

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

April 10, 2023
2:02 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Senator Click Bishop, Vice Chair

COMMITTEE CALENDAR

SENATE BILL NO. 70

"An Act relating to coverage for additional insureds under owner and contractor controlled insurance programs; and providing for an effective date."

- MOVED CSSB 70(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 56

"An Act exempting controlled substances prescribed or dispensed by a veterinarian to treat an animal from the requirements of the controlled substance prescription database."

- HEARD & HELD

HOUSE BILL NO. 51

"An Act relating to refrigerants designated as acceptable for use under federal law."

- HEARD & HELD

SENATE BILL NO. 73

"An Act relating to registered interior designers and interior design; establishing requirements for the practice of registered interior design; renaming the State Board of Registration for Architects, Engineers, and Land Surveyors the State Board of Registration for Design Professionals; relating to the State Board of Registration for Design Professionals; relating to liens for labor or materials furnished; relating to the

procurement of interior design services; and providing for an effective date."

- BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: SB 70

SHORT TITLE: OWNER & CONTRACTOR CONTROLLED INSURANCE

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/15/23	(S)	READ THE FIRST TIME - REFERRALS
02/15/23	(S)	L&C
02/17/23	(S)	JUD REFERRAL ADDED AFTER L&C
02/20/23	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/20/23	(S)	Heard & Held
02/20/23	(S)	MINUTE(L&C)
03/01/23	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/01/23	(S)	-- Public Testimony --
03/17/23	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/17/23	(S)	Heard & Held
03/17/23	(S)	MINUTE(L&C)
04/10/23	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 56

SHORT TITLE: CONTROLLED SUB. DATA: EXEMPT ANIMAL RX

SPONSOR(s): RUFFRIDGE

02/03/23	(H)	READ THE FIRST TIME - REFERRALS
02/03/23	(H)	HSS, L&C
02/18/23	(H)	HSS AT 3:00 PM DAVIS 106
02/18/23	(H)	-- MEETING CANCELED --
03/02/23	(H)	HSS AT 3:00 PM DAVIS 106
03/02/23	(H)	Heard & Held
03/02/23	(H)	MINUTE(HSS)
03/11/23	(H)	HSS AT 3:00 PM DAVIS 106
03/11/23	(H)	Moved HB 56 Out of Committee
03/11/23	(H)	MINUTE(HSS)
03/15/23	(H)	HSS RPT 6DP
03/15/23	(H)	DP: SUMNER, RUFFRIDGE, MCCORMICK, SADDLER, MINA, PRAX
03/20/23	(H)	L&C AT 3:15 PM BARNES 124
03/20/23	(H)	Heard & Held
03/20/23	(H)	MINUTE(L&C)
03/24/23	(H)	L&C AT 3:15 PM BARNES 124
03/24/23	(H)	Moved HB 56 Out of Committee
03/24/23	(H)	MINUTE(L&C)

03/27/23 (H) L&C RPT 4DP
 03/27/23 (H) DP: PRAX, CARRICK, SADDLER, RUFFRIDGE
 03/29/23 (H) TRANSMITTED TO (S)
 03/29/23 (H) VERSION: HB 56
 03/31/23 (S) READ THE FIRST TIME - REFERRALS
 03/31/23 (S) L&C
 04/10/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 51

SHORT TITLE: USE OF DESIGNATED REFRIGERANTS

SPONSOR(s): WRIGHT

01/30/23 (H) READ THE FIRST TIME - REFERRALS
 01/30/23 (H) L&C
 02/06/23 (H) L&C AT 3:15 PM BARNES 124
 02/06/23 (H) Heard & Held
 02/06/23 (H) MINUTE(L&C)
 02/10/23 (H) L&C AT 3:15 PM BARNES 124
 02/10/23 (H) Moved HB 51 Out of Committee
 02/10/23 (H) MINUTE(L&C)
 02/13/23 (H) L&C RPT 6DP
 02/13/23 (H) DP: FIELDS, SUMNER, SADDLER, PRAX,
 CARRICK, RUFFRIDGE
 02/24/23 (H) TECHNICAL SESSION 2/24 - ON 2/27
 CALENDAR
 03/01/23 (H) TRANSMITTED TO (S)
 03/01/23 (H) VERSION: HB 51
 03/06/23 (S) READ THE FIRST TIME - REFERRALS
 03/06/23 (S) L&C
 04/10/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

LORI WING-HEIER, Director
 Division of Insurance
 Department of Commerce, Community and Economic Development
 Anchorage, Alaska

POSITION STATEMENT: Gave a refresher on SB 70.

