

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

April 30, 2025

1:34 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Senator Robert Yundt

COMMITTEE CALENDAR

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 62

"An Act relating to the board of parole; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 134

"An Act relating to pharmacy benefits managers; relating to third-party administrators; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 35

"An Act relating to transportation network and delivery network companies."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 62

SHORT TITLE: BOARD OF PAROLE: MEMBERSHIP, REPORT

SPONSOR(S): SENATOR(S) TOBIN

01/24/25	(S)	READ THE FIRST TIME - REFERRALS
01/24/25	(S)	STA, L&C
02/19/25	(S)	SPONSOR SUBSTITUTE INTRODUCED-REFERRALS

02/19/25 (S) STA, L&C
03/11/25 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
03/11/25 (S) Heard & Held
03/11/25 (S) MINUTE(STA)
04/08/25 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
04/08/25 (S) Moved SSSB 62 Out of Committee
04/08/25 (S) MINUTE(STA)
04/09/25 (S) STA RPT 3NR 1DP
04/09/25 (S) NR: KAWASAKI, WIELECHOWSKI, YUNDT
04/09/25 (S) DP: GRAY-JACKSON
04/30/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 134

SHORT TITLE: PHARMACY BENEFITS MANAGER;3RD PARTY ADMIN
SPONSOR(s): SENATOR(s) GIESSEL

03/18/25 (S) READ THE FIRST TIME - REFERRALS
03/18/25 (S) HSS, L&C
04/01/25 (S) HSS AT 3:30 PM BUTROVICH 205
04/01/25 (S) Heard & Held
04/01/25 (S) MINUTE(HSS)
04/03/25 (S) HSS AT 3:30 PM BUTROVICH 205
04/03/25 (S) Heard & Held
04/03/25 (S) MINUTE(HSS)
04/15/25 (S) HSS AT 3:30 PM BUTROVICH 205
04/15/25 (S) Moved SB 134 Out of Committee
04/15/25 (S) MINUTE(HSS)
04/18/25 (S) HSS RPT 4DP
04/18/25 (S) DP: DUNBAR, HUGHES, GIESSEL, TOBIN
04/30/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 35

SHORT TITLE: DELIVERY NETWORK COMPANIES
SPONSOR(s): SENATOR(s) BJORKMAN

01/22/25 (S) PREFILE RELEASED 1/10/25
01/22/25 (S) READ THE FIRST TIME - REFERRALS
01/22/25 (S) STA, L&C
03/18/25 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
03/18/25 (S) Heard & Held
03/18/25 (S) MINUTE(STA)
04/22/25 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
04/22/25 (S) Moved SB 35 Out of Committee
04/22/25 (S) MINUTE(STA)
04/23/25 (S) STA RPT 1AM 1DP 3NR
04/23/25 (S) AM: KAWASAKI
04/23/25 (S) DP: BJORKMAN

04/23/25 (S) NR: WIELECHOWSKI, GRAY-JACKSON, YUNDT
04/30/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

SENATOR LOKI TOBIN, District I
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Sponsor of SB 62.

LOUIE FLORA, Staff
Senator Loki Tobin
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Provided the sectional analysis for SB 62.

KAREN CANN, Former Deputy Secretary
Transitional Services
Department of Corrections (DOC)
Eagle River, Alaska
POSITION STATEMENT: Testified by invitation on SB 62.

JANE ROHR, Staff
Senator Cathy Giessel
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Presented the summary and sectional analysis
for SB 134.

HEATHER CARPENTER, Director
Division of Insurance
Department of Commerce, Community
and Economic Development (DCCED)
Anchorage, Alaska
POSITION STATEMENT: Testified by invitation on SB 134.

SAVAYA BIEBER, Staff
Senator Jesse Bjorkman
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Presented the summary and sectional analysis
for SB 35.

JOHN FINLEY, Public Policy Member
Uber Eats
San Francisco, California
POSITION STATEMENT: Testified by invitation on SB 35.

JESSICA LYNAM, Government Affairs Manager
Instacart
San Francisco, California

POSITION STATEMENT: Testified by invitation on SB 35.

ANNA POWELL, Senior Manager
Government Relations
DoorDash
Seattle, Washington

POSITION STATEMENT: Testified by invitation on SB 35.

CHUCK COLLINS, Director
Workers Compensation Division
Department of Labor and Workforce
Development (DOLWD)
Juneau, Alaska

POSITION STATEMENT: Answered questions on SB 35.

ACTION NARRATIVE

[1:34:58 PM](#)

CHAIR BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:34 p.m. Present at the call to order were Senators Merrick, Gray-Jackson, and Chair Bjorkman. Senator Dunbar arrived thereafter.

SB 62-BOARD OF PAROLE: MEMBERSHIP, REPORT

[1:36:01 PM](#)

CHAIR BJORKMAN announced the consideration of SPONSOR SUBSTITUTE FOR SENATE BILL NO. 62 "An Act relating to the board of parole; and providing for an effective date."

