

MotoQuest

4346 Spenard Road

Anchorage, Alaska

February 4th, 2011

Dear Senator French,

Thank you for introducing Senate Bill 19.

I was born and raised in Alaska and own a company called Alaska Rider Tours (recently changed to MotoQuest). It has been in existence for 12 years. We provide organized motorcycle tours, self-guided motorcycle tours and motorcycle rentals for independent travelers.

The vehicle rental tax of 10% is inappropriate for the motorcycle rental industry.

1. Motorcycles are NOT cars:

The Anchorage Municipality defines this as such, why not the state? We have a lower carbon footprint. We do not cause roadway damage like cars. Our rental season is much shorter than cars and motor homes.

2. Why were we not notified of the TAX?

At the inception of this tax, none of the motorcycle rental operators were notified. Within the parameters of this tax, motorcycles fell into the passenger vehicle category, and therefore became part of this law. 80% of our clients do not carry a passenger. When I went into the state revenue office to explain why we have not paid our taxes for the past 4 years, they exempted me with the comment "our lawyers weren't even thinking about motorcycle when we drafted the bill."

3. Seasonality:

In Alaska, the motorcycle industry has the shortest rental season in the world. We are operating in the red to this date, and now a TAX? We already charge \$230 per day for our premium bike, and now we will price ourselves out of the market. We already charge more than double what other operators do in the lower 48.

4. Competition:

Rental operators conducting motorcycle tours in our state can bring up their own bikes during our short season, and compete with us without paying this tax!

5. Income to Mom and Pop:

We send many folks to the out-of-the-way mom and pop roadhouses, not on the Princess Radar. These places are hurting, and are very happy to have our business. I will be happy to organize a petition with them signing it.

Here is a list of lodges that we regularly visit. I invite you to contact them and discuss our long standing relationship with them, and the needed income we generate for these remote locations.

- Chatanika Lodge, Chatanika
- Copper Center Lodge, Copper Center
- Steese Roadhouse, Central
- Gracious Lodge, Denali Highway
- Sheep Mountain Lodge, Glenn Highway
- Magestic Valley Lodge, Glenn Highway
- Tangle River Inn, Paxson
- The Perch, Cantwell
- Manley Hotsprings Roadhouse, Manley Hotsprings
- Coldfoot Camp, Coldfoot
- Arctic Caribou Inn, Prudhoe Bay
- Land's End Resort, Homer
- Alaska Wildland Adventure, Cooper Landing
- Harbor View Inn, Valdez

6. Job Loss

As of now, I am running in the red. How can I shoulder this tax? It drives customers away from us. I have 10 employees during the summer months and pay state and federal taxes for them. Their jobs are in jeopardy.

7. To Whom it May Concern: What can you do? Please consider nullifying this tax for motorcycles! The municipality of Anchorage clearly defines motorcycle in a different category. Why NOT the State of Alaska? Can you help us change the law to NOT include motorcycles?

Senator French, I am a long standing resident and entrepreneur in Alaska...indeed, I have lived here longer than most, and want to continue living here. I am appalled at this TAX and thank you for your efforts in supporting and protecting the motorcycle rental industry in Alaska.

Sincerely,

Philip Freeman

Owner

MotoQuest