



ALASKA AUTO DEALERS ASSOCIATION

P.O. Box 201305, Anchorage, Alaska 99520-1305

January 23, 2014

The Honorable Cathy Giessel
Alaska State Legislature
120 4th Street
Juneau, Alaska 99801-1182

RE: Senate Bill 127

Dear Senator Giessel:

The Alaska Auto Dealers Association wished to inform you of our support for Senate Bill 127. We believe it brings fairness to many Alaskan businesses that are doing work assisting Alaskans and the Division of Motor Vehicles with motor vehicle registrations that must otherwise be done by the state.

The state has invited auto dealers to perform DMV work required for their sales (i.e. the new Alaska Title and Registration) rather than rely solely on additional staff and increased labor costs. This was done to improve customer service at the DMV and shorten the amount of time customers spent waiting for service at the DMV office.

Clearly, there will always be needs that can only be met in a State DMV office, however more "Business Partnerships" processing more Alaska Title and Registration work would cut down on the number of daily transactions in the DMV office and, in turn, lead to less wait time for its customers.

The state retains the exact same amount of revenue regardless of where the customer performs their transaction, but the labor cost has shifted from the state to the individual Business Partner. This proposal will provide a small amount of compensation from that revenue in a manner not unlike the relationship between the State Department of Fish & Game and the vendors that sell hunting & fishing licenses (*AS 16.05.390*).

Members of the Alaska Auto Dealers Association are willing to assist the State of Alaska with its auto licensing function but, as businesses, we believe reasonable compensation by the state is a fair and appropriate practice in the marketplace.

Sincerely,

Marten Martensen
President