

**SB**

**106**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/12/03

REPORTED OUT  
APR 09 2003  
SENATE FINANCE  
COMMITTEE

FURTHER:

DATE TURNED  
IN TO OFFICE: 04/09/03

Finance Committee considered

SENATE BILL NO. 106

## SB 106 FEE FOR STUDDED TIRES

"An Act relating to a fee on studded tires; and providing for an effective date."

and recommends:

- be replaced with CS for SB 106 (FIN)
- adopt previous CS CS forthcoming
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
Rev	4/8/03	72.2		

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>		✓		
<i>[Signature]</i>		✓		
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

# FISCAL NOTE

REPORTED OUT

APR 09 2003

SENATE FINANCE  
COMMITTEE

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSSB106(FIN)  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
Title: Tire fee; studded tire fee BRU: Revenue Operations  
Component: Tax Division  
Sponsor: Rules Committee  
Requester: Senate Finance Committee Component No.: 2476

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	47.7	47.7	47.7	47.7	47.7	47.7
Travel	5.0	2.0	2.0	2.0	2.0	2.0
Contractual	15.0	3.0	3.0	3.0	3.0	3.0
Supplies	2.0	1.0	1.0	1.0	1.0	1.0
Equipment	2.5					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>72.2</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	<b>2,350.0</b>	<b>3,325.0</b>	<b>3,325.0</b>	<b>3,325.0</b>	<b>3,325.0</b>	<b>3,325.0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	72.2	53.7	53.7	53.7	53.7	53.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>72.2</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation would impose a \$2.50 fee per tire on all new tires sold in Alaska for motor vehicles, effective July 1, 2003. This legislation also would impose an additional \$5 fee per tire on all new tires with heavy studs, effective July 1, 2004. The fee would be imposed at the retail level, with the tire seller to collect the fee from the buyer and remit the money to the state.

The fee would be imposed on all tires sold for highway use.

Businesses would be required to file quarterly reports and remit payments to the Department of Revenue. Businesses would be allowed to retain 5% of the amount collected, not to exceed \$900 a quarter, to cover expenses in collecting and remitting the fee.

Based on projections from the Department of Transportation and Public Facilities, the fee would be collected on 1.25 million new motor vehicle tires sold each year in Alaska and an estimated 40,000 new tires sold each year with heavy studs. The first-year revenue would be for three fiscal quarters of tax collections.

The operating expense includes one Tax Technician III (Range 14) to administer and collect the fees. The Department expects several hundred businesses statewide will be included in this new program. The first-year costs include funding for an outreach effort to educate businesses.

Prepared by: Larry Persily, Deputy Commissioner Phone 465-5469  
Division: Department of Revenue Date/Time 4/8/03 2:40 PM  
Approved by: Larry Persily, Deputy Commissioner Date 4/8/2003  
Agency: Department of Revenue

Amend #5  
adopted

1 (c) A seller shall add the amount of the fees imposed by this section to the  
2 total price of the tire or service subject to the fees, and the fees shall be stated  
3 separately on any sales receipt, invoice, or other record of the sale or other transfer or  
4 of the installation of studs.

5 (d) A seller shall collect the fees from the purchaser. A seller shall file a  
6 return on a form prescribed by the department and remit the fees collected to the  
7 department not later than 30 days following the last day of the calendar quarter of the  
8 sale or installation.

9 (e) A seller remitting the fees collected under this section to the department  
10 within 30 days after the last day of the preceding calendar quarter may retain five  
11 percent of the amount collected, not to exceed \$900 a quarter, to cover expenses  
12 associated with collecting and remitting the fees.

13 (f) The provisions of AS 43.05 and AS 43.10 apply to this section.

14 (g) The fees imposed in this section do not apply to tires or services sold to  
15 federal, state, or local government agencies for official use.

✓  
sold for  
resale

16 (h) In this section,

17 (1) "highway" has the meaning given in AS 28.40.100;

18 (2) "motor vehicle" has the meaning given in AS 28.40.100;

19 (3) "seller" means a seller of tires or a person who installs studs on  
20 motor vehicle tires for a fee.

21 \* Sec. 3. This Act takes effect July 1, 2003.

SENATE FINANCE COMMITTEE  
4/8/2003 COMMITTEE ACTION

<b>Bill Number</b>	SB 106		
<b>Amendment</b>	#5		
<b>Motion</b>	adpt		
<b><u>Motion by</u></b>	Green		
<b><u>Objection by</u></b>	Wilken		
<b><u>Removed</u></b>	✓		
<b><u>Second Objection by</u></b>			
<b><u>Committee Member</u></b>	<b>Y</b>	<b><u>Vote</u></b>	<b>N</b>
Senator Stevens			
Senator Taylor			
Senator Bunde			
Senator Hoffman			
Senator Olson			
Co-Chair Green			
Co-Chair Wilken			
<b><u>Tally</u></b>			
Yea			
Nay			
Absent			
<b><u>MOTION</u></b>	PASS		

Amend #4  
Withdrawn

1  
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(c) A seller shall add the amount of the fees imposed by this section to the total price of the tire or service subject to the fees, and the fees shall be stated separately on any sales receipt, invoice, or other record of the sale or other transfer or of the installation of studs.

(d) A seller shall collect the fees from the purchaser. A seller shall file a return on a form prescribed by the department and remit the fees collected to the department not later than 30 days following the last day of the calendar quarter of the sale or installation.

(e) A seller <sup>timely</sup> remitting the fees collected under this section to the department within 30 days after the last day of the preceding calendar quarter may retain five percent of the amount collected, not to exceed \$900 a quarter, to cover expenses associated with collecting and remitting the fees.

(f) The provisions of AS 43.05 and AS 43.10 apply to this section.

(g) The fees imposed in this section do not apply to tires or services sold to federal, state, or local government agencies for official use.

(h) In this section,

- (1) "highway" has the meaning given in AS 28.40.100;
- (2) "motor vehicle" has the meaning given in AS 28.40.100;
- (3) "seller" means a seller of tires or a person who installs studs on motor vehicle tires for a fee.

\* Sec. 3. This Act takes effect July 1, 2003.

SENATE FINANCE COMMITTEE  
4/8/2003 COMMITTEE ACTION

<b>Bill Number</b>	SB 106		
<b>Amendment</b>	-# 4.		
<b>Motion</b>	=adpt		
<b><u>Motion by</u></b>	Green		
<b><u>Objection by</u></b>	Wilken		
<b><u>Removed</u></b>			
<b><u>Second Objection by</u></b>			
<b><u>Committee Member</u></b>	<b>Y</b>	<b><u>Vote</u></b>	<b>N</b>
Senator Olson			
Senator Stevens			
Senator Taylor			
Senator Bunde			
Senator Hoffman			
Co-Chair Green			
Co-Chair Wilken			
<b><u>Tally</u></b>			
Yea			
Nay			
Absent			
<b><u>MOTION</u></b>	WITH DRAWN		

**CS FOR SENATE BILL NO. 106(TRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered: 3/12/03  
Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to studded tires; and providing for an effective date."

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 \* **Section 1.** AS 28.35.155 is amended by adding a new subsection to read:

4 (c) A person convicted of violating this section is punishable by a fine of not  
5 less than \$100, in addition to any other penalties imposed under AS 28.40.050.

6 \* **Sec. 2.** AS 43.98 is amended by adding a new section to read:

7 **Sec. 43.98.025. Studded tire fee.** (a) A fee of \$10 a tire is imposed on the  
8 retail sale of studded tires in the state.

9 (b) A fee of \$10 a tire is imposed on the installation of studs for a fee on a  
10 motor vehicle tire in the state.

11 (c) A seller shall add the amount of the fee imposed by this section to the total  
12 price of the tire or service subject to the fee, and the fee shall be stated separately on  
13 any sales receipt, invoice, or other record of the sale or other transfer or of the  
14 installation of studs.

15 (d) A seller shall collect the fee from the purchaser. A seller shall file a return

Amend #3  
(removed)

23-GS1127N

1 on a form prescribed by the department and remit the fee collected to the department  
2 on a quarterly basis  
~~not later than 30 days following the last day of the month of the sale or installation.~~

3 (e) A seller remitting the fee collected under this section to the department  
4 within 30 days after the last day of the preceding month may retain five percent of the  
5 amount collected, not to exceed \$300 a month, to cover expenses associated with  
6 collecting and remitting the fee.

7 (f) The provisions of AS 43.05 and AS 43.10 apply to this section.

8 (g) The fees imposed in this section do not apply to tires or services sold to  
9 federal, state, or local government agencies for official use.

10 (h) In this section,

11 (1) "seller" means a seller of studded tires or a person who installs  
12 studs on motor vehicle tires for a fee;

13 (2) "studded tire" means a motor vehicle tire with metal studs or spikes  
14 embedded in the periphery of the tire surface and protruding beyond the tread surface  
15 of the tire.

16 \* Sec. 3. This Act takes effect July 1, 2003.

CS

SENATE FINANCE COMMITTEE  
4/1/2003 COMMITTEE ACTION

<b>Bill Number</b>	SB 106		
<b>Amendment</b>	#3		
<b>Motion</b>	adpt		
<b><u>Motion by</u></b>	Bunde		
<b><u>Objection by</u></b>			
<b><u>Removed</u></b>			
<b><u>Second Objection by</u></b>			
<b><u>Committee Member</u></b>	<b>Y</b>	<b><u>Vote</u></b>	<b>N</b>
Senator Hoffman			
Senator Olson			
Senator Stevens			
Senator Taylor			
Senator Bunde			
Co-Chair Green			
Co-Chair Wilken			
<b><u>Tally</u></b>			
Yea			
Nay			
Absent			
<b><u>MOTION</u></b>	Withdrawn		

With drawn

AMENDMENT

OFFERED IN THE SENATE  
TO: CSSB 106(TRA)

BY SENATOR BUNDE

1 Page 1, line 1:

2 Delete "studded"

3

4 Page 1, line 7:

5 Delete "Studded tire fee"

6 Insert "Tire fees"

7 Delete "\$10"

8 Insert "\$2.50"

9

10 Page 1, line 8:

11 Delete "studded"

12

13 Page 1, lines 9 - 10:

14 Delete all material and insert:

15 "(b) In addition to the fee imposed under (a) of this section, a fee of \$5 a tire is  
16 imposed on the retail sale of tires studded with metal studs or spikes weighing more  
17 than 1.1 grams each embedded in the periphery of the tire surface and protruding  
18 beyond the tread surface of the tire, or on the installation for a fee of metal studs or  
19 spikes weighing more than 1.1 grams each on a motor vehicle tire in the state."

