

Forrest Wolfe

From: Duane Bannock <duane@radiokenai.com>
Sent: Thursday, January 23, 2014 12:59 PM
To: Forrest Wolfe
Subject: Re: Senate Bill 127
Attachments: Copy of DMV Revenue by Loc-Chart.xls

Thank you for the invitation to comment on Senate Bill 127.

As a way of background: I had the privilege and honor of serving as the State of Alaska's Division of Motor Vehicles (DMV) director from February 2003 to November 2007. My goals as director were simple: to improve customer service at the DMV and shorten the amount of time spent waiting for service at the DMV office.

While others in leadership had similar goals, my strategy was different; rather than rely solely on additional staff and increased labor costs, my focus was to put less people in the DMV office.

Clearly, there will always be needs that can only be met in a State DMV office, however there is a program started prior to my time as director named "Business Partnership" that granted select, individual auto dealerships the ability to perform DMV work required for their sales (i.e. the new Alaska Title and Registration). This program was later expanded in Anchorage & Fairbanks to allow Inspection & Maintenance (I/M) Stations (for emission testing) to process registration renewals.

My strategy of less customers waiting at DMV required more alternatives to the traditional method of 'mail-in' and internet registration renewals. The expansion of the Business Partnership was the key element of that strategy. More Business Partners 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.

Part of my expansion plan included 'stand-alone' Business Partners; those individual privately-owned businesses that would sell the DMV products and service in a manner similar to a traditional state-owned DMV office. With more options for customers to find their DMV needs satisfied, the state DMV would be 'loosing' customers. Of course, in the business world, no one like to lose customers and additional business, but in this case, it is the DMV customer that wins!

As the Business Partnership expansion grew, there was a measurable decrease in the customers using state facilities (please see attached chart: DMV Revenue Source FY97 – FY 07).

It's fair to include internet revenue to a portion of the DMV office decline; however the web-based program was limited (at time of this chart) to vehicle registration renewals only. Business Partners perform not only renewals, but also the much more labor intensive and important State of Alaska Certificate of Vehicle Title.

The state retained the exact same amount of revenue regardless of where the customer performed their transaction, but the labor cost had shifted from the state to the individual Business Partner. My proposal was to 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).

On Wed, Jan 22, 2014 at 4:47 PM, Forrest Wolfe <Forrest.Wolfe@akleg.gov> wrote:

Good Afternoon Mr. Bannock,

My name is Forrest Wolfe and I am currently working for Senator Cathy Giessel on SB127, which authorizes the state to pay agents for certain transactions. I understand this was originally an issue you worked on while overseeing the DMV and I was wondering if perhaps you could sort of briefly bring me up to speed on this issue. Why the bill is necessary, what it does, how it will make things better, and any other history behind this issue you deem important. I appreciate any assistance you can provide.

Thank you.

Sincerely,

Forrest Wolfe

Forrest Wolfe

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