



Dear Alaska Policy Maker:

February 18, 2016

The undersigned business organizations, working together as the Alaska Business Report Card group, represent hundreds of firms and tens of thousands of employees from every major industry in Alaska. These groups will be working together to compile an Alaska Business Report Card (ABRC) for the 29th Alaska Legislature.

This letter is to share with you the policy priorities we will be emphasizing, and the leadership we will be looking for, in developing our consensus report card grades. This year, more than ever, Alaska is in urgent need of leadership. Due to falling oil prices and declining oil production, we face a fiscal cliff here in Alaska that, if not addressed decisively, is a real threat to the livelihoods of all Alaskan families.

In light of these urgent realities, we have grouped our grading criteria under two simple headings:

RESPONSIBLE BUDGETING

- Budget policy should focus first and foremost on reversing the unsustainable state budget growth of the past decade. A multi-year series of annual reductions in the state operating budget – including entitlement reform – will be required.
- Create an endowment model or similar framework to use the Permanent fund earnings to support essential services, and do so in a timely manner (2016) to avoid liquidating excessive amounts of state financial reserves.
- Only after a reduction in spending and use of the permanent fund earnings should other revenue be considered.

PRIVATE SECTOR GROWTH

- Now more than ever, pro-growth policies designed to stimulate and expand Alaska's private sector are critically important. Top priorities include:
 - Continue to progress the Alaska LNG pipeline by achieving the milestones set forth in SB138.
 - Maintain a stable business climate for Alaska's oil and gas industry. Respect the decision of Alaska voters and give SB21 time to work.
 - Adopt policies that ensure a streamlined, efficient and adequately funded regulatory system that relies on sound science as the basis for decision making.
 - Invest prudently in well prioritized, long-term infrastructure projects.

As always, the ABRC group will be evaluating committee actions and floor votes as well as your personal leadership in building support for the above policy priorities.

We look forward to working with you to meet the economic and fiscal challenges facing Alaska.

Sincerely,

Alaska Chamber
Alaska Support Industry Alliance
Resource Development Council for Alaska
ProsperityAlaska.org