

January 24, 2007

Representative Max Gruenberg  
State Capitol, Room 110  
Juneau, AK 99801-1182

Dear Representative Gruenberg,

The Alaska State Chamber of Commerce wishes to say thank you for your efforts to begin a serious discussion on the development and adoption of a long-term fiscal plan for Alaska. Your willingness to introduce House Bill 68 brings us a step closer towards a long-term fiscal plan and may incite future legislatures to work at leveling the state's budgetary roller coaster. The State Chamber supports HB 68 and the Chamber hopes the legislature seriously looks at adopting a fiscal plan in the future. Any fiscal plan should incorporate key measures that offset Alaska's declining oil production. However, without the important components that are part of any fiscal future, HB 68 ultimately falls short by merely directing the legislature towards a plan.

The State Chamber supports a plan that would include necessary measures to control state bureaucracy growth, preferably through austerity and other means. Although the State Chamber recognizes that to fully fund core functions of state government, alternative revenue measures should be considered. Any long-term fiscal plan should be a combination of all available options, whereas the affects of new revenues would have minimal impacts on those likely to provide new revenues.

In conclusion, the state chamber lauds the efforts carried forth in HB 68 and urges the legislature to pass the bill; however, the chamber also feels that HB 68 falls short of achieving a sustainable state budgetary picture. For your reference, I have attached the position statement regarding our support for the development and implementation of a long-term fiscal plan.

We genuinely appreciated your careful attention and thoughtful consideration of this matter.

Yours in economic prosperity,

Wayne A. Stevens  
President/CEO