



BUSINESS to BUSINESS

ALASKA CHAMBER

MAY 2014

I'm voting No on 1 for positive partnerships

By Rick Mystrom
Co-chair, Vote No on 1

Few issues affect Alaskans more than the health of our economy. During the 42 years my family and I have lived here, we've experienced both good and bad economic times. As a two-term Anchorage mayor, as a businessman, as a parent and now as a grandparent, I know and appreciate the benefits of a thriving economy.



Mystrom

Since the beginning of Alaska's partnership with the oil industry we've had long periods of healthy economic times accompanied by prosperity in both the private and public sectors of our economy. Schools have been built around the state, our university system has grown dramatically, and health and human services facilities have been built debt-free, all largely funded by the oil industry/State of Alaska partnership.

In Anchorage alone, we built the Sullivan Arena, the Loussac Library, the Alaska Center for Performing Arts, the Egan Center and the Dena'ina Convention Center—all without any debt. The partnership has worked well for Alaska and has given us an unmatched quality of life. All of this was accomplished with an oil tax rate that was more competitive and far lower than the old tax system, ACES.

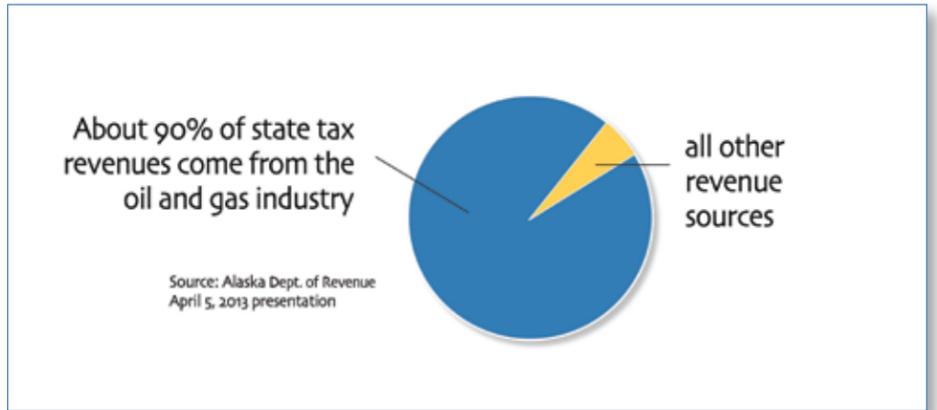
In addition, that partnership has allowed us to accumulate over \$76 billion in liquid assets including \$50 billion in the Permanent Fund. The fund has paid every Alaskan who has lived here since its inception more than \$35,000 in divi-

dends — that's \$175,000 for a family of five. And that fund has nothing to do with taxes. It's funded with 25 percent of Alaska's fixed royalty. If production increases, our royalty share goes up. If production goes down, our royalty share into the Permanent Fund goes down.

But we've also had shorter periods of unhealthy economic times accompanied by hardship for tens of thousands of Alaskans. In the mid-80s when the price of oil dropped from \$30 to \$9 a barrel, the state, the oil industry and our citizens all suffered. Thousands of our neighbors lost their homes, businesses went bankrupt, banks closed and left the state and citizens left our state. Anchorage lost 13 percent of its population and 25 percent of its assessed value. The Interior, the Mat-Su Valley, the Kenai and the rest of Alaska suffered equally. But the State of Alaska/oil Industry partnership survived, and in the late 80's we began a long period of sustained, gradual growth.

The continuation of our economic growth is now threatened. We're facing a \$2 billion deficit. This deficit is the direct result of lower oil prices and decreased production. The claim that this deficit is a result of the new tax structure is a myth. The deficit would be virtually the same under either the old tax structure (ACES) or the new tax structure now in place.

We can't do anything about oil prices but we can do something about production. We can discourage it or encourage it. ACES discouraged production.



We've watched our oil partners' investments and oil service companies' employees move to Texas, California, North Dakota, and other states who welcome their investment dollars and our employees.

The tax structure now in place, created by Senate Bill 21, encourages production. Our North Slope partners have already committed to \$4.5 billion in new projects since Senate Bill 21 was passed and signed by the governor.

Now comes another very important decision point for Alaskans — a decision that will determine Alaska's future for years to come. In August we will vote on a ballot issue that asks whether we want to encourage our healthy partnership that provides 90 percent of our state government's funding or discourage it.

Do we want to keep the new tax passed by the Legislature last year which has already resulted in new investment and new jobs, or do we want to return to

the failed tax of the previous administration that contained some of the highest taxes in the world and it did nothing to encourage production of a single, new drop of oil on the North Slope?

