



BUSINESS to BUSINESS

ALASKA CHAMBER

MAY
2015

Legislative drama a far cry from last year's successes

By Rachel Petro
President, Alaska Chamber

As Alaskans eagerly prepare for cherished summer activities our elected officials are searching for agreement on how to deal with the State budget deficit and Medicaid expansion. What a change from last year!

After last year's legislative session we celebrated the success of making Alaska more attractive to oil and gas investment and unprecedented alignment of private and public entities in pursuit of the ever-elusive Alaska gasline.

This year, the Alaska Chamber's advocacy efforts began in late January with over 100 members participating in our annual Legislative Fly-In. The main messages delivered to the Governor and legislators were, No. 1 get Alaska's fiscal house in order, and No. 2 reform workers' compensation to

get Alaskans back on the job.

The Chamber's top priorities rang clearly in the halls of the Capitol. Requests to the Chamber to review legislation for potential impacts to the business community continue to increase. While many legislators asked how they can help enact real workers' compensation reform, Money, Medicaid, and Marijuana demanded attention. Though it didn't get much coverage in the media, the Chamber team had many conversations about reducing workers' compensation costs in Alaska and continues to work behind the scenes on potential solutions.

In addition to the work on our top priorities, the Chamber is monitoring approximately 100 pieces of legislation, 30 of which earned Chamber support and seven we oppose. All in all, 43 percent of legislation supported by the Chamber passed compared to 10 percent of all

bills introduced. More importantly, 100 percent of legislation opposed by the Chamber is failing. And, lest we forget, the budget remains in play... and therein lay the bad news.

Money

Putting Alaska on a sustainable fiscal path, something the majority of Alaskans support, sent the legislature into overtime, and subsequently motivated Governor Walker to call a special session. Negotiations on how to responsibly reduce the State budget deficit between the majority and minority are no longer. Instead, the negotiations now hinge on increasing deficit spending.

This year, Chamber members targeted limiting total FY 2016 Unrestricted General Fund (UGF) spending to \$4.5 billion or less. The Governor started the process by advancing a reduced UGF operating budget (\$5.44 billion) and both the House (\$5.28 billion) and the Senate (\$5.19 billion) have proposed additional cuts. In

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PHOTO/MICHAEL PENN/JUNEAU EMPIRE

House Minority members cluster to talk as the House debates the state's operating budget at the state Capitol on April 27 in Juneau. The Alaska Legislature is in the midst of a recess until May 12 after failing to reach agreement on the budget and being called into a special session by Gov. Bill Walker.

State, like business, must make necessary, tough calls

By Brad Osborne
Chair, Alaska Chamber

We hear a lot from Juneau about legislators running the State like a business. From both sides of the aisle, Democrats and Republicans alike, invoke the legislature as the "board of directors" for the State of Alaska.

For those of us in the working world, we don't get to elect

our boss by popular opinion so the analogy isn't a perfect one. Still, it's a fair description in certain situations. When it comes to managing the State's budget I'm hoping that legislators take the board seat comparison seriously.

Doing the right thing, the necessary thing, can be painful when things aren't going so well. But we make those tough calls. We do it to protect the

health of the company as a whole. It's wonderful when we can save specific services or individual jobs, but as managers we need to consider the livelihoods of everyone at the company.

As far as the State of Alaska is concerned, hard times are here. We are clearly living far outside our financial means. While it's important to be both diligent and critical of our elected officials when Alaska is healthy, it is imperative that we demand performance now. We should reward legislators that demonstrate the courage to deliver bringing Alaska's spending back in line with our revenues.

Notice the choice of verbs there – deliver.

When it comes to finance, results trump good intentions. It's not enough for legislators to talk a good game on spending and budget cuts. Alaska needs leaders with the will to recreate our state government in a sustainable form. It's not enough to discuss the impor-



OSBORNE

tance of an already well-known fiscal challenge.

Programs will be cut. Services will go away. Employees will be released from public service to pursue private sector opportunities, perhaps even creating new companies that employ even more Alaskans.

So how do businesses make meaningful cuts when times are tough?

Well, we look at eliminating expenses that can meaningfully move the needle. Looking for small savings and shift-

When it comes time to a radical restructure in spending, you have to look at the big cost drivers. That means examining entire lines of business and eliminating poor performers. It means reducing payroll. Specifically, eliminating positions that don't directly support the critical services necessary for the company to operate.

Last month, Rachael sent out a request for us to thank legislators who are making the difficult decisions we elected them to make. Right now, all signs are pointing toward a need for deeper, more painful cuts next year.

