

SPONSOR STATEMENT FOR SB 128

"An Act relating to licensing common carriers to dispense alcoholic beverages"

An airplane, train, cruise ship or sightseeing vessel is in the business of carrying passengers from one place to another. Not always obvious, however, is that these common carriers may also be an establishment that serves alcoholic beverages, and must be licensed by the state of Alaska as such.

Presently, a separate state ABC license is required for each individual aircraft, railcar or vessel. This is costly for the common carrier as well as an inefficient duplication of government regulatory effort. The purpose of [SB 128](#) is to improve government efficiency and at the same time reduce cost to common carriers.

Alaska Airlines, for example, maintains ABC licenses on each of the approximately 110 aircraft it operates, despite the fact that only 35 may actually carry passengers on an intrastate flight in Alaska. Under SB 128, Alaska Airlines will instead be required to purchase 10 licenses, with a smaller fee for additional aircraft.

The impact of SB 128 on Alaska Airlines' potential competitors shouldn't be discounted. Under present statute a national air carrier that might chose to fly routes within Alaska could face the cost of licensing hundreds of aircraft.

This legislation will simplify the current licensing process for the Alcohol Beverage Control Board, and at the same time reduce fees to licensees to more accurately reflect the cost to the Board of issuing the licenses. In addition, SB 128 allows a single train to be licensed, rather than requiring each buffet car to hold a single license.

SB 128 removes a competitive disadvantage facing common carriers and brings Alaska's licensing fees closer to that in place in other states. A prosperous future for Alaska depends on economic development. Increasing government efficiency is one pillar of this goal, and SB 128 is one portion of that reform.