If we vote to repeal our current tax and return to the old tax, not only will our oil partners' investments go to other states and our production continue its decline, but it would also be likely to end plans for a large-diameter natural gas pipeline and LNG plant to get North Slope natural gas to Alaska communities along a pipeline route and to profitable markets in Asia.

In August, I'm voting to keep our economy and our permanent fund healthy. I'm voting against repealing our tax structure. I'm voting "no" on Ballot Measure 1.

Rick Mystrom is a former two-term mayor of Anchorage, a former member of the Anchorage Assembly, and a successful businessman.



Get out the vote, encourage workforce participation

By Brad Osborne
Chair, Alaska Chamber

The workplace can be a difficult forum for political discussion. There are parts of the political process, however, that find a comfortable home in the workplace. Getting out the vote is a perfect example of work and the political process combining for a recipe for success. Most states provide a framework for employers to accommodate employee voters. In Alaska, state statute §15.15.100 defines how paid time off is made available for employees to make it to the polls.

In all my years in business, I have never heard an employer begrudge an employee their opportunity to vote. Quite the opposite, in fact.

If my experience is any indication, employers express frustration that their employees aren't more interested and involved in elections. To them, I say, "Well... let's change that. Let's get them interested. Let's get them involved."

Everyone can agree voting is important. Why then are voter turnouts so low?

Let's look at the reasons *why* voters don't vote. And let's consider how those of us in business can encourage our co-workers to engage.

We'll consider three of the most common reasons why workers don't vote.

"Oh, is that today?"

There's no excuse for our co-workers to miss out on their opportunity to participate in elections because they were unaware. Modern workforces are more connected than ever. We've progressed far beyond the days of the poorly distributed and seldom-read newsletter.

Employers have access to increasingly powerful communication tools; intranets, company email, video conferencing. We use them to focus attention on important, organization-wide imperatives like safety. Those same tools can be used to promote civic involvement.

None of us are going to tell our employees *how* to vote. However, as a community, people in business can do more to keep our coworkers informed about when and how to exercise their right to vote.

SOME IDEAS TO ENCOURAGE VOTING

- Consider not voting on the way to or from the office; let your employees see you leave for the polls. Show them that, not only is it okay, it's encouraged
- Take someone with you
- Arrange a carpool list for workers without regular access to a reliable vehicle
- Juggle schedules on polling day to make sure everyone has a chance to participate

"I'm not even sure what we're voting on."

It can be frustrating when people that we work with aren't interested in the same things that capture our attention. This is especially true when the topic at hand will have resounding implications for our companies and our communities.

Luckily, we live in an age of information. We have access to bipartisan tools like "ProsperityAlaska.org" and business relevant tools like the "Alaska Business Report" Card. Employers are correct to approach the discussion of specific candidates and ballot initiatives with caution. Still, we can work together to disrupt voter apathy by providing access to timely, fair and non-

partisan informational resources.

"I just didn't have time."

Remember our friend Alaska Statute §15.15.100? Every Alaskan worker has time to participate in our electoral process, and this is a place where we as employers have an opportunity to lead by example. This starts, of course, by voting ourselves.

Take some time and plan ahead for the coming election season. Make sure that you're prepared for the issues that matter to you and your business. And make sure that your co-workers have every opportunity to educate themselves on those issues as well.

And most importantly ... GET OUT THERE AND VOTE!

State-of-the-art OR open at Alaska Native Medical Center

By Darbi Daley
Alaska Native Tribal Health Consortium

As Alaska's only Level II Trauma Center, the Alaska Native Medical Center (ANMC) serves as the trauma referral center for all Anchorage hospitals and for every Alaska Tribal health facility. The ANMC hospital's trauma care and services took another leap forward for its patients with the recent opening of its new hybrid operating room (OR). The technology used in this hybrid OR is the first of its kind in Alaska.

The hybrid OR provides the infrastructure that allows interventionalists to use the latest technologies and collaborate with their imaging and surgical colleagues to provide state-of-the-art treatments for trauma patients. Ultimately, having these advanced capabilities in the hybrid OR will improve patient outcomes.

"The chances of survival for serious trauma patients is 20-25 percent better when receiving care at a verified trauma center," said Dr. Frank Sacco, ANMC Chief of Surgery. "This is a good addition for the Alaska Native Medical Center and a great benefit for all Alaskans."

Trauma patients and others can now benefit from approaches that allow complicated care to be delivered in one setting, eliminating the need for multiple staged procedures. In addition, patient recovery time is potentially shortened, length of stay and cost of care reduced, and complications minimized.