We need to continue to demand meaningful action on

"Strong businesses make good decisions; the best businesses make the right decisions in hard times."

ing costs to gain efficiencies isn't making cuts. Those are what successful businesses do all the time regardless of the fiscal situation. Being responsible with financial resources is just part and parcel of being a diligent manager.

Alaska's budget issues. While we're holding legislators' feet to the fire, we need to remember how difficult these decisions are for our own companies. We need our legislators to deliver and we should remember to thank the ones who do.

Save the Date

PLAN TO ATTEND!

Policy Forum

October 13, 2015
Fairbanks, Alaska

Conference and Awards Gala

October 14, 2015
Fairbanks, Alaska

Mark your calendars and check our website for details in the coming months at alaskachamber.com.

The ‘Cadillac’ Tax coming soon

By Fred Brown
Alaska Chamber Board Member

Beginning in 2018, the Affordable Care Act (ACA) will assess a 40 percent excise tax (commonly mischaracterized as the “Cadillac” tax) on the excess cost of a health plan above \$10,200 per year for employee-only coverage, and \$27,500 for an employee and family.

A 2014 Mercer LLC survey reported that about one-third of employers nationwide will be hit with the tax in 2018 if no changes are made in their current plans. Unfortunately, the excise tax will hit Alaskans harder. Based on the average premiums cited in an October 2014 study by the Institute of Social and Economic Research (ISER) for Alaska Health Care Commission it appears most Alaska-based health plans will hit the excise tax thresholds in 2018, or soon thereafter. Moreover, the Association of Alaska School Boards reports that multiple communities already exceed the thresholds, some by over \$10,000 per employee. This new federal tax will devastate these communities.

The Kaiser Family Founda-

tion, State Health Facts, confirms the cost of health care for Alaskans is higher than for people in any other state. In Alaska, the total premium cost for single coverage in 2013 was 32 percent higher than the U.S. average; for employee-plus-one coverage, Alaska’s average cost was 35 percent higher than the United States (U.S.) average; and for family coverage, Alaska’s cost was 29 percent higher than the national average.

As currently enacted, the ACA applies adjustments for the cost of living over time, but the adjustment is designed to be significantly less than health care trend increases. This design will subject more health plans to the tax each year. While threshold adjustments are made for age, gender, and high-risk professions, no adjustment is made for health plans located in high cost states, such as Alaska.

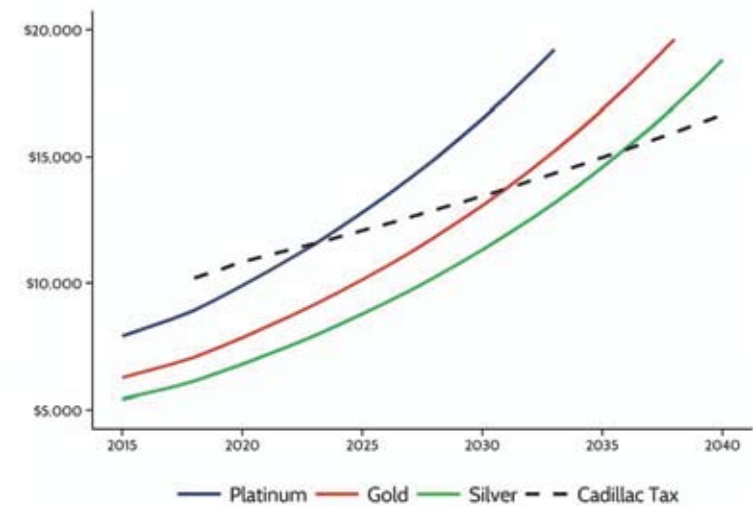
The bottom line

If no relief is obtained for Alaskans through the legislative or regulatory process, and no changes are made in current health benefit packages, most Alaskan health benefit

plans can expect to pay excise taxes to the federal government beginning in 2018. And, without adjustments, the tax and associated impact will only compound in subsequent years. This is money that employers would otherwise spend on wages or business expansion.

This is a topic that should unite Alaskan Democrats and Republicans, labor and management, and rural and urban communities. Several groups, including employer sponsored and Taft-Hartley health benefit plans, and building trades and central labor councils, have already asked Alaska’s Congressional Delegation either to support legislation to carve out geographical differentials, or eliminate the excise tax all together.

Nevertheless, Alaskans should not assume legislative changes are imminent. Indeed, the Treasury Department and IRS recently released Notice 2015-16, which is a request for information inviting comments on implementation of the 40 percent excise tax. The Notice is a preliminary step, which allows the government to gather comments prior to prepar-



ing Proposed Regulations and then Final Regulations.

Make your voice heard

Alaskan groups, entities and individuals need to make their voices heard. Let the Alaska Congressional Delegation know your thoughts. At a minimum, the IRS should establish and apply a geographical differential equation for high cost states such as Alaska when implementing the excise tax thresholds.