REPRESENTATIVE JUSTIN RUFFRIDGE, District 7
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 56.

TRACY WARD, DVM, Past President
 Alaska State Veterinary Medical Association
 Juneau, Alaska

POSITION STATEMENT: Gave a presentation in support of HB 56.

RACHEL BERNGARTT, DVM, Chair
Board of Veterinary Examiners
Juneau, Alaska

POSITION STATEMENT: Gave a presentation in support of HB 56.

REPRESENTATIVE STANLEY WRIGHT, District 22
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 51.

BILL HENTHORN, Intern
Representative Stanley Wright
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Read the sponsor statement for HB 51.

MIKE NEROZZI, Director
Government Affairs
Air-Conditioning, Heating, & Refrigeration Institute (AHRI)
Arlington, Virginia

POSITION STATEMENT: Answered questions about HB 51.

ACTION NARRATIVE

[2:02:06 PM](#)

CHAIR JESSE BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 2:02 p.m. Present at the call to order were Senators Gray-Jackson, Merrick, Dunbar, and Chair Bjorkman.

SB 70-OWNER & CONTRACTOR CONTROLLED INSURANCE

[2:03:14 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 70 "An Act relating to coverage for additional insureds under owner and contractor controlled insurance programs; and providing for an effective date."

CHAIR BJORKMAN stated that the committee amended the bill during the previous hearing. He asked whether there were any questions for the director of insurance before he looked to the will of the committee.

[2:04:27 PM](#)

SENATOR GRAY-JACKSON requested a refresher on SB 70.

[2:04:53 PM](#)

LORI WING-HEIER, Director, Division of Insurance, Department of Commerce, Community and Economic Development, Anchorage, Alaska, gave a refresher on SB 70. She explained that owner- or contractor-controlled insurance programs are the opposite of traditional insurance contracts between the owner or general contractor and the subcontractors. In a traditional contract, all the subcontractors are required to buy insurance and pass it up. In an owner controlled insurance program (OCIP), the owner, such as Exxon, buys insurance and passes it down to all the contractors on the project. Worker's compensation, general liability and professional liability would all be under an owner- or contractor-controlled insurance program.

When attorneys for the Division of Insurance examined the statutory language regarding additional insureds on large infrastructure projects on the North Slope, they said the language was not sufficient to accommodate OCIPs. Therefore, the impetus behind SB 70 is to ensure that subcontractors are covered under the owner's master insurance program.

[2:07:01 PM](#)

SENATOR GRAY-JACKSON moved to report SB 70, work order 33-GS1009\A, as amended, from committee with individual recommendations and attached fiscal note(s).

CHAIR BJORKMAN found no objections and CSSB 70(L&C) was reported from the Senate Labor and Commerce Standing Committee.

[2:07:28 PM](#)

At ease.

HB 56-CONTROLLED SUB. DATA: EXEMPT ANIMAL RX

[2:09:14 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of HOUSE BILL NO. 56 "An Act exempting controlled substances prescribed or dispensed by a veterinarian to treat an animal from the requirements of the controlled substance prescription database."

He noted that the companion bill, SB 51, was heard on March 24, 2023 and held in committee.

[2:10:28 PM](#)

REPRESENTATIVE JUSTIN RUFFRIDGE, District 7, Alaska State Legislature, Juneau, Alaska, sponsor of HB 56, stated that he became aware of this bill while serving as chair of the Board of Pharmacy. The Veterinary Medical Association approached the Board of Pharmacy to look into issues underlying the Prescription Drug Monitoring Program (PDMP) and how that aligned with veterinary use of that program. He said medical providers, particularly those with the Alaska State Medical Association, are at least neutral to HB 56 for a couple reasons:

1. Veterinarians do not use opioids very much as a dispenser. They use opiates inside their clinics and sometimes during surgery, but are not high users of opiate medications. Drugs of abuse are not dispensed out of veterinary practices with any regularity. In fact, less than .34 percent of all opiates dispensed nationwide come through a veterinary practice.

2. The main reason for supporting HB 56 is the issue of privacy. The veterinarian is required to query the Prescription Drug Monitoring Program and look up the pet owner's data if a controlled substance is to be used in the animal's care to determine if a veterinary prescription is appropriate. Veterinarians are not trained in human medication and do not spend any time learning about human medication. Human data is not relevant to making a decision about dispensing a prescription to a pet. Being required to access this database, gives veterinarians access to human information that they do not need.

