

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

February 23, 2017

1:30 p.m.

MEMBERS PRESENT

Senator Bert Stedman, Chair
Senator Click Bishop
Senator David Wilson
Senator Dennis Egan

MEMBERS ABSENT

Senator Anna MacKinnon

COMMITTEE CALENDAR

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 50

"An Act relating to fees for the sale or installation of studded tires; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 50

SHORT TITLE: INCREASE STUDED TIRE FEE

SPONSOR(s): SENATOR(s) GIESSEL

02/06/17	(S)	READ THE FIRST TIME - REFERRALS
02/06/17	(S)	TRA, FIN
02/15/17	(S)	SPONSOR SUBSTITUTE INTRODUCED-REFERRALS
02/15/17	(S)	TRA, FIN
02/23/17	(S)	TRA AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

KARI NORE, Staff
Senator Cathy Giessel
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis of SB 50.

LANCE MEARIG, Chief Engineer

Department of Transportation and Public Facilities (DOTPF)
POSITION STATEMENT: Presented information related to SB 50.

JAMES HARPSTER, representing himself
Palmer, Alaska
POSITION STATEMENT: Testified in opposition to SB 50.

ANNETTE HARPSTER, representing herself
Palmer, Alaska
POSITION STATEMENT: Testified in opposition to SB 50.

JUDY SNYDER, Owner
Diversified Tire, Inc.
Wasilla, Alaska
POSITION STATEMENT: Testified in opposition to SB 50.

DAVE SNYDER, Owner
Diversified Tire, Inc.
Wasilla, Alaska
POSITION STATEMENT: Testified in opposition to SB 50.

STEVEN WORTHAM, Business Owner
Alyeska Tire
Kenai, Alaska
POSITION STATEMENT: Testified in opposition to SB 50.

FRANKLIN WORTHAM, Business Owner
Alyeska Tire
Kenai, Alaska
POSITION STATEMENT: Testified in opposition to SB 50.

RICHARD NORDNESS, Executive Director
NW Tire Dealers Association
Seattle, Washington
POSITION STATEMENT: Testified in opposition to SB 50.

GARY WESSEL, Manager
Bruno Wessel, Inc.,
Elmsford, New York
POSITION STATEMENT: Testified in opposition to SB 50.

DAVID NEES, representing himself
Anchorage, Alaska
POSITION STATEMENT: Testified in opposition to SB 50.

ED MARTIN, Partner
Key Construction

Cooper Landing, Alaska

POSITION STATEMENT: Testified in opposition to SB 50.

ACTION NARRATIVE

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CHAIR BERT STEDMAN called the Senate Transportation Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Bishop, Wilson, Egan, and Chair Stedman.

SB 50-INCREASE STUDED TIRE FEE

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CHAIR STEDMAN announced the consideration of SB 50.

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SENATOR CATHY GIESSEL, Alaska State Legislature, sponsor, presented SB 50, thanked the committee for hearing the bill. She said SB 50 would institute an increase in the fees for the use of studded tires. Alaska's road system is critical for our Alaskan families, businesses and jobs. Children travel on highways every day to and from school; workers commute; and businesses transport their merchandise and countless products. Everyone depends on roads regardless of the weather or the season. The effectiveness and safety of the road system affects every Alaskan.

She defined the problem SB 50 addresses - road ruts, which pose significant dangers to Alaskans. The major contribution to these ruts are studded tires used during the winter. The ruts are worse in high-speed, high-traffic areas where some of the most serious accidents occur. She named the Glenn and Seward Highways as having significant ruts. She described the danger of having ruts in the road, especially when changing lanes. In the summer the ruts fill with water.

She understood that it costs about \$1 million per mile to repair the rutting on a two-lane stretch of highway.

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SENATOR GIESSEL related that in 2002 Alaska did a study and then imposed a studded tire fee in 2004. At a rate of \$5 per tire, in FY2016 it generated about \$400,000, not near the cost of repairing roads.

