

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

March 24, 2023

1:33 p.m.

**MEMBERS PRESENT**

Senator Jesse Bjorkman, Chair  
Senator Click Bishop, Vice Chair  
Senator Elvi Gray-Jackson  
Senator Kelly Merrick  
Senator Forrest Dunbar

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 89

"An Act relating to tobacco, tobacco products, electronic smoking products, nicotine, and products containing nicotine; raising the minimum age to purchase, sell, exchange, or possess tobacco, a product containing nicotine, or an electronic smoking product; relating to the taxation of electronic smoking products and vapor products; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 51

"An Act exempting veterinarians from the requirements of the controlled substance prescription database; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 93

"An Act relating to claims against protection and indemnity insurance policies of vessel owners; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 89

SHORT TITLE: AGE FOR TOBACCO/NICOTINE/E-CIG; TAX E-CIG  
SPONSOR(s): SENATOR(s) STEVENS

03/01/23 (S) READ THE FIRST TIME - REFERRALS  
03/01/23 (S) L&C, FIN  
03/24/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 51

SHORT TITLE: CONTROLLED SUB. DATA: EXEMPT VETERINARIAN  
SPONSOR(s): SENATOR(s) TOBIN

02/01/23 (S) READ THE FIRST TIME - REFERRALS  
02/01/23 (S) HSS, L&C  
02/28/23 (S) HSS AT 3:30 PM BUTROVICH 205  
02/28/23 (S) Heard & Held  
02/28/23 (S) MINUTE(HSS)  
03/09/23 (S) HSS AT 3:30 PM BUTROVICH 205  
03/09/23 (S) Moved SB 51 Out of Committee  
03/09/23 (S) MINUTE(HSS)  
03/10/23 (S) HSS RPT 5DP  
03/10/23 (S) DP: WILSON, TOBIN, KAUFMAN, DUNBAR,  
GIESSEL  
03/24/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 93

SHORT TITLE: FISHERMEN'S FUND: VESSEL OWNER CLAIMS  
SPONSOR(s): LABOR & COMMERCE BY REQUEST

03/08/23 (S) READ THE FIRST TIME - REFERRALS  
03/08/23 (S) L&C  
03/24/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

SENATOR GARY STEVENS, District C  
Alaska State Legislature  
Juneau, Alaska  
**POSITION STATEMENT:** Sponsor of SB 89.

TIM LAMKIN, Staff  
Senator Gary Stevens  
Alaska State Legislature  
Juneau, Alaska  
**POSITION STATEMENT:** Gave a presentation on SB 89.

KAREN BLOXSOM, Assistant Principal  
Wasilla High School

Wasilla, Alaska

**POSITION STATEMENT:** Offered invited testimony on SB 89.

KATIE STEFFENS, Deputy Program Manager

Tobacco Prevention Control Program

Division of Public Health

Department of Health

Anchorage, Alaska

**POSITION STATEMENT:** Offered invited testimony on SB 89.

JOE DARNELL, Chief Investigator

Tobacco Enforcement Program

Division of Behavioral Health

Department of Health (DOH)

Anchorage, Alaska

**POSITION STATEMENT:** Offered invited testimony on SB 89.

BRANDON SPANOS, Deputy Director

Tax Division

Department of Revenue (DOR)

Anchorage, Alaska

**POSITION STATEMENT:** Provided an explanation of the DOR fiscal note for SB 89.

SENATOR LÖKI TOBIN, District I

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 51.

TREVOR BAILLY, Staff

Senator Löki Tobin

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Presented the sectional analysis for SB 51.

DR. RACHEL BERNGARTT, Chair

Board of Veterinary Examiners

Juneau, Alaska

**POSITION STATEMENT:** Presented a slideshow on exempting veterinarians from the prescription drug monitoring program during the hearing on SB 51.

LAURA ACHEE, Staff

Senator Jesse Bjorkman

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Reviewed the explanation of changes for the CS for SB 51 from version A to version B.

DR. CIARA VOLLARO, Member  
Alaska Board of Veterinary Examiners  
Department of Commerce, Community and Economic Development  
Anchorage, Alaska

**POSITION STATEMENT:** Provided invited testimony on SB 51.

LAURA ACHEE, Staff  
Senator Jesse Bjorkman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced SB 93 on behalf of the Senate Labor and Commerce Committee and presented the sectional analysis.