20

21 Page 1, line 11:

22 Delete "fee"

23 Insert "fees"

1

2 Page 1, line 12:

3 Delete "fee" in both places

4 Insert "fees" in both places

5

6 Page 1, line 15:

7 Delete "fee"

8 Insert "fees"

9

10 Page 2, line 1:

11 Delete "fee"

12 Insert "fees"

13

14 Page 2, line 3:

15 Delete "fee"

16 Insert "fees"

17

18 Page 2, line 6:

19 Delete "fee"

20 Insert "fees"

21

22 Page 2, line 11:

23 Delete "(1)"

24 Delete "studded"

25

26 Page 2, line 12:

27 Delete ";"

28 Insert "."

29

30 Page 2, lines 13 - 15:

31 Delete all material.

SENATE FINANCE COMMITTEE  
4/1/2003 COMMITTEE ACTION

<b>Bill Number</b>	SB 106		
<b>Amendment</b>	#2		
<b>Motion</b>	adpt		
<b><u>Motion by</u></b>	Bunde		
<b><u>Objection by</u></b>	Wilken		
<b><u>Removed</u></b>			
<b><u>Second Objection by</u></b>			
<b><u>Committee Member</u></b>	<b>Y</b>	<b><u>Vote</u></b>	<b>N</b>
Senator Bunde			
Senator Hoffman			
Senator Olson			
Senator Stevens			
Senator Taylor			
Co-Chair Green			
Co-Chair Wilken			
<b><u>Tally</u></b>			
Yea			
Nay			
Absent			
<b><u>MOTION</u></b>	Withdrawn		

FAIL

SENATE FINANCE  
COMMITTEE

Amendment Number: # 1  
Bill Number: SB 106  
Sponsor: Hoffman Date: 4/1/03  
Logged In By: Robin

23-GS11271.3  
Kurtz  
4/1/03

AMENDMENT

OFFERED IN THE SENATE  
TO: CSSB 106(TRA)

BY SENATOR OLSON

*H. Olson*

- 1 Page 2, line 8, following "do not apply to":
- 2       Insert "(1)"
- 3
- 4 Page 2, line 9, following "use":
- 5       Insert "; or
- 6                       (2) studded tires exclusively for use on a motor vehicle that meets the
- 7       qualifications under AS 28.22.011(a)(1) for exemption from the motor vehicle liability
- 8       insurance requirement of AS 28.22.011"

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

## Section

21. Requirement of proof of motor vehicle liability insurance  
31. Method of proof of motor vehicle liability insurance

## Section

41. Administrative suspension of drivers' licenses  
51. Falsification of information  
61. Proof for the future

*Sec. 28.22.010. Motor vehicle liability policy. [Repealed, § 17 ch 70 SLA 1984.]*

**Sec. 28.22.011. Motor vehicle liability insurance required: Exemptions.**

(a) The operator or owner of a motor vehicle subject to registration under AS 28.10.011 when driven on a highway, vehicular way or area, or on other public property in the state, shall be insured under a motor vehicle liability policy that complies with this chapter or a certificate of self-insurance that complies with AS 28.20.400 unless

(1) the motor vehicle is being driven or moved on a highway, vehicular way, or a public parking place in the state that is not connected by a land highway or vehicular way to

(A) the land-connected state highway system, or

(B) a highway or vehicular way with an average daily traffic volume greater than 499; and

(2) the operator has not been cited within the preceding five years for a traffic law violation with a demerit point value of six or more on the point schedule determined under regulations adopted by the department under AS 28.15.221.

(b) The department shall annually publish a list of areas that meet the requirements of (a)(1) of this section. This list shall be available for public inspection at each office of the department.

(c) In this section, "operator" does not include

(1) an employee who operates, during the course and within the scope of employment, a motor vehicle that is owned or leased by the operator's employer; or

(2) an emergency service volunteer who operates, during the course and within the scope of responding to an emergency, a motor vehicle not owned by the volunteer. (§ 1 ch 108 SLA 1989; am § 79 ch 63 SLA 1993)

**Effect of amendments.** — The 1993 amendment, effective January 1, 1993, repealed paragraph (a)(3).

#### NOTES TO DECISIONS

**Relation to Motor Vehicle Safety Responsibility Act.** — The Motor Vehicle Safety Responsibility Act and the Mandatory Automobile Insurance Act coexist as components of the Alaska Uniform Vehicle Code and the latter supplements, but does not supplant, the former. *Progressive Ins. Co. v. Simmons*, 953 P.2d 510 (Alaska 1998).

The language of AS 21.89.020(c), pertaining to uninsured or underinsured motorist coverage, means that all policies in the state must conform to the content requirements of the Motor Vehicle Safety Responsibility Act, and that if the content requirements of the Mandatory Automobile Insurance Act are broader than those of the former, those requirements

must also be complied with as to persons covered by the latter. *Progressive Ins. Co. v. Simmons*, 953 P.2d 510 (Alaska 1998).

**Substantial compliance.** — Where a motor vehicle operator did not have liability insurance when he caused property damage exceeding \$500, suspension of his driver's license was warranted, and his personal indemnification of the parties and purchase of liability insurance soon after the accident was not substantial compliance with the mandatory insurance laws or the self-insurance statute. *State, Dep't of Pub. Safety v. Fernandes*, 946 P.2d 1259 (Alaska 1997).

**Quoted in** *Bollerud v. State, Dep't of Pub. Safety*, 929 P.2d 1283 (Alaska 1997).

**Sec. 28.22.019. Proof of insurance to be carried and exhibited on demand.**

(a) A person shall have proof of motor vehicle liability insurance in the person's immediate possession at all times when driving a motor vehicle, and shall present the proof for inspection upon the demand of a peace officer or other authorized representative of the Department of Public Safety. However, a person charged with violating this section may not be convicted if the person produces in court or in the office of the arresting or citing officer proof of motor vehicle liability insurance previously issued to the person that was valid at the time of the person's arrest or citation.

State of Alaska Division of Motor Vehicles Standard Operating Procedures		SOP No. R-2	Page No. 2 of 3
		Effective July 1, 2001	
Subject: <del>VEHICLES EXEMPT FROM REGISTRATION</del>	Supersedes R-2		Dated 12/15/00
	Approved <i>[Signature]</i>		
Statute: AS 28.10.011; AS 28.22.011 (1) (A) & (B)	Regulation:	Form No.	
As required by AS 28.22.011(1)(A) & (B), the following areas are exempt from registration and the Mandatory Insurance law. Compiled by the Department of Administration, Division of Motor Vehicles, from information obtained from the Department of Transportation.			
Adak	Candle	Effin Cove	Kakhonak
Afognak	Canyon	Elim	Kaktovik
Akhiok	Cape Pole	Emanguk	Kalskag
Akiachak	Cape Yakataga	Emmonak	Kalttag
Akiak	Chalkyitsik	English Bay	Kanatak
Akolmiut	Chandalar	Excursion Inlet	Karluk
Akulurak	Chaniliut		Kashegelo
Akutan	Chakaktolik	False Pass	Kasigluk
Alakanuk	Chase	Flat	Katalla
Alatna	Chatham	Fort Yukon	Kiana
Allakaket	Cheching	Fortuna Ledge	King Cove
Amakdedori	Chenik		King Island
Ambler	Chefornak	Galena	Kipnuk
Amchitka	Chemofski	Gambell	Kivalina
Aniak	Chevak	Golovin	Kiwalik
Annette	Chichagof	Goodnews Bay	Kobuk
Anvik	Chignik	Grayling	Kokhanok
Arctic Village	Chignik Lagoon	Gustavus	Kokrines
Atka	Chignik Lake		Koliganek
Atkasuk	Chisana	Hawk Inlet	Kongiganak
Attu	Christian	Haycock	Kotlik
	Chuathbaluk	Holy Cross	Kotzebue
	Clark's Point	Hooper Bay	Koyuk
	Cold Bay	Hughes	Koyukuk
	Crooked Creek	Huslia	Kvichak
Baranof			Kwethluk
Beaver			Kwigillinogok
Bell Island Hot Springs	Deering		Kwiguk
Belkofski	Diomed	Iditarod	Kwinhagak
Belmezok		Iguigig	
Bettles	Edna Bay	Igushik	
Bettles Field	Eek	Iliamna	
Biorka	Egavik	Ivanoff Bay	Lake Minchumina
Birch Creek	Egegik		Larsen Bay
Brevig Mission	Ekuk		Latouche
Buckland	Ekwok	Kachemak	Levelock
		Kaguyak	

<b>State of Alaska</b> <b>Division of Motor Vehicles</b> <b>Standard Operating Procedures</b>		SOP No. R-2	Page No. 3 of 3
Effective December 15, 2000			
<b>Subject:</b>  <b>VEHICLES EXEMPT FROM REGISTRATION</b>		Supersedes R-2	Dated 11/6/92
		Approved <i>Charles R. Hosack</i>	
<b>Statute: AS 28.10.011; AS 28.22.011 (1) (A) &amp; (B) Regulation:</b>		Form No.	
<p>As required by AS 28.22.011(1)(A) &amp; (B), the following areas are exempt from registration and the Mandatory Insurance law. Compiled by the Department of Administration, Division of Motor Vehicles, from information obtained from the Department of Transportation.</p>			
Lime Village Little Diomed Long Lower Kalskag  Manokatak Marshall Mary's Igloo McGrath Medfra Mekoryuk Meshik Mettakatia Meyoruk Meyers Chuck Moses Point Mt. Village Mumtrak  Napaimiut Napaikak Napakiak Nelson Lagoon New Stuyanak Newhalen Newtok Nightmute Nikolai Nikolski Noatak Nolan Nondalton Noorvik Nuiqsut	Nulato Nunachuak Nunapitchuk Nushagak Nyac  Old Harbor Ophir Oscarville Ouzinkie Owl Village  Pavlof Harbor Pedro Bay Pelican Pennock Island Perryville Pikmiktalik Pile Bay Pilot Point Pilot Station Pitka's Point Platinum Point Baker Point Hope Point Lay Poorman Port Alexander Port Alsworth Port Ashton Port Graham Port Heiden Port Lions Port Moller Port Wakefield	Quinhagak  Rampart Red Devil Ruby Russian Mission  St. George St. Mary's St. Michael St. Paul Sanak Sand Point Savoonga Scammon Bay Selawik Shageluk Shaktoolik Sheldon Point Shemya Shismaref Shungnak Shungnnak Village Skwentna Sleetmute Snettisham South Naknek Squaw Harbor Stebbins Stevens Village Stony River Stuyahok  Takotna Taku Harbor	Tanana Tanunak Tatitlek Tenakee Springs Tetlin Tin City Todd Togiak Tokeen Toksook Bay Tuluksak Tuntutuliak Tununak Twin Hills Tyonek  Ugashik Umiat Unalakleet Unga  Venetie  Wainwright Wales White Mountain Wiseman Woody Island

SENATE FINANCE COMMITTEE  
4/8/2003 COMMITTEE ACTION

Bill Number	SB 106		
Amendment	#1		
Motion	adopt		
<u>Motion by</u>	Olson		
<u>Objection by</u>	Wilken		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Taylor	<del>✓</del>		
Senator Bunde			✓
Senator Hoffman	<del>✓</del>		
Senator Olson	✓		
Senator Stevens			✓
Co-Chair Green			✓
Co-Chair Wilken			✓
<u>Tally</u>			
Yea		1	
Nay		4	
Absent		2	
<u>MOTION</u>	FAIL		

ADOPTED

23-GS1127W

Kurtz

4/8/03

**CS FOR SENATE BILL NO. 106( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-THIRD LEGISLATURE - FIRST SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to tires; and providing for an effective date."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **\* Section 1.** AS 28.35.155 is amended by adding a new subsection to read:

4 (c) A person convicted of violating this section is punishable by a fine of not  
5 less than \$100, in addition to any other penalties imposed under AS 28.40.050.

6 **\* Sec. 2.** AS 43.98 is amended by adding a new section to read:

7 **Sec. 43.98.025. Tire fees.** (a) A fee of \$2.50 a tire is imposed on the retail  
8 sale of new tires for motor vehicles designed for use on a highway.

9 (b) In addition to the fee imposed under (a) of this section, a fee of \$5 a tire is  
10 imposed on the retail sale in the state on or after July 1, 2004, of tires for motor  
11 vehicles designed for use on a highway that are studded with metal studs or spikes  
12 weighing more than 1.1 grams each embedded in the periphery of the tire surface and  
13 protruding beyond the tread surface of the tire, or on the installation in the state on or  
14 after July 1, 2004, for a fee of metal studs or spikes weighing more than 1.1 grams  
15 each on a tire for a motor vehicle designed for use on a highway.