"Not only does ANMC provide the highest level of trauma care in Alaska, but now we also have the best hybrid OR in the state," said Laura Mullin, ANMC Surgical Services Director. "Our emergency room is directly below the hybrid OR, so a trauma patient could go from an ambulance outside ANMC to the hybrid OR in about three minutes."

A hybrid OR combines a conventional operating room and an interventional radiography suite, which is used for performing vascular procedures. These procedures include inserting a catheter into a blood vessel in the groin or wrist; threading the catheter using advanced imaging; and treating vascular disease or trauma.

The suite's cutting-edge equipment includes an interventional X-ray system that operates using a much lower dose of radiation than other systems, without compromising image quality, which benefits patients receiving care and providers working in the room.

"Our new hybrid OR will advance the mission of ANMC by enabling us to provide advanced vascular interventional capabilities," said Dr. Paul Franke, ANMC Chief Medical Officer. "The hybrid OR will also provide additional operating room capacity, which is a growing need at ANMC."

The Alaska Native Tribal Health Consortium and Southcentral Foundation jointly own and manage the Alaska Native Medical Center under the terms of Public Law 105-83. These parent organizations have established a Joint Operating Board to ensure unified operation of health service provided by the Medical Center.

Watch a news report about ANMC's new hybrid OR at bit.ly/1cCB45L.



PHOTOS/BRIAN ADAMS

TOP: Alaska Native Medical Center's Surgical Services staff works in the hospital's new hybrid operating room. ANMC is Alaska's only Level II Trauma Center and the new hybrid OR strengthens those services for trauma patients from around Alaska.

ABOVE: A view of some of the state-of-the-art technology available for specialists who work in the Alaska Native Medical Center hospital's new hybrid operating room.

Welcome New Members

Alaska Bus Guy, LLC

Providing daily round-trip bus service between Anchorage, Wasilla, Talkeetna and Denali, Alaska Bus Guy's experienced drivers offer knowledgeable narratives on Alaska's history while you enjoy scenic and wildlife enroute. Charter bus service available. For more information call (907) 720-6541 or visit alaskabusguy.com.

Anchorage Sand & Gravel

Anchorage Sand & Gravel, Inc. (AS&G) is a vertically-integrated construction materials company. AS&G's products and services include sand and gravel, ready-mix concrete, concrete block, asphaltic concrete, cement production and distribution, steel fabrication, building materials, material recycling and soil remediation. For more information call (907) 349-3333 or visit anchsand.com.

Backfill, Inc.

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Copper Valley Development Association, Inc.

A non-profit organization since 1990, Copper Valley Development Association, Inc. (CVDA) began as Alaska Regional Development Organization (ARDOR). In 2002, CVDA became a Resource Conservation and Development Council, authorized by the U.S. Secretary of Agriculture. Governed by a board of nine directors, CVDA is primarily funded through the ARDOR program, with federal support to the RC&D. Funds are also leveraged through various donations and fundraising projects. For more information call (907) 822-5001 or visit coppervalley.org.

Davis Block & Concrete

Based out of Soldotna, Alaska, Davis Block & Concrete services the Kenai Peninsula, Anchorage, Mat-su and the Fairbanks areas. Davis supplies redi-mix concrete for residential and commercial construction. Davis manufactures Concrete Masonry Units for residential and commercial construction. Davis supplies washed sand and gravel, as well as a full range of masonry and concrete tools and supplies. For more information call (907) 398-1507 or visit davisblock.com.

Hagen Insurance

Formed in 1991, Hagen Insurance was started with the goal of bringing Employee Benefit tools and ideas used by large national companies to Alaskan employers of all sizes. One of the largest writer of individual health insurance policies for Premiera in the State of Alaska, Hagen now provides benefits brokerage and consulting to more than 400 hundred Alaska companies. For more information call (907) 561-8040 or visit hageninsurance.com.

Kenai Peninsula College

A community campus system within the University of Alaska Anchorage, Kenai Peninsula College (KPC) has two campuses, two extension sites and an expanding virtual college. KPC is committed to excellence in education, training and life-long learning by offering accessible opportunities in a supportive environment. For more information call (907) 224-2285 or visit kpc.alaska.edu.

Pinkerton

From private detective work, to corporate risk consulting, Pinkerton prides itself on offering services to keep your company safe. Investigations in Alaska can be tricky business. Harsh weather, traditional names and a diverse populace requires a "local" touch. Pinkerton understands and, while maintaining its

global reach, respects the Alaskan culture. Pinkerton's Anchorage office offers global resources, industry expertise, and efficient risk management services that provide scalable solutions for Alaskan needs. For more information call (907) 332-1282 or visit pinkerton.com.