CHARLES COLLINS, Director  
Workers' Compensation Division and the Fishermen's Fund  
Department of Labor and Workforce Development (DOLWD)  
Juneau, Alaska

**POSITION STATEMENT:** Provided information about the Alaska Fishermen's Fund during the hearing on SB 93.

VELMA THOMAS, Program Coordinator and Administrator  
Fishermen's Fund Advisory and Appeals Council  
Division of Workers' Compensation  
Department of Labor and Workforce Development (DOLWD)  
Juneau, Alaska

**POSITION STATEMENT:** Gave invited testimony on SB 93.

TRACY WELCH, Executive Director  
United Fishermen of Alaska  
Petersburg, Alaska

**POSITION STATEMENT:** Testified in support of SB 93.

JERRY MCCUNE, President  
Cordova District Fishermen United  
Cordova, Alaska

**POSITION STATEMENT:** Testified in support of SB 93.

## **ACTION NARRATIVE**

[1:33:20 PM](#)

**CHAIR JESSE BJORKMAN** called the Senate Labor and Commerce Standing Committee meeting to order at 1:33 p.m. Present at the

call to order were Senators Merrick, Gray-Jackson, Bishop, Dunbar, and Chair Bjorkman.

**SB 89-AGE FOR TOBACCO/NICOTINE/E-CIG; TAX E-CIG**

[1:34:02 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 89 "An Act relating to tobacco, tobacco products, electronic smoking products, nicotine, and products containing nicotine; raising the minimum age to purchase, sell, exchange, or possess tobacco, a product containing nicotine, or an electronic smoking product; relating to the taxation of electronic smoking products and vapor products; and providing for an effective date."

This was the first hearing of SB 89. Chair Bjorkman invited Senator Gary Stevens to introduce his bill.

[1:34:48 PM](#)

SENATOR GARY STEVENS, District C, Alaska State Legislature, Juneau, Alaska, Sponsor of SB 89, paraphrased from the following sponsor statement:

***SPONSOR STATEMENT***  
**SENATE BILL 89**

*Increasing the Minimal Age for Tobacco and E-Cigarettes: "T-21"*

Senate Bill 89 proposes two key policies: 1) to align state law with federal law in raising the minimum age to buy, sell or possess tobacco and electronic smoking products (ESPs) from age 19 to 21; and 2) to establish a sales tax for ESPs.

In December 2019, Congress passed and the President signed into law a provision raising the age of sale for all tobacco, nicotine and ESP products to age 21 nationally \*with no exceptions\*.

Preventing illegal vendor sales is a critical part of the overall effort to prevent and reduce youth smoking. Alaska has an active underage sales enforcement program which has been effective in reducing sales of smoking products to minors. Updating Alaska statutes from 19 to 21 to mirror the federal minimum age of sale of these products will allow the state enforcement program to be effective.

The latest "Tobacco Facts 2022 Update" issued by the Alaska Dept. of Health, Division of Public Health shows an increasing trend among young Alaskans in high school, indicating 26 percent of the statewide population as active users of ESPs in 2019 alone, and 46 percent of students having "tried" ESPs. Those statewide figures, along with national ones, are projected to have grown substantially since then.

Despite claims that e-cigarettes help adults quit smoking, or offer adults a "safe" alternative to smoking tobacco, ESPs are under-regulated and have not been found by the Food and Drug Administration (FDA) to be effective in helping smokers actually quit, let alone to be legitimately "safe." Nearly all e-cigarettes contain some amount of nicotine, and some contain as much or more nicotine as a pack of cigarettes. It is not yet known with any certainty what other compounds these vapor products are delivering into users' airways, let alone the long-term effect these products have on human health.

Meanwhile, taxes have been proven to reduce youth tobacco use, resulting in fewer kids becoming lifelong smokers, and thus ultimately reducing healthcare costs. In addition to deterring kids from beginning to use these products, taxes help adults who actually want to quit, do so.

Thank you for your consideration of this important piece of legislation.

[1:37:36 PM](#)

TIM LAMKIN, Staff, Senator Gary Stevens, Alaska State Legislature, Juneau, Alaska, gave a presentation on SB 89.

MR. LAMKIN began the E-Cigarette presentation with slide 1, with the explanation that SB 89 would align Alaska's state law with federal law.

E-cigarettes, emerged in the United States in 2005-2007, though they were originally patented during WWII. The decline of cigarette use has since caused the e-cigarette market to explode. He described the components of an e-cigarette, explaining that a battery is used to heat up a liquid containing nicotine, flavoring, and a broad swath of chemicals. Users

inhale the aerosol into their lungs. E-cigarettes typically consist of a few basic parts: a cartridge or reservoir, a heating element such as a battery, and a mouthpiece.

A substantial part of the market consists of closed-unit e-cigarettes, intended to be used and then thrown away. These disposable e-cigarettes are inexpensive and readily available in convenience stores. Open-unit e-cigarettes can be taken apart and the components are replaceable and customizable.