[1:36:23 PM](#)

SENATOR LOKI TOBIN, District I, Alaska State Legislature, Juneau, Alaska, sponsor of SB 62. She stated that SB 62 seeks to strengthen and modernize Alaska's Board of Parole by improving structure, accountability, and capacity to support both public safety and rehabilitation. SB 62 expands the board from five to seven members to ensure broader expertise and representation. SB 62 would reserve one new seat for a member of a federally recognized tribe, acknowledging that Alaska Native people make up 40 percent of the state's incarcerated population despite being only 20 percent of the general population. Another seat would go to an individual with professional experience in mental health or substance abuse treatment, such as a licensed

psychiatrist, psychologist, or rehabilitation specialist, recognizing that about 80 percent of incarcerated individuals have behavioral health challenges. SB 62 would designate a third new position for a crime victim, a family member of a victim, or a victims' rights advocate, ensuring that the perspective of those impacted by crime is represented in parole decisions.

[1:38:45 PM](#)

SENATOR TOBIN stated that SB 62 also requires the Board of Parole to submit an annual public report detailing its activities, decision-making processes, and parole outcomes. She said this transparency measure responds to widespread concern that the operations of the Board of Parole are opaque. Since 2020 parole hearings and releases have dropped 75 and 79 percent respectively, without clear explanation. By requiring data and analysis, policymakers will be better equipped to understand and address why so few eligible individuals are being granted parole. She said a key goal of SB 62 is cost containment. Alaska currently spends approximately \$74,000 per year per incarcerated person four times more than what it invests per student and ranks ninth nationally in prison costs. She said by improving parole opportunities and supporting successful reintegration, SB 62 aims to reduce unnecessary incarceration expenses while maintaining public safety. Through expanded representation, professional expertise, and greater transparency, the bill seeks to restore balance, accountability, and humanity to the state's parole system.

[1:41:21 PM](#)

LOUIE FLORA, Staff, Senator Loki Tobin, Alaska State Legislature, Juneau, Alaska, provided the sectional analysis for SB 62:

[Original punctuation provided.]

Version N Sectional Analysis

Section 1 - Amends AS. 33.16.020 (a) to expand the Alaska Board of Parole from five to seven members. As in current statute, these members are appointed by the Governor and subject to legislative confirmation.

Section 2 - Amends AS 33.16.020 (b) by applying term limits of two five-year terms to members, replacing current statute which states that members shall serve staggered five-year terms, until their successors are appointed.

Section 3 - Modifies AS 33.16.030 selection criteria for board members. Section 3 creates specific seats on the board, requiring one member to be a licensed physician; one to be a victim of a crime, family member of a victim, or a member of a crime victim's advocacy group; one member to have experience in drug or alcohol addiction recovery support; and one member to be part of a federally recognized tribe in the state.

[1:42:23 PM](#)

MR. FLORA continued with the sectional analysis for SB 62:

Section 4 - Amends AS 33.16.030 (c) by adding the requirement that not more than three of the board members may be current or former employees of a correctional institution.

Section 5 - Amends AS 33.16.030 by adding a definitions section to include definitions for designated seats on the Board of Parole. The definition of "federally recognized tribe" at AS 23.20.520 is as follows: "a tribe that is recognized by the United States Secretary of the Interior to exist as an Indian tribe under 25 U.S.C. 5131 (Federally Recognized Indian Tribe List Act of 1994); and includes any subdivision, subsidiary, or business enterprise wholly owned by a federally recognized tribe"

Section 6 - Adds a new section of statute at 33.16.280 to require an annual report on Board of Parole operations and parole decisions.

Section 7 - Uncodified law specifying that a member of the board who has previously served two or more terms may finish their term but shall not be reappointed.

Section 8 - Establishes an effective date of January 2026.

[1:43:28 PM](#)

CHAIR BJORKMAN announced invited testimony on SB 62

[1:43:47 PM](#)

KAREN CANN, Former Deputy Secretary, Transitional Services, Department of Corrections (DOC), Eagle River, Alaska, testified by invitation on SB 62 and read the following:

[Original punctuation provided.]

Discretionary Parole allows incarcerated individuals the opportunity to be released on supervision to follow an approved reentry plan that will help support them to be successful in their community.

[1:44:24 PM](#)

MS. CANN continued with her testimony of SB 62:

Many incarcerated individuals participate in programs, education and counseling looking forward to being a better citizen, friend, and family member when they are released on parole. This commitment to change makes communities and facilities safer.

Unfortunately, many of the people I have talked with in Alaska prisons view the Parole Board as a group of people who deny their application without explanation. I had conversations with far too many incarcerated individuals in Alaska who refused to apply for discretionary parole because it was a "waste of time". They felt chastised during the hearing, were refused parole and did not know when they would be eligible again. All too often I heard the statement, "who would put themselves through that"? Even people who are on a "waitlist" for programs often give up leading to depression and hopelessness or anger. How can people be held accountable if expectations are not communicated?