Steese Immediate Care

An urgent care clinic in Fairbanks, Alaska, Steese Immediate Care is open seven days a week, welcomes walk-in patients of all ages and offers extended hours on most days. Steese provides medical services including treatment for allergies, asthma, broken bones and sprains, burns, cold and flu symptoms, ear, sinus and respiratory infections, insect and animal bites, stomach viruses, skin rashes and most other non-life threatening injuries. For more information call (907) 374-7911 or visit steeseimmediatecare.com.

Valley Lumber and Building Supply

Located in Juneau, Alaska, Valley Lumber and Building Supply offers lumber and other building materials. Believing in old-fashioned friendliness, value, quality, service and integrity, Valley Lumber will review your project and recommend several contractors to make your selection easier. For more information call (907) 789-7500 or visit valleylumberjuneau.com.

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70 percent of Chamber-backed bills pass Legislature

By **Rachael Petro**
President/CEO
Alaska Chamber

Following the tax reform success of the 2013 session, I am happy to report the Alaska Chamber had another banner year in the recently completed 2014 Legislative Session. Our success in improving Alaska's business climate this year fuels our resolve to remain focused on securing Alaska's economic future.

Chamber Wins

The Chamber's advocacy efforts kicked off in January with over 100 members participating in our annual Legislative Fly-In. Since that record-setting start, your Chamber team worked with the Governor as well as House and Senate members discussing pro-business legislation, amendments to improve existing legislation, writing letters and testifying numerous times before various legislative committees.

We do this work so our members can focus on employing Alaskans and driving our economy. If you've followed along with our weekly Capitol Notes updates to members, you will know our hard work

on your behalf has paid off. Over 70 percent of legislation supported by the Chamber passed — clear evidence of a sound return on your membership investment!



Petro

Workers' Comp Changes

Systemic, comprehensive workers' compensation reform is a top policy priority of the Chamber. We support systemic changes to the Alaska workers' compensation insurance statutes to reduce the cost of insurance for employers while emphasizing effective treatment programs that promote injury recovery and the return to full employment for injured workers.

This year, two changes were made to Alaska's workers' compensation statutes. Both bills were sponsored by the House Labor and Commerce Committee and represent tentative movement toward the systemic and comprehensive workers' compensation reform Alaska so desperately needs. House Bill 141 ensures that workers' compensation treatments in other states are not billed at Alaska's higher rates. House Bill 316 changes the way Alaska's workers' compensation medical fee schedule rates are set.

In addition to addressing the medical fee schedule, the Chamber believes comprehensive workers' compensation reform should include evidence based treatment guidelines, return to work guidelines, direction of care, utilization review and an effective and streamlined dispute resolution system. First steps are important and the passage of these two bills puts us on a path toward workers' compensation reform. We look forward to addressing real reform in the coming years.

A Couple No-Brainers

Streamlining regulations saves you time and money — two things Alaska businesses need. House Bill 32, sponsored by Representative Mia Costello, allows you to purchase of a single business license for multiple lines of business. House Bill 140, sponsored by Lora Reinhold, requires new administration code and regulation costs to be estimated as they weave their way through the adoption process.

Dreams of Gas

While education funding and the capital budget drove the legislature beyond its 90-day calendar, it was work on the Governor's gas pipeline bill that dominated the session.

Development of Alaska's natural gas has been a dream

for generations and Alaskans are understandably weary from so many unmet expectations. Will this time be different? Only time will tell.

A healthy skepticism and robust process followed Senate Bill 138 as it wound its way through the Legislature. The Chamber supports the principles found in the Heads of Agreement and in SB 138, believing that private sector, free market principles are best suited to making development of Alaska's natural gas possible. SB 138 allows the State to participate as a business partner and sets out a process for Alaska's board of directors (the Legislature) to review and approve along the way.

Opportunities Ahead

While we may be content, we must never allow ourselves to become complacent. As the days of session came to a close many good bills died. Legislation important to Alaskans and Alaska businesses faltered, seemingly without rhyme or good reason. But like our member companies, the Chamber is patient and the struggles of this session become opportunities for the future.

Alaska consumers lost out when Senate Bill 55 died. SB 55 would have allowed insurers to consider a consumer's credit information at renewal without the specific request of the consumer, bringing Alas-

ka's statute into conformance with the other 49 states and improving the competitiveness of Alaska insurance policies. SB 55 died in the Senate Rules Committee and would have likely enjoyed strong bipartisan support.