MR. LAMKIN advanced to slide 2, "Cigarette Marketing." He said e-cigarette manufacturers have secured their position in the foreseeable market by using old tobacco marketing techniques. Promoting the modern e-cigarette by mirroring fashionable vintage tobacco advertisements has been exceedingly effective. These marketing methods are unregulated. For instance, unlike tobacco, e-cigarette commercials play freely on public radio stations. Marketing tactics include highlighting celebrity use of e-cigarettes, also known as vaping, aligning the product with sex appeal and coolness.

MR. LAMKIN advanced to slide 3, "Social Media - Instagram/Twitter/YouTube." He explained that e-cigarette companies manage a wide and diverse network of brand promotions and campaigns across popular social media platforms. This kind of messaging from influencers has resulted in a substantial population of parents and kids who believe that these products are safe.

MR. LAMKIN advanced to slide 4, "Recent Confiscations." The slide provided images, and he brought examples of confiscated e-cigarette products, to illustrate their portability and ease of discretion. In addition, he recently surveyed educators about e-cigarettes to gather a sampling of raw data on the public consensus and found that e-cigarette use is a problem across the state.

[1:45:32 PM](#)

MR. LAMKIN advanced to slide 5, "Sample Disposable Vaping Product Pricing - January 2023."

[1:45:58 PM](#)

MR. LAMKIN advanced to slide 6, "Cigs in a Pod." He discussed how e-cigarettes compare to traditional cigarettes. The average price of a pack of cigarettes was \$16. There are 7.5 puffs per cigarette, so there are 150 puffs in a pack of 20 cigarettes. The inherent value of smoking is the satisfaction of inhaling

each puff; that value is then quantified at 11 cents per puff. E-cigarettes can have 1900-5000 hits in a single pod. In a JUUL pod, which sells for \$24, one puff is 2 cents. When purchased online that drops to 0.5 cents per puff. Though some may argue that this tax might be too high, he posited that it may not be high enough.

[1:48:59 PM](#)

MR. LAMKIN advanced to slide 7, 1994 The "Waxman Hearings." After 50 years, the leading CEOs in the United States stood up under oath on record before Congress and avowed that nicotine and tobacco products were neither addictive nor harmful to consumers.

Tobacco and e-cigarette industry manufacturers are presently claiming that their products are safe, non-addictive, and non-toxic.

He said that e-cigs might be a pathway to quitting smoking traditional cigarettes. However, these e-cigarettes are not outright safe and do not end addiction; they merely replace the delivery system.

An 18-year-old can join the military, but cannot use tobacco or e-cigarette products on the base; recruits need to be healthy enough to perform physical activity without losing their breath.

MR. LAMKIN relayed a personal story about his father passing away from lung cancer, intimating that he wanted to protect his son from the same fate.

[1:52:12 PM](#)

SENATOR DUNBAR commented that when the Anchorage Assembly passed a similar ordinance, there were 19- and 20-year-olds who were going to be put out of work. He asked Mr. Lamkin whether a 19-year-old who worked at a gas station that happened to sell e-cigarettes would lose their job if SB 89 passed.

[1:53:24 PM](#)

MR. LAMKIN referred to the text on page 22, lines 19-22 and said, "grandfathering is specifically included in this bill as a result of a compromise."

SENATOR DUNBAR offered his understanding of the answer.

MR. LAMKIN clarified that employees of establishments that sell e-cigarettes and tobacco products who are 19 and 20 years old on

the date the bill becomes effective may continue working at those jobs.

SENATOR DUNBAR asked if that was only for the tobacco shops or all places that may sell these products.

MR. LAMKIN answered yes, however, when a vendor sells these products, especially with alcohol sales, a manager will step in to execute the transaction.

[1:55:10 PM](#)

CHAIR BJORKMAN segued to invited testimony.

[1:55:41 PM](#)

KAREN BLOXSOM, Assistant Principal, Wasilla High School, Wasilla, Alaska, offered invited testimony on SB 89, declaring that the number of students caught vaping or in possession of a vape is on the rise each year. Students start to vape in middle school and are addicted by the time they are first-year students in high school. The Wasilla Police Department has given out 31 citations for students caught vaping. Students in the Mat-Su school district who are caught vaping a second time are given a \$500 citation.

More students are choosing to get nicotine from vapes because of the flavoring. They do not realize they are inhaling more nicotine in a day from a vape than if they smoked a pack of cigarettes. Most students tell her that they would never smoke cigarettes, but they would use a vape or an e-cigarette if there weren't the threat of citation.

[1:57:35 PM](#)

KATIE STEFFENS, Deputy Program Manager, Tobacco Prevention Control Program, Division of Public Health, Department of Health, Anchorage, Alaska, offered invited testimony on SB 89, speaking to how tobacco and nicotine products affect Alaskan youth and proven strategies for preventing youth from starting use of such products and reducing their current use.