Fred Brown is Executive Director of Heath Care Cost Man-

agement Corporation of Alaska (HCCMCA) and an attorney. HCCMCA is a non-profit coalition, which has been helping member health plans control health care costs by negotiating better pricing and services than these plans could achieve on their own. Founded in 1994, HCCMCA currently consists of more than 40 health plans providing coverage for approximately 180,000 people in Alaska and the Pacific Northwest.

Fred can be reached at Fred.Brown@hccmca.org.

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its extended session the Legislature’s conference committee agreed to compromise at a \$5.23 billion UGF budget. While this compromise deficit budget passed by 70 percent, it requires access to the Constitutional Budget Reserve (CBR). Using the CBR requires 75 percent of the legislature’s approval and failed by a mere four votes.

The legislature approved the compromise budget but failed to access the CBR. Left with an unfunded budget, Governor Walker called a special session.

The budget proposed by the Governor in special session totals \$5.78 billion, a \$55 million increase over the legislature’s compromise budget and a \$34 million increase over the budget he endorsed in February. Adding more money to the budget simply increases the deficit and moves Alaska further away from a sound fiscal future.

The Chamber wants to see elected officials put Alaska on a sustainable fiscal path. The alternative (continued unsustainable spending) is unacceptable.

Medicaid

In 2013, Chamber members adopted a position supporting Medicaid expansion provided the State of Alaska continues to receive at least a 90 percent federal match for the expansion population and/or the State participates through an alternative pilot program. Given the State’s growing fiscal deficit, Medicaid expansion has understandably become more complicated and is a topic legislators are tasked with addressing during this special session.

It’s no secret that Alaska’s Medicaid program is a key driver of State spending and is currently on an unsustainable path. Improving, refining and

making Alaska’s Medicaid program sustainable should be a continuous process, not a conclusion. The State’s current fiscal situation simply provides the urgency to begin the process of right-sizing the program now.

For Chamber members, Medicaid expansion is purely pragmatic. As taxpayers, Alaskans are already subject to the increased federal taxes established to fund the national healthcare law. If Alaska continues to reject Medicaid expansion, Alaska businesses will pay twice — unnecessarily driving the cost of doing business in Alaska up. These facts underscore the necessity that Medicaid expansion go hand-in-hand with Medicaid reform, limiting the State’s fiscal liability today and for future generations.

It will be interesting to see how our elected officials reconcile Medicaid reform, funding and expansion. The Chamber will continue to monitor their progress and weigh in as appropriate.

Marijuana

The Chamber opposed Ballot Measure 2, an initiative to tax and regulate the production, sale and use of marijuana. We said the measure didn’t really consider the needs of Alaskans or thoughtfully lay out how to regulate marijuana like alcohol — and we were right. Our concern with the measure centered on potential negative impacts to workforce safety, readiness and productivity and increased employer liability, but we acknowledged many other issues with the measure.

Once Ballot Measure 2 passed, the Chamber shifted its focus to protecting employers and employees from any unintended consequences of the new law. As predicted, a dozen bills were introduced this session to address different



PHOTO/MICHAEL PENN/JUNEAU EMPIRE

Rep. Steve Thompson, R-Fairbanks, left, and Rep. Les Gara, D-Anchorage, go to their phones as they walk out of the House Chambers during a break in the debate on HB 176 during a floor session at the Capitol in Juneau on April 15. House Democrats are withholding their votes on a draw from the Constitutional Budget Reserve in exchange for their demands on Medicaid expansion, education funding and “Erin’s Law.”

aspects of the measure.

Current statute provides mechanisms for employers to maintain drug and alcohol policies. In an effort to maintain these protections and regulate marijuana like alcohol, the Senate Judiciary Committee considered a version of a bill, Senate Bill 30 (SB 30), which included conforming amendments to statutes regulating alcohol, adding marijuana specifically to them. The Senate Finance version of the bill omitted these conforming amendments, and instead maintained marijuana as a controlled substance — thereby maintaining the employer and workplace protections already found in statute.

Neither version of SB 30 made it across the finish line. However, either mechanism can work to protect Alas-

ka’s businesses, employees and work sites. Meanwhile, marijuana remains on the controlled substance list. The legislature did opt to create a Marijuana Control Board, House Bill 123, for the purpose of drafting regulations relating to the manufacture and sale of marijuana products, and that work has already begun.

For many the lack of results from this legislative session is downright depressing, but it need not be. Dialogue is ongoing and opportunities abound. And though session activity has slowed, our work on your behalf has not. Plans for Policy Forum, where our next set of wins will be defined, are well underway. Dig into this newsletter, visit alaskachamber.com or contact us to learn more.

