

Alaska Chamber 2017 State and Federal Positions

(S) State – (F) Federal – (B) Both

Budget, Taxes, and Revenue

1. *(S Priority) Support reduction of spending to sustainable levels*

The Alaska Chamber supports reductions to Unrestricted General Fund Spending to \$4.5 billion or less by FY 2018.

2. (S) Support a series of annual reductions in the state operating budget and the creation of an endowment/sustainability model or similar framework to use Permanent Fund earnings to support essential state services and protect the PFD Program.

The Alaska Chamber supports the continued focus on reversing the unsustainable state budget growth and supports a multi-year series of annual reductions in the state operating budget, including entitlement reform. The Chamber further supports the creation of an endowment/sustainability model to use the Permanent Fund earnings to support essential services, and to do so in timely manner to avoid liquidating excessive amounts of state financial reserves that puts the PFD program in jeopardy.

3. (S) Oppose a natural gas reserves tax

The Alaska Chamber opposes punitive taxes aimed at any Alaska business, including a natural gas reserves tax. Punitive taxes will negatively affect Alaska's economic future, make Alaska less competitive, and sends a message to investors that Alaska is not open for business.

4. (S) Support permitting by making the number of State of Alaska permittees commensurate with levels of exploration and development activity

The Alaska Chamber supports a rigorous but efficient permitting process in Alaska.

5. (S) Ensure Mineral Development Benefits that should accrue to the entire state are not compromised by Municipal or Borough Taxation.

The potential for municipalities to target the mining industry for special severance taxes in addition to, or in place of, property taxes creates significant fiscal uncertainty for the metal mining industry and can impact both the longevity of existing operations and the economic feasibility of projects. In order to protect state sovereignty by ensuring that only the Legislature can levy metal mining taxes, the Alaska Chamber supports legislation that: 1. eliminates the ability for a municipality to levy or collect a targeted tax on metal mines; and, 2. implements revenue sharing of the Alaska Mining License Tax (AMLT) with a municipality that hosts a metal mine. This does not impact levy and collection of usual, broad based taxes such as a property tax. Mines and municipalities could still enter into payment in-lieu of taxes (PILT) agreements if a broad-based tax is not available. This legislation would not impact the ability of municipalities to place severance taxes on coal, sand, gravel, rock, dimension stone or any other bulk commodity that they may currently tax. It would only affect metal mines (gold, silver, lead, zinc, copper, iron, platinum, rare earths, etc.).

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6. (S) Support reasonable cruise ship passenger fee level and use of those fees consistent with state and federal law

The Alaska Chamber supports reasonable cruise ship passenger fee levels and use of passenger fees which are consistent with state and federal law and the Commerce Clause and Tonnage Clause of the U.S. Constitution, requiring a direct connection to the passenger and the vessel.

7. (S) Oppose all new unfunded property tax exemptions as introduced on the state level

The Alaska Chamber opposes all new unfunded property tax exemptions and will work to educate the governor and Alaska legislators on the effect of proposed exemptions on those individuals or businesses to which the tax burden would be shifted.

8. (S) Support streamlining fisheries landing tax regulations

The Alaska Chamber supports streamlining fisheries landing tax regulations, simplifying the paperwork burden on self-marketing fishermen, and to align timing of reporting with the timing of payments due.

9. (S) Support and maintain a positive investment climate that provides certainty and stability for statewide oil and gas activities; oppose efforts to increase oil and gas taxes, specifically, termination or reduction of remaining credits, raising of the minimum tax, and hardening of the oil production tax floor.

The Walker administration has made it clear it plans to push for even more changes to Alaska's oil and gas tax system in the next legislative session including the elimination/reduction of the NOL credits, raising the minimum tax, changing per barrel credits, and hardening of the oil production tax floor, among other changes. A recent report by Stratias Advisors advises caution to this approach when it says, "The number of changes that have been implemented in Alaska over the last several years stands as a stark contrast to the otherwise stable environment that many consider to be 'the United States'. Larger changes such as (eliminating the Net Operating Loss credit) will almost certainly impact the perceived attractiveness of Alaska, but so will smaller changes." (Stratias Advisors Report to the Alaska State Legislature, 2016, page3).