1 (c) A seller shall add the amount of the fees imposed by this section to the  
2 total price of the tire or service subject to the fees, and the fees shall be stated  
3 separately on any sales receipt, invoice, or other record of the sale or other transfer or  
4 of the installation of studs.

5 (d) A seller shall collect the fees from the purchaser. A seller shall file a  
6 return on a form prescribed by the department and remit the fees collected to the  
7 department not later than 30 days following the last day of the calendar quarter of the  
8 sale or installation.

9 (e) A seller remitting the fees collected under this section to the department  
10 within 30 days after the last day of the preceding calendar quarter may retain five  
11 percent of the amount collected, not to exceed \$900 a quarter, to cover expenses  
12 associated with collecting and remitting the fees.

13 (f) The provisions of AS 43.05 and AS 43.10 apply to this section.

14 (g) The fees imposed in this section do not apply to the following tires and  
15 services if the purchaser provides the seller with a certificate of use on a form  
16 prescribed by the department:

17 (1) tires or services sold to federal, state, or local government agencies  
18 for official use; or

19 (2) tires for resale.

20 (h) In this section,

21 (1) "highway" has the meaning given in AS 28.40.100;

22 (2) "motor vehicle" has the meaning given in AS 28.40.100;

23 (3) "seller" means a seller of tires or a person who installs studs on  
24 motor vehicle tires for a fee.

25 \* Sec. 3. This Act takes effect July 1, 2003.

Adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

23-GS1127U

Kurtz

4/8/03

**CS FOR SENATE BILL NO. 106( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-THIRD LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**

**Referred:**

**Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to tires; and providing for an effective date."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **\* Section 1.** AS 28.35.155 is amended by adding a new subsection to read:

4 (c) A person convicted of violating this section is punishable by a fine of not  
5 less than \$100, in addition to any other penalties imposed under AS 28.40.050.

6 **\* Sec. 2.** AS 43.98 is amended by adding a new section to read:

7 **Sec. 43.98.025. Tire fees.** (a) A fee of \$2.50 a tire is imposed on the retail  
8 sale of tires for motor vehicles designed for use on a highway.

9 (b) In addition to the fee imposed under (a) of this section, a fee of \$5 a tire is  
10 imposed on the retail sale in the state on or after July 1, 2004, of tires for motor  
11 vehicles designed for use on a highway that are studded with metal studs or spikes  
12 weighing more than 1.1 grams each embedded in the periphery of the tire surface and  
13 protruding beyond the tread surface of the tire, or on the installation in the state on or  
14 after July 1, 2004, for a fee of metal studs or spikes weighing more than 1.1 grams  
15 each on a tire for a motor vehicle designed for use on a highway.

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(c) A seller shall add the amount of the fees imposed by this section to the total price of the tire or service subject to the fees, and the fees shall be stated separately on any sales receipt, invoice, or other record of the sale or other transfer or of the installation of studs.

(d) A seller shall collect the fees from the purchaser. A seller shall file a return on a form prescribed by the department and remit the fees collected to the department not later than 30 days following the last day of the calendar quarter of the sale or installation.

(e) A seller remitting the fees collected under this section to the department within 30 days after the last day of the preceding calendar quarter may retain five percent of the amount collected, not to exceed \$900 a quarter, to cover expenses associated with collecting and remitting the fees.

(f) The provisions of AS 43.05 and AS 43.10 apply to this section.

(g) The fees imposed in this section do not apply to tires or services sold to federal, state, or local government agencies for official use.

(h) In this section,

- (1) "highway" has the meaning given in AS 28.40.100;
- (2) "motor vehicle" has the meaning given in AS 28.40.100;
- (3) "seller" means a seller of tires or a person who installs studs on motor vehicle tires for a fee.

\* Sec. 3. This Act takes effect July 1, 2003.

## Studded Tire Briefing Paper

### Opening Statement

Thank you for the opportunity to testify on SB106 (HB173). This legislation would impose a \$10.00 per tire surcharge on all studded tires sold in Alaska beginning on July 1, 2003. Based on projections from the DOT/PF, the surcharge would raise an estimated \$2 million per year. Businesses would be allowed to retain 5% of the surcharge up to \$1000 to cover their expenses. According to the Department of Revenue, the state's cost to administer the program will be about \$50,000 per year.

Many drivers use studded tires as an aid to winter driving to improve traction on icy surfaces. An analysis of Alaska winter driving conditions show that primary roads, where traffic volumes are highest, are covered with ice or snow only about 5% of the time. During the remaining 95% of the "studded tire season", pavements are bare and or dry.

Alaskan pavement wear rates average .13 inches per million studded tire passes. This means for every 250,000 cars with studded tires traveling over 1 mile of road will tear up enough pavement to fill a large dump truck. Studies have shown that one studded tire will cause about \$50.00 worth of damage during its' useful life. Alaska spends over \$5 million per year to repair ruts caused by studded tires.

### Dynamics of Stud Related Wear.

Studs consist of two main components: a tungsten carbide steel pin and an outer sleeve. The material used in the outer sleeve determines the weight differences. The current lightweight stud designs that have the best performance have aluminum oxide sleeves.

As the stud moves over the pavement, the energy is transferred to the pavement in the form of scratching first, then in the form of a punching action. This punching action breaks up the aggregate and picks out the asphalt. The pavement pictures clearly show the loss of asphalt and aggregate from the punching effect.

Speed is also a significant factor in pavement wear. Studies have shown that there is about 44% more wear at 55mph than at 35mph. Contrary to popular belief, the vast majority of road damage is caused by passenger vehicles rather than truck traffic. This is clearly shown in this photo taken in Anchorage where the ruts are about 60 inches apart which is the average width of a mid-sized passenger vehicle. The axle width of trucks is typically 75-82 inches wide.

## Highway Safety Alternatives

When studded tires were first introduced in the late 1960's, they were undoubtedly an effective winter driving aid. But since then there have been several other innovations that have dramatically increase winter driving safety. Some of these are: the anti-lock breaking systems which are standard on newer vehicles, radial all season tires, increased availability and use of all wheel drive vehicles, increase availability of front wheel drive vs. rear wheel drive vehicles, aggressive maintenance programs, chemical deicing strategies, more sophisticated plowing and scraping maintenance vehicles, siped tires which are a cross cut pattern on softer rubber tires that grip the ice, and early storm warnings by the National Weather Service. New research shows that studs only give about a 5% increase in traction over winter all season tires and the new generation of studless winter tires approach the level of traction afforded by studs.

Let me elaborate on the chemical deicing strategies for a moment. About 5 years ago, state maintenance forces began using an ice control chemical called magnesium chloride. This chemical, derived from seawater, is less corrosive than sodium chloride and when used at a 30% concentration is a "magic bullet" when it comes to fighting ice and snow pack. As long as the temperature is above 20 degrees F., the chemical can be used as an anti icing agent sprayed on the roadway before the storm hits at 40 gallons per lane mile. If the storm is not too wet, the mag chloride will keep the ice from forming. In most coastal areas ranging from Anchorage and the Kenai Peninsula to Valdez and down to Juneau, the mag is sprayed on the sand as it leaves the spinner at a concentration of 13-15 gallons per cubic yard of sand. This causes the sand to "stick" to the pavement and after a while the mag migrates down through the snow pack and breaks the bond between the pavement and ice. In a short time, we have bare roads again. The cost of magnesium chloride is about \$1.40 per gallon.

## Cost of Studded Tire Use

On one side of the equation, studded tires provide the public with a valued safety measure and increased mobility. On the other hand, road damage results in ongoing state expense, an increased amount of airborne particulates, a decrease of the effective life of our highway traffic markings and deep pavement ruts.

These pavement ruts result in four major impacts. First, when the ruts fill with water, hydroplaning occurs especially at high speeds. The tires float on the trapped water, reducing the driver's ability to steer and brake. Second, the ruts cause a channeling of the tires, which can cause the driver to lose steering when making lane changes. Third, the water from spray and splash can cause poor visibility. Fourth there is an increased cost of vehicle maintenance due to wear on shocks, springs, struts and alignment.

### DOT/PF Actions

What has DOT/PF done to formulate and build wear resistant pavements? We have instituted several projects to try and increase the abrasion resistance of asphalt pavements. One major source of wear is the lack of hard aggregate throughout Alaska. In Juneau, we have barged in hard aggregate from Haines and DuPont, Washington to try and increase pavement life. In southcentral Alaska, only one known hard quarry exists which is located in Cantwell. The cost of transporting hard aggregates to pavement sites is very expensive. Next we have constructed Stone Mastic Asphalt pavements. These pavements resist stud wear better because it is loaded with hard, coarse aggregate. We have also been experimenting with adding polymers to our asphalts to harden them and make them more resilient. It is the policy of the Department to primarily use asphalt refined from North Slope crude oil. North Slope crude is inherently soft, and the addition of styrene, butadiene and plasticizers increase the effectiveness and performance.

We will continue our ongoing efforts to locate deposits of wear-resistant rock, continue to test new wear-resistant paving mixes and continue to work with contractors and asphalt suppliers to develop cost-effective high performance pavements.

### Conclusion

In conclusion, studded tires cause in excess of \$5 million of pavement wear per year. This bill is a small step towards recovering some of those costs by asking users of studs to pay a nominal fee.

The Administration and the DOT/PF ask that you support this bill. Thank you.

**Subject: SB106****Date:** Thu, 27 Mar 2003 16:16:56 -0900**From:** Lynn Aleshire <lynn@kja.us>**To:** Senator\_Lyda\_Green@legis.state.ak.us, Senator\_Gary\_Wilken@legis.state.ak.us,  
Senator\_Con\_Bunde@legis.state.ak.us, Senator\_Robin\_Taylor@legis.state.ak.us,  
Senator\_Ben\_Stevens@legis.state.ak.us, Senator\_Lyman\_Hoffman@legis.state.ak.us,  
Senator\_Donny\_Olson@legis.state.ak.us**CC:** lynn@frontierk12.org

Dear Senator,

I am a consulting engineer under contract with UAA to write portions of a study of the socioeconomic effects of studded tire use. This study was funded by the last legislature and I believe you have received the interim findings. As a result of what I've learned after reviewing 40+ studies and publications I am writing against SB106.

I see its purpose to be revenue generation without doing anything to solve the problem of pavement wear and the expense of pavement repair.

The premise that studded tires are a net cost burden to the state is incorrect. Yes, road repair is expensive. But reduction in studded tire use is even more costly. Two very recent studies came to this conclusion.

- In 2002 the Japanese produced a benefit-cost analysis before and after studs were banned on Hokkaido in the mid-90's. They found no savings but added expense because road surfaces required 15 times more surface applications (sand & salt) and injury/death accidents increased 2.2 times.
- Finland predicted the same results as they considered government policies that would reduce studded tire usage without banning them. After extensive research throughout the 90's the Finns required light weight studs that allowed for the same level of safety but reduced pavement wear by one-half. Today Finland and other Nordic countries which have followed similar policies consider the problem solved.

I understand the proposal is not to ban studs but I am certain that any significant reduction in the usage of studs will add costs to highway operations. A surcharge on studs will discourage stud usage.

Thank you for your time. I hope to be able to testify at tomorrow's hearing.