Ballooning bureaucracy: DEC's quest for more money

As businesses, we don't always get to choose what issues affect us. Sometimes we are forced to react. The issue of daylight saving time (DST) is a great example.

DST is a bizarre and inconvenient national idiosyncrasy that virtually everyone would love to see abandoned. However, setting Alaska at odds with the rest of the nation generated too much hardship for too many Alaska businesses for the Alaska Chamber to ignore.

But not every issue gets such sensational coverage.

Unless you are a very specific type of State budget geek, there's really no reason why you would be aware of the multi-year battle to increase funding for one important, but historically misused division within the Department of Environmental Conservation (Department).

That is to say, there's no reason why you would know until the price goes up at the gas pump.

Division of Spill Prevention and Response (SPAR)

We'll start with a quick word about SPAR and the 470 Fund. Alaska has long maintained emergency processes and associated funds as a protection against environmental disaster.

When Alaska became an oil state, those funds grew, rising on the back of a five-cent tax on every barrel of oil produced in Alaska.

Today, only a single penny funds SPAR's spill response efforts. The rest of that tax money is used for "prevention", an amorphous, conceptual State service that has drifted far afield from the fund's intended use.

The Department deserves credit for steps it has taken in recent years to become more accountable

for 470 Fund expenditures. The historic misuse of 470 Fund dollars combined with increasing Departmental reliance on those dollars threatens the entire program.

At a time when oil production is declining, we're left with an oil spill response program that has been exploited to support a growing staff, help fund the Commissioner's office, feed other State agencies, and pay for everything from crime labs to homeowner rebate programs.

It should come as no surprise that SPAR finally ran into money trouble.

We're left with an oil spill response program that has been exploited to support a growing staff, help fund the Commissioner's office, feed other State agencies, and pay for everything from crime labs to homeowner rebate programs.

Where did we start?

SPAR funding first became an issue with little fanfare and not an ounce of news coverage. In a sleepy legislative finance subcommittee hearing, the Department presented a relatively routine report on SPAR operations and, oh yeah — we're going to need more money.

The original ask was for a 60 percent increase to a tax burden that is shouldered by one, targeted Alaska industry.

No industry should be singled out to foot the

bill for a program that provides service to State agencies, municipalities, various industries, homeowners, recreational boaters... and any Alaskan.

Chamber members adopted a policy position on SPAR funding, supporting "equitable funding and appropriate use of Alaska's 470 Fund."

Eventually, the Department's targeted tax increase was reduced to 20 percent and then to changes in how the funds were capped.

Finally, the Department and several legislators started looking for a truly equitable funding source. Where they landed was an increase to the refined fuel tax, the price Alaskans pay for fuel.

Where are we at now?

Two SPAR funding bills moved through the legislature this year. Eventually, it was House Bill 158 (HB 158) that passed and now awaits transmittal to the governor.

HB 158 is far from a cure-all for the beleaguered SPAR program, but provides impetus to focus on fixing the program. HB 158 is a win for Chamber members seeking equitable funding and appropriate use, but there is still a lot of work to be done on SPAR.

Oil producers continue to be hammered with the nickel per barrel tax, even though all of our industry groups are 100 percent responsible for their own cleanup costs. They will now pay even more to foot the bill for this program since they are part of the group of Alaskans who purchase refined fuels.

We're paying millions for this service, and we deserve to know what we're getting for those tax dollars. The Chamber will continue to encourage legislators and the Administration to improve and clarify the Department's wayward program.

Welcome New Members

Alaska Logistics, LLC

Since 2003, Alaska Logistics, LLC has provided scheduled barge service from Seattle, Washington to various ports throughout Western Alaska. As the years have passed they have significantly grown, and now offer a wider variety of transportation services. Regularly servicing the Western Alaska ports, they now offer services into surrounding villages, transport to Central Alaska and charter our marine equipment. Visit them online at alaska-logistics.com.

Alaska Surgery Center

Located in Anchorage, the Alaska Surgery Center is a free-standing ambulatory surgery center. A partnership between 32 local physicians and Surgical Care Affiliates (SCA), the Center was originally started in 1977 by a group of eight physicians and dentists as a lower cost, higher quality alternative to treatment in hospitals. Now in its third location, the original concept still rings true. To date they have treated over 140,000 patients. Visit them online at aksurgery.com.

Alaska Waste

Committed to providing reliable and environmentally responsible solid waste and recycling services, Alaska Waste operates the largest

refuse fleet in the state. Alaska Waste provides solid waste and recycling services to Alaska customers ranging in size from single-family residential homes to large commercial front-load and roll off customers. Their employees live, work, and raise families within these communities and are very proud of the fact that Alaska Waste is helping to make Alaska a cleaner place to live. Visit them online at alaskawaste.net.