REPRESENTATIVE RUFFRIDGE opined that imposing the PDMP requirements on veterinarians was an oversight in the state's haste to solve some of the problems with the current opiate crisis. He said he and others who signed on as co-sponsors do not believe that HB 56 would worsen the opiate crisis. He reminded the committee that they heard the companion bill earlier in the session, and noted that two local veterinarians were available to deliver a brief presentation.

2:14:18 PM

SENATOR GRAY-JACKSON asked whether there was any difference between HB 56 and the similar bill proposed last year.

REPRESENTATIVE RUFFRIDGE answered that they are the same.

2:14:52 PM

SENATOR DUNBAR asked whether this presentation was different from the one that the committee heard when they considered the companion bill.

REPRESENTATIVE RUFFRIDGE answered that he didn't know because he was not part of the earlier presentation.

SENATOR DUNBAR stated that he supported the bill before and supports it now, and didn't need to hear it again.

2:15:41 PM

SENATOR MERRICK asked why the effective dates differ between the House and Senate versions of the bill.

REPRESENTATIVE RUFFRIDGE answered there wasn't a reason.

CHAIR BJORKMAN invited Dr. Bergartt and Dr. Ward to begin the presentation.

2:17:15 PM

TRACY WARD, DMV, Past President, Alaska State Veterinary Medical Association, Juneau, Alaska, presented the slideshow to exempt veterinarians from the Prescription Drug Monitoring Program, in support of HB 56. She stated this is the same slideshow presented previously and if everyone is comfortable, they could skip the presentation and go straight to questions.

CHAIR BJORKMAN said it would be helpful to hear the presentation, why the bill is important to veterinarians statewide, how this bill simplifies processes and makes veterinarian businesses run better, and how it protects the private medical information of people who happen to own pets and want them to be treated.

DR. WARD began the presentation on slides 2 and 3. She read the following:

HB 56: AN ACT EXEMPTING VETERINARIANS FROM THE REQUIREMENTS OF THE CONTROLLED SUBSTANCE PRESCRIPTION DATABASE.

THE ALASKA STATE VETERINARY MEDICAL ASSOCIATION (AKVMA) SUPPORTS HB 56.

THE ALASKA BOARD OF VETERINARY EXAMINERS (BOVE) SUPPORTS HB 56.

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

3 2.18.2022 Board of Pharmacy Meeting Voted and Passed
Motion to Support

DR. WARD advanced to slide 4 and paraphrased the following:

Background: The PDMP.

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. WARD reviewed slide 5:

Why it Makes Sense to Exempt:

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.

2:21:22 PM

DR. WARD advanced to slide 6:

Why it Makes Sense to Exempt:

Querying 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.

DR. WARD reviewed slide 7:

Why It Makes Sense to Exempt:

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.

2:23:37 PM

RACHEL BERNGARTT, DVM, Chair, Board of Veterinary Examiners, Juneau, Alaska, continued the presentation to exempt veterinarians from the Prescription Drug Monitoring Program, in support of HB 56. She mentioned that one big step forward this year was that the Alaska State Medical Association does not oppose exempting veterinarians from the PDMP.

DR. BERNGARTT paraphrased slide 8:

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.**

2:24:40 PM

DR. BERNGARTT reviewed slide 9:

Why It Makes Sense to Exempt:

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.

DR. BERNGARTT advanced to slide 10:

Why It Makes Sense to Exempt:

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).

[2:26:49 PM](#)

DR. BERNGARTT advanced to slide 11:

Why It Makes Sense to Exempt:

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.

[2:28:07 PM](#)

DR. BERNGARTT advanced to slide 12:

**AKVMA and BOVE ask for Support
of HB 56**

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.

[2:28:58 PM](#)

CHAIR BJORKMAN thanked the presenters and held HB 56 in committee.

[2:29:02 PM](#)

At ease.

HB 51-USE OF DESIGNATED REFRIGERANTS

[2:31:14 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of HOUSE BILL NO. 51 "An Act relating to refrigerants designated as acceptable for use under federal law."

[2:31:37 PM](#)

At ease.

[2:32:29 PM](#)

CHAIR BJORKMAN reconvened the meeting and invited the bill sponsor to present the bill.

[2:32:45 PM](#)

REPRESENTATIVE STANLEY WRIGHT, District 22, Alaska State Legislature, Juneau, Alaska, sponsor of HB 51, stated that this bill adds a section to Alaska statutes that would allow, but not mandate, transition away from hydrofluorocarbons (HFC), joining a nationwide effort to phase in the use of less polluting alternatives. He deferred to Mr. Henthorn to read the sponsor statement.

