



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

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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, appearing to read "Marisa Sharrah".

Marisa Sharrah  
President/CEO

A handwritten signature in black ink, appearing to read "Sabrina Binkley".

Sabrina Binkley  
Board Chair