Lynn Aleshire  
907.248.3567

Provided by Gary Wilken

## **SOCIO-ECONOMIC EFFECTS OF STUDED TIRE USE IN ALASKA**

INTERIM EXECUTIVE SUMMARY – March 10, 2003

by Hannele Zubeck<sup>1</sup>, Ph.D., P.E., Susan Harvey<sup>2</sup>, Lynn Aleshire<sup>3</sup> and Stan Porhola  
University of Alaska Anchorage, School of Engineering  
3211 Providence Drive, Anchorage, AK 99508

### **INTRODUCTION**

At the request of Mr. Dennis Nottingham, Senator John Cowdery introduced Senate Bill 216 (SB216) to the Alaska State Legislature on April 30, 2001 to study road design problems with the use of studded tires. Although SB216 did not pass, the Senate Finance Committee included funds in the University of Alaska FY03 Budget to investigate the socio-economic effect of studded tire use on traffic safety, air quality, and pavement wear. This study is currently underway and includes: a literature review, field study and economic analysis. This interim report briefly summarizes significant findings from the literature review and the field study; economic analysis is still underway.

### **REGULATORY OVERVIEW**

The use of studded tires on motor vehicles is limited or restricted in many jurisdictions worldwide. Most studded tire regulations reflect a policy decision that weighs the potential safety benefits afforded by enhanced traction against the road maintenance costs and human health effects caused by studded tires.

Countries such as Japan, Germany, Holland, and Belgium prohibit the use of studded tires outright. Other countries, like the United States and Canada, regulate the use of studded tires at the state or provincial level, so that studded tire use may be banned, limited seasonally, or permitted with no restrictions in certain states or provinces. Studded tire use has not been banned in the Nordic countries, although they all restrict studded tire use to the winter months and regulate the stud type and frequency in a tire. In 1999, the city of Oslo, Norway enacted an annual tax of approximately \$160 USD per vehicle using studded tires as part of an effort to reduce studded tire use.

Recent studies in Finland and Japan found that prohibiting studs produces a net increase in total costs. Pavement repair costs are greatly reduced, but costs of accidents plus the increased requirement of surface applications to improve winter traction result in an overall increased financial burden at the state level. These studies have led to legislation that continues the use of studded tires during winter months, but allows only lightweight studs to minimize adverse effects.

### **ANCHORAGE STUD USAGE**

As a part of this study, a total of 1,714 vehicles were surveyed on Anchorage parking lots between December 2002 and February 2003. Fifty-two percent (52%) of these vehicles had

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studded tires. The number of vehicles using lightweight studs represents 31% of the vehicles with studded tires and 16% of all vehicles. In previous studies, studded tire use in Alaska ranged from 35% in 1971 to a high of 80% in 1996.

### **PAVEMENT WEAR**

It is estimated that Alaska spends \$5 million annually to repair stud-related pavement damage. Vehicles that use the studs during summer are responsible for estimated \$1 million annually in pavement rehabilitation costs. These figures should be reevaluated.

Finland, Sweden and Norway have conducted a tremendous amount of research on studded tire issues. Each country reports that the significant problem of studded tire related pavement wear has been solved. They attribute their success to the following factors:

- Wear resistant pavements (improve resistance by high quality aggregates, stone mastix mixtures, high quality construction);
- Strictly enforced seasonal studded tire usage;
- Less aggressive studs (reduce wear by decreasing the stud mass, frequency and protrusion);
- Traffic conditions (decrease wear by decreasing traffic volume and proportion of studded tires, decreasing winter speed limits and increasing lane widths); and,
- Weather conditions (decrease wear by keeping the road surface dry).

### **AIR POLLUTION IMPACT**

While scientific evidence is overwhelming that studded tires do generate increased levels of road dust by "grinding" the pavement into smaller particles, the use of studded tires in Alaska does not appear to present an unacceptable respiratory health risk.

Dust generated by studded tires is only a sub-set of the overall paved road dust level, and is not currently causing violations in the National Ambient Air Quality Standards (NAAQS) for particulates. There does not appear to be any human health benefit associated with banning studded tires in urban areas of Alaska, as a reduction in roadway particulate levels due to the ban would be offset by increased dust levels due to increases in the volume of winter traction sand.

### **TRAFFIC SAFETY**

Publications pertaining to studded tires and traffic safety were reviewed from North America, Europe and Japan. Important findings include:

- Studded tires reduce accident risk; only one study refuted this point.
- Banning stud usage increases the overall social cost despite the savings in road maintenance;
- Drivers using studded tires drive more confidently than drivers without studded tires;
- Increased tort liability greatly changes the economics of studded tire usage. If studded tire use is limited, increased surface applications are required to improve traction adding to the expense born by the state; and
- International research is more current and appropriate to Alaska's situation than earlier North American work, because it reflects improvements in studded tire and pavement design.

Provided by Gary Wilken 4/8/03

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GENERAL PROVISIONS

§ 28.40.100

(11) "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle;

(12) "highway" means the entire width between the boundary lines of every way that is publicly maintained when a part of it is open to the public for purposes of vehicular travel, including but not limited to every street and the Alaska state marine highway system but not vehicular ways or areas;

(13) "highway work zone" means an area identified by advance signing where road construction, repair, or maintenance work is being done on or adjacent to a highway, whether or not work is actually being done at that time;

(14) "motor vehicle" means a vehicle which is self-propelled except a vehicle moved by human or animal power;

(15) "motorcycle" means a vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground; the term does not include a tractor;

(16) "motor-driven cycle" means a motorcycle, motor scooter, motorized bicycle, or similar conveyance with a motor attached and having an engine with 50 or less cubic centimeters of displacement;

(17) "official traffic-control device" means a sign, signal, marking, or other device not inconsistent with this title, placed or erected by authority of a state or municipal agency or official having jurisdiction, for the purpose of traffic regulating, warning, and guiding;

(18) "owner" means a person, other than a lienholder, having the property in or title to a vehicle, including but not limited to a person entitled to the use and possession of a vehicle subject to a security interest in another person, but exclusive of a lessee under a lease not intended as security;

(19) "revoke" means the termination, by formal action of the Department of Public Safety or the Department of Administration or by formal action of a court, of a certification, registration, license, permit, or privilege issued or allowed under this title or regulations adopted under this title; the certification, registration, license, permit, or privilege may not be reissued, renewed, or restored during the time for which revoked; however, after that time, an application for a new certificate, registration, license, permit, or privilege may be made;

(20) "roadway" means that portion of a highway designed or ordinarily used for vehicular travel, exclusive of the sidewalk, berm, or shoulder, even though the sidewalk, berm, or shoulder is used by persons riding bicycles or other human powered vehicles; and in the event that a highway includes two or more separate roadways, the term refers to each roadway separately but not to all such roadways collectively;

(21) "serious physical injury" has the meaning given in AS 11.81.900(b);

(22) "suspend" means the temporary withdrawal, by formal action of the Department of Public Safety or the Department of Administration or by formal action of a court, of a certificate, registration, license, permit, or privilege issued or allowed under this title or regulations adopted under this title, effective for a period of time which must be specifically designated by the appropriate department or by the court;

(23) "traffic" means pedestrians, ridden or herded animals, vehicles, and other conveyances either singly or together while using a highway or vehicular way or area that is open to public use for purposes of travel;

(24) "underinsured motor vehicle" means a motor vehicle licensed for highway use with respect to ownership, operation, maintenance, or use for which there is a bodily injury or property damage insurance policy or a bond applicable at the time of an accident and the amount of insurance or bond

is less than the amount the covered person is legally entitled to recover for bodily injury or property damage from the owner or operator of the underinsured motor vehicle;

(25) "vehicle" means a device in, upon, or by which a person or property may be transported or drawn upon or immediately over a highway or vehicular way or area; "vehicle" does not include



# Alaska State Legislature

Please enter into the record my testimony to the Senate Finance  
committee name

Committee on SB 106, dated 4/1/03  
bill # / subject

Signed: Hannele Zuback  
Testifier

University of Alaska Anchorage, School of Engineering  
Representing (optional)

3211 Providence Drive, Anchorage, AK 99508  
Address

907-283-6535 home office  
Phone number

**SOCIO-ECONOMIC EFFECTS OF STUDDED TIRE USE ON ALASKA**  
**TESTIMONY FOR FINANCE COMMITTEE HEARING ON SB 106 - April 1, 2003**

by Hannele Zubeck<sup>1</sup>, Ph.D., P.E., Susan Harvey<sup>2</sup> and Lynn Aleshire<sup>3</sup>  
University of Alaska Anchorage, School of Engineering, 3211 Providence Drive, Anchorage, AK 99508

The University of Alaska Anchorage is conducting a study on socio-economic effects of studded tire use on Alaska. The Alaska Legislature funded the study in Spring 2002. The objective is to investigate usage of studded tires and the effect of stud use on traffic safety, air quality, and pavement wear. This testimony is based on the interim findings.

**Recommendations:**

The proposed \$10 fee for each new studded tire sold encourages driving with old studded tires that may not provide the desired traction but may still provide driver confidence. This will result in increased accident rates, and consequently, the collected fees may not cover the overall expense for the State and its residents. The same would apply for setting a fee for all sold tires. A better approach would be to set a fee for the conventional heavy weight studs, to encourage drivers to select lightweight studs that are proven to have less damaging impact on pavements. As a result, the pavement damage would decrease without increasing the accident rate, which would have beneficial effect on the overall state economy.

**Regulatory Overview:**

Six states (Colorado, Kentucky, New Hampshire, New Mexico, Vermont, and Wyoming) allow virtually unrestricted use of studded tires on state roads and highways. Thirty-six states (including the District of Columbia) allow studded tires but restrict their use seasonally, geographically, or through equipment specifications. Eight states (Alabama, Florida, Hawaii, Illinois, Louisiana, Mississippi, and Texas) currently prohibit the use of studded tires under any circumstances; however, out of these states only Illinois has significant amount of ice and snow. Recent studies in Finland and Japan found that prohibiting studs produces a net increase in total costs. Pavement repair costs are greatly reduced, but costs of accidents plus the increased requirement of surface applications to improve surface traction (e.g. sand, salt, etc.) result in an overall increased financial burden at the state level. These studies have led to legislation that continues the use of studded tires during winter months, but allows limits that use to lightweight studs to minimize adverse effects.

**Stud Usage:** As a part of this study, a total of 1,714 passenger cars and pickup trucks were surveyed on Anchorage parking lots between December 2002 and February 2003. Fifty-two percent (52%) of these vehicles had studded tires. Thirty six percent (36%) uses conventional heavyweight studs and 16% uses lightweight studs. According to 2002 DMV statistics, there are 574,654 passenger cars and pickup trucks in Alaska. There are estimated 824,743 tires with conventional studs, and 370,537 tires with lightweight studs in use in Alaska assuming that Anchorage usage rates apply statewide. The proposed \$10 fee for all new studded tires would result in \$4.0 million annual revenues, if the usage rates were not affected by the \$10 fee, and the tires were replaced every 3 years. If the \$10 fee were set only on the tires with heavyweight studs, the annual revenue would be \$2.8 million that is still more than the estimated amount of \$2 million in the SB 106.

**Pavement Wear:** Finland, Sweden and Norway have conducted a tremendous amount of research on studded tire issues. Each country reports that the significant problem of studded tire related pavement wear has been solved. They attribute their success mainly to wear resistant pavements, less aggressive studs and strictly enforced seasonal studded tire usage. The annual estimated damage to Alaskan pavements of \$5 million is low compared to literature values and needs to be reevaluated.

**Air Pollution Impact:** There does not appear to be any human health benefit associated with banning studded tires in urban areas of Alaska. A reduction in roadway particulate levels due to the ban would be offset by increased dust levels due to increases in the volume of winter traction sand.

