



Voting Members

Anand Vadapalli Alaska Communications
Bill O'Leary Alaska Railroad Corporation
Bob Heinrich ConocoPhillips
Bruce Bustamante Princess Tours
Bruce Lamoureux Providence Alaska Medical Center
Chris Brown ADEA Alaska
Chris Stephens Bond Stephens & Johnson Inc.
Claire Fitzpatrick BP Exploration Alaska, Inc.
Connie Carter FedEx Express
Dale Pittman ExxonMobil Corporation
David Hamilton Alaska USA Federal Credit Union
Dennis Mitchell Lynden International
Ed Herndon Crago Alaska Corporation
Greg Kessler Totem Ocean Trailer Express
Greg Pearce GC
Joseph Everhart Wells Fargo Bank NA
Lynn Rust Henderson Blue Cross Blue Shield of Alaska
Lon Wilson The Wilson Agency, LLC
Mark Liland Northern Air Cargo
Marla Wellington Continental Airlines
Michael Prozeralik kpb architects
Mike Devlin Evergreen Films, Inc.
Pat Walsh WalshSheppard
Scott Hansen Alaska Regional Council of Carpenters
Sophie Minich CRI
Stephanie Holthaus Alta Air Logistics
Stewart Osgood DOWL HKM
Suzanne Cherot Birch Horton Bittner & Cherot
Terry Bailey CH2M Hill
Tim Vig USRA Inc.

Ex-Officio Members – Legislators

Rep. Craig Johnson Alaska State Legislature
Rep. Lindsey Holmes Alaska State Legislature
Sen. Johnny Ellis Alaska State Legislature
Sen. Lesli McGuire Alaska State Legislature

Ex-Officio Members – Municipality

Mayor Dan Sullivan Municipality of Anchorage
Assemb. Bill Starr Municipality of Anchorage
Assemb. Ernie Hall Municipality of Anchorage

Ex-Officio Members –

Appointed by the Board

Bill Evans Anchorage Chamber of Commerce
Brian Nerland KeyBank Alaska
Carol Comeau Anchorage School District
Chris Anderson ADEA
Elisha Baker University of Alaska Anchorage
George Vakalis AVWU
Jim Posey Municipal Light & Power
John Parrott Ted Stevens Anchorage International Airport
Julie Saupe Anchorage Convention & Visitors Bureau
Larry Cash RIM Architects
Mary K. Hughes Past Chairman of the AEDC Board
Tennys Owens Artique, Ltd.
Wanetta Ayers Office of Econ. Dev. State of Alaska
William Dann Professional Growth Systems

Representative Kurt Olson, Chair
House Labor & Commerce
State Capitol, Rm 24
Juneau, Alaska 99801

February 18, 2011

Dear Representative Olson:

I write to you today in support of HB118, "An Act relating to a tax credit for corporate income taxes paid for qualified research and development expenditures; and providing for an effective date," which will encourage innovation and business expansion in Alaska.

Innovation, experimentation, research and development are all time consuming and often expensive endeavors without a guarantee of financial return. Subsequently, businesses that can benefit from these activities often do not undertake these necessary functions due to the significant economic risk associated with them. HB 118 will work to encourage these activities by mitigating some of the risk a business might otherwise incur by offering a tax credit for qualified expenditures related research and development.

Although this credit will mitigate some risk, capping it at 20% will encourage responsible research with participating companies still assuming an appropriate portion of the risk.

Half of the private sector is populated by small businesses and as many studies have shown, entrepreneurs and small businesses are the driving force for economic growth. They are also the businesses that after an economic downturn are the quickest to return to growth. This bill will support these businesses as they look to expand their product lines, develop more efficient ways of doing business and enhance their current business. This legislation will help individual businesses, the state and Alaskans by stimulating private-sector investment, entrepreneurial activity and business expansion that will result in sustainable long-term benefits to our economy.

Sincerely,


Bill Popp
President & CEO