[2:34:05 PM](#)

BILL HENTHORN, Intern, Representative Stanley Wright, Alaska State Legislature, Juneau, Alaska, read the sponsor statement for HB 51:

[Original punctuation provided.]

Alaska is one of the states where legislation is needed to prepare for the transition away from hydrofluorocarbons (HFCs). HFCs are chemicals that are most commonly found in industrial and residential air conditioning systems in the form of refrigerant,

According to the Climate and Clean Air Coalition, "The most abundant HFC is 3,790 times more damaging to the climate than carbon dioxide over a 20-year period" (CCA) House Bill 51 aims to give the Heating, Ventilation, and Air Conditioning (HVAC) Industry the framework it needs to begin the transitioning process in the future in a safe and efficient manner, allowing for them to stay as competitive as possible while also lowering the global warming potential by approximately 75% through switching to HFC alternatives.

To move forward with the goal of switching out HFCs, the legislature must ensure that the building codes in Alaska cannot stop the use of a HFC alternative as long as the equipment needed to use it is installed properly and complies with the necessary safety standards. Supporting the switch to HFC alternative refrigerants will nationally contribute to the projected creation of around 33,000 jobs as well as maintaining 138,400 other existing jobs from now to 2027.

This will embolden Alaska's economy and ensure that we do all we can to support the need for green energy techniques and industries in the future. In combination with other states, the federal transition to HFC alternatives is projected to decrease America's greenhouse gas emissions by a total of 2.4 billion metric tons of Carbon Dioxide for the next 15 years. The importance of allowing our industrial leaders to have a functional environment in which to do business, as well as working on our levels of greenhouse gas emissions are two very important, related subjects and

HB 51s passage will be a fantastic approach to helping both.

[2:36:40 PM](#)

SENATOR DUNBAR said the bill reads, "notwithstanding a provision of the state building code" and it allows for federally approved hydrofluorocarbon (HFC) alternatives to be used. He asked if there were any current provisions in the state building code that forbid the use of HFC alternatives.

MR. HENTHORN deferred the question to Mr. Nerozzi.

[2:37:12 PM](#)

MIKE NEROZZI, Director, Government Affairs, Air-Conditioning, Heating, and Refrigeration Institute (AHRI), Arlington, Virginia, responded to Senator Dunbar's question, stating that the building code itself is prohibited. Most states that have a statewide building code operate on a three year update cycle, typically adopting the ICC model codes that are several versions behind the most up-to-date code. All of the previous iterations of model codes are prohibited except for the newly released 2024 ICC model codes. Previous codes do not list these alternatives as permitted refrigerants. HB 51 would provide a bridge for Alaska to continue to allow the sale of equipment containing HFCs until the state can adopt the 2024 codes containing the permitted refrigerants.

SENATOR DUNBAR asked whether these refrigerants are permitted under federal law.

[2:39:06 PM](#)

MR. NEROZZI answered yes. HB 51 is part of an international transition away from HFC refrigerants that emerged from the 2020 American Innovation and Manufacturing Act which directed the U.S. Environmental Protection Agency to phasedown HFC-based refrigerants. Federal law fully allows these refrigerants, but building codes need to be updated to complete the transition smoothly.

SENATOR DUNBAR asked whether federal law preempts state law in this case.

MR. NEROZZI answered no, federal law would not preempt state law. States have full autonomy over their building codes.

[2:41:13 PM](#)

CHAIR BJORKMAN asked Mr. Nerozzi would whether he had any closing comments.

MR. NEROZZI paraphrased from the two prepared statements. They read as follows:

[Original punctuation included.]

TESTIMONY OF MIKE NEROZZI
DIRECTOR OF GOVERNMENT AFFAIRS

ON BEHALF OF
THE AIR-CONDITIONING, HEATING, AND REFRIGERATION
INSTITUTE

BEFORE THE ALASKA HOUSE OF REPRESENTATIVES
LABOR AND COMMERCE COMMITTEE

HEARING ON HOUSE BILL 51

FEBRUARY 10, 2023

Good morning, Chairman Sumner and members of the Labor and Commerce Committee. My name is Mike Nerozzi, Director of Government Affairs for the Air-Conditioning, Heating, and Refrigeration Institute (AHRI). Thank you for allowing me to speak with you today and convey AHRI's strong support for House Bill 51, sponsored by Representative Wright, which will provide American manufacturers in the heating, ventilation, air conditioning, and refrigeration (HVACR) and water heating industry with the certainty needed to comply with forthcoming federal regulations phasing down the use of hydrofluorocarbons (HFCs) refrigerants.