Alaska commercial vehicle rental businesses lost out when Senate Bill 178 died. SB 178 would have updated and clarified that the Vehicle Rental Passenger Tax does not apply to those in the commercial vehicle long-term rental business. SB 178 died in the House Finance Committee after many hearings and unanimous support in the Senate.

All Alaskans lost out when House Bill 77 fell to the misinformed ire of anti-development groups. HB 77 would have cleaned up some of the regulatory processes in the Department of Natural Resources and ensured that water rights would always be held by the public. HB 77 died in the Senate Resources Committee.

For now, these issues join our roster of opportunities and we look forward to reporting them as legislative successes in the future.

You can review all the Chambers Wins and Opportunities Ahead on pages 4 and 5. And though session may be adjourned, our work on your behalf is not. Plans for Policy Forum, where our next set of wins will be defined, are well underway.

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★ Registration closes Friday, May 30 ★



Just a few weeks remain to register for Alaska Business Week (ABW). A one-week summer program, ABW offers Alaska high school students real world business experience in their own backyard.

Participants live on a college campus where they work as teams mentored by Alaska's business leaders. Students learn irreplaceable leadership skills and receive two college credits upon successful completion. Don't delay — register today!



Who
Alaskan High School Students (grade 9-12)

When
July 27-August 2

Where
Fairbanks, Alaska

Where
A one-week summer program you won't want to miss out on!

Why
*College credits
*Business basics
*Leadership skills
*Lifelong friends
*Hands-on learning

Learn More
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Capitol Gains 2013-2014

The Alaska Chamber won its advocacy effort over 70 percent of the time during the 28th Alaska Legislative session. Representing hundreds of businesses, manufacturers and local chambers from across Alaska, Chamber members supported legislation that updates and clarifies laws, provides regulatory certainty, and generally improves Alaska's business climate. In total, the Chamber tracked several hundred pieces of legislation during the two-year session. Of the monitored legislation, the Chamber supported or opposed 70 bills.

Included in this edition of Business to Business is each of the bills the Chamber supported which will become law (Chamber Wins!) as well as those that did not. While the success of the Chamber's legislative agenda is truly remarkable, there are a dozen or so bills that did not make it across the finish line. We look forward to addressing these pro-business issues next session.

Note that some of these bills are considered "companion" bills meaning they are identical and are listed in parenthesis. Bills the Chamber opposed are not described here.

For a complete list see "Bills to Watch" under "Advocacy" at alaskachamber.com. ■

✓ Chamber Wins!

HB 4 | **In-State Gasline Development Corporation**

Allows the Alaska Gasline Development Corporation to advance an in state pipeline to the construction stage.

HB 9 | **Secured Transactions and Funds Transfers**

The reforms govern secured transactions and personal property ensuring intersate secured transactions and fund transfers continue smoothly.

HB 15 | **Commercial Motor Vehicle Requirements**

Re-defines an intra state commercial vehicle by raising the weight threshold from 10,000 to 14,000 pounds.

HB 30 | **State Agency Performance Audits**

Restores regular performance reviews of State of Alaska programs and agencies that ended in 1983.

HB 32 | **Lines of Business on Business License**

Allows purchase of a single business license for multiple lines of business.

HB 46 | **Waive CDL Skill Test for Certain Veterans**

Directs the Alaska Department of Administration to adopt regulations mirroring the new federal law that allows states to waive the road skills test for recent veterans who gained driving experience in uniform.

HB 47 | **Injunction Security: Industrial Operation**

Requests the court consider the wages and benefits of workers as well as payments to contractors when an industrial operation is shut down by a suit brought on by public interest litigants.

HB 56 | **Passenger Vehicle Rental Tax**

Removes the 10 percent tax on motorcycle rentals in Alaska that was unintentionally included in a 2003 bill on passenger vehicle rental taxes.

HB 57 | **Entity Transaction Act**

Conforms to the Uniform Law Commissioners' Model Entity Transaction Act. This legislation facilitates transactions between more than one form of entity, improving the existing business climate in Alaska, and helping to reduce unnecessary administrative and legal burdens currently imposed on companies.

HB 75 | **Contribution From PFD: Audits; University**

Raises Pick.Click.Give audit level allowing more organizations to participate.