10. (S) Support royalty oil sales

The Alaska Chamber supports state administrative and legislative approval of royalty oil contracts that use the same net back value as if the oil was sold out of state.

Employer's Rights

11. (S) Support both employers and worker's rights to determine the value of labor

Support employers and worker's rights to determine the value of labor, based on labor availability and its contribution to the earnings of the business.

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- 12. (S) Support Alaska’s employers right to choose to be a marijuana free environment**
The Alaska Chamber supports regulations that allow workplaces to be marijuana free primarily for workforce safety, readiness and productivity.

Fisheries and Maritime

- 13. (B) Support alternative certification for Alaska seafood**
The Alaska Chamber supports the Alaska Seafood Marketing Institute's (ASMI's) efforts to develop an alternative sustainability certification program to bring consistent criteria across the variety of fisheries, and reduce confusion and ongoing costs incurred in an increasing number of competing third-party certification schemes.
- 14. (S) Support diversification of Alaska’s economy including development of a robust mariculture industry**
The Alaska Chamber supports the diversification of Alaska’s economy including development of a robust mariculture industry. The Chamber encourages the State of Alaska to engage with private sector investors, communities, and regulatory agencies to identify and remove barriers to development of a robust mariculture industry.
- 15. (S) Support equitable funding and appropriate use of Alaska's 470 Fund**
The Alaska Chamber supports equitable funding for the Oil and Hazardous Substance Release Response Fund (Alaska's 470 Fund) and advocates for appropriate use of the fund.

Forestry

- 16. (B) Support for overturning the application of the Roadless Rule in Alaska**
The Alaska Chamber supports efforts to overturn reapplication of the Roadless Rule to the National Forests in Alaska.
- 17. (F) Support for converting two million acres of the Tongass National Forest to a state forest**
The Alaska Chamber supports efforts to convert two million acres of the Tongass National Forest to a State Forest.
- 18. (B) Include a renewable energy plan in the Tongass Forest Management Plan**
Revise the Tongass Land Management Plan (TLMP) to include a Renewable Energy Plan and Renewable Energy Land Use Designation (LUD). This will ensure that renewable energy and hydropower opportunities within the Tongass are accessible for development for communities in southeast Alaska, as well as for connection to the North American grid in support of federal clean energy goals.

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Health Care

19. (F Priority) Support repeal or reform of the Federal Patient Protection and Affordable Care Act

The Alaska Chamber supports repeal or reform of the Patient Protection and Affordable Care Act (PPACA). The PPACA is a one-size-fits-all federal mandate that does not fit Alaska. The law has reduced competition in the Alaska health insurance market, threatens the wellness and healthcare coverage options of Alaskans, and specific provisions – like the so-called ‘Cadillac Tax’ – are simply untenable in Alaska.

20. (S) Support efficiencies and cost effective health benefits

The Alaska Chamber urges the Alaska State Legislature and the Governor to examine private sector alternatives for resolving issues associated with rising costs of healthcare before growing state government and mandating further expansion of Alaska’s State healthcare coverage.

21. (S) Support community health center system organization as patient centered medical homes

The Alaska Chamber supports efforts by the State of Alaska to enact structural reforms to the community health center system, which require organization as Patient Centered Medical Homes as long the implementation does not require new State appropriations.

22. (S) Support regulatory reform regarding reimbursement in thin medical markets

The Alaska Chamber supports regulatory reform regarding reimbursement in thin medical markets

Legislative Action

23. (S Priority) Support comprehensive workers’ compensation reform

The Alaska Chamber supports enactment of 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 of injured workers.

24. (F Priority) Support oil and gas exploration and development in Alaska’s federal areas including; the Outer Continental Shelf (OCS), National Petroleum Reserve-Alaska (NPR), Cook Inlet, and the Arctic National Wildlife Refuge (ANWR)

The Alaska Chamber strongly supports oil and gas exploration and production in Alaska’s federal areas; including the Beaufort Sea, Chukchi Sea, NPR, Cook Inlet, and the 10-02 area of ANWR. The Chamber encourages Congress to enact revenue sharing for Alaska and local communities. The Alaska Chamber also encourages the Alaska Congressional Delegation, the

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Alaska Legislature and Governor to support and strongly advocate for responsible development of these valuable resources, while the Alaska Chamber commits to actively support and participate in the education and advocacy efforts to open these areas.