Tobacco is the leading cause of preventable death in Alaska. Smoking is linked to about 600 deaths each year. Alaska loses an estimated \$400 million because of smoking-related illness effects on workers unable to perform their duties.

There is an ongoing epidemic of e-cigarette use. According to the 2019 Alaska Youth Risk Behavior Survey, one out of four high school students in Alaska were using e-cigarettes and almost

half had tried them. Only one in twenty adult Alaskans use these products. The National Youth Tobacco Survey indicated that in 2022, 2.5 million youths nationwide were using e-cigarettes.

During the 2021-22 school year, there were 964 tobacco-related suspensions among students in grades 1-12. The number of suspensions has increased 232 percent since the 2015-16 school year.

She stated that increasing the price of tobacco products is the single most effective way to prevent initiation and reduce consumption. Young adults are more likely to respond to price increases on tobacco products, which prove even more effective when implemented in combination with other strategies such as increasing the minimum legal age to purchase tobacco and e-cigarette products.

She stated that SB 89 includes both approaches and creates additional protection for youth by restricting online sales, implementing age verification when transporting products, and limiting nicotine content in e-cigarette devices.

2:01:12 PM

JOE DARNELL, Chief Investigator, Tobacco Enforcement Program, Division of Behavioral Health, Department of Health (DOH), Anchorage, Alaska, offered invited testimony on SB 89. Pulling from his field experience, he posited that the state should increase the minimum legal age for using tobacco products from 19 to 21 to make the law fair to retailers. Some retailers are opting not to enforce the federal age requirement that e-cigarette purchasers be 21 years of age; they are only enforcing the state law at 19 years of age. Increasing the minimum legal age would also make it easier for retailers to verify identification. State driver's licenses are set up so that if the holder is over 21 the license has a horizontal layout; a vertical layout gives them heads up to thoroughly check the identification.

The division collaborates with schools around the state. He received a call from Dillingham saying that there is an increase in vape products. A state trooper told him that schools on Prince of Wales Island are being inundated with vape products and they don't know what to do with them.

He emphasized the importance of getting together the key stakeholders, such as the legislature, national partners,

schools, and retailers. He said it comes down to working together to protect Alaska's youths.

[2:04:10 PM](#)

BRANDON SPANOS, Deputy Director, Tax Division, Department of Revenue (DOR), Anchorage, Alaska, provided an explanation for DOR's fiscal note for SB 89. The tax would generate \$3.2 million in FY24, and \$3.3 million in FY25. The division anticipates growth in the market. He explained that the cost to implement the tax is high because SB 89 is a new kind of bill and additional personnel will be required.

[2:06:20 PM](#)

CHAIR BJORKMAN asked him to speak about the ease of using the point-of-sale system to implement the tax on the retail level.

MR. SPANOS replied that most retailers would have point-of-sale software that includes a tax line. The retailer would insert the tax rate for the product, the software would calculate the tax, and the retailer would collect the tax. The department's online system is robust and by January 2024 taxpayers will be able to file tax returns online, including new taxes like this one.

[2:07:59 PM](#)

CHAIR BJORKMAN announced the committee will not take public testimony or hear the sectional analysis today. He held SB 89 in committee.

[2:08:34 PM](#)

At ease.

**SB 51-CONTROLLED SUB. DATA: EXEMPT VETERINARIAN**

[2:10:14 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 51 "An Act exempting veterinarians from the requirements of the controlled substance prescription database; and providing for an effective date."

[2:10:43 PM](#)

SENATOR LÖKI TOBIN, District I, Alaska State Legislature, Juneau, Alaska, sponsor of SB 51, paraphrased the following sponsor statement:

[Original punctuation provided.]

In 2008, in response to the nationwide opioid epidemic, the Alaska State Legislature created the Prescription Drug Monitoring Program (PDMP). This program created a database of prescriptions for controlled substances in Alaska, with the stated intent was to place obstacles in front of individuals seeking opioids from multiple providers. In 2016, the Legislature expanded the program to include veterinarians. Unfortunately, the program failed to account for the major differences between the practice of human medicine and veterinary medicine. SB 51 addresses this conflict by exempting veterinarians from the Prescription Drug Monitoring Program.

Eliminating the requirement for veterinarians in Alaska to use the PDMP does not cause deregulation. Veterinarians will continue to be covered by federal statutes and regulated by the Drug Enforcement Agency (DEA) and the Alaska Board of Veterinary Examiners. Additionally, provisions in state statute will continue to limit the number of opioids a veterinarian can prescribe to a seven-day prescription, with two exceptions. Those exceptions are if the prescription is part of long-term chronic care, or if there is logistical or travel barrier to returning within seven days.