HB 76 (SB 26) | **Unemployment; Electronic Filing of Labor Information**

Brings the State into compliance with federal law and improves the ability for the Department of Labor and Workforce Development to collect fraudulent claims and allows electronic filing of information with the department. Also allows the Commissioner to reduce the increase in Unemployment tax for employers and employees in years the UI Trust Fund's solvency is not at risk.

HB 80 (SB 29) | **Cruise Ship Wastewater Discharge Permits**

Allows Department of Environmental Conservation to issue wastewater treatment system permits in a manner that is consistent with other industries.

HB 84 | **Military Training Credit/Temporary License**

Requires Division of Professional Licensing, University of Alaska and vocational

🔍 Opportunities Ahead

HB 77 (SB 26) | **Land Disposals/Exchanges: Water Rights** (Died in Senate Resources Committee)

Modernized, clarified and eliminated duplicative processes as they relate to the Department of Natural Resources permitting.

HB 79 (SB28) | **Susitna State Forest: Sale of Timber** (Died in Senate Finance Committee)

Created a Susitna State Forest which would allow timber harvesting, and other compatible uses, as well as increased access to Alaskans.

HB 123 | **Dedicated Transportation Fund/Public Transportation** (Died in House Finance Committee)

Defined the Alaska Transportation Fund.

HB 354 | **Overtime Exemption for Student Practicums** (No Hearings Held)

Allowed all students, not just University of Alaska students, to participate in unpaid internships (practicums) in Alaska.

HB 370 | **AWCB Controlled Substance Prescriptions** (Died in Senate Judiciary)

Discouraged the use of long-term opioids by restricting powerful narcotics to a 30 day supply for workers' compensation claimants and requiring contact with a provider who is prescribing pain medication.

HJR 10 | **Constitutional Amendment: Transportation Fund** (Died in Senate Finance Committee)

Allowed Alaskans an opportunity to vote to re-instate a dedicated fund for transportation infrastructure.

HJR 16 | **National Ocean Policy** (Died in Senate Rules Committee)

Urged that Alaska be exempted from the far-reaching federal policy to manage and zone activities in marine and coastal areas.

educational facilities to examine the credentials of related military experience and credit the military experience toward educational and/or licensing requirements.

HB 140 | Notice for Regulation Adoption

Requires costs to business and other state agencies be estimated during the adoption process for State administrative code and regulations.

HB 141 | Workers' Compensation Medical Fees

Eliminates the potential for workers compensation claims that are treated in another state to be billed at Alaska's higher rates.

HB 204 | Salmon & Herring Product Dev't Tax Credit (Wrapped in SB 71)

Extended the ability of fishing industry to use development tax credits until 2020 and expands the credit for herring value-added processing.

HB 298 | Confidentiality of Performance Reviews

Corrects a technical mistake in HB 30 ensuring both Legislative Audit and departments are protected during the course of reviews enabled by HB 30.

HB 305 | Junk Dealer & Metal Scrapper Licensing

Adds new record keeping requirements on the sale of scrap metal.

HB 316 | Workers' Compensation Medical Fees

Changes the way Alaska's workers' compensation medical fee schedule rates are set from a usual and customary base to a relative value base system.

HJR 5 | Oppose Genetically Engineered Salmon

Opposes the United States FDA's preliminary finding in relation to genetically engineered salmon, and urges further examination of genetically engineered salmon prior to allowing them to be grown, harvested and sold in the United States.

HJR 6 | BLM Legacy Oil Well Clean Up/Awareness

Urges the federal Bureau of Land Management to clean up legacy wells drilled between 1944-1981 and to open new areas of the National Petroleum Reserve – Alaska to oil and gas leasing.

SB 1 (HB 115) | Alaska Mining Day

Establishes May 10 of each year as Alaska Mining Day.

SB 2 (HB 114) | Interstate Mining Compact & Commission

Authorizes the State of Alaska to join and participate in the Interstate Mining Compact Commission which serves as the spokesperson for mining state in Washington D.C. and works to represent the member states to executive branch agencies.

SB 7 (HB 68) | Corporate Income Tax

Updates Alaska's 30-year-old corporate tax code using the U.S. CPI inflation rate distributing the tax liability more evenly. Eliminates taxes for businesses with earnings of \$25,000 or less.

SB 12 | Public Procurement

Updates the State of Alaska's procurement code and protects several Alaskan procurement preferences that advantage Alaskan-based businesses over outside companies when all other factors are equal.

SB 21 (HB 72) | Oil & Gas Production Tax

Reforms the State of Alaska's oil tax structure by eliminating the steep progressivity of the ACES tax system.