**Traffic Safety:** All but one of the studies reviewed concluded that studded tires reduce accident risk. Banning stud usage increases the overall cost despite the savings in road maintenance. The relationship between rutted pavement and summer hydroplaning accidents needs to be researched in Alaska.

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# **JOHNSON'S TIRE SERVICE, INC.**

**"We Care"**

## **INTRODUCTION**

My name is Jim Johnson, President of Johnson's Tire Service, Alaska's "Home Grown" Tire and Auto Service Centers.

I have been in the tire and auto service business for thirty-five years. My wife Janet and I moved to Alaska in January 1982 and opened our first Anchorage store in April 1982. In twenty-one years we have expanded to six retail stores, three in Anchorage, one in Eagle River and our two newest stores in Soldotna and Wasilla.

Our business is based on several simple principles: a strong work ethic, honesty, integrity and a firm belief in quality customer service.

**3330 Denali Street  
Anchorage, AK 99503  
907-561-1414**

**1107 E. Diamond Blvd.  
Anchorage, AK 99515  
907-345-8000**

**2839 Minnesota Drive  
Anchorage, AK 99503  
907-279-6500**

**16515 Artillery Road  
Eagle River, AK 99577  
907-694-5055**

**751 S. Palmer Wasilla Hwy.  
Wasilla, AK 99654  
907-373-2040**

**44371 Sterling Hwy.  
Soldotna, AK 99669  
907-260-2600**

## **OPPOSITION TO HB 173 AND SB 106**

**“An Act relating to a fee on studded tires: and providing an effective date.”**

**Jim Johnson, President  
Johnson's Tire Service**

Thank you for letting me provide you this information in opposition to HB 173 and SB 106 regarding the State of Alaska's intent to place a “user fee” on the sale of studded tires within the state.

In order to be effective, I must tell you a story going back to 1993 when I first became involved in the controversial issue of studded tires and their effect on Alaska's roads.

In the summer of 1993 David Esch, Alaska Department of Transportation, requested a meeting with me concerning studded tires. I agreed to meet with David and the questions he posed to me concerned studded tires and his belief that studded tires were causing excessive road wear in Alaska. The Department of Transportation was looking for solutions to the problem and he asked my opinion. Having been in the tire business in Alaska for eleven years I gave him my honest opinion that the state and municipalities were not doing enough to enforce laws concerning the time frame for taking off and putting studs on.

Studs must be removed, by law, in Southcentral Alaska by midnight April 30<sup>th</sup> each year. I informed Mr. Esch that studded tire removal was extremely high in April and even more intense the first weeks of May, exceeding the time limit to have them removed. I informed Mr. Esch that many customers continued to have studs removed well into June and July and August. This had an definite impact on road wear and the law needed to be enforced but wasn't. One of my ideas to Mr. Esch was to strictly enforce the law, especially when IM's were being conducted and when giving parking or moving violation tickets. These were simple mechanisms that would have done a great deal to deter violations.

That same year, possibly December, there was a public display set up in the Anchorage airport supposedly showing damage done to roads by studded tires. This was a very antiquated display using a bias ply passenger tire, studs protruding excessively from the tire and in essence grinding the tire on a piece of asphalt like a grinder.

Bias ply tires were outmoded as much as twenty years before this display was put together having been replaced by much improved radial tires. Additionally, unlike the studs used in the display, in which the stud casing itself was sticking out of the tread of the tire, studs are intended to be placed in a pre-pinned portion of the tire and the only part of the stud that should make contact with the road surface is the tungsten tip

This display was a total misrepresentation of a modern studded tire of 1993. Sources informed us that the true intent of the display, which was sponsored by the state, was an attempt to convince Alaskans of the supposed destructiveness of studded tires and actually help pave the way for a total ban on studded tires.

I was appalled by this revelation, knowing that studded tires are a proven safety device and understanding full well the very serious and negative effects banning studded tires would have on Alaska and its citizens.

Alarmed by tactics being used in this matter, I began contacting experts on pavement wear, its causes and effects. With the help of others, we were able to bring doctors and engineers to Alaska from the Swedish Road and Transport Research Institute (VTI) and they attended the Winter Cities Conference in March 1994.

One part of the conference dealt specifically with road wear caused by studded tires. It should be noted that all tire dealers in Alaska, approximately 100, were notified of the conference and Johnson's Tire Service was the only tire dealer that attended.

VTI informed the conference that Norway, Sweden, Finland and other European nations had concerns about stud related road wear previous to 1994 and they had considered banning studs. Their extensive research data showed that if studs were discouraged and/or banned, accidents causing injury, extensive property damage and possibly death would rise dramatically and insurance rates would, in turn, increase dramatically.

Road maintenance materials such as sand, gravel and chemicals would have to be used more extensively to maintain some semblance of traction while having the additional adverse effect of decreasing air quality and using chemicals. The accumulated data strongly suggested the negative impact of discouraging and/or banning studs. A solution was still needed.

Research showed that stud related wear is directly attributable to the weight of the stud and the centrifugal force of the weight of the stud. Pavement wear rates have a direct correlation to the weight of the stud. The experts in Europe took this research and challenged stud manufacturers to use their expertise to design a lighter weight environmentally friendly stud.

Stud manufacturers designed a stud that weighed 1.1 gram or less which is 42% to 52% lighter than the conventional, now antiquated, original stud design that weighed 1.9 grams. Additionally, the new lightweight stud would have the same traction capability and longevity of the heavier stud and the expected life of the stud would remain the same.

Most importantly, the lighter weight stud would automatically, over a period of time as they replaced the heavier studs, reduce road wear by 50%.

The countries in Europe, with the results of their studies and the new lighter weight environmentally friendly studs ready for use, mandated the use of lighter weight studs exclusively and they immediately experienced a decrease in stud related road wear up to 50%.

Research also showed the Europeans that road quality had to be improved starting with the bedding of the road (foundation) and the riding surface. By improving materials another 30% decrease in road wear could be realized.

Additionally, by enforcing existing time restrictions on studded tire use and by banning tire dealers from adding additional studs to tires or re-studding tires, the effect would be to reduce studded tire road wear by an additional 20%.

The parties mentioned above were unbiased and used a fair and balanced approach to help solve the stud related pavement wear problem in many parts of Europe.

I had the privilege to meet with these professionals and I was fascinated by the new technology, they assured me that it would work and I quickly understood the potential benefit it offered the state. I immediately contacted our stud distributors to inquire about pricing for this new technology. In short, new lighter weight studs would cost 30% to 50% or more than the heavier, now antiquated studs.

At this point Johnson's Tire Service made a business decision to purchase large quantities of the lighter environmentally friendly technology studs because we felt we had a window of opportunity to make a tremendous contribution in the area of reducing studded tire road wear. We felt that this decision was necessary and we wanted to be proactive and show our true sense of being a good corporate citizen. Johnson's Tire Service was the first company to offer the new environmental technology stud in America.

All the other tire dealers were approached and informed of the new technology and given the opportunity to purchase the same environmental friendly studs and none chose to do so. The main reason, in my professional opinion, was the increased cost of 30% to 50% or more.

As soon as we made the opportunity to begin phasing in the new studs in March 1994 I informed Mr. Esch at DOT what our intentions were and the level of our commitment in an effort at doing our part in reducing stud related road wear. Mr. Esch thanked me.

In the summer of 1994 our sources informed us that the state had already developed a radio script (Click and Clack), to tell consumers not to buy studded tires because they ruin our roads. To say the least, I was incensed by DOT's total disregard of the facts presented by VTI and our commitment to purchase and install environmentally friendly studs.

I told Mr. Esch that I would fight to my last breath to keep Alaskan drivers safe. I informed him we would go to the insurance industry and our large consumer base to educate them on the extremely important safety issue.

In mid September 1994 the Click and Clack radio spots began airing and to our utter amazement they in fact supported purchasing the lighter weight environmental studs rather than the antiquated heavier studs.

During the 1994 winter studded tire selling season JTS offered the lighter environmental stud and the original heavier antiquated stud. Both studs were priced the same even though the lighter weight studs were more expensive. We knew customers were going to be confused so we started an aggressive education program on the new studs, presenting the facts to them and giving them the option of which stud to purchase.

Please keep in mind that we have not raised the price we charge consumer for studs since 1992. In essence, we have spent considerably more money in that time to purchase the more expensive lighter studs but have not passed that cost on to the consumer.

Needless to say, the other local tire dealers were less than happy with the state's support of the lighter environmental studs but they still had the opportunity to purchase the new technology but chose not to.

JTS continued to offer a choice of studs through 1995. Beginning in 1996 we made the decision to offer the lighter environmental stud exclusively.

For the last nine years Johnson's Tire Service has sold and promoted the use and benefits of the lighter environmental stud through extensive radio, television, newspaper and in-store education of our customers. We were very aggressive in promoting the features and benefits of the lighter environmental studs to include their traction capabilities and longevity.

The State of Alaska, even though armed with verifiable information in 1994 by VTI and DOT's own investigation conducted by Project Manager Ginger

Johnson and Chief of Quality Assurance Tony Barter's extensive research which included a visit to a test center in Finland, has made little to no effort to implement policy that would have dramatically reduced stud related road wear. Mr. Barter was able to substantiate and verify the accurate and unbiased research conducted in Europe.

We know that at some point, possible fiscal 1996-1997, DOT encouraged enactment of a state law that would have mandated the use of lighter studs. For reasons never explained to me the legislation did not succeed and the state lost an early opportunity to prevent 50% of the road wear caused by studs. During this time Johnson's Tire Service encouraged the passage of legislation that would have required the use of the lightweight environmental stud.

DOT, expressed their opinion to us during this time that they could already see a decrease in stud related road wear thanks to the studs we were using and the volume of tires we sold. They also applauded our voluntary efforts and our commitment in using the new technology that provided tremendous benefits.

At some point during this process and because of the state's unwillingness to act on this proven technology, I must say that I considered relenting on my position and going back to heavier studs. From a purely business sense, it didn't seem prudent to expend the extra money for studs that caused so much less damage when the state, knowing full well the benefit of the lighter studs chose to take no action.

I believe I made the right decision to stay my course knowing full well the benefit the studs we install have continued to provide in less road damage for these nine years.

It is my firm belief that decisions makers may be receiving less than forthright information concerning non-studded winter tire technology, specifically non-studded siped or friction tires are said to provide the same level of traction as studded tires. This is totally erroneous and we are prepared to bring tire engineers to Alaska who are unbiased and would provide factual information about the myth of these statements.

Some officials appear to be making inaccurate statements and spreading misguided information that the majority of road wear is caused by studded tires. Studs do cause some damage, but not to the extent represented by some parties. However, the environmental technology studs cause 50% less damage than the antiquated heavier studs.

All tires cause road wear, small tires, large tires, studded tires and non-studded tires. Once again we are prepared to bring, at our expense, professionals and engineers from VTI back to Alaska to address these issues once again so there can be no questions and to deal with the erroneous information being propagated concerning studs, studded tires, road wear and road conditions.

The legislation being considered, as a revenue generator, has no positive effects whatsoever. This is the first step to discourage or possibly ban studs altogether. If passed, some people who can easily afford it will shrug and pay the fee. Others less fortunate who cannot afford the extra \$40.00 may not purchase studded tires and put they or their loved ones in harms way.

Injuries, possible loss of life and property damage will go up with the discouragement and/or banning of studded tires. In order to provide traction for those who can't afford or won't pay this TAX, the state will have to use more sand, gravel and chemicals that will decrease air quality and create other potential side effects. This will also significantly increase cleanup costs each year.