Prescription drug monitoring is not unique to Alaska. All 50 states have some variation of prescription drug monitoring, with over 30 states exempting veterinarians. Previously, 10 of those states mandated veterinarians be part of prescription drug monitoring efforts; however, those states soon realized that including veterinarians had no clear benefit. Instead, these states found that including veterinarians in their prescription drug monitoring programs placed unnecessary time-consuming barriers on those who practice veterinary medicine. In Alaska, the PDMP fails to be effective because animal patients do not have identifiers such as social security numbers. As a result, veterinarians must try to get the private health data of those who seek care for their animals prior to treating the animal. This is both inefficient and an invasion of privacy.

Senate Bill 51 seeks to correct an overexpansion of the Prescription Drug Monitoring Program to ensure continued access to veterinary care in Alaska.

[2:13:51 PM](#)

TREVOR BAILLY, Staff, Senator Löki Tobin, Alaska State Legislature, Juneau, Alaska, presented the sectional analysis for SB 51.

[Original punctuation provided.]

**Senate Bill 51**  
**"Controlled Substances Data Exemption for**  
**Veterinarians"**  
**Version: 33-LS0339\A**

*Section 1*

Deletes the requirement that the Board of Veterinary Examiners to notify the Board of Pharmacy when a practitioner registers with the controlled substance prescription database.

*Section 2*

Creates a new subsection in the controlled substance prescription database statutes that exempts veterinarians from the requirements of the controlled substance prescription database.

*Section 3*

Repeals the subsection that requires veterinarians register with the controlled substance prescription database.

*Section 4*

The act takes effect immediately upon passage.

[2:15:30 PM](#)

CHAIR BJORKMAN invited Dr. Bergartt to put herself on the record and begin her presentation.

[2:15:42 PM](#)

DR. RACHEL BERNGARTT, Chair, Board of Veterinary Examiners, Juneau, Alaska, presented a slideshow on exempting veterinarians from the prescription drug monitoring program during the hearing on SB 51.

DR. BERNGARTT displayed slides 2 and 3 and paraphrased the following:

**SB 51:** AN ACT **EXEMPTING** VETERINARIANS FROM THE REQUIREMENTS OF THE CONTROLLED SUBSTANCE PRESCRIPTION DATABASE.

THE ALASKA STATE VETERINARY MEDICAL ASSOCIATION (AKVMA) SUPPORTS SB 51.

THE ALASKA BOARD OF VETERINARY EXAMINERS (BOVE) SUPPORTS SB 51.

THE ALASKA BOARD OF PHARMACY **SUPPORTS** EXEMPTING VETERINARIANS FROM PARTICIPATING IN THE PDMP

2.18.2022 Board of Pharmacy Meeting  
Voted and Passed Motion to Support

[2:17:19 PM](#)

DR. BERNGARTT reviewed slide 4, "Background: The PDMP." It read:

2008: Alaska's PDMP established by SB 196.

2017: In reaction to growing opioid epidemic, the PDMP was amended by via HB 159 to include all DEA permit holders, including veterinarians.

Neither AKVMA nor BOVE were consulted regarding this amendment.

PDMP reporting is required for all actively licensed practitioners who hold a Federal Drug Enforcement Agency registration number and who prescribe, administer, or dispense federally scheduled II - IV controlled substances in the state.

DR. BERNGARTT reported that the Alaska State Medical Association expressed that it did not oppose exempting veterinarians from the Prescription Drug Monitoring Program (PDMP).

[2:18:25 PM](#)

DR. BERNGARTT spoke to the following points on slide 5, "Why It Makes Sense to Exempt." It read:

The PDMP is not an effective database for veterinarians or our patients.

- The PDMP was established for human medicine. Querying of PDMP data for animals is not possible with the PDMP (and reported drugs for an animal are not visible in the PDMP database).
- A query is made on the individual(s) that bring the animal to the veterinarian and human data is obtained, not animal data.
- Human data obtained from the PDMP query is not usable for the veterinarian. Veterinarians are not trained in human medicine to understand what the dosages mean.

[2:20:31 PM](#)

DR. BERNGARTT spoke to the following points on slide 6, "Why It Makes Sense to Exempt." It read:

Querying of human PDMP information is invasion into an individual's medical privacy.

- Clients find it intrusive when the veterinarian is required to query their private health data in the PDMP.
- An individual's private medication information becomes known to the veterinarian for certain drugs, such as narcotics, sedatives, and stimulants.

Examples of some common medications seen include, but are not limited to: Adderall, Ritalin, anabolic steroids such as testosterone, postpartum depression medications, sex hormones, Xanax, Klonopin, Valium, Ativan, Domar, and sleep aids like Ambien and Lunesta.

[2:21:58 PM](#)

DR. BERNGARTT spoke to the following points on slide 7, "Why It Makes Sense to Exempt." It read:

Veterinarians are monitored by the Drug Enforcement Agency and must adhere to controlled substance regulations.