The community must also see the Parole Board as a fair, deliberate institution focused on assessing an individual's risk to reoffend and community safety.

This bill would add board members with a background in medicine, behavioral, or mental health, human development, substance abuse or similar fields of experience and knowledge necessary to accurately assess a person's risk to the community and approve a release plan that has the components for success. The change in the composition of the board would also more

accurately reflect the incarcerated population in Alaska prisons.

This bill would also provide transparency and accountability to the community and Legislature. Currently, the Parole Board does not collect or publish data on the reasons why parole was denied or granted, making it impossible to develop policy or reentry plans with steps that would lead to success on Parole and a reduction in recidivism.

[1:46:48 PM](#)

MS. CANN continued with her testimony of SB 62:

We do not know why the Alaska Board of Parole has granted parole in only 27 percent of discretionary parole cases over the last four years - far lower than historical trends, or why the Board has reviewed only 2 applications for geriatric parole over the past 7 years; denying them both.

During the last ten years, the number of incarcerated people 55 years old and older has increased by 50 percent. Many of these people need specialized medical care and treatment for illnesses ranging from cognitive disease such as Alzheimer's, to end stage kidney disease and advanced cancer. Their housing unit looks more like a hospital than a prison and the cost of their care is far beyond the average \$202 per day housing cost. A physician, psychologist or psychiatrist has the knowledge to accurately assess risk and approve a safe community placement. Too often people are spending the last days of their life in a prison cell unable to care for their own basic needs while there is a family member willing to care for them in the community.

The low rate of parole approvals has not improved public safety and has contributed to overcrowding in facilities and ballooning budget costs for the DOC diverting resources away from things that make us safe and vibrant, including healthcare and education. According to 2023 data from the Parole Board's webpage, only 5 percent of people released on discretionary parole had their parole revoked. This reminds me of an individual I worked with who was granted parole after taking advantage of educational

and vocational programs while incarcerated. He obtained an advanced degree, a trade and is supporting other parolees to do the same. Individuals who are not granted discretionary parole, or give up until they are released on mandatory parole at the end of their sentence have a 95 percent revocation rate.

[1:49:14 PM](#)

MS. CANN continued with her testimony for SB 62:

The longer an individual is incarcerated the greater the financial burden on the people of Alaska. It costs about \$202 dollars per day to incarcerate an individual NOT including medical care for chronic diseases, specific geriatric care, end-of-life, or emergency care. Paroling just one person saves Alaska a minimum of over \$73,000 a year. The paroled individual not only contributes to Alaska's economy in purchases and taxes verses draining the economy at \$202 per day but reenters their community and family.

Please make the Parole system fair and accountable, keep communities and facilities safe and pass SB 62 to make Alaska's criminal legal system more just.

[1:50:21 PM](#)

CHAIR BJORKMAN raised public concerns that SB 62 would allow the release of individuals who may still pose a danger and asked what safeguards would ensure parolees are safe and unlikely to reoffend.

[1:51:02 PM](#)

MS. CANN replied that the new process enhances community safety by creating individualized parole plans tailored to each person's specific risks developed by trained professionals to help parolees successfully reintegrate and become productive citizens.

[1:52:07 PM](#)

SENATOR TOBIN explained that SB 62 does not change existing criminal justice laws or the parole review process but allows for a more specialized and knowledgeable board. With increased expertise and transparency, the Board of Parole would make more informed and affirmative decisions that strengthen public trust and safety.

[1:53:04 PM](#)

CHAIR BJORKMAN asked for an explanation of how the Board of Parole's leadership operates, including how the chair is selected and whether an executive director or administrator oversees the board.

[1:53:30 PM](#)

MR. FLORA answered that an executive director manages the Board of Parole's administrative functions and staff support, though he deferred to Ms. Cann for details on how the board chair is selected.

[1:54:13 PM](#)

MS. CANN replied that the board chair is appointed and supported by administrative staff who manage applications from incarcerated individuals and schedule their hearings before the parole board.

[1:54:46 PM](#)

CHAIR BJORKMAN asked how incarcerated individuals are notified of their parole eligibility and what resources are available to help them apply for discretionary parole.

[1:55:11 PM](#)

MS. CANN answered that incarcerated individuals work with an internal parole officer who ensures they meet eligibility timelines and assists with preparing and submitting the required paperwork to the parole board.

[1:55:36 PM](#)

CHAIR BJORKMAN asked if there was a clear matrix outlining what prisoners must do to qualify for discretionary parole and the specific goals they need to meet to qualify.

[1:56:00 PM](#)

MS. CANN replied that a lack of clear expectations for parole eligibility has caused frustration, as inmates may complete programs but still be denied parole without understanding why. SB 62 aims to increase transparency, set clear requirements, and reduce confusion and anger by helping inmates know what they must achieve to be considered for parole.