Ahtna, Incorporated

Ahtna, Incorporated is one of 13 Alaska Native Regional Corporations formed under the Alaska Native Claims Settlement Act of 1971, and is based out of Glennallen, Alaska. The company currently has approximately 1,900 shareholders, the majority of whom are of Ahtna Athabascan descent, and employs more than 1,700 workers worldwide. A premiere Alaskan-owned business, Ahtna, Incorporated is guided by its vision statement: "Our Culture Unites Us; Our Land Sustains Us; Our People are Prosperous." Visit them online at ahtna-inc.com.

ARTCOS, LLC

Founded in 2006, Arctic Regulatory Compliance & Technical Oilfield Services

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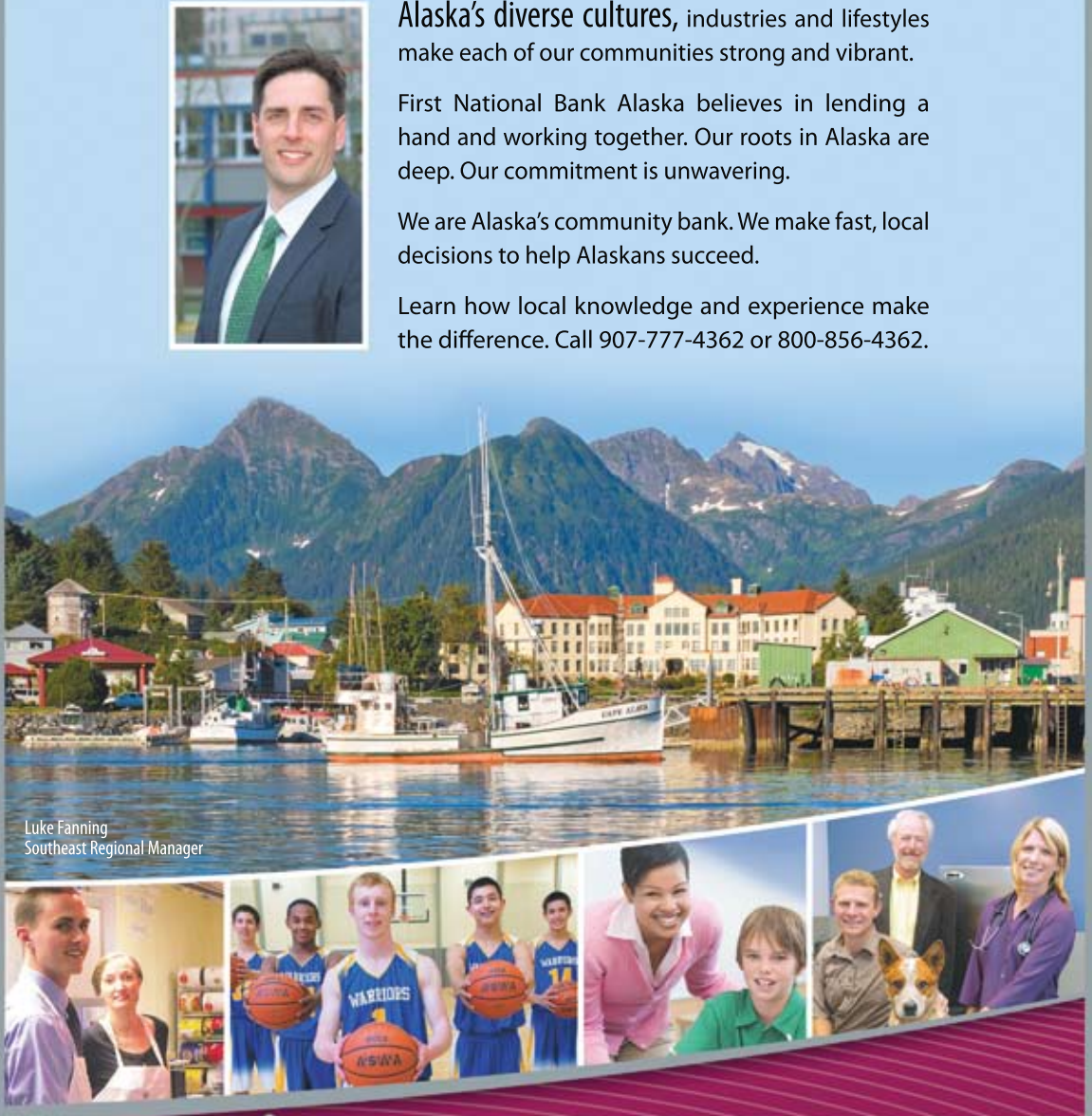
We believe in community

Alaska's diverse cultures, industries and lifestyles make each of our communities strong and vibrant.


