



April 6, 2017

Governor Bill Walker  
Alaska State Senate & House Transportation Committees  
Alaska State Senate & House Finance Committees  
Alaska State Capitol  
Juneau, AK 99801

Dear Governor, House and Senate Transportation and Finance Committee Members,

The Greater Fairbanks Chamber of Commerce (GFCC) currently represents over 750 businesses throughout Interior Alaska. The success of our members is directly linked to their ability to do business in an environment that has the necessary infrastructure to support and promote economic development. Our work on behalf of the business community is primarily supported by the volunteers that serve on the Chamber's public policy and advocacy committees.

This is a challenging time for the State, and we applaud your efforts to leave no stone unturned in the pursuit of a balanced budget. However, the GFCC is very concerned with the proposed FY18 ADOT budget, particularly in regards to changes and cuts to ADOT engineering design positions. The GFCC has prepared a white paper identifying key areas of concern, which is attached to this letter. We ask that you and your team carefully review and consider the points raised as they proceed with both the budget decisions and the feasibility study.

While we recognize that there is a recent agreement to hold off on at least part of this cutback, we remain highly concerned about the 75 PCNs (Position Control Numbers) that may still be cut this year. While those positions are mostly vacant, or will be soon due to impending retirements or the expiration of internships, the availability of those PCNs remains crucial to the health of ADOT. They allow for flexibility and the ability to readily respond to market (and related design) needs and opportunities; eliminating those positions entirely means that any need to increase services would by default have to be contracted out. A hiring freeze could serve to prevent the positions from being filled, while preserving the ability to rapidly and administratively take advantage of any funding that may become available. Additionally, these PCNs should remain in DOT. The minimal cost associated with holding those positions vacant would be rapidly offset by costs and time delays incurred should the DOT be forced to contract out a design project for lack of a PCN. Additional concerns regarding the consequences of outsourcing work are addressed in the white paper.

There has been a continuing decline of DOT positions over the last 10 years. While it is hard to argue with the need for a lean budget, going past a tipping point further reduces ADOT's ability to coordinate with the construction industry on innovations and new approaches – efforts that would mitigate and reduce risks for all parties while delivering efficient and cost effective projects. It is evident that efficiencies don't always come from

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Fred Meyer Stores  
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### GOLD

Alaska Communications  
BP Exploration  
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Design Alaska  
Doyon Utilities LLC  
First National Bank Alaska  
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Sumitomo Metal Mining Pogo LLC  
TOTE Maritime Alaska  
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Fairbanks Natural Gas  
Flowline Alaska  
Gene's Chrysler, Jeep & Dodge  
Golden Valley Electric Association  
Hale & Associates, Inc.  
Hilcorp Alaska, LLC  
JL Properties, Inc.  
Key Bank  
Lynden  
Northrim Bank  
Personnel Plus  
Sam's Club  
Seekins Ford Lincoln  
Sourdough Fuel  
Spirit of Alaska Federal Credit Union  
State Farm Insurance  
Tammy Randolph, Agent  
Ed Randolph, Agent  
Tanana Valley Clinic  
TDL Staffing  
Tower Hill Mines-Livengood Gold Project  
University of Alaska Fairbanks  
Verizon Wireless  
Yukon Title Company



reductions in staff – and we're hoping that the capital program optimization effort is open to an increase in PCN's.

The commendable goal of this overall effort is to more effectively and efficiently deliver projects in the State of Alaska. However, any efforts in this regard must be assured of those outcomes. The Chamber and many other organizations and individuals are ready and available to provide experienced input as ADOT looks to optimize the workforce within the constrained budget, whether that be this plan, an improved CMGC process, or the project delivery pilot program in Northern Region. As regards this particular effort, engineering staff time incurred designing and facilitating the construction of Alaska roads is paid with federal highway or aviation dollars, matched with a small percentage of state funds. The savings of that small percentage will not offset the significant additional costs and impacts to the state budget that will result from the elimination of these PCNs and jobs.

We respectfully ask that you reconsider this portion of your budget, as the dollars and sense don't equate.

Sincerely,

A handwritten signature in black ink, appearing to read "Marisa Sharrah".

Marisa Sharrah  
President and CEO

A handwritten signature in black ink, appearing to read "Garry Hutchison".

Garry Hutchison  
Board Chair

Cc: Alaska Legislature  
Commissioner Mark Luiken, State of Alaska Department of Transportation