[1:57:22 PM](#)

SENATOR TOBIN referenced SB 62, page 3, line 3, and explained that the annual report will include a summary of the statutory and regulatory criteria most frequently used by the board, helping incarcerated individuals understand parole expectations

and which programs to complete, addressing the current lack of transparency that discourages participation in rehabilitation.

[1:58:10 PM](#)

CHAIR BJORKMAN expressed his concern that victims and their families want assurance that serious crimes are punished appropriately. He noted that short sentences, time served on pretrial release, and early parole eligibility may contribute to perceptions of injustice, especially as higher evidentiary standards make violent crime convictions harder. While supporting rehabilitation, he emphasized the need to balance it with equitable and meaningful justice for victims.

[2:01:17 PM](#)

CHAIR BJORKMAN held SB 62 in committee.

[2:01:23 PM](#)

At ease.

SB 134-PHARMACY BENEFITS MANAGER;3RD PARTY ADMIN

[2:02:41 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 134 "An Act relating to pharmacy benefits managers; relating to third-party administrators; and providing for an effective date."

[2:03:12 PM](#)

JANE ROHR, Staff, Senator Cathy Giessel, Alaska State Legislature, Juneau, Alaska, presented the summary and sectional analysis for SB 134. She read the following summary:

[Original punctuation provided.]

SB 134 relates to Third Party Administrators and Pharmacy Benefit Mangers; these agencies do business as intermediaries between insurance companies and pharmacies or consumers. Some of their responsibilities include negotiating medication prices and processing claims. Current statute requires these agencies to be registered which only allows for a basic level of recognition. The purpose of this bill is to require transparency and accountability for third party administers and pharmacy benefit managers operating in the State of Alaska by requiring them to be licensed and subject to oversight by the division of insurance.

[2:04:16 PM](#)

MS. ROHR read a paraphrased version of the sectional analysis for SB 134:

[Original punctuation provided.]

Sections 1 through 4 give the division of insurance the ability to examine these business entities and make TPAs responsible for paying costs associated with a market conduct examination.

Sections 5 through 7 make conforming changes by replacing the term "registered" with "licensed" and includes TPAs and PBMs in the list of agencies subject to the requirements in the statute entitled "licensed required"

Section 8 gives an exemption for a compliance officer from a TPA or PBM to be able to take an exam before a license is issued to that entity.

Section 9 prohibits TPAs and PBMs from operating in the state with an expired license.

Sections 10 through 24 require designated compliance officers to be licensed, and require exempt TPAs to file a certification with the director annually on or before February 1st, as well as make conforming changes by replacing "registered" with "licensed"

Section 25 requires all TPAs who operate in state be licensed to operate in the state of Alaska

Sections 26 and 27 makes conforming changes by replacing "registered" with "licensed"

Section 28 outlines new qualifications, disclosures, application requirements, and required notifications for licensees. Failure to meet the minimum standard may result in denial, revocation, or suspension of license.

Sections 29 and 30 allows the director to establish fees for licensure and renewal that will be self-supporting to the division by covering the costs of

salary, benefits, technology, and continuing education.

[2:06:12 PM](#)

MS. ROHR continued with the sectional analysis for SB 134:

Section 31 amends the definition of a PBM to include "regardless of ownership of the pharmacy benefits manager"

Section 32 repeals an unnecessary provision around "registration"

Section 33 sets an effective date January 1, 2026

[2:06:47 PM](#)

[CHAIR BJORKMAN announced invited testimony on SB 134.]

[2:07:01 PM](#)

HEATHER CARPENTER, Director, Division of Insurance, Department of Commerce, Community and Economic Development (DCCED), Anchorage, Alaska, testified by invitation on SB 134 and explained that last year's House Bill 226 increased oversight of pharmacy benefit managers (PBMs) by requiring separate registration, but the division discovered they lacked full authority to implement it. SB 134 now moves toward full licensure, clarifies that PBMs are subject to market conduct examinations, closes oversight loopholes, and strengthens consumer protections.

[2:08:59 PM](#)

CHAIR BJORKMAN held SB 134 in committee.

[2:09:03 PM](#)

At ease.

SB 35-DELIVERY NETWORK COMPANIES

[2:12:39 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 35 "An Act relating to transportation network and delivery network companies."

[2:13:20 PM](#)

SAVAYA BIEBER, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, presented the summary and sectional analysis for SB 35. She read the following:

[Original punctuation provided.]

SB 35 amends statutes related to workers compensation. This will align individuals who provide delivery services through delivery network companies with individuals who provide services through Transportation Network Companies.

The legislation will define these workers as independent contractors provided they meet statutory criteria.

Currently, delivery network companies are not defined in statute, which has led to confusion and litigation across the country, threatening these services that customers value and depend on.

Services provided by delivery network companies can include food, grocery, and prescription deliveries. Roughly 90 percent of digital network drivers work less than 10 hours per week.