First National Bank Alaska believes in lending a hand and working together. Our roots in Alaska are deep. Our commitment is unwavering.

We are Alaska's community bank. We make fast, local decisions to help Alaskans succeed.

Learn how local knowledge and experience make the difference. Call 907-777-4362 or 800-856-4362.



Luke Fanning
Southeast Regional Manager

FNBAlaska.com  640.297

We Believe in Alaska

Mentor tomorrow's leaders at Alaska Business Week

Who: High School Students
What: 2015 Alaska Business Week
Where: Alaska Pacific University, Anchorage
When: July 18-25

Alaska Business Week (ABW) is fast approaching. As is always the case, our ABW kids are getting the lion's share of the attention. That's important, as those Alaskan students form the entire purpose for hosting the camp. If we can give just one of them the courage and skills to employ other Alaskans, the entire program is worth it.

However, the kids aren't the only Alaskans to benefit from attending ABW. Paired with each "company" of students is an Alaska business professional who has dedicated their time and business acumen to fostering better business leaders for the future. Adult volunteers from a wide variety of supportive industries and ABW sponsors have served as Company Advisors (CA) over the five-year run of the program. This year, and for the first time, ABW is coming to Anchorage and the slate of CA's will be no less committed.

CA's basically function as the "higher management consultant" for the student companies. We can't expect students to know and understand what they've never been taught and that applies to esoteric business staples like Profit and Loss Statements, Balance Sheets, and Marketing Reports. Taken individually, and with guidance from someone with firm grounding in the world of business, these concepts are quite consumable. One of the joys of serving as a CA is seeing the lights come on as kids start to grow familiar and actively take interest in the performance of their companies through the reports they've learned to read.

ABW is a commitment. It takes a special person who truly values fostering young, entrepreneurial minds to dedicate a week of their summer to ABW kids. As professionals, we all have our strengths and



weaknesses. One consistent theme we hear from past and returning CA's is how much they personally pull from teaching certain business concepts that they've previously ignored or taken for granted. ABW CA's function as a team to bolster each other where week and leverage particular talents and skills.

Shepherding Alaska's future employers is rewarding, but it's also a role the business community has been lax on in the past. Remember, we can't expect young people to know what they've never been taught. We should fan the flames of Alaska's aspiring entrepreneurs and business professionals. If you share that drive, consider committing some of your time to the ABW program.

Thank you to the following 2015 sponsors who make ABW possible: Alaska Airlines, Alaska Credit Union League, Alaska Communications, Alaska Housing Finance Corporation, Alaska Railroad, BP, Design Alaska, First Choice Health, First National Bank of Alaska, Helca Greens Creek Mining Co., Lynden, NANA Development Corporation, Northrim Bank, Premera Blue Cross, Ravn Alaska, Shell, Totem Ocean Trailer Express and Watterson Construction.

For more information, contact ABW Program Director Nicole Schuh at (907) 278-2744 or nschuh@alaskachamber.com.



ALASKA CHAMBER COMMUNITY OUTREACH TRIP

June 24-26, 2015
Ketchikan, Alaska

The Salmon Capital of the World

Register now for the Alaska Chamber's 2015 Community Outreach Trip to Ketchikan, Alaska. Home to an ambitious and thriving business community, Ketchikan's economy was built and shaped from the plethora of natural resources in its backyard. Join us as we delve into the industries that shaped one of Alaska's most unique communities.

Trip highlights

A member-exclusive event, this year's trip boasts multiple networking events, a catamaran cruise to explore Ketchikan's maritime heritage, dinner in the homes hosted by local Ketchikanites and more!

How to register

Our outreach trips always sell out early — seize your spot today. Register at alaskachamber.com.



Thank you to our sponsors!



Northrim Bank celebrates 25 years in business



Long-time Alaska Chamber member Northrim Bank is celebrating its 25th anniversary this year.

Northrim Bank is a community bank with 14 locations throughout Alaska and humble beginnings in Anchorage, where founders Marc Langland and Arne Espe had a vision of a community bank that believed in "Customer First Service."

Founded in 1990, and originally doing business from a trailer, Northrim has remained committed to providing the highest quality of service and value to businesses, professionals and individual Alaskans. The bank was started in tricky times in Alaska. Numerous banks had failed in the late 1980's due to low oil prices and a weak state economy. There was demand for a local bank with high quality customer service and Langland felt he had a great solution in Northrim.