- Veterinarians who prescribe or dispense controlled substances are licensed through the Drug Enforcement Agency (DEA). There is already a significant level of accountability, record keeping, and medication storage requirements that veterinarians must adhere to.
- Distributors of controlled substances monitor utilization patterns of veterinarians. The Suspicious Order Monitoring System is in place and data is gathered by distribution companies who are required by the DEA to monitor and report unusual purchase patterns a veterinarian may have. Distributors are required to flag purchases that fall outside of norms for either previous purchase history or the norms for practices of similar size/type. DEA oversight is to control/prevent diversion from licensed professionals to drug dealers and users.

[2:23:24 PM](#)

DR. BERNGARTT spoke to the following points on slide 8, "Why It Makes Sense to Exempt." It read:

33 other states have exempted veterinarians from participating in the PDMP.

- **10 states formerly mandated veterinary reporting but repealed their inclusion** due to the problems experienced, lack of identified benefits to veterinary participation, and demonstration that exempting veterinarians does not decrease protection of public health and safety. These states are Alabama, Arizona, Idaho, Illinois, Kansas, Kentucky, Louisiana, New Mexico, West Virginia (2021), and Wyoming.
- **Missouri was the last state to implement a PDMP in 2021 and did not require veterinarians to participate.**

[2:23:50 PM](#)

DR. BERNGARTT spoke to the following points on slide 9, "Why It Makes Sense to Exempt." It read:

Veterinarians are not a source of the drugs of primary concern.

**Synthetic opioids** excluding methadone overdose deaths **increased 97-fold**

**Psychostimulants with abuse potential** (primarily methamphetamine) overdose deaths **increased 59-fold**

**Cocaine** increased **6.4-fold**

**Rx opioid** deaths increased **4.9-fold**

Opioid medications prescribed by veterinarians (728,223) were **only 0.34%** of the total opioid prescriptions (214 million) that were dispensed by U.S. retail pharmacies in 2017.

[2:24:53 PM](#)

DR. BERNGARTT spoke to the following on slide 10, "Why It Makes Sense to Exempt." It read:

The unwieldy PDMP leads to costly and burdensome investigations of veterinarians by the Alaska Board of Veterinary Examiners.

Costly and onerous requirements for monitoring veterinarians have been placed on the board of veterinary examiners (BOVE).

[2:25:39 PM](#)

DR. BERNGARTT spoke to the following points on slide 11, "Why It Makes Sense to Exempt." It read:

Licensing fees for veterinarians will likely increase as a result of the cost to conduct needless investigations of veterinarians with DEA licenses. The cost of doing business will be passed on to consumers.

Alaska has the **highest licensing fees for veterinarians** in the country.

Licensing fees are expected to increase in the State of Alaska as a result of the cost of PDMP investigations.

Charging veterinarians for the cost of enforcement of an unusable PDMP system, and regulations with which

they are unable to comply, is not responsible stewardship of resources.

[2:26:20 PM](#)

DR. BERNGARTT reviewed the following summary of SB 51 on slide 12:

AKVMA and BOVE ASK FOR SUPPORT of SB 51

An Exemption of Veterinarians from participating in the PDMP:

**Will allow** veterinarians to provide the appropriate, timely, medical management appropriate for each patient.

**Will increase the efficiency** of the PDMP system for its intended purpose, by allowing for accurate interpretation of data and trends in human medicine.

**Will allow continued** judicious use of controlled substances that is already practiced by veterinarians.

**Will eliminate** unnecessary and disproportionate business burdens for veterinarians.

[2:27:23 PM](#)

SENATOR BISHOP moved to adopt the committee substitute (CS) for SB 51 as the working document.

[2:27:38 PM](#)

CHAIR BJORKMAN objected for purposes of an explanation.

[2:27:45 PM](#)

At ease.

[2:28:07 PM](#)

CHAIR BJORKMAN reconvened the meeting.

[2:28:09 PM](#)

SENATOR BISHOP restated his previous motion and moved to adopt the committee substitute (CS) for SB 51, work order 33-LS0339\B, as the working document.

CHAIR BJORKMAN objected for the purpose of explanation. He invited Ms. Achee to walk through the changes in the CS.

[2:28:42 PM](#)

LAURA ACHEE, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, reviewed the explanation of changes from version A to version B for SB 51. In addition to issues related to the PDMP, the Alaska Board of Veterinary Examiners has asked that the statute be expanded to include additional means by which qualified veterinarians can be certified. Like many industries in Alaska, veterinary medicine has shortages; these changes could even help in the important task of attracting veterinarians to the state.

CHAIR BJORKMAN asked Ms. Achee to review the changes in the CS.