These drivers usually provide delivery services to supplement their income, so they can work their full-time job, or go to school during the day, et cetera. Most drivers prefer to remain working as independent contractors so they can have the ability to work as much or as little as they want.

[2:14:34 PM](#)

MS. BIEBER read the sectional analysis for SB 35:

[Original punctuation provided.]

Version A Sectional Analysis

Section 1: Amends AS 23.30.230(a) by adding a delivery network company courier that provides delivery services or is logged onto the digital network of a delivery network company under AS 28.23.080 to the list of individuals who are not covered by the Alaska Workers' Compensation Act.

Section 2: Amends AS 28.23.080(a) to establish that delivery network companies are not an employer of transportation network drivers or delivery network

couriers under AS 23.10.699, AS 23.20.520, or AS 23.30.395. It further clarifies that an independent contractor for all purposes is not an employee of the company if the company does not propose specific working hours, does not impose restrictions on the ability of the driver to use the digital network of other companies, does not restrict a driver from engaging in any other occupation, or if the company enters into a written agreement with the driver or courier stating that the driver is an independent contractor for the company.

[2:15:19 PM](#)

MS. BIEBER continued the sectional analysis for SB 35:

Section 3: Amends AS 28.23.180(1) by adding to the definition of "digital network" to include use by delivery network companies to facilitate offers for delivery services

Section 4: Adds definitions to AS 28.23.180, to define "company", "delivery network company", "delivery network company courier" or "courier", "delivery services", and "offer".

[2:15:47 PM](#)

SENATOR GRAY-JACKSON requested clarification that SB 35 would not reclassify drivers as employees.

[2:16:05 PM](#)

MS. BIEBER answered yes.

[2:16:11 PM](#)

SENATOR GRAY-JACKSON asked how DoorDash drivers are classified.

[2:16:20 PM](#)

MS. BIEBER replied that DoorDash drivers are not defined in statute.

[2:16:35 PM](#)

CHAIR BJORKMAN announced invited testimony on SB 35.

[2:16:46 PM](#)

JOHN FINLEY, Public Policy Member, Uber Eats, San Francisco, California, testified by invitation on SB 35 as follows:

[Original punctuation provided.]

SB 35 updates the current law to affirm that app-based delivery workers are independent contractors –just like TNC drivers—ensuring consistency and protecting the independence of our workforce.

2:17:07 PM

MR. FINLEY continued his testimony on SB 35:

The absence of clear statutory guidance creates legal uncertainty, which could impact the app-based delivery services that many Alaskans depend on.

Since Uber Eats launched in Anchorage in June 2020, it has helped drive local economic growth, empower small businesses, and make life a little easier for community members by making food and everyday essentials more accessible.

Whether it's a sandwich from your favorite neighborhood deli, groceries to restock the fridge for the week, everyday essentials like shampoo and diapers or medical prescriptions delivered through the help of our partners—our platform helps deliver what Alaskans need, when they need it to make life a little easier for everyone.

We've also made it possible for lower-income households, seniors, and people with disabilities to use their food benefits to order groceries and get them delivered. More than 90 percent of Americans have access to Uber Eats, helping more people access fresh, healthy groceries.

We help local businesses reach new customers, compete, and grow without taking on big overhead costs. According to our most recent Merchant Impact Report, 85 percent of restaurants say Uber Eats provides opportunities for delivery that they wouldn't have been able to support without it.

In 2023 alone, our platform powered billions of dollars in orders, directly fueling local economies and driving growth for small and minority-owned businesses. Post-pandemic, delivery remains a critical part of how people live, especially for geographically

mobile professionals who incorporate delivery services into their lifestyle.

2:18:39 PM

MR. FINLEY continued his testimony on SB 35:

We ask you to protect and support the continuance of the independent, flexible work model that has benefited Alaskans.—whether you're one of the More than 15,000 Alaskan couriers, restaurants, or customers utilize Uber Eats monthly. We ask for your support for economic opportunities and innovation in Alaska.

SB35 is necessary to keep Alaska's laws on pace with the evolving world of work and continue to enable the benefits Uber Eats brings to Alaskans every day.

2:19:31 PM

JESSICA LYNAM, Government Affairs Manager, Instacart, San Francisco, California, testified by invitation on SB 35 and read the following testimony:

[Original punctuation provided.]

On behalf of Instacart, I am writing to express our support for Senate Bill 35, which would preserve access to the independence and flexibility that shoppers on the Instacart platform and other app-based delivery workers consistently say they want and need, and that rideshare drivers are already provided within the State of Alaska.

Instacart is the leading grocery technology company in North America, and we are proud to offer access to flexible earning opportunities for the more than 1,600 Alaskans. Shoppers – the individuals who pick, pack, and deliver orders – are often caretakers, parents, students, or retirees seeking alternatives to traditional employment or ways to supplement other income. In fact, over 80 percent of shoppers say they choose to shop on Instacart because of the independence it provides. Nationally, the vast majority of people who earn through our platform – including in Alaska – shop less than 10 hours a week on average¹. They have the freedom to choose when,

where, and for how long they work, without any set schedule, minimum commitment, or obligation.

