

March 26, 2012

The Honorable Anna Fairclough
Representative, Alaska House of Representatives
Alaska State Capitol, Room 501
Juneau, AK 99801

Re: House Bill 204

Dear Representative Fairclough:

The mission of the Alaska State Chamber of Commerce (Alaska Chamber) is to promote a positive business environment in Alaska. The Alaska Chamber represents hundreds of businesses and local chambers from across Alaska. These member businesses share the goal of improving Alaska's low "business friendliness" rankings in national polls. Often government regulations erect unnecessary barriers to doing business. House Bill (HB 204) streamlines and modernizes the State's procurement code removing rather than adding barriers.

The Alaska Chamber supports HB 204. This past October, Alaska Chamber members gathered to discuss Alaska's economic challenges and opportunities. At our Policy Forum, members agreed to "...ensure that the preferences currently in Alaska's procurement regulations are protected and continue to provide a competitive advantage to Alaska-based or Alaska-owned businesses."

Alaska Chamber members believe the State of Alaska has an interest in maintaining competitive procurement advantages for Alaska-based and Alaska-owned businesses. Alaska's private sector businesses create the jobs and livelihoods that fuel Alaska's economy and population growth.

Alaska businesses face more challenges compared to outside institutions. Outside firms have a lower cost of doing business and the preference currently in statute and regulation help offset the advantage outside firms have over Alaska businesses. The intent of these preferences is that when all factors are equal, a preference is provided to businesses located within Alaska. By advantaging Alaskan-based businesses over outside interests, that State of Alaska works to keep Alaskan companies from relocating to outside markets with larger labor pools and greater customer bases. HB 204 strengthens the Alaska bidder preference by clarifying the requirement to have an Alaska business license.

The Alaska Chamber appreciates your work to improve Alaska's business climate and fully supports HB 204.

Sincerely,



Rachael A. Petro
President/CEO

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