MS. ACHEE reviewed the following changes in the CS for SB 51:

**Section 1** would amend AS 08.98.050(b) to authorize the Board of Veterinary Examiners to adopt a certification process for veterinarians to become licensed to practice in Alaska.

**Section 2** would amend AS 08.98.165(a) to allow the board to accept certification through the Program for the Assessment of Veterinary Education Equivalence in place of attending an accredited program in the United States. The language in this section would also allow the boards the discretion to approve other certification processes.

**Section 3** would amend AS 08.98.184 to contain the same changes as in Section 2.

The remainder of the sections are unchanged.

[2:31:47 PM](#)

DR. CIARA VOLLARO, Member, Alaska Board of Veterinary Examiners, Anchorage, Alaska, provided invited testimony on SB 51. She paraphrased from the following prepared testimony:

In order to improve the quality and availability of veterinary services in the state of Alaska, the board is requesting statutory changes to licensing requirements for foreign veterinary graduates. Currently the Alaska statutes mandate educational commission for foreign veterinary graduate certification. This program is the original program developed in 1971 by the American Veterinary Medical

Association to ensure competency equivalent to graduates of American and Canadian veterinary schools. The American Association of Veterinary State Boards (AAVSB) created a similar certification program entitled PAVE, Program for the Assessment of Veterinary Education Equivalence in 2001. The AAVSB supervises the veterinary state boards of all states and is an organization Alaska actually utilizes in the veterinary licensing process. Forty-six United States states and territories, all Canadian provinces and territories, Australia and New Zealand recognize this newer program. The two programs, the educational commission for foreign veterinary graduates certification and PAVE are very similar in their requirements and require years to complete the many phases to prove competency. Furthermore, like any student from an American credited veterinary school, Canadians still have to pass the National American Veterinary Licensing Exam, which is mandatory for veterinary licensing throughout the United States.

Most state veterinary legislations only specify the educational commission for veterinary graduate certification in their statutes and regulations initially, resulting in having to go through legislative updates to add PAVE. When making this change, states have adopted different strategies and wording. The Board of Veterinary Examiners are requesting the amendment to these statutes to include PAVE or another certification approved by the board to prevent the need to provide statutes again in the future. The wording requested mimics 23 other states.

In conclusion, the outdated statute unnecessarily creates a barrier to Alaska increasing the ability of veterinarians to provide care to the public. To date, at least two veterinary internal medicine specialists are known who are licensed in other US states that did not apply for an Alaskan license because they graduated from a foreign veterinary college and have received certification from PAVE. That means it is unknown exactly how many veterinarians Alaska has missed out on licensing because state requirements are outdated by not including PAVE.

[2:34:50 PM](#)

CHAIR BJORKMAN removed his objection. He found no further objection and the CS for SB 51, work order 33-LS0339\B, was adopted as the working document.

CHAIR BJORKMAN said the committee would hear public testimony during the next hearing of the bill. He reminded the public that written testimony may be submitted to slac@akleg.gov.

CHAIR BJORKMAN held SB 51 in committee.

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At ease.

### **SB 93-FISHERMEN'S FUND: VESSEL OWNER CLAIMS**

[2:36:40 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 93 "An Act relating to claims against protection and indemnity insurance policies of vessel owners; and providing for an effective date."

He noted there was a committee substitute (CS) for the committee to consider. He solicited a motion.

[2:37:02 PM](#)

SENATOR BISHOP moved to adopt the committee substitute (CS) for SB 93, work order 33-LS0538\B, as the working document.

CHAIR BJORKMAN asked Ms. Achee to walk the committee through the bill, including the changes in the committee substitute.

[2:37:24 PM](#)

LAURA ACHEE, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, introduced SB 93 on behalf of the Senate Labor and Commerce Committee. The Fishermen's Fund Advisory and Repeals Council has requested that the maximum reimbursement that a vessel owner can receive when filing a claim for the injury or illness of a crew member be raised from the current value of \$5,000. The council proposed raising it to \$10,000, which matches the deductible on many of the policies owned by vessel owners. In the House Fisheries Committee the House companion bill was amended to increase the maximum claim amount to \$15,000, because \$10,000 isn't always enough to cover the deductible. Even with the increase, the projected disbursements from the fund leave the balance stable.

[2:40:03 PM](#)

CHAIR BJORKMAN removed his objection; he found no further objection, and the CS for SB 93, work order 33-LS0538\B, was adopted as the working document.

[2:421:03 PM](#)

CHARLES COLLINS, Director, Division of Workers' Compensation, which includes the Fishermen's Fund, Department of Labor and Workforce Development (DOLWD), Juneau, Alaska, testified by invitation on SB 93. He said the Fishermen's Fund Council tasked the division with representing their wishes and protecting the long-standing Fishermen's Fund. The Fund has served commercial fishermen since inception and the division take the business of protecting the fund seriously.