She addressed what other states do. The four states around the Great Lakes - Michigan, Wisconsin, Minnesota, and Illinois -

have banned studded tires, as has Ontario, Canada. She said Japan has also banned studded tires due to the air pollution caused by the tires.

She stressed that SB 50 is not about banning studded tires. There is a solution that will work for Alaska; to increase the user fee. She provided examples of other user fees, such as the State Parks Division's park fees, and hunting and fishing license fees.

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SENATOR GIESSEL spoke of new technology studless tires. She referred to studies in members' packets from states that have found that these tires perform as well, or better than studded tires. The study from Washington State includes 16 conclusions drawn from tests done in Alaska.

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She brought up the cost of studded tires versus the new technology tires. She maintained that the cost, overall, is the same. The increased fee in the bill will be allocated to the Department of Transportation and Public Facilities (DOTPF) for road maintenance and repair.

She defended the bill as a conservative bill. She emphasized that the bill is not a ban on studded tires, but a user fee.

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KARI NORE, Staff, Senator Cathy Giessel, Alaska State Legislature, presented the sectional analysis of SB 50:

Section 1: Amends AS 43.97.025(b)

This section amends the current statute in 3 ways. It first increases the studded tire user fee from \$5 to \$50, it reduces the weight of studs that fall under this fee from 1.1 grams to 0.5 grams. It also ensures that all tires sold through online retailers for use in Alaska are subject to this fee.

Section 2: Adds a new subsection under AS 43.98.025
This section creates a new subsection (i) to establish legislative intent that the funds generated from this fee will be directed back to the Department of Transportation for the repair and maintenance of state maintained roads. It does not create a dedicated fund.

Section 3: Adds a new section into the uncodified law of the State of Alaska

This section outlines that the act will apply to all tire sales and stud installations on or after the effective date.

Section 4: Effective Date

This Act would take effect on July 1, 2017.

CHAIR STEDMAN thanked the sponsor.

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LANCE MEARIG, Chief Engineer, Department of Transportation and Public Facilities (DOTPF), presented information related to SB 50.

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MR. MEARIG provided definitions found in the bill. Pavement ruts are longitudinal depressions in the wheel paths. High traffic volume, high speed roads are more prone to studded tire damage. He listed roads susceptible to ruts: Glenn Highway, Seward Highway, Minnesota Drive, all in Anchorage, and Egan Drive in Juneau.

He showed a picture of rutting evidence caused by studded tires.

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SENATOR WILSON asked if the tires on the compact car in the picture fit the ruts.

MR. MEARIG noted there are a range of vehicle sizes. He clarified that it is basically light duty cars, trucks, and SUVs, that use studded tires.

MR. MEARIG showed a photo of Eagle River Loop Road pavement sampling with 13,000+ vehicles per day. The base material is flat, and the rutting exists only in the pavement.

MR. MEARIG noted that intersections and corners with heavy vehicle use results in deformed pavement in warm weather.

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MR. MEARIG showed a map of states that have restrictions and prohibitions for studded tires. Alaska has a prohibition on the

weight of studs over 1.1 grams. The bill proposes to change that to .5 grams.

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SENATOR BISHOP asked when the asphalt was laid and what the mix design of the asphalt on the road is.

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MR. MEARIG offered to get back to the committee with that information.

He turned to safety and environmental issues related to ruts made from studded tires on icy, dry, and wet roads. Studded tire use on bare pavement generates dust.

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MR. MEARIG related what DOTPF does to address rut damage. He explained that rut depth of 1/2 inch triggers a project to address rut repair; usually a 2-year turnaround to bid-ready plans. A typical fix: mill-and-fill in travel lanes. DOT does have a hard aggregate policy; it stipulates the use of a harder aggregate in the asphalt mix when the traffic volume exceeds 5,000 vehicles per lane in areas prone to stud use. He addressed potential fixes such as micro surfacing - a mix of aggregate, polymerized asphalt, and water that is used to fill ruts using special paving equipment. Within two hours the road is open to traffic.