There is also a serious negative potential to tire businesses. The smaller dealers will quite possibly experience severe hardship in trying to sell studded tires and seasonal changeovers. Less people using studs means less studs to install and taken off during those seasons. I see the potential of smaller tire businesses going out of business. Less business, even for the bigger tire dealerships, means less employees will be needed during those normally busy times in the spring and fall when studs are taken off and put on, causing an increase in unemployment.

At best this legislation, if passed, will encourage consumers not to purchase winter studded tires putting them at risk. There are environmental issues that need to be addressed. Injuries to Alaskans, possible loss of life and damage to property will increase with the additional effect of raising insurance rates. This legislation will cause undue harm to business.

If there is to be a tax to raise revenue, let us be reasonable and fair. If the state needs money tax every tire sold in the state and start it immediately. Place a tax of \$2.50 on every passenger car and light truck tire sold and a somewhat higher tax on every medium truck or commercial truck tire sold. The effect of such a tax would be fairer and actually generate more revenue than the proposed legislation. It would also not endanger anyone and would not single out any one group to be taxed.

If this user fee is enacted as written, Johnson's Tire Service would have no motivation or incentive in using the environmental technology studs. We would have little recourse but to start using heavier studs again. We have done our best to be a good citizen for nine years in the hope that the state and our fellow tire dealers would follow our lead. So far that has not been the case. If this legislation is enacted, the potential for significant additional road wear caused by studs will increase due to the large volume of tires we sell.

I cannot tell you how passionate I am on this very important consumer and safety issue. I encourage you in the strongest possible terms to prevent the flawed legislation from becoming law.

I thank you for your time and consideration in the very important matter. I am at your disposal for discussion and further input. I can be reached in Anchorage at 907-562-7090.

Respectfully,

**Jim Johnson, President  
Johnson's Tire Service**

**PROTECT OUR ROADS  
AND BE SAFE!**

**ICE GRIP STUDS**

***ULTRA PREMIUM***

*J.T.S. Exclusive*

**"Street Smart"<sup>TM</sup>**



***Environment  
Friendly  
Technology***



- ✓ ***Decreases road wear by 50%.***
- ✓ ***Ranked #1 in Braking and Traction.***
- ✓ ***Outperforms all Ice Grip Studs in Alaska!***
- ✓ ***Recommended & Approved by Alaska's D.O.T.***

# STATE OF ALASKA

Tony Knowles, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

SOUTHEAST REGION

6860 Glacier Highway  
Juneau, Alaska 99801-7999  
PHONE: 465-4481

February 2, 1995

Re: Tire Studs  
Wear Resistance  
Finland Report

Jim Johnson  
Johnson Tire Center  
3330 Denali  
Anchorage, AK 99503

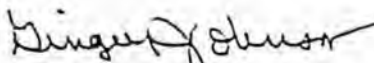
  
Dear Mr. Johnson:

As you are aware, our Department has been promoting the use of lightweight tire studs as an excellent way of reducing the rate of pavement wear on our highways. Studded tires were developed in Finland and all Scandinavian countries now require the use of lightweight tire studs to cut pavement wear.

We in the Department of Transportation are aware of the concerns of some tire dealers that lightweight aluminum bodied studs may wear more rapidly than the conventional steel bodied tire studs. For that reason, we have arranged the translation from Finnish to English of a recent article and test report on the rates of wear of both aluminum and steel bodied tire studs during 30,000 miles (50,000 kilometers) of tire use and wear. The results demonstrate that the best of the aluminum bodied studs continued to perform better than steel bodied studs over time and miles of use. A copy of the report is attached for your information and for sharing with your customers.

If you have any questions or comments, please do not hesitate to call me at 465-4481, or call our Research Office at 465-6956.

Sincerely,

  
Ginger Johnson  
Project Manager



**STATE OF ALASKA**  
DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES

Tony Knowles, Governor

CENTRAL REGION - DIVISION OF CONSTRUCTION AND OPERATIONS  
HIGHWAY CONSTRUCTION

P.O. Box 196900  
Anchorage, Alaska 99519-6900  
(907) 269-0450  
Fax (907) 243-5092

August 19, 1999

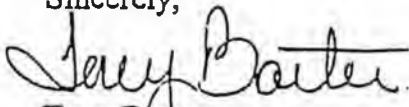
Jim Johnson  
Johnson's Tire Service  
3330 Denali Street  
Anchorage, Alaska 99503

Dear Mr. Johnson,

Thank you for your letter of August 6, 1999. I have reviewed your request to restate the department's desire to minimize pavement wear along the highway system. As you have indicated, this can be accomplished by better engineered pavements and the use of lightweight studs or environmentally friendly studs. Our mutual goal of reducing maintenance costs and providing safety for the traveling public can best be accomplished by the continued effort of the tire dealerships in distributing lightweight studs. Therefore, the ADOT approves of any tire dealership to use the following quote: "The Department of Transportation Approves and Recommends the use of Environmentally Friendly Studs."

Thank you for your continued efforts in supporting the department's goal of legislating towards lightweight studs.

Sincerely,

  
Tony Barter  
Chief, Quality Assurance

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

5800 E. TUDOR ROAD  
ANCHORAGE, ALASKA 99507-1225  
(FAX 269-6731) (507) 269-6230

### ENGINEERING DIVISION

August 22, 1997

Jim Johnson  
Johnson's Tire Service  
3330 Denali Street  
Anchorage, Alaska 99503

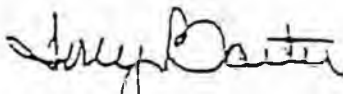
Dear Mr. Johnson,

I am forwarding a copy of the legislation which was introduced during the 1996-1997 legislative session in regards to regulating the weight of studs. Please note there were a number of errors as originally proposed and as such I have included recommendations for amendments.

I must compliment you on your devotion to market "Environmentally Friendly Studs". Historically we have identified these as lightweight studs. Your efforts to supply the market with this new technology has greatly assisted the public in reducing road wear from the abrasive action of studded tires. Controlled studies from the Scandinavian countries would suggest the continued use of environmentally friendly studs can reduce pavement wear by as much as 50%. Random review of pavement wear rates in the Anchorage area suggest a reduction of rutting. This can be contributed to a higher usage of lighter weight studs and a change in the mix design policy by the Department of Transportation.

I would encourage you to continue your efforts to market the "Environmentally Friendly Technology" as we form a partnership in solving this problem. If I can assist you further please give me a call.

Sincerely,



Tony Barter, P.E.  
State Materials Engineer

# The Legality of Studded Snow Tires

## Return to Winter Tire Info

STATE / PROVINCE	PERMISSABLE DATES	STATE / PROVINCE	PERMISSABLE DATES	STATE / PROVINCE	PERMISSABLE DATES
ALABAMA	ALL YR RUBBER ONLY	ALASKA	SEPT 30 - APR 15	ARIZONA	OCT 1 - MAY 1
ARKANSAS	NOV 15 - APR 15	CALIFORNIA	NOV 1 - APR 1	COLORADO	NO RESTRICTIONS
CONNECTICUT	NOV 15 - APR 30	DELAWARE	OCT 15 - APR 15	D.C.	OCT 15 - APR 15
FLORIDA	ALL YR	GEORGIA	ONLY SNOW & ICE	HAWAII	PROHIBITED
IDAHO	OCT 1 - APR 15	ILLINOIS	PROHIBITED	INDIANA	OCT 1 - MAY 1
IOWA	NOV 1 - APR 1	KANSAS	NOV 1 - APR 15	KENTUCKY	NO RESTRICTIONS
LOUISIANA	PROHIBITED	MAINE	OCT 2 - APR 30	MARYLAND	NOV 1 - MAR 31 WESTERN COUNTIES
MASSACHUSETTS	NOV 2 - APR 30	MICHIGAN	SOFT STUDS NOV 15 - APR 1	MINNESOTA	PROHIBITED
MISSISSIPPI	PROHIBITED	MISSOURI	NOV 1 - MAR 31	MONTANA	OCT 1 - MAY 31
NEBRASKA	NOV 1 - APR 1	NEVADA	OCT 1 - APR 30	NEW HAMPSHIRE	NO RESTRICTIONS
NEW JERSEY	NOV 15 - APR 1	NEW MEXICO	NO RESTRICTIONS	NEW YORK	OCT 16 - APR 30
NORTH CAROLINA	NO RESTRICTIONS	NORTH DAKOTA	OCT 15 - APR 30	OHIO	NOV 1 - APR 15
OKLAHOMA	NOV 1 - APR 1	OREGON	OCT 25 - APR 30	PENNSYLVANIA	NOV 1 - APR 15
RHODE ISLAND	NOV 15 - APR 1	SOUTH CAROLINA	ALL YR. 1/16	SOUTH DAKOTA	OCT 1 APR 30
TENNESSEE	OCT 1 - APR 30	TEXAS	ALL YR.	UTAH	OCT 15 - MAR 31
VERMONT	NO RESTRICTIONS	VIRGINIA	OCT 15 - APR 15	WASHINGTON	NOV 1 - APR 1
WEST VIRGINIA	NOV 1 - APR 15	WISCONSIN	PROHIBITED	WYOMING	NO RESTRICTIONS
ALBERTA	NO RESTRICTIONS	BRITISH COLUMBIA	OCT 1 - APR 30	MANITOBA	OCT 1 - APR 30
NEW BRUNSWICK	OCT 16 - APR 30	NEWFOUNDLAND	NOV 1 - APR 30	N.W. TERRITORIES	NO RESTRICTIONS
NOVA SCOTIA	OCT 15 - APR 30	ONTARIO	PROHIBITED	P.E.I.	OCT 1 - MAY 31
QUEBEC	OCT 1 - MAY 1 2300KG OR LESS	SASKATCHEWAN	NO RESTRICTIONS	YUKON TERRITORY	NO RESTRICTIONS

# SERVICE BULLETIN

Service Bulletin #96  
August 8, 1997

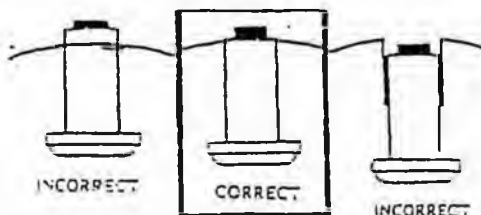
To: All Customers

## PROPER TIRE STUD INSTALLATION PASSENGER AND LIGHT TRUCK MUD & SNOW TIRES

For satisfactory stud performance in tires, follow the instructions below:

- Make sure the correct size stud is selected. Refer to the tire product manual and/or tire label for this information.
- Apply only water or tire lubricant to the stud hole and/or studding tool for easier stud installation and proper stud seating. Absolutely NO PETROLEUM BASED LUBRICANTS should be used.
- Install stud so it is perpendicular to the hole. Studs installed at an angle greater than 10 degrees will not seat properly into the tire and may cause premature stud failure or ejection. Providing proper support to the inside of the tire while studding is essential to ensure vertical stud installation.
- All new studded tires require a break-in period. Advise the consumer to drive carefully during the first 50 to 100 miles and avoid hard acceleration, braking, and cornering in order to allow for proper stud seating.

