works with a budget of under \$200,000. She cited the important work underway by the chamber including maritime workforce development, an initiative regarding health care pricing transparency, resource development in timber and mining sectors and most recently an initiative to attract tech workers to Ketchikan and Southeast generally. HB 18 would help the chamber capitalize on the non-motorized boat race between Port Townsend, Washington and Ketchikan, Alaska. It's a race that has already garnered national attention for adventure and sport enthusiasts.

SENATOR MEYER offered his understanding that the Ketchikan Chamber didn't care which version of HB 18 passes.

MS. GOUCHER clarified that the Ketchikan Chamber asked the sponsor to put forward the original version.

[3:17:13 PM](#)

CHAIR COSTELLO found no one else who wished to comment and closed public testimony on HB 18.

[3:17:18 PM](#)

At ease

[3:17:47 PM](#)

CHAIR COSTELLO reconvened the meeting.

[3:17:52 PM](#)

SENATOR MEYER moved to adopt HB 18, 30-LS0199\A as the working document.

CHAIR COSTELLO found no objection and version A was adopted.

[3:18:14 PM](#)

SENATOR MEYER moved to report HB 18, 30-LS0199\A, from committee with individual recommendations and attached fiscal note(s).

[3:18:30 PM](#)

CHAIR COSTELLO found no objection and announced that HB 18, version A, moves from the Senate Labor and Commerce Standing Committee. She noted the fiscal note would change in the next committee of referral, if needed.

[3:18:44 PM](#)

There being no further business to come before the committee, Chair Costello adjourned the Senate Labor and Commerce Standing Committee meeting at 3:07 p.m.