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MR. MEARIG addressed winter driving issues. He spoke of automobile and tire technology improvements which make winter driving safer. There are a limited range of conditions in which studded tires outperform alternatives. On packed snow conditions and icy surfaces, studded tires are better.

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CHAIR STEDMAN recalled that several years ago there was discussion about using harder aggregate. He asked if it was successful and if the bill relates to that.

MR. MEARIG thought the policy was in effective in 2013 or 2014. Harder aggregate has been tested on Egan Drive in Juneau and on Tudor Road in Anchorage, both having positive results. He noted that there is difficulty finding sources for the mix and there are higher costs associated with hard aggregate.

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SENATOR EGAN recalled that when Egan Drive was repaved it lasted a long time; the aggregate came out of Washington and Southern British Columbia. He asked whether Alaska has sources of hard aggregate.

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MR. MEARIG replied that there are two sources near Cantwell, Alaska.

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SENATOR EGAN thought those would be less expensive.

MR. MEARIG said there is some discussion about that. Two projects on the Glenn Highway are currently using Cantwell aggregate.

SENATOR EGAN asked if the new polymerized mix would be equal to or better than the hard aggregate.

MR. MEARIG explained that the polymerized mix is a quick, short-term, less expensive fix.

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SENATOR WILSON asked how many vehicles have studded tires.

MR. MEARIG said he did not know but the department will start to research that shortly.

SENATOR WILSON noted different types of studs and asked about their impact.

MR. MEARIG said the heavier the stud, the more damage it will cause.

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SENATOR WILSON related that he commutes to Anchorage and opined that the Department of Transportation and Public Facilities (DOTPF) has problems with pavement materials used to repair the road causing more damage than studs. He asked about other causes of road wear.

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MR. MEARIG replied that traffic alone causes road damage, but studded tires accelerate the damage considerably. He said DOT has done a measurement of performance and can designate normal wear without studs and compare it to the Glenn Highway.

SENATOR WILSON referred to the motor fuel tax which provides no increase in services. He asked if there will be an increase in road repairs due to this feed or less damage to roads due to fewer people purchasing studded tires.

MR. MEARIG said he did not have that information.

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SENATOR BISHOP said he used to drive the Glenn Highway three days a week and he used to "split his tracks". He suggested that to extend pavement life, the department might educate the public to drive outside the ruts. He said inevitably the road will rut.

CHAIR STEDMAN asked Mr. Mearig to get back to the committee on DOT's expectations on what is causing road wear, the cost benefit of harder aggregate, and what sources might be available to extend road life.

He spoke of maintenance catch-up being an endless circle.

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MR. MEARIG pointed out that DOT studies show it is more cost-effective to use the hard aggregate. He offered to provide further information.

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CHAIR STEDMAN opened public testimony on SB 50.

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JAMES HARPSTER, representing himself, testified in opposition to SB 50. He referred to several articles that maintained that high taxes on studded tires are not cost effective. He asked them not to tax the people.

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ANNETTE HARPSTER, representing herself, testified in opposition to SB 50. She suggested the aggregate is the problem and a harder mix needs to be used. She opined that the people who use studded tires should not be penalized.

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JUDY SNYDER, Owner, Diversified Tire, Inc., testified in opposition to SB 50. She provided examples when studded tires are needed. She stated that studded tires are needed for safety purposes by reducing the number of car crashes, they save auto insurance costs, and save the state money. She encouraged law enforcement to enforce studded tire laws.

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DAVE SNYDER, Owner, Diversified Tire, Inc., testified in opposition to SB 50. He stated that removing studded tires would result in roads that are polished. He suggested rubber tires be used on highways. He questioned whether Cantwell aggregate was ever used on the highways. He said heavy-duty studded tires are available everywhere and are not outlawed.