Langland and Espe believed the economy was beginning to turn around and they had a strong business plan to start Northrim Bank. They needed capital to start the bank and made the decision to be publically traded on the NASDAQ. Northrim is only one of three publically traded companies headquartered in Alaska. The other two being GCI and Alaska Communications.

Langland and Espe always believed that to have a successful company, they needed to hire good people and stay true to the vision of being a customer-focused bank.

Northrim has prospered in its 25-year history. Only nine years after opening its doors, Northrim had the opportunity to purchase Bank of America's (B of A) Alaska operations. The transaction added eight branches to Northrim and grew its employee base by over 90 employees.

The B of A purchase was not the first expansion



PHOTO/MICHAEL PENN/JUNEAU EMPIRE
Northrim Bank CEO Joseph Beedle, right, and Northrim Chairman and founder Marc Langland speak in Juneau last September about their 2014 merger with Alaska Pacific Bank. Northrim is celebrating its 25th anniversary in 2015.

for Northrim. The year prior, Northrim invested in the start-up of Residential Mortgage, LLC.

The addition of the B of A branches, and the initial investment in Residential Mortgage, LLC, were just the beginning of Northrim's expansion and diversification.

Throughout the next 15 years, Northrim invested in multiple affiliate companies including Elliott Cove Capital Management, ICL Financial Services, Northrim Benefits Group, Pacific Wealth Advisors and Pacific Portfolio Consulting, as well as acquiring two other Alaskan banks.

In 2007, Northrim acquired Alaska First Bank and Trust. In 2014, Northrim acquired Alaska Pacific Bank, adding four branches in Southeast Alaska. The expansion into the Southeast market increases

Northrim's footprint to be nearly 90 percent of the state's population.

In late 2014, Northrim purchased the remaining shares of Residential Mortgage, LLC and is now the sole owner of one of Alaska's largest residential lending companies.

Northrim is proud to have been part of the Alaska landscape for the past 25 years and looks forward to the future with cautious optimism. Northrim leadership believes they are able to offer a sense of security in uncertain times by providing leadership and expertise to help find solutions to long-standing issues facing Alaska and local businesses. Northrim cares about its customers and works to help them achieve new heights because Northrim's success is measured by the success of its customers.

ANTHC building better access to health

This May, the Alaska Native Tribal Health Consortium breaks ground on its first new facility for patients since the Alaska Native Medical Center (ANMC) opened in 1997.

A housing facility for patients traveling to receive care at ANMC will be completed in fall 2016 at the Alaska Native Health Campus off of Tudor Road in Anchorage. The building will be a six-story, 202-bed facility designed to provide convenient and available lodging for the nearly 60 percent of ANMC patients that travel to Anchorage for care and services.

Future guests of the ANTHC patient housing facility will include expectant mothers with high-risk pregnancies who travel to Anchorage for a recommended four to six weeks prior to delivery, and cancer patients who may need many weeks of infusion or radiation therapy. The housing facility will include a dedicated floor for families and children, communal cooking and living areas and connection to ANMC hospital via sky bridge.

The ANTHC patient hous-



ing facility is part of a long-term development plan to build better access to health for the 147,000 Alaska Native people that ANTHC serves.

Other recent projects include developments that enhance access and quality of care, and contribute to the health of the Alaska econo-

my and Alaska Native people statewide.

Recent improvement projects include:

- A new five-level parking garage slated to open in June 2015.
- The fall 2014 expansion of the ANMC Ear, Nose and Throat clinic, Audiology clinic

and Ophthalmology clinic into the medical building at 3801 University Lake Drive that is also home to the Alaska Spine Institute.

- The expansion and remodel of the Cardiology and Neurosurgery clinics inside ANMC to accommodate more patient visits with more exam

rooms and testing facilities.

- Construction of a new Family Birthing Services unit, which includes the addition of three brand new Labor & Delivery rooms, six stand-alone OB triage rooms, one cesarean section operating room and fully remodeled post-partum recovery rooms.

Alaska Chamber scores session wins, more work to do

Representing hundreds of businesses, manufacturers and local chambers from across the state, Alaska Chamber members supported legislation that updates and clarifies laws, provides regulatory certainty, and generally improves Alaska's business climate. In total, the Chamber tracked over one hundred pieces of legislation during the first year of the two-year session.

Included in this edition of Business to Business is each of the bills the Chamber supported which will become law (Chamber Wins!). While the success of the Chamber's legislative agenda is truly remarkable, there are dozens of Chamber-supported bills that have yet to make it across the finish line. We look forward to addressing these pro-business issues over the interim and into second year of session.

For a complete list, see "Bills to Watch" under "Advocacy" at alaskachamber.com.