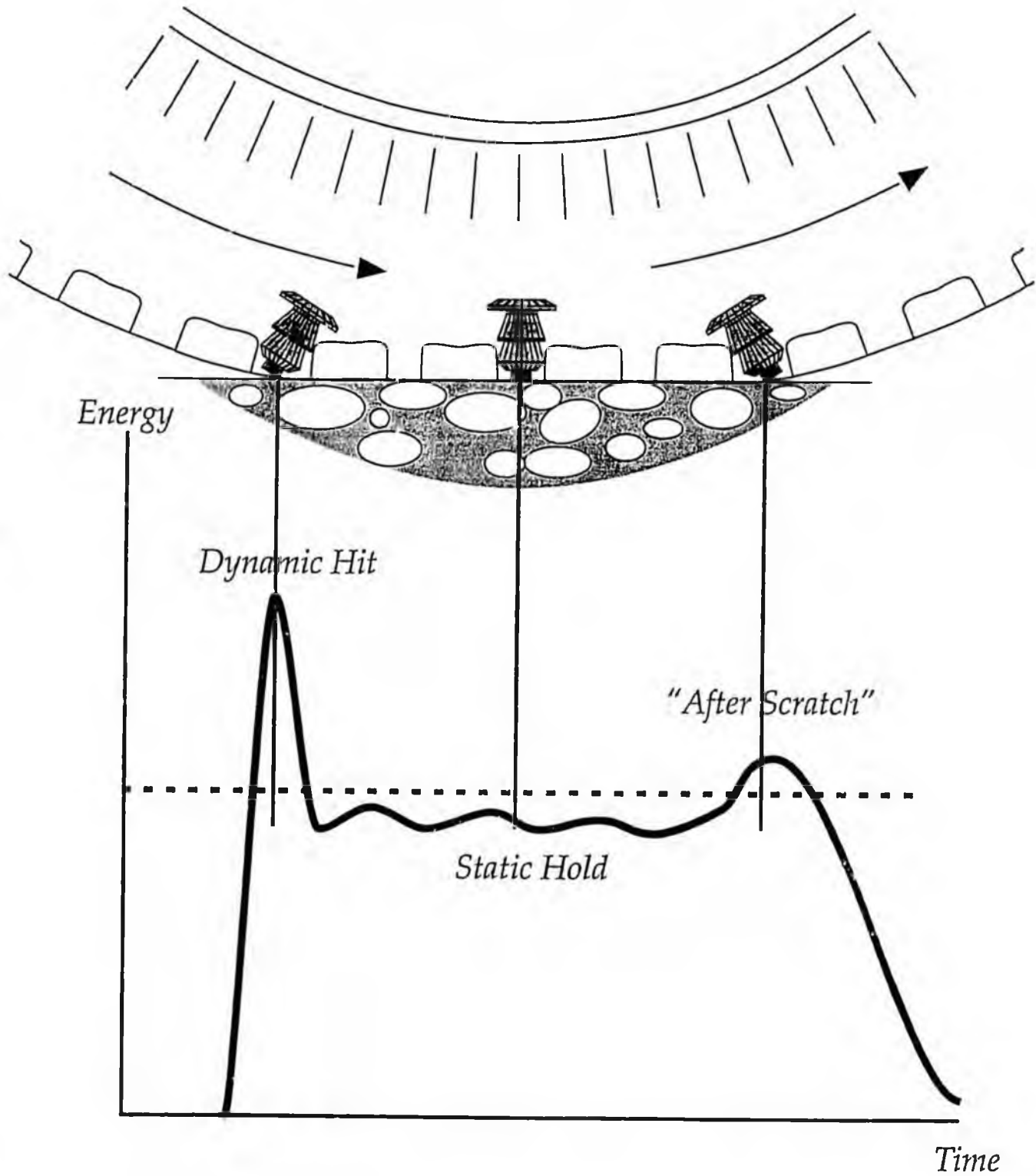
A properly installed stud should appear to be nearly flush with the tire surface as illustrated below. Only the pin tip should protrude (1/32" to 2/32") above the surface.



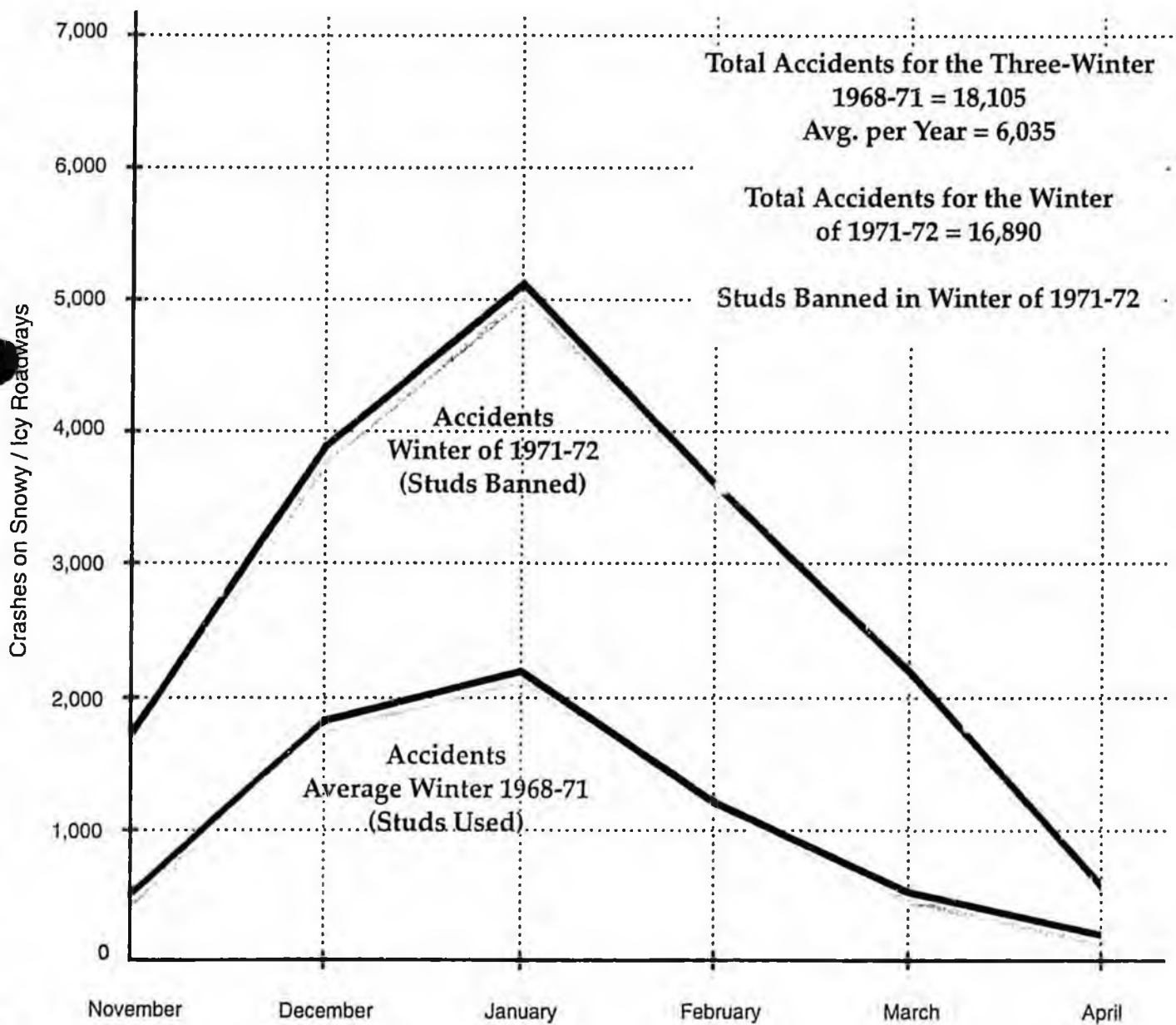
Always follow all safety instructions and equipment operating directions provided by the manufacturers of the studs and stud-installation equipment.

If you wholesale tires produced by Cooper to other dealers (sub-dealers) or have branch stores, each should receive a copy of this Service Bulletin. Please advise Cooper or your supplier of the number of Service Bulletins that are needed for these locations and we will provide them at no charge. You may order this Service Bulletin through the Consumer Relations Department, Cooper Tire & Rubber Company, Findlay, Ohio 45840.

# Kinetic Forces of Studs on Pavement



# Accidents on Snowy/Icy Minnesota Roadways for the Three-Winters of 1968-71 and the Winter of 1971-72



# The Goodyear Tire & Rubber Company

October 22, 1990

Enoch Turner  
Region Manager, Commercial Products  
Seattle 98140

SUBJECT: Tire Studding

We received an inquiry from Alaska regarding localized drilling of holes in order to insert studs for improved ice traction. We did some investigation and while we are unable to locate any specific product service bulletins on the subject, we were able to secure some information which may be of help to you in answering the inquiry.

The size and depth of the stud holes as well as their location is very important to the effectiveness of the studding and the durability of both the studs and the tire. Arbitrary and uncontrolled drilling of holes cannot be condoned by Goodyear. Stud retention is questionable and damage to the belts is possible.

The following is a quote from the Tire Industry Safety Council brochure titled Studded Tire Safety and Maintenance Guide:

"Studs should be installed only in tires designed for studding which have the proper hole location and size molded into the tire tread during the manufacturing process. Tires should be studded only when they are new, before they have been run on the road. Once tires have been used, dirt and frozen matter work their way into stud holes and can result in improper seating of the studs. Also, as tires wear down with use, the depth of the stud holes also decreases, resulting in excess stud protrusion if studs are added later."

We also followed up with the Rubber Manufacturers Association (RMA) and they concur that the above is also RMA's policy.

We hope we have been able to answer the inquiry to your satisfaction.



Product Manager  
Broad Market Passenger Tires

E D Macdonald  
kja/8/21/1



YOKOHAMA TIRE CORPORATION  
CORPORATE OFFICE  
P.O. BOX 4550  
FULLERTON, CA 92834-4550  
PHONE: (714) 870-3800 (800) 423-4544

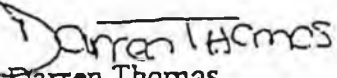
September 20, 2000

Del-Nat Tire  
Mr. Bob Gardner  
2365 Texas Drive  
Memphis TN 38106

Dear Mr. Gardner:

The Yokohama Tire Corporation does not recommend or condone the application of studs and/or stud hole drilling of any non-studdable product. As studdable products are designed and engineered to accept the use of specifically sized stud pins we do not endorse the use of studs on non-studdable products or the use of incorrect studs on studdable products.

Sincerely,

  
Darren Thomas  
Manager, Product Planning

cc: M. Mock  
R. Brennan



**COOPER TIRE**  
NORTH AMERICAN TIRE DIVISION

**COOPER TIRE & RUBBER COMPANY**  
701 LIMA AVE. FINDLAY, OH 45340-2315 (419) 423-1321 WWW.COOPERTIRE.COM

September 19, 2000

Mr. Bob Gardner  
Del-Nat Tire Corporation  
2365 Texas Drive  
Memphis, TN 38106

Dear Bob:

Per our conversation, any modification to a Cooper produced product outside of the original manufacturing process is strongly discouraged. Any modification such as drilling additional stud holes, adding additional siping, etc., will void any Cooper warranty, especially for failures that are directly or indirectly a result of such modifications. Additionally, these types of modifications can alter the handling and performance capabilities of the tire.

Any Cooper produced tire that has been modified will not be considered for credit and any property damage claims resulting from a modified tire will be the responsibility of the party making said modifications.

If you have any questions concerning this policy, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink that reads "Steven L. Ketterman". The signature is written in a cursive style with a long horizontal flourish at the end.

Steven L. Ketterman  
Account Manager

SLK/lc  
N:\M\CHATEL\STEVE\DELNAT\prc\mod.doc

cc: S. F. Cramer  
W. R. Hansen



**nokian  
TYRES**

September 19, 2000

Mr. J. Johnson  
Johnson's Tire Service  
33<sup>rd</sup> & Deanli  
Anchorage, Alaska

Dear Jim,

This letter will confirm our recent discussion regarding the drilling of studs.

