



March 14, 2025

House Labor and Commerce Committee

House Bill 25 Public Testimony

Co-chairs Fields and Hall, and members of the House Labor & Commerce, thank you for the opportunity to testify today. My name is Kati Capozzi, and I proudly serve as the President & CEO of the Alaska Chamber of Commerce. I'm testifying today in opposition to House Bill 25.

The Alaska Chamber is the state's largest statewide business advocacy organization, with more than 700 members representing businesses of all sizes and industries from across the state. Our member companies employ 58,000 Alaskans and provide over \$5.0 billion in wages.

HB25 would prohibit restaurants from using polystyrene foodservice containers and mandate the use of biodegradable or compostable alternatives. While the business community fully supports responsible waste reduction and improvements in recycling and recovery, HB25 takes the wrong approach by restricting businesses' ability to select the foodservice packaging that best meets their needs, while failing to consider the broader environmental and economic consequences.

All packaging materials, including compostable alternatives, leave an environmental footprint, and the reality in Alaska is that the infrastructure needed to properly process compostable foodservice containers does not exist. Anchorage's Solid Waste Services' Curbside Compost Program and Community Compost drop-off sites do not accept compostable foodservice materials due to processing limitations. Without access to an industrial composting facility, these alternatives will likely end up in landfills, largely negating intended environmental benefits.

Additionally, HB 25 would impose financial burdens on Alaska's restaurant industry, and industry that already operates on razor thin margins. By mandating restaurants to use more expensive alternatives that may not perform as well—especially for hot or cold foods—this bill threatens to increase operating costs for the small businesses. The unintended consequence could be higher costs for consumers at a time when inflation remains high and the threat of increased costs on many materials and goods is very real.

Lastly, we're very concerned about the exemption language found within HB25. While we appreciate the sponsor's acknowledgement that this bill could and likely would cause undue hardship to some businesses, we'd like further clarification on how "undue hardship" would actually be determined. In our opinion, a regulator at the Department of Environmental Conservation does not have the expertise or ability to determine what regulations cause "undue hardship" to a restaurant. What might appear as a small financial burden in the context of this specific proposed law might be the final straw in a long line of other expensive mandates placed on the business, especially in light of the recently passed minimum wage and mandated paid sick leave initiative. Very respectfully, we believe it is inappropriate for anyone in government to decide what is and is not undue hardship on a business.

For these reasons, we urge you to oppose HB 25 and consider more balanced, evidence-based solutions that support both Alaska's businesses and environmental goals.

Thank you.



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