25. (F) Support the reauthorization of the Federal Lands Recreation Enhancement Act

The Alaska Chamber supports the reauthorization of the Federal Lands Recreation Enhancement Act to ensure that recreation fees collected on federal sites in Alaska are retained for reinvestment back to the site of collection.

26. (F) Support the U.S. Congress to secure a viable, long-term solution for the U.S. Federal Highway Trust Fund

The Alaska State Chamber of Commerce urges the US Congress to secure a viable, long term solution for the Highway Trust Fund's (HTF) structural revenue deficit and recurrent insolvency by 2020. In December 2015 Congress signed off on the fully-funded, multi-year, surface transportation reauthorization bill "Fixing America's Surface Transportation (FAST) Act of 2015", thus reauthorizing the HTF for 5 years. However, the reauthorization did not address the ongoing question of fund solvency. Since 2008, the HTF has required over \$100 billion in transfers from the US Treasury to meet its obligations. This unsustainable model puts our surface transportation infrastructure system at risk. It's time for Congress to roll up its sleeves and do its long delayed part and pass a long-term, fully-funded HTF bill, which is needed to restore our deteriorating and seriously outdated network of highways, bridges and transit systems. This must, at a minimum, match current federal funding levels for roads, bridges, public transportation and highway safety.

27. (S) Support review of State Regulatory and Licensing Policy

The Alaska Chamber supports a change to the Alaska Administrative Procedures Act that requires any executive branch administrative rule or licensing regime to be reviewed at regular intervals and certified as both current and meeting its stated objective by the appropriate Commissioner. Rules, which are not reviewed, sunset.

28. (S) Support keeping Alaska state-chartered financial institutions competitive

The Alaska Chamber supports updates to statutes effecting commerce including Title 6 regarding financial institutions.

29. (S) Supports for efforts to reduce the High Cost of Energy

The Alaska Chamber encourages the Alaska Legislature and the Administration to support efforts that reduce energy costs throughout Alaska, which are key to economic growth. The Chamber encourages the State of Alaska to adopt a long-term, affordable energy plan that encourages private sector investment in sustainable energy infrastructure for all Alaskans particularly for rural communities and businesses.

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30. (S) Support clarifying Alaska's credit scoring law

Support clarification of Alaska's credit scoring law for the purpose of protecting insurance consumers.

Natural Resources

31. (B) Oppose National Ocean Policy (NOP) implementation in Alaska, particularly Coastal and Marine Spatial Planning (CMSP)

The Alaska Chamber opposes implementation of the National Ocean Policy (NOP) and Coastal and Marine Spatial Planning (CSMP) regulations on Alaska.

32. (F) Oppose any further federal land withdrawals in Alaska, other restrictive land management designations, and preemptive actions by regulatory agencies

The Alaska Chamber encourages the Congressional Delegation and the State of Alaska to support and advocate for responsible development of these valuable resources. The Chamber strongly opposes the federal government's continued erosion of Alaska's sovereign rights through federal law or administrative regulations. The Chamber will continue to challenge any unwarranted intrusions and defend Alaska's hard fought guarantees under ANILCA to ensure our continued right to manage our natural resources.

33. (B) Support for litigation reform relating to resource development projects in Alaska

The Alaska Chamber supports efforts to bring accountability to the legal processes for community and resource development projects. The Alaska Chamber supports changes to the public litigant, legal environment that will discourage frivolous lawsuits.

34. (B) Oppose new vessel restrictions not based on science about harbor seals

The Alaska Chamber opposes any new vessel restrictions regarding harbor seals until additional research can demonstrate a direct connection between vessels visiting glacial habitats and a proven decline in harbor seal populations.

35. (F) Support science-based Endangered Species Act listings and delisting

The Alaska Chamber supports efforts to delist species from the Endangered Species Act where sound science indicates ESA designation is either no longer warranted, or was never warranted. The Alaska Chamber opposes efforts to list species under the ESA where no conservation concern exists, where sound science is not the basis, or where the precautionary principle is utilized. Any effort to list species under the ESA must be based on sound scientific arguments, credible and reproducible studies, and economic analysis.