[2:20:48 PM](#)

MS. LYNAM continued her testimony on SB 35:

In Alaska, Instacart partners with more than 25 retail banners in more than 130 stores, with almost half of those locations accepting EBT SNAP. By supporting these retailers, Instacart has helped add over 100 brick-and-mortar grocery jobs – from cashiers to store managers – across Alaska and approximately \$5.1 million in additional revenue for Alaska’s grocers. Moreover, Instacart is happy to serve tens of thousands across the Frontier state.

Senate Bill 35 meets the needs of a modern and independent workforce by clarifying that individuals delivering essential goods on app-based platforms are properly classified as independent contractors, provided they meet the same specific criteria applied to rideshare drivers. This workforce enjoys unprecedented flexibility, and many may choose to operate on multiple platforms across delivery and rideshare. This clarity will preserve parity for these workers whether they are driving on a rideshare platform or delivering food, prescriptions or other essential goods and put an end to needless uncertainty, which can undermine the flexibility and freedom that shoppers want and deserve.

I respectfully urge the Senate State Affairs committee to support Senate Bill 35. By doing so, we can ensure a fair and equitable environment for the growing app-based workforce across Alaska.

[2:22:13 PM](#)

SENATOR GRAY-JACKSON asked how Instacart drivers are compensated, besides receiving tips.

[2:22:38 PM](#)

MS. LYNAM replied that Instacart shoppers are paid based on the size of the batch they select, with compensation varying by the number of items. She said the driver receives 100 percent of their tips.

[2:23:11 PM](#)

SENATOR GRAY-JACKSON asked for more details on how drivers get paid.

[2:23:20 PM](#)

MS. LYNAM replied that she would provide a written document conveying, on how drivers get paid.

[2:23:37 PM](#)

SENATOR GRAY-JACKSON asked for an example of how Instacart disperses compensation to drivers.

[2:23:58 PM](#)

MR. FINLEY replied that couriers on platforms like Uber and similar delivery services can choose when to work by accepting delivery offers. When a customer places an order, the driver receives a notification to pick up and deliver it. After completing the delivery, the courier earns both the customer's tip and a payment from the company. That company payment varies for each order depending on several factors, including the distance traveled, the type of order, and other delivery conditions. In this way, drivers' total income combines company provided compensation with direct tips from customers.

[2:24:55 PM](#)

SENATOR GRAY-JACKSON requested to see a more detailed explanation of how a driver is paid.

[2:25:16 PM](#)

SENATOR DUNBAR asked what percentage of drivers work 40 hours or more in a week.

[2:25:44 PM](#)

MS. LYNAM replied that currently Instacart drivers work an average of 10 hours per week. She added that she will provide data on Alaska drivers that work 40 hours per week or more.

[2:25:58 PM](#)

SENATOR DUNBAR asked for written data on the number of drivers that work 40 hours or more and are on SNAP benefits or Medicaid.

[2:26:51 PM](#)

ANNA POWELL, Senior Manager, Government Relations, DoorDash, Seattle, Washington, testified by invitation on SB 35 and read the following testimony:

[Original punctuation provided.]

My name is Anna Powell and I am the Senior Manager of Government Relations for DoorDash in the Northwest. We are a technology company that empowers the local economy by connecting consumers with their favorite local businesses. In this state alone, we partner with more than 700 merchants and more than 14,000 couriers - or, as we call them, "Dashers" - who chose to earn supplemental income by delivering food, groceries, and other goods throughout their communities. DoorDash stands with the Dasher community who overwhelmingly prefer to remain independent contractors and offers the following comments in support of SB 35.

[2:27:42 PM](#)

MS. POWELL continued her testimony of SB 35:

Dashers and the Importance of Independence and Flexibility

Alaska Dashers value the independence and flexibility that dashing provides. A Dasher never needs to commit to a schedule to be online, is free to decline any offer for work they are sent, and can leave the platform for weeks or months at a time and come back whenever a new need arises.

Time and time again, Dashers tell us that the top motivation for using platforms like DoorDash is the ability to create their own schedule and work as much or as little as they want. Why? Because most Dashers do relatively little work on the platform: in 2023, on average, Dashers in Alaska only spent five hours per week on delivery, and almost 90 percent delivered less than 10 hours per week. The vast majority have other primary sources of income or responsibilities and only use the platform for supplemental work. In a survey last year, 82 percent of Dasher respondents say they have a full-or part-time job, are self-employed, students, stay-at-home caregivers or retired.

SB 35 Protects App-Based Delivery Worker Independence

The flexibility and independence that Dashers highly value is incompatible with traditional employment. That's why in a survey last year, more than 90 percent of Dasher respondents said they preferred to remain independent contractors.

