



March 26, 2018

RE: Support for a Sustainable Fiscal Plan and Use of the Permanent Fund Earnings Reserve

Dear Honorable Alaska State Senators and Representatives:

The Greater Fairbanks Chamber of Commerce, the Denali Chamber of Commerce, and the Anchorage Chamber of Commerce encourage the Alaska State Legislature to pass the components of a sustainable fiscal plan this session. To provide a sustainable solution to 80% of the state's fiscal problems is much better than another year of no policy decisions on this critical fiscal matter.

For several years, we have made it an advocacy priority for the State of Alaska to establish a sustainable, long-term fiscal plan. The Fairbanks Chamber has stated in its public position statement support for a "safe landing approach", including the use of the Permanent Fund and the Earnings Reserve Account at Percent of Market Value (POMV).

After three years, the all-or-nothing fiscal policy approach has not worked, and now is the time to enact the parts of a fiscal plan that can be agreed upon by the Governor, the House and the Senate. To continue to operate at a deficit is unacceptable. Take action and pass legislation this session to address the parts of a sustainable fiscal plan that are close to consensus. Our regional Chambers of Commerce support:

- A method that outlines how to use the Permanent Fund Earnings Reserve Account be put into statute.
- An annual draw of 4.75-to-5% from the Permanent Fund Earnings Reserve Account at POMV is reasonable and sustainable. A number in this range will be put into statute.
- How the annual draw from the Earnings Reserve Account is divided between dividends and other state expenditures will also be put into statute. The percent going to Permanent Fund Dividends will be in the range of 25-to-33%.

The Greater Fairbanks Chamber of Commerce, the Denali Chamber of Commerce, and the Anchorage Chamber of Commerce represent over 1,600 business members throughout the Anchorage/Mat-Su Economic Region and the Interior Economic Region. We work to advocate for the best business environment, promote economic strength and growth for Alaska, and to develop the resources and networks enterprising people use to share knowledge across the state.

Sincerely,

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

Marisa Sharrah
President & CEO
Greater Fairbanks Chamber of Commerce

A handwritten signature in blue ink that reads "Tiffany Van Horn".

Tiffany Van Horn
Chair
Greater Fairbanks Chamber of Commerce