



February 27, 2020

*Submitted via email*

**Subject: Support motor fuel tax update: SB115**

Dear Chair Coghill, Vice Chair Giessel, and members of the Senate Rules Committee,

The Greater Fairbanks Chamber of Commerce supports an increase to the Alaska motor fuel tax in order to better support maintenance of our essential transportation system throughout the state. As currently written, SB115 supports this necessary infrastructure by updating the revenue formula to more closely reflect the needs of Alaska in 2020.

All of our member businesses rely on highways and other state roads in some way, whether for transporting goods, moving personnel, providing services, or allowing customer access. Safety and efficiency are important to these companies, which is why organizations including the Associated General Contractors of Alaska and Alaska Truckers Association are also supporting this bill. These organizations, including the Fairbanks Chamber, approve increasing the motor fuel tax because we recognize the vital need for these funds to prevent even greater maintenance and human costs in the future.

The proposed motor fuel tax increase is a modest amount that will be paid by users of the state transportation system. Alaska currently has the lowest motor fuels tax in the nation, and the proposed increase would raise it to only 48<sup>th</sup> out of 50. The revenue generated will result in safer roads, more timely snow removal, and the necessary equipment to accomplish this maintenance. Fuel consumers who do not use the road system (such as off-road recreational or construction equipment and vehicles) will continue to be exempt from the tax, as they are now. We believe this is an equitable way to fund road services.

State infrastructure spending has been cut to an unsustainable level in recent years. Our members have heard from the innovative and dedicated employees at our state Department of Transportation (DOT) about their many creative solutions to stretch every dollar. They actively look for ways

## EXECUTIVE PARTNERS

### DIAMOND

Alaska Airlines  
Denali State Bank  
Foundation Health Partners  
Fairbanks Memorial Hospital, TVC Orthopedics & Sportsmedicine  
Lockheed Martin  
Mt. McKinley Bank  
Vivamore Companies

### PLATINUM

Alyeska Pipeline Service Co.  
ConocoPhillips  
Doyon, Limited  
Fairbanks Daily News-Miner  
Golden Heart Utilities  
Kinross Fort Knox Mine  
MAC Federal Credit Union

### GOLD

Alaska Executive Search  
BP Exploration  
Carlson Center  
Design Alaska  
Doyon Utilities LLC  
First National Bank Alaska  
Matson Alaska  
Northern Star Pogo LLC  
Ravn Alaska  
TOTE Maritime Alaska  
Usibelli Coal Mine  
WAL-MART Stores, Inc.  
Westmark Fairbanks Hotel & Fairbanks Princess Riverside Lodge

### SILVER

Ahtna Incorporated  
Alaska USA  
Alaska Railroad  
AT&T  
Costco Wholesale  
Crowley Fuels Alaska  
Everts Air Cargo, Everts Air AK  
Exclusive Paving/University Redi-Mix  
ExxonMobil  
Fairbanks Natural Gas  
Flowline Alaska  
GCI  
Gene's Chrysler, Jeep & Dodge  
Golden Valley Electric Association  
Hale & Associates, Inc.  
Hilcorp Alaska, LLC  
HUB International  
JL Properties, Inc.  
Key Bank  
LifeMed Alaska  
Lynden  
McDonald's of Fairbanks  
Northrim Bank  
Personnel Plus  
Seekins Ford Lincoln  
Sourdough Fuel  
Spirit of Alaska Federal Credit Union  
TDL Staffing  
Tower Hill Mines-Livengood Gold Project  
Trilogy Metals  
University of Alaska Fairbanks  
Verizon Wireless  
Wells Fargo Bank Alaska  
Yukon Title Company



to maximize efficiency, repurpose equipment, and apply for every available grant, but these efforts are stretched to their breaking point. The only way to ensure the safety of passengers, vehicles, and cargo on our road system is to fund the maintenance efforts required in our challenging climate.

The Greater Fairbanks Chamber of Commerce is an independent membership organization representing over 700 business members throughout Interior Alaska. We work to advocate for the best business environment, promote economic strength and growth for Interior Alaska, and to develop the resources and networks enterprising people use to share knowledge.

We look forward to providing further input as the motor fuel tax is considered.

Respectfully,

A handwritten signature in black ink that reads "Marisa Sharrah".

Marisa Sharrah  
President/CEO

A handwritten signature in black ink that reads "Sabrina Binkley".

Sabrina Binkley  
Board Chair