[2:29:08 PM](#)

MS. POWELL continued her testimony of SB 35:

SB 35 would protect the independence of Dashers and other app-based delivery workers. Many existing worker classification standards were not created with app-based work and workers in mind. SB 35 would establish a classification test for app-based delivery workers that recognizes the unique nature of this work. This standard is already used in Alaska for rideshare drivers and is similar to standards for app-based workers that have been adopted in numerous states including Arizona, California, Florida, Indiana, Iowa, Kentucky, Tennessee, and Utah.

DoorDash strongly supports SB 35 that would protect the flexibility this type of work provides to the thousands of Alaskan Dashers who choose it. Thank you for your time and consideration and please do not hesitate to reach out with any questions.

MS. POWELL added that DoorDash drivers (Dashers) work about 4 hours a week and earn an average of \$27 an hour while driving.

[2:30:19 PM](#)

SENATOR GRAY-JACKSON requested clarification on how many hours a week DoorDash drivers work and their average pay per hour.

[2:30:34 PM](#)

MS. POWELL answered that in Alaska, Dashers averaged four hours of delivery work per week in the fourth quarter of 2024, with 88 percent working fewer than 10 hours. She said Dashers earned an average of \$27 per hour.

[2:31:09 PM](#)

SENATOR DUNBAR asked whether the \$27 per hour is gross or net pay.

[2:31:21 PM](#)

MS. POWELL answered the \$27 per hour is gross pay with tips.

[2:31:24 PM](#)

SENATOR DUNBAR what percentage of the additional revenue generated by "door dash" remains in Alaska, and recalled that during the pandemic, many Anchorage restaurants struggled because delivery services like DoorDash absorbed much of the revenue, leaving restaurants unable to maintain their own

delivery staff. He asked what percentage of the delivery fees remained in Alaska and how the fee structure contributed to the financial strain that led some businesses to seek additional CARES Act support.

[2:33:00 PM](#)

MS. POWELL replied that since 2020, DoorDash has restructured its merchant fee system, offering at least three service contract levels with varying benefits such as lower delivery fees and increased advertising. She offered to share a fact sheet showing \$130 million in 2024 in Alaska and partnerships with over 700 restaurants.

[2:34:14 PM](#)

SENATOR DUNBAR stated that many small Alaska restaurants cannot afford to develop or maintain their own delivery apps. He asked what percentage of deliveries in the state go through DoorDash, what is their market share, and if local businesses can offer independent delivery services.

[2:35:19 PM](#)

MS. POWELL replied that DoorDash has top competitors in the food delivery service, namely, Instacart and Uber.

[2:35:43 PM](#)

SENATOR DUNBAR asked what percentage of the market share for deliveries does DoorDash control and are there small businesses in Alaska that compete with DoorDash delivery.

[2:36:03 PM](#)

MS. POWELL answered that she is not aware of any local delivery operators in Alaska and does not know the market share of existing competitors. She offered to investigate and provide data.

[2:36:39 PM](#)

CHAIR BJORKMAN stated that many people are still adjusting to the culture around delivery network companies and said SB 35 focuses on workers' compensation coverage for delivery workers. He requested verbal and written comments to the committee on the questions he asked. He asked what benefits are provided to workers in Alaska who are injured on the job and unable to continue working.

[2:37:53 PM](#)

MS. POWELL replied that DoorDash provides occupational accident insurance for Dashers injured while delivering, offering up to

\$1 million in medical and disability benefits automatically, with no enrollment, deductibles, copays, or premiums required.

[2:38:37 PM](#)

MS. LYNAM replied that Instacart provides \$1 million in occupational incident insurance at no cost, automatically covering shoppers while they are actively working on a batch.

CHAIR BJORKMAN asked whether there is wage replacement if a worker is injured or misses work.

MS. LYNAM replied that the policy covers full-service shoppers for medical expenses, disability, and death, and noted there is some wage replacement coverage, and will provide additional information to the committee.

[2:39:47 PM](#)

MR. FINLEY replied that Uber Eats doesn't have an occupational accident insurance policy in Alaska.

[2:40:05 PM](#)

CHAIR BJORKMAN asked what coverage is available to protect drivers if they are involved in a car accident while working, including damage to their vehicle, others, or property.

[2:40:45 PM](#)

MR. FINLEY replied that aligning delivery drivers' status with Transportation Network Company (TNC) drivers is important because rideshare drivers in Alaska have comprehensive and collision coverage for accidents they cause or experience, protections that currently do not exist for delivery drivers. He said the committee needs to pass SB 35 to formalize similar coverage for delivery drivers.

[2:41:50 PM](#)

CHAIR BJORKMAN asked why Alaska law would need to change for Uber Eats to provide insurance coverage for food delivery drivers.

[2:42:06 PM](#)

MR. FINLEY answered that while rideshare drivers have insurance coverage when carrying passengers, delivery drivers do not have equivalent coverage when making deliveries. Aligning their independent contractor status is important to ensure similar protection.

