

April 4, 2011

The Honorable Dennis Egan
Alaska State Senate
Chairman, Senate Labor & Commerce Committee
Capitol Room 510
Juneau, AK 99891

Dear Senator Egan:

The Alaska State Chamber of Commerce's (Alaska Chamber) mission is to promote a positive business environment in Alaska. The Alaska Chamber represents hundreds of businesses and local chambers from across Alaska all seeking to improve Alaska's consistently low "business friendliness" rankings in national polls (e.g. CNBC 2010 - Alaska ranked 50th overall). I am writing in support of SB 116.

As you may know, CNBC recently reported that Alaska is the least attractive state in the United States for conducting business. Part of the reason given was that Alaska has workers' compensation premium rates that are among highest in the nation. The Alaska Chamber believes Senate Bill (SB) 116 is a good first step toward reducing Alaska's workers' compensation premium rates.

Section 1 of SB 116, encourages all parties to actively pursue mediation to more quickly resolve workers' compensation disputes. Section 2 of the bill provides a voluntary pilot-project opportunity for certain employers and employees to work together toward controlling workers' compensation costs. For example, Section 2 permits collectively bargained employers and employees to agree upon an alternative dispute resolution process, which will help achieve an even more rapid resolution of disputes and an earlier return to work for injured workers.

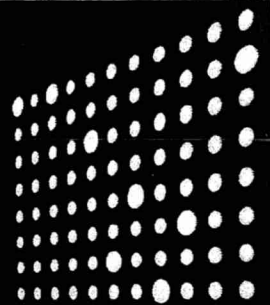
Further, Section 2 provides an opportunity to respond to Alaska's high workers' compensation medical cost trend. Specifically, as 75% of Alaska's workers' compensation costs are related to medical evaluation and treatment, Section 2 allows the parties to select and retain the very best medical providers available, and also to negotiate preferred provider pricing for services if they choose to do so.

The Alaska Chamber is committed to making Alaska a more attractive state in which to conduct business. Accordingly, please support passage of SB 116.

Sincerely,



Rachael A. Petro
President/CEO



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