36. (F) Support Increased Responsible Natural Resource Development by Improving the Efficiencies of the Permitting Process and Gaining Access to Resources

The Alaska Chamber supports a significant increase in responsible natural resource

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development and encourages the Alaska Legislature and the Administration to uphold Alaska's strong regulatory and permitting laws and policies that will facilitate additional exploration, site development, employment, infrastructure, research and natural resource production in Alaska.

37. (B) Support sustainable sea otter harvest and sale of handicrafts

Increased legal harvest of sea otters by Alaska Natives for subsistence and handicrafts can help alleviate impacts of rapidly expanding sea otter populations on Southeast Alaska marine resources, and economic impacts to commercial and subsistence fisheries and communities.

38. (B) Support development of environmental policies based on sound scientific basis over the precautionary method

The Alaska Chamber supports protecting public health and the environment through reasonable, carefully considered programs that are developed and implemented based on sound scientific arguments, credible, reproducible studies and economic analysis.

The Chamber opposes efforts to implement the “precautionary principle” in developing or implementing environmental programs. The precautionary principle presumes that many activities pose a risk to health and the environment, even without the presence of any scientific evidence that such risks are in fact present or related to a specific activity, and requires that precautionary measures be adopted or implemented to mitigate those assumed risks.

Private Sector Opportunities

39. (B) Support transfer or sale of land to private entities

The Alaska Chamber supports the sale or transfer of a proportionate percentage of government-owned lands, at all levels, to privately held taxable entities, to provide development opportunities for the citizenry of the State of Alaska.

40. (S) Support workforce development to increase the number of qualified employees needed to fill positions in resource industries

The Alaska Chamber supports workforce development in the state, particularly as it relates to resource development and exploration.

41. (F) Support Small Business Administration Native 8(a) Contracting Program

The Alaska Chamber supports Native 8a contracting due to the impact the program has on the Alaska economy and the benefits to Alaska Native Corporations and tribal entities across the country.

42. (S) Support to establish a state fund for transportation

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The Alaska Chamber supports creation of a funding mechanism for maintenance of and capital improvements to Alaska's transportation systems.

43. (F) Support the Bypass Mail Program

The Alaska Chamber will help preserve Bypass Mail Program by demonstrating the impact the program has on the Alaska economy and the benefits to rural Alaska.

44. (F) Support the expansion of the military presence in Alaska

The Alaska Chamber encourages the Alaska Legislature, Governor, and federal delegation to work with the U.S. Military to maintain current military investment and force structure in Alaska and to increase military missions, staffing, activity, and investment.

45. (S) Support the University of Alaska

The Alaska Chamber urges the Alaska State Legislature and the Governor to maintain strong support for the University of Alaska as the University undergoes a comprehensive review of programs and services via the UA Strategic Pathways framework adopted by the Board of Regents in 2016. The Chamber supports preserving basic services along with administrative efforts to reallocate resources from programs and services that are: (1) not core to the university's strengths in meeting state needs; (2) challenged by low enrollment, high cost, or insufficient faculty resources; or (3) redundant programs. A vibrant university is vital for the education of our citizenry, the development of a highly trained workforce, and the research and development endeavors necessary to address the state's critical challenges.

46. (S) Support in-state oil refining industry

In-state refining adds important diversification and value added processing to our Alaska economy. The in-state refining industry is currently challenged with high energy costs, terms of the State royalty oil sales contracts, quality bank provisions and environmental and operational regulations. The Alaska Chamber encourages the Alaska State Legislature and Administration to develop and implement a comprehensive action plan to mitigate these impediments, thereby allowing for the preservation and expansion of in-state refining.

47. (S) Support for privatization of construction projects

The Alaska Chamber supports reducing the activities of state government in traditionally private sector industries particularly the construction industry.

48. (S) Oppose State Competition with Private Business

The Alaska Chamber encourages the State of Alaska to avoid competing with private business.

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49. (B) Support foreign and domestic private sector investments in Alaska's resource and manufacturing industries

The Alaska Chamber encourages the State of Alaska to implement policies, programs, and regulations to encourage, support, and protect local, state, domestic and foreign private sector investments in Alaska's natural resource and manufacturing industries.