[2:42:54 PM](#)

CHAIR BJORKMAN asked what coverage is available to protect drivers if they are involved in a car accident while working, including damage to their vehicle, others, or property.

[2:43:06 PM](#)

MS. LYNAM replied that occupational injury insurance covers the worker's personal injuries, while any vehicle damage would be covered under the driver's or shopper's personal auto insurance.

[2:43:38 PM](#)

MS. POWELL replied that DoorDash provides \$1 million in auto liability insurance for Dashers who cause an accident while delivering, with coverage automatic and at no cost to the driver.

[2:44:11 PM](#)

CHAIR BJORKMAN requested written responses to the questions that were answered verbally during the hearing.

[2:44:27 PM](#)

SENATOR DUNBAR asked to direct his question to Director Chuck Collins.

[2:45:00 PM](#)

SENATOR DUNBAR asked for an explanation of the practical differences between occupational accident insurance and workers' compensation, specifically how an injured worker's experience would differ under each.

[2:45:22 PM](#)

CHARLES COLLINS, Director, Workers Compensation Division, Department of Labor and Workforce Development (DOLWD), Juneau, Alaska, answered questions on SB 35. He answered that the key differences are that workers' compensation is no-fault—covering injuries regardless of who is at fault—and has no coverage limits, unlike typical disability or occupational accident insurance, which may have caps.

[2:46:26 PM](#)

SENATOR DUNBAR asked how delivery drivers in Alaska who work 40, 50, or 60 hours per week are currently classified and treated.

[2:47:01 PM](#)

MR. COLLINS replied that several delivery network companies have temporarily provided workers' compensation coverage through stipulations until a law clarifying their status is passed. These agreements are nearing expiration, making it urgent to

establish legal direction, though the companies have been cooperative in ensuring their contractors are protected.

[2:48:24 PM](#)

SENATOR DUNBAR asked what the current policies or agreements with these companies specify.

[2:48:34 PM](#)

MR. COLLINS replied that companies that purchased workers' compensation obtained standard coverage, while one agreement simply paused enforcement, allowing time for legislation to clarify that couriers transporting goods could be covered as independent contractors.

[2:49:25 PM](#)

SENATOR DUNBAR asked whether the current agreements require companies to purchase workers' compensation insurance under the agreement rather than by law, and whether this is different from occupational accident insurance. He also asked whether passing this law would result in any employees in Alaska losing their workers' compensation insurance.

[2:49:49 PM](#)

MR. COLLINS answered that for companies recognizing drivers as employees, workers' compensation policies are annual and could be canceled if the law changes. With SB 35, drivers would be classified as independent contractors under Alaska law, who are not required to have workers' compensation and can choose whether to be covered.

[2:51:15 PM](#)

SENATOR DUNBAR noted that a key difference between workers' compensation and occupational accident insurance is that workers' compensation is no-fault, meaning employees are compensated for on-the-job injuries regardless of how they occur. He asked how the occupational accident insurance process works in practice—whether workers must file their own claims, how often claims are denied, and whether the company or the insurer handles those claims.

[2:52:16 PM](#)

MR. FINLEY replied that Alaska Uber eats does not have occupational accident insurance and won't be able to answer the question.

[2:52:37 PM](#)

MS. LYNAM replied that for Instacart, shoppers can file claims directly through the app. She said the company reports a low number of claims and will provide Alaska-specific data.

[2:53:12 PM](#)

MS. POWELL stated her belief that drivers can file a claim but would follow up with committee.

[2:53:29 PM](#)

SENATOR DUNBAR stated that he wants written information on the percentage of filed claims that are paid out, not the share of workers who file claims. He also asked whether companies screen or block claims before submission and how burdensome the claims process is for workers, noting that workers' compensation is generally a simpler, no-fault system.

[2:55:00 PM](#)

SENATOR GRAY-JACKSON asked for confirmation that Instacart and DoorDash offer occupational injury insurance.

CHAIR BJORKMAN indicated yes by nodding in the affirmative.

SENATOR GRAY-JACKSON asked for confirmation that Uber Eats is looking into getting occupation injury insurance.

CHAIR BJORKMAN answered that's what he heard.

SENATOR GRAY-JACKSON asked Mr. Finley how soon occupational injury insurance would become available for Uber Eats drivers working in Alaska.

[2:55:32 PM](#)

MR. FINLEY replied that the company is actively exploring the option for Alaska.

[2:56:07 PM](#)

CHAIR BJORKMAN said he recognizes the challenges SB 35 faces and wants to ensure companies like Uber Eats, Instacart, and DoorDash can continue operating in Alaska while workers feel adequately protected. He emphasized the need to balance worker freedom and protection, find common ground, and reach a resolution that allows Alaskans to keep benefiting from these services.

[2:58:29 PM](#)

[CHAIR BJORKMAN held SB 35 in committee.]

2:59:14 PM

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:59 p.m.