SB 27 (HB 78) | Regulations of Dredge & Fill Activities

Allows the Administration, through the State of Alaska's Departments of Natural Resources and Environmental Conservation, to evaluate and seek primacy for administering the 404 dredge and fill program.

SB 63 | Contracts for Preparation of Ballots

Levels the procurement playing field so that all businesses may compete for a state contract with the State of Alaska's Division of Elections.

SB 65 (HB 102) | Retirement Plans; Roth IRAs, Probate

Updates the State of Alaska laws pertaining to estate planning, trusts, retirement plan assets, and IRAs, and conforms Alaska law to Uniform Trust Code.

SB 71 (HB 192) | Payment of Fishery Resource Landing Tax

Streamlines fisheries landing tax regulations making paying taxes easier for fisherman and less complicated for regulators.

SB 86 (HB 188) | Approve Flint Hills Royalty Oil Sale

Approves contract to Flint Hills Refinery for state royalty oil sales that ensures there is a stable supply of crude oil for refined products within the state.

SB 129 | Board of Real Estate Appraisers

Extends the termination date of the Board of Certified Real Estate Appraisers and aligns Alaska law with federal law ensuring Alaska's appraisers will be able to appraise properties with federally backed loans.

SCR 2 | Acquire Tongass National Forest Land

Urges the governor to acquire land in the Tongass National Forest from the United States government by purchase or negotiation or by seeking amendment to the Alaska Statehood Act.

SJR 2 | Limit Federal Intervention in State

Commends actions taken by the State of Alaska Administration to protect the state from federal government incursion into the care and management of state resources and promote economic prosperity. Urges Congress and the President to limit federal government overreach into management of state resources.

SJR 3 (HJR 7) | Endorsing ANWR Leasing

Urges Congress to open a portion of the Arctic National Wildlife Refuge to oil and gas exploration and development.

SJR 8 (HJR 9) | Mining/Processing of Rare Earth Elements

Urges the State of Alaska agencies and Congress to expedite consideration of permits required to increase exploration, extraction, processing and production of rare earth elements.

SJR 15 | Oppose International Designation of Land

Urges the federal government to stop pursuing the creation of the Beringia International Park or any other international designation identified through the United Nations Educational, Scientific and Cultural Organization. ■

SB 55 | Insurer's Use of Credit Scores (Died in Senate Rules Committee)

Allowed insurers to consider a consumer's credit information at renewal without the specific request of the consumer bringing Alaska's statute into conformance with the other 49 states.

SB 60 (HB145) | Bounty On Sea Otters (Died in Senate Judiciary Committee)

Incentivized the lawful harvest of sea otters by Alaska Natives to reach the potential biological removal target.

SB 127 (HB 314) | Vehicle Transaction Agents (Died in House Finance Committee)

Allowed Advanced Business Partnerships (ABPs) to retain some of the administrative costs associated with provision of the Division of Motor Vehicles (DMV) services they deliver ensuring the improved quality of service and efficiency of the DMV will continue.

SB 178 (HB 314) | Passenger Vehicle Rental Tax (Died in House Finance Committee)

Updated and clarified that the Vehicle Rental Passenger Tax does not apply to those in the commercial vehicle long-term rental business.

SCR 16 | Request Governor to Investigate Coal Resources

Encouraged State of Alaska to explore options for development of coal resources.

SJR 16 | Oppose Federal Aid to Certain Nonprofits

Urged the federal government to stop providing public, federal funds to environmental nongovernmental organizations. ■



THE ALASKA BUSINESS REPORT CARD

Seeking Champions for Alaska's Economic Future



At the beginning of the 28th Legislative Session, each legislator and the Governor received a letter outlining the policy priorities and the leadership attributes the Alaska Business Report Card (ABRC) group would use to develop its consensus report card. Collectively, the ABRC group represents hundreds of firms and tens of thousands of employees from every major industry in Alaska. ABRC members include the Alaska Chamber, the Alaska Support Industry Alliance, Prosperity Alaska, and the Resource Development Council for Alaska, Inc.

The ABRC believes Alaska is in urgent need of strategic leadership to address a fiscal cliff here in Alaska that is at least as alarming as that faced by our federal government. With oil production declining each year, oil prices under downward pressure from surging supply in the Lower 48, and state spending at levels that are unsustainable, Alaskans face tough times ahead unless decisive action is taken.