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STEVEN WORTHAM, Business Owner, Alyeska Tire, testified in opposition to SB 50. He encouraged DOT to research the technology other countries use to increase traction. He did not know about the existence of a .5 gram stud. He voiced concern that the tax is a short-term quick fix. He said a June 2017 implementation of the tax presents a burden on his business.

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FRANKLIN WORTHAM, Alyeska Tire, testified that he concurs with Steven Wortham's comments.

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RICHARD NORDNESS, Executive Director, Northwest Tire Dealers Association, testified in opposition to SB 50. He said tire dealers have the responsibility to provide customers with the best safety for winter driving. He thought the added expense of the tax was unfair to tire companies and the elderly. He referred to a University of Alaska study on studded tires that concluded that studded tires have a positive financial impact on the economy. He noted that tire technology has improved, but manufacturers believe a studless tire needs some additional help. The studless tire improves vehicle surface traction on icy roads, but is not as good as a studded tire, according to a study in Washington State.

GARY WESSEL, Manager, Bruno Wessel, Inc., testified in opposition to SB 50. He said his company is a supplier of studs to North America, including Alaska. All areas with winter driving conditions have had conversations about studded tires and road rutting. He maintained that all vehicles contribute to road ruts, especially heavy vehicles.

MR. WESSEL corrected several of the sponsor's statements. He maintained that there is not a single study that shows a studless tire provides better traction than a studded tire. Consumer Report does not test studded tires. He said Japan reports that the increase in air pollution is more due to increased sanding

of the roads after tire studs were banned. He was against the idea that tires were being taxed because of safety reasons.

He continued to say that the tax is going to increase costs to the consumer and insurance rates will go up due to an increase in accidents. He offered to share the data he has from being in the tire stud industry for 40 years.

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DAVID NEES, representing himself, testified in opposition to SB 50. He pointed out that there are no fiscal notes to address how the tax will be applied. He asked how the tax would be spent by DOT for resurfacing. He noticed that in the summer drivers are still driving with studded tires on and he suggested enforcing the law. He concluded that he is against the increase in the cost of studded tires.

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ED MARTIN, Partner, Key Construction, testified in opposition to SB 50. He discussed the safety issues and maintained that ruts are caused by heavy trucks and soft asphalt pavement. He made suggestions for DOT and how to earn revenue for the state.

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CHAIR STEDMAN closed public testimony on SB 50.

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CHAIR STEDMAN asked about the availability of stud sizes.

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SENATOR GIESSEL offered to provide that information.

CHAIR STEDMAN asked DOT to get back to the committee on their questions.

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SENATOR BISHOP referred to a caller from Wasilla and said he believed that aggregate is moved by rail, not highway.

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CHAIR STEDMAN noted the short life of asphalt has been a big concern the last several years.

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SENATOR GIESSEL pointed out that road construction science advances every year. She asked DOT to consider aggregate sources in Juneau, to provide information about spring road weight

restrictions, and to respond to the question whether rubberized asphalt has been tested in Alaska.

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She noted the number of studded tires in use in Alaska is about 10-20 percent, according to the Department of Revenue's totals from the \$5 fee. She emphasized that this is a fee, not a tax. She referred to the statute in members' packets that addresses the tire fee.

She offered that Alaska State Troopers use the new technology tires. When she refers to studless tires, she is referring to two brands of a softer rubber tire. She referred to the Washington State Summary on the new softer tire.

She addressed current testing in Anchorage on high friction surfaces at intersections designed to grip tires and assist with stopping and accelerating. She requested that DOT provide information on that testing.

She concluded that studded tires affect driver behavior, affording a sense of power and causing overdriving.

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CHAIR STEDMAN suggested the sponsor work with DOT for the answers to those questions.

He held SB 50 in committee for future consideration.

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There being no further business to come before the committee, Chair Stedman adjourned the Senate Transportation Standing Committee at 2:43 p.m.