Nokian Tyres, Inc. does not recommend the drilling of tires for stud application. The size, depth and location of the studhole are critical to the effectiveness, and durability of the stud and the safety of the tire.

Nokian Tyres, Inc.'s policy is to prohibit this practice and state that the drilling of any Nokian tire for studs is an alteration of that tire and therefore voids our warranty.

Best Regards,

B.J. Del Duca  
Nokian Tyres, Inc.

Cc: Bill Clendening

**NOKIAN TYRES, INC.**

339 Mason Road  
LaVergne, Tennessee 37086

Tel:  
(615) 287-0600

Fax:  
(615) 287-0610

Toll Free  
1-800-565-2525

[www.nokiantyres.com](http://www.nokiantyres.com)



Johnson's Tire Service  
3330 Denali Street  
Anchorage, AK 99503

September 25, 2000

Dear Mr. Johnson,

This letter is in response to your questions regarding the issue of re-studding winter tires. It appears that there is confusion regarding recommended practices relative to re-studding or studding worn tires as a result of articles on the subject in Anchorage newspapers. This document outlines Cooper Tire's technical position on the issue.

*From a technical standpoint we do not recommend or endorse the re-studding of winter tires or studding of partially worn tires under any circumstances.* Tire studs should only be installed in new tires with molded stud holes specifically designed for accepting tire studs.

Reasons to support this statement will be discussed in more detail below.

Winter tires are molded to accept studs of specific dimensions based on new tire non-skid depth. Winter tires are also molded such that there is a solid base of rubber in the area surrounding the stud to provide the stud with a proper foundation. The correct stud for a tire is listed in Cooper Tire's product literature for each size. Winter tires designated for use with studs should be studded, if desired, when new.

Installation of the incorrect tire stud, re-studding a worn tire, or deepening stud holes in worn tires, through drilling, could lead to loss of studs and/or stud penetration of the steel belts and inner liner. This could allow passage of water into the steel belts, corrosion, and even tire deflation.

Attached is a Service Bulletin from Cooper Tire that further discusses the procedures recommended for optimal performance of studded winter tires. If you have further questions please don't hesitate to call.

*D. L. Moyers*

Passenger Tire Development Engineer  
Cooper Tire & Rubber Company  
701 Lima Avenue  
Findlay, OH 45840  
(419) 423-1321



**MICHELIN®**

MICHELIN NORTH AMERICA  
Post Office Box 19001  
Greenville, South Carolina 29602-9001  
Tel: (803) 458-5000

24 September '996

To Whom It May Concern:

The practice of drilling of tires for ice stud application is not recommended on any MAST produced tire. The principal reason for this is the stud holes are molded into the tire during manufacture to a prescribed design in length, contour, diameter, and location to insure satisfactory consumer performance. A tire dealer cannot be expected to be knowledgeable on all of the design/performance requirements when drilling a tire for studs.

Based on the above explanation, any tire that is drilled for studs invalidates the tire warranty associated with that product.

R. M. Merzadonna

A large, stylized handwritten signature in black ink, appearing to read 'R. M. Merzadonna', is written over the typed name.

Technical Marketing Manager

The Uniroyal Goodrich Tire Company  
600 South Main Street  
Akron, Ohio 44397-0001

Office of Consumer  
Relations

November 4, 1991

Better Business Bureau of Alaska, Inc.  
4011 Arctic Boulevard, Suite 206  
Anchorage, AK 99503

Attention Mr. Raymond H. Holmsen

Dear Mr. Holmsen:

This is in reference to your letter of September 27 which was addressed to Mr. D. Schaub, President and COO of the Uniroyal Goodrich Tire Company. Your letter referred to the drilling of tires for the installation of studs to improve ice traction. I had telephoned you on October 15 to let you know that we would respond to you as soon as we received technical viewpoint from our R&D. We now have their answer and, therefore, I am writing to you.

The Uniroyal Goodrich Tire Company does not recommend the practice of drilling tires for stud application. Stud holes are molded into a tire during manufacturing by carefully designing the length, contour, diameter and location of the stud pins in the mold to ensure satisfactory product performance. A dealer obviously cannot be knowledgeable on all of the design/performance requirements when drilling a tire for studs.

Furthermore, drilling a Uniroyal Goodrich tire for studs is an alteration of that tire and voids our warranty. I have enclosed a copy of the Uniroyal Goodrich warranty and highlighted the exclusion referring to alterations.

If we can be of further service in this or any other UGTC tire related matter, please let us know.

Yours very truly,



S. A. Colton

MAS:CONSULTER.ME

enclosure

cc: L. Baker - BFG, Anchorage  
K. C. Baranwal  
J. Johnson - Johnson's Tire Service, Anchorage  
P. Honoré  
R. Zurawski

THE UNIROYAL GOODRICH TIRE COMPANY  
600 South Main Street  
Akron, Ohio 44397-0001

October 29, 1990

FAX TRANSMISSION

Mr. Bob Gardner  
Del-Nat Tire Corporation  
2365 Texas Drive  
Memphis, TN 38106

RE: Drilling Tires For Studding

Dear Bob:

In answer to your question regarding UGTC policy on this procedure, please be advised that any drilling of our tires, or modification similar to drilling, totally and completely invalidates our warranty.

Sincerely,



Dick Zurawski  
Sales Manager  
Private Brand Sales

jp/158.RTZ

cc: J.R. Glavitsch

LES SCHWAB WAREHOUSE CENTER  
 MAIN OFFICE - LEGAL DEPARTMENT  
 P.O. BOX 667  
 PRINEVILLE, OREGON 97754  
 GENERAL OFFICE NUMBER (541) 447-4136  
 Fax Number: (541) 416-5374



**FACSIMILE TRANSMITTAL**

To	Phone No.	Fax No.
Gary Wilken Alaska Senate Finance Committee	907-465-3709	907-465-4714

**From:** Corey J. Parks  
*Direct:* 541.416.5412  
*Fax No.:* 541.416.5374

**Date:** March 25, 2003 / 1:50 p.m.

**Total number of pages including this sheet:**

3

**MESSAGE:**

Enclosed is a letter we would like submitted as testimony for SB 106. Please call me with any questions.

Corey J. Parks

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**LES SCHWAB TIRE CENTERS**  
646 N.W. Madras Highway  
P.O. Box 667  
Princville, Oregon 97754

**LEGAL DEPARTMENT**  
Telephone 541-416-5412  
Facsimile 541-416-5374  
corey.j.parks@lesschwab.com

**Testimony of Corey Parks Before the House Transportation Committee**

**Opposition to Senate Bill #106**

**March 25, 2003**

My name is Corey Parks, and I am corporate counsel for Les Schwab Tire Centers. I submit this testimony in opposition to SB 106.

Les Schwab works very hard to earn its customers' trust and business. Les Schwab places a high degree of importance on giving its customers choices in the selection of winter tires. It is our position that the bill before you will unfairly force Alaska consumers to choose safety only at a significant additional cost.

No price should be placed on customer safety

Studded tire fees place a price on customer safety by forcing the customer to pay additional fees for safe driving equipment. In our experience, studded snow tires are an option that many customers need in order to ensure safe travel during icy or snowy winter weather. While there are a number of alternatives to studded tires, including all weather tires, chains, and winter tires, many customers choose studded tires because they are the safest alternative for winter driving. In fact, studded tires do provide exceptional traction in icy and snowy conditions. Consumer travel groups such as AAA continue to support studded snow tires as an "appropriate option for safe winter driving."

Studded tires are necessary for many customers

Customers who travel frequently in icy and snowy conditions often want or need studded tires to ensure that they can get to their destination for work, medical care, or other important business. Many of the travelers who choose studded tires are elderly customers, and customers with mobility problems who are unable to put chains on their vehicles, and thus require equipment with the best possible traction and safety.

March 25, 2003

Page 2 of 2

Studded tire fees penalize those least able to afford additional costs

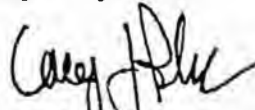
Many studded tire customers are on fixed or low incomes, and cannot afford an additional fee on top of the cost for studded tires. Also, customers from rural residences are often among the most price-sensitive populations, and at the same time, most in need of safe driving equipment to travel into urban areas.

Conclusion

Drivers who face icy and snowy conditions on a regular basis must decide what equipment makes them feel confident and safe under difficult driving conditions. Les Schwab is opposed to imposing a fee on those customers who choose studded tires in order to keep themselves and their families safe from accident and injury.

Thank you very much for the opportunity to submit this testimony.

Very Truly Yours,



Corey J. Barks  
Corporate Counsel

## SENATE COMMITTEE REPORT First Committee of Referral

DATE: 3/6/03

FURTHER: Finance

Date of 5-Day Notice: 3/4/03  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 3/12/03

Transportation Committee considered SENATE BILL NO. 106

### SB 106 FEE FOR STUDED TIRES

"An Act relating to a fee on studded tires; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 106 (TRA)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
Rev.	3/3/03	✓		1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Olson</i> <i>wagner</i> <i>Cawdeny</i>				
<i>Chair: John J. Cawdeny</i>				

SENATE FINANCE COMMITTEE

SIGN-IN

SB 106-FEE FOR STUDED TIRES

NAME: LANDA BAILY Subject/Bill No: SB 106  
Co./Dept./Title: Dept Revenue Phone: 465-2302  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

SENATE FINANCE COMMITTEE

SIGN - IN

SB 106-FEE FOR STUDED TIRES

NAME: Lancca Bailey Subject/Bill No: SB 106

Co./Dept./Title: VO Revenue Phone: 2302

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions



SENATE FINANCE COMMITTEE

SIGN-IN

SB 106-FEE FOR STUDED TIRES

NAME: George Levasseur Subject/Bill No: 106

Co./Dept./Title: DOT/PP Acting State Mtee. Engr Phone: 465-3906

Address: 3132 Channel Drive Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: BILL Corbus Subject/Bill No: SB 106

Co./Dept./Title: COMMISSIONER, DOR Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions









**SITE: OFFNETS**

**COMMITTEE: SFIN**

**DATE:**

**SUBJECT OF MEETING:**

**UPDATE #: 2**



**PLEASE SIGN IN**

**P R I N T YOUR NAME**                      **ADDRESS (MAILING & ZIP)**                      **REPRESENTING**                      **DO YOU WANT TO TESTIFY? Y OR N**

<b>Mark O'Brian</b>		<b>DOT</b>	<b>SB40 answer ?'s</b>
<b>Richard Nordness</b>		<b>NWTire</b>	<b>SB106-Y</b>
<b>Jim Johnson</b>		<b>Johnson Tire</b>	<b>SB106-Y</b>
<b>Chuck McGee</b>		<b>Ugigrip</b>	<b>SB106-Y</b>
<b>Bruno Wessel</b>		<b>Wessel Co.</b>	<b>SB106-Y</b>
<b>Eden Larson</b>		<b>ABC</b>	<b>SB40-Y</b>

**SITE: ANCHORAGE LIO**

**COMMITTEE: SFIN**

**DATE: 4-1-03**

**SUBJECT OF MEETING:**

**SB40/SB106/SB115**

**UPDATE #:**

**P R I N T YOUR NAME**

**ADDRESS (MAILING & ZIP)**

**REPRESENTING**

**DO YOU WANT  
TO TESTIFY?  
Y or N**

✓ **Don Valesko**

**Local 71**

**Y-SB 40**

**Email address:**

**Email address:**

**Email address:**

**Email address:**

**Email address:**

**Email address:**

**Email address:**