AHRI represents more than 330 manufacturers of air conditioning, heating, commercial refrigeration, and water heating equipment. Our member companies produce more than 90 percent of the residential and commercial air conditioning, heating, and commercial refrigeration equipment made in North America. In North America, the annual economic activity resulting from the HVACR industry is approximately \$256 billion. In the United States alone, AHRI member companies, along with distributors, contractors, and technicians

employ more than 1.3 million people, and more than 700 jobs in Alaska.

In December 2020, the American Innovation and Manufacturing Act (AIM Act) was signed into law by President Trump, which directs the U.S. Environmental Protection Agency (EPA) to issue rules that will phase down the use of current refrigerants, restricting their use in certain applications such as commercial refrigeration, chillers, and air conditioning. This allows for an orderly transition to next generation refrigerants, many of which are made in the United States.

However, our manufacturers face a pressing challenge. Building codes need to be updated this year to remove regulatory barriers to the use of these new refrigerants. Efforts are underway to do so, both in Alaska and across the country, but the regulatory timelines for these efforts are two to three years away. This is too late for American manufacturers and Alaskan consumers.

HB 51 amends the state building code to allow any substitute refrigerant deemed safe under federal standards to be used in Alaska. This will eliminate the mismatch of the building code schedule and enable the use of new refrigerant one to two years earlier, ensuring that there is no regulatory disruption for consumers, by making new products available for sale in Alaska on the same schedule as other states.

In short, HB 51 eliminates a timing barrier without imposing any new regulatory standards. It simply allows for harmonization with the 2024 model codes, benefitting consumers and businesses that rely on air conditioning and refrigeration equipment.

Thank you again for the opportunity to present testimony at this hearing. AHRI looks forward to continuing to work with the Alaska State Legislature to achieve both the economic and environmental benefits of the phase down of HFCs.

[Original punctuation included.]

February 4, 2023

RE: Building code legislation to support HFC phasedown

In December 2020, former President Trump signed into law the American Innovation and Manufacturing Act (AIM Act), which directs the U.S. Environmental Protection Agency (EPA) to issue rules that will phasedown the use of hydrofluorocarbons (HFCs) and authorizes EPA to restrict the use of HFCs in certain applications, such as commercial refrigeration, chillers, and stationary air conditioning equipment. As a result, building codes in all fifty states must be updated to enable the safe, efficient transition to HFC replacement refrigerants in HVACR equipment. Manufacturers, distributors, contractors, and consumers need the building code update to be completed as soon as possible before the refrigerant transition goes into effect. To that end, states must adopt legislation specifying that building codes cannot prohibit the use of a substitute refrigerant allowed by EPA.

HFCs are chemicals, with a high global warming potential, that are typically used in refrigerants. Today, HVACR manufacturers use HFCs in most of the equipment they produce. The new federal regulations will require manufacturers to begin producing equipment that utilize new substitute refrigerants that have a lower global warming potential. Over the past decade, the HVACR industry has spent hundreds of millions of dollars preparing for this transition. We have invested in research and development, facility construction and expansion, and training, to ensure a safe and efficient transition when the federal regulations go into effect in the U.S.

This orderly, national transition will allow U.S. manufacturers to maintain technological leadership in the global HVACR marketplace, while creating new domestic jobs and driving domestic economic growth. The phasedown is projected to create 33,000 new manufacturing jobs and will also help sustain 138,400 existing jobs between now and 2027, while increasing direct manufacturing output by \$12.5 billion.¹

State legislation is essential to the orderly and effective phasedown of HFCs, and we urge states to pass legislation that will ensure a victory U.S.

manufacturers, distributors, contractors, and consumers by preparing for an orderly transition to next generation refrigerants.

Signed,

Air-Conditioning, Heating, and Refrigeration Institute
Alliance for Responsible Atmospheric Policy
Heating, Air-conditioning, & Refrigeration
Distributors International
Plumbing-Heating-Cooling Contractors-National
Association

Contact: Mike Nerozzi, Director of Government Affairs,
AHRI - mnerozzi@ahrinet.org

¹"Economic Impacts of U.S. Ratification of the Kigali Amendment." Industry Forecasting at the University of Maryland (INFORUM) and JMS Consulting, 2018.

CHAIR BJORKMAN thanked Mr. Nerozzi and solicited questions.

[2:44:46 PM](#)

SENATOR GRAY-JACKSON thanked Representative Wright for doing the right thing. She said she welcomes all efforts to address climate change.

[CHAIR BJORKMAN held HB 51 in committee.]

[2:45:57 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:45 p.m.