The ABRC grades recognize policymakers who understand and promote decisive action on Alaska's twin economic imperatives of managing state spending down and, simultaneously, stimulating private sector investment in our basic natural resource industries. The policy priorities used to grade policymakers include strategic leadership, fiscal responsibility, oil tax reform, efficient regulation, litigation reform, in-state energy infrastructure, and general business climate. ■

Learn more at alaskabusinessreportcard.com

ABRC Policy Priorities

Strategic Leadership

Effectively promote a coherent set of policies designed to manage state spending down to sustainable levels while stimulating new private sector investment in Alaska's basic industries. We look for legislative action as well as leadership in explaining these strategic policies to Alaskans.

Fiscal Responsibility

Unrestricted general fund spending within the state's operating budget increased from \$2.7 billion in fiscal year 2006 to approximately \$4 billion in fiscal year 2013. During those same years, capital spending skyrocketed from \$600 million to \$3 billion. The University of Alaska's Institute for Social and Economic Research (ISER) has done extensive analysis showing current spending levels to be unsustainable. We support reductions in general fund spending that move toward sustainable levels.

Oil Tax Reform

North Slope oil production is only one-fourth the level of its peak and has been falling at an average rate of six percent annually. With recent changes in the oil and gas industry throughout North America, Alaska is becoming less competitive with each passing year. Oil tax reform (SB 21) has only been in effect since January and has already stimulated private sector investment, increased jobs and is expected to slow production decline. We support this reform and oppose the referendum repealing SB 21 on the August primary ballot.

Efficient Regulation

Alaska has one of the world's most rigorous permitting systems. It is imperative our permitting systems have high integrity and efficiency – e.g., they deliver the environmental quality Alaskans expect without undue costs or unnecessary delays. We support regulatory improvements, which provide a predictable and timely process for potential business developments.

Litigation Reform

Alaska's resource industries are ongoing targets of anti-development groups utilizing the court system to stop or delay responsible development. State agencies are often forced to spend inordinate amounts of staff and financial resources dealing with third-party lawsuits at the expense of their core mission. We support efforts to bring accountability to the appeals and litigation processes for community and resource development projects.

In-State Energy Infrastructure

There is a need to provide for lower cost energy for Alaska homes and businesses. We support market based solutions and a prudent approach to state investment in such projects. In a free enterprise system we believe energy projects should have private investment capital in a strong majority position (at-risk), be managed and operated by the private sector, and leverage other industry opportunities to the extent feasible.

General Business Climate

Alaska's business climate is consistently ranked near the bottom relative to other U.S. states by several ranking organizations. This needs to change. We support enactment of meaningful workers compensation reform, transportation and energy infrastructure development, access to land and resources, and other legislation that makes it easier for businesses to thrive in Alaska. ■

ABRC Grades

House

Alan Austerman	C+
Mike Chenault	A-
Mia Costello	A
Harriet Drummond	F
Bryce Edgmon	C
Eric Feige	A+
Neal Foster	C
Les Gara	F
Lynn Gattis	A
Max Gruenberg	D+
David Guttenberg	F
Mike Hawker	A-
Bob Herron	C
Pete Higgins	A
Lindsey Holmes	A
Shelley Hughes	A
Doug Isaacson	A
Craig Johnson	A-
Andy Josephson	F
Scott Kawasaki	F
Wes Keller	A
Sam Kito III	*
Jonathan Kreiss-Tomkins	D-
Gabrielle LeDoux	A
Bob Lynn	A
Charisse Millett	A
Cathy Muñoz	B
Benjamin Nageak	B+
Mark Neuman	A
Kurt Olson	B+
Lance Pruitt	A-
Lora Reinbold	A
Dan Saddler	A+
Paul Seaton	C
Bill Stoltze	A-
Geran Tarr	F
Steve Thompson	A
Chris Tuck	F
Peggy Wilson	A
Tammie Wilson	A

Senate

Click Bishop	B
John Coghill	A-
Mike Dunleavy	A
Fred Dyson	A
Dennis Egan	C
Johnny Ellis	F
Anna Fairclough	A+
Hollis French	F
Berta Gardner	F
Cathy Giessel	A+
Lyman Hoffman	D-
Charlie Huggins	A-
Pete Kelly	A-
Lesil Mcguire	B
Kevin Meyer	A-
Peter Micciche	A-
Donald Olson	D
Bert Stedman	C
Gary Stevens	C
Bill Wielechowski	F

Governor

Governor Sean Parnell	B+
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House and Senate

House Majority	A-
House Minority	F
Senate Majority	B+
Senate Minority	F

*Not enough information to grade.
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Save the Date Plan to Attend!

Policy Forum
Girdwood, Alaska
October 21, 2014

**Fall Conference and
Awards Gala**
Girdwood, Alaska
October 22, 2014

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months at
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