[2:42:02 PM](#)

VELMA THOMAS, Program Coordinator for the Division of Workers' Compensation and Administrator for the Fishermen's Fund Advisory and Appeals Council, Department of Labor and Workforce Development (DOLWD), Juneau, Alaska, stated that the vessel owner reimbursement portion of the Fishermen's Fund changed in 2010. In 2012 the benefit cap was \$2,500 and the vessel owner could be reimbursed up to 50 percent. That has not had a negative effect on the fund. The council requested an increase in the benefit cap to \$10,000. She noted that a House committee amended the companion bill to provide a \$15,000 reimbursement for the vessel owner and also \$15,000 for an injured crew member. She reviewed the revenue and payouts for nine years, which included the highest benefit payments and the lowest revenue stream, and determined the Fund would not be significantly affected. She explained that the Fishermen's Fund is self-funded with a percentage of the money from commercial fishing permits and crew licenses. She stated that the agency's role is to support the council. It reviews all claims that are over the fund limit and any claims that request benefits beyond that. The council also reviews the claims that are denied. The council members are loyal and enthusiastic about the fund's management and growth.

[2:46:11 PM](#)

SENATOR BISHOP asked if she modeled this research herself.

MS. THOMAS answered that she began the research, and the division completed the work.

SENATOR BISHOP commented that he was comfortable with the numbers. He asked Mr. Collins whether he would step up to make adjustments if the stability of the fund was threatened.

[2:46:50 PM](#)

MR. COLLINS answered that the division takes the fund very seriously and wants to make sure the Fishermen's Fund stays around.

[2:47:35 PM](#)

CHAIR BJORKMAN asked what crew members, deck hands, vessel owners must do to be eligible to receive money from the Fishermen's Fund.

MS. THOMAS answered that the primary criteria is that the injury must have occurred in Alaska, and the individual must have a valid crew member license or permit. The injury or illness must be related to commercial fishing and treatment must be sought within 120 days. The grace period used to be 60 days, but the council found that hardy workers like fishermen prefer to work through the season, so the treatment period was extended. They have one year to file a claim. If they are not able to file a claim, they can then present their case to the council for consideration. Crew members and vessel owners have ample opportunities to make claims. Claims are down and the current system serves as a good support for the commercial fishing industry.

[2:50:39 PM](#)

MR. COLLINS commented that since the fund is a payer of last resort, the vessel owners would have had to have filed and have protection and indemnity (P&I) insurance. They would have to file and the Fishermen's Fund would reimburse a part of the portion that the insurance company was not covering. The fund is not set up to allow a windfall.

[2:51:25 PM](#)

SENATOR GRAY-JACKSON asked what happens if a fishing vessel is lost at sea.

MR. COLLINS replied that Workers' Compensation is not part of the conversation; fishers are not covered by Workers' Compensation under the Jones Act. The Fishermen's Fund is the payer of last resort. If a vessel or crew members are lost at sea, they hopefully have insurance. The fund would perhaps pay the deductible or some other cost that the insurance did not cover.

SENATOR GRAY-JACKSON said she asked because she had a friend who was on a vessel lost at sea.

[2:52:51 PM](#)

CHAIR BJORKMAN asked whether insurance is required in order to receive money from the fund.

MR. COLLINS answered that the fund is not set up as the insurance for the industry; it is there to backstop the insurance. The impetus for the request for this increase is that the deductibles and the cost of insurance have continually risen. Vessel owners have opted for higher deductibles to save money. A lot of vessels work on a shared wage/reward but it is a dangerous occupation, so while a vessel owner may carry insurance it may have a fairly high deductible. The purpose of SB 93 is to help the industry self-regulate and stay healthy.

[2:54:06 PM](#)

CHAIR BJORKMAN opened public testimony on SB 93.

[2:54:31 PM](#)

TRACY WELCH, Executive Director, United Fishermen of Alaska (UFA), Petersburg, Alaska, testified in support of SB 93. The United Fishermen of Alaska support the deductible reimbursement for vessel owners. The fund is healthy; it is paid for by fishermen and for fishermen. This is an opportunity to help fishermen and provide an incentive for them to carry insurance on their boat and crew. She stated that UFA also supports the House companion bill.

[2:55:57 PM](#)

JERRY MCCUNE, President, Cordova District Fishermen United, Cordova, Alaska, testified in support of SB 93. He believes that \$15,000 each for the vessel owner and crew members is fair. He recalled that when the reimbursement was raised to \$10,000 for the fishermen, one could barely walk in the ER for that amount. Insurance rates have gone up. Keeping the fund solvent is important.

[2:57:28 PM](#)

CHAIR BJORKMAN closed public testimony on SB 93 and held the bill in committee.

[2:57:58 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:57 p.m.