Chamber Wins (legislation passed)

HB 1: State Arctic Policy

Alaska is what makes the United States an Arctic nation. HB 1 declares Alaska's policy positions with regards to safe, responsible development of the Arctic and Alaska's resources.

HB 26: Extend Board of Certified Direct-Entry Midwives

Extends the termination date of the board, and requires an interim report of the board's audit compliance.

HB 46: Workforce Investment Board Veteran Member

Requires that a "veteran" as defined in state statute fill one seat on the Workforce Investment Board.

HB 178: Workers' Compensation Medical Fees

Moves the effective date for the statute managing fees for medical treatment

and services from July 1, 2015 to Dec. 1, 2015.

HCR 3: Endorsing ANWR Leasing

A resolution urging the governor and attorney general to pursue legal and legislative options to open the Arctic National Wildlife Refuge and areas of the Chukchi and Beaufort Seas.

HJR 6: Federal Containment of ANSCA Lands

A resolution supporting federal acknowledgement of responsibility for and clean up of federally contaminated lands.

HJR 7: Oppose Aleutian National Marine Sanctuary

A resolution opposing federal designation of approximately 554,000 square miles to be designated as a national marine sanctuary.

HJR 9: Endorsing ANWR Leasing

A resolution urging the United States Congress to open the coastal plain of the Arctic National Wildlife Refuge.

SB 5: Restitution: Property and Income Loss

Allows courts to include "loss of income" as part of restitution after a theft. Formerly, courts might only have been able to use the replacement cost of a stolen item for restitution.

Replacement cost does not truly reflect the lost productivity and cost of delay associated with theft from Alaska businesses.

SJR 13: OCS Oil and Gas Exploration/Development

A resolution supporting oil and gas development on the outer continental shelf, in the Beaufort and Chukchi Seas, including the Hanna Shoal area.

SJR 16: Arctic Economic Council

A resolution requesting congressional for the Arctic Economic Council and that the council chair be a resident of Alaska.

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The Alaska Business Report Card



THE ALASKA BUSINESS REPORT CARD

At the beginning of the 29th Legislative Session, each legislator and the Governor received a letter outlining the policy priorities and the leadership attributes the Alaska Business Report Card (ABRC) group would use to develop its consensus report card.

The ABRC believes Alaska is in urgent need of strategic leadership to address a fiscal cliff here in Alaska that is at least as alarming as that faced by our federal government.

With oil production declining each

year, oil prices under downward pressure from surging supply in the Lower 48, and state spending at levels that are unsustainable, Alaskans face tough times ahead unless decisive action is taken.

In light of these urgent realities, the ABRC has grouped their grading criteria under two simple headings:

Responsible Budgeting

- Budget policy should focus first and foremost on reversing the unsustainable state budget growth of the past decade. A multi-year series of annual reductions in the state operating budget – including entitlement reform – will be required.

- Only after reducing general fund spending to sustainable levels should revenue options be considered.

Private Sector Growth

- Now more than ever, pro-growth policies designed to stimulate and expand Alaska's private sector are critically important. Top priorities include:

- o Continue to progress the Alaska LNG

pipeline by achieving the milestones set forth in SB138.

- o Maintain a stable business climate for Alaska's oil and gas industry. Respect the decision of Alaska voters and give SB21 time to work.

- o Enact comprehensive workers' compensation reform.

- o Adopt policies that ensure a streamlined, efficient and adequately funded regulatory system that relies on sound science as the basis for decision making.

- o Invest prudently in well prioritized, long-term infrastructure projects.

The ABRC is a collaborative effort of Alaska's leading business advocacy organizations: Alaska State Chamber of Commerce, Alaska Support Industry Alliance, Resource Development Council for Alaska, and ProsperityAlaska.org. These organizations represent tens of thousands of Alaskans and thousands of Alaska's small and medium sized businesses.

Learn more at alaskabusinessreportcard.com.

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New members: Continued from Page 3

(ARCTOS, LLC) bridges the gap between the operators and agencies. Integrating with clients to identify and advise on regulations, ARCTOS, LLC streamlines the oil discharge prevention and contingency plan and permitting process to ensure compliance for vessels, facilities, platforms drill and jack-up rigs. ARCTOS provides the most cost-effective solution to meet the challenges of environmental compliance for our clients by “doing it right the first time” reducing costly operational delays, compliance issues and potential fines from regulatory agencies. Visit them online at arctos.wix.com.

Brooks Range Petroleum Corporation

Brooks Range Petroleum Corporation (BRP) is a small, independent operator focused on safely exploring for oil and gas on Alaska’s North Slope. BRP controls about 100,000 gross acres adjacent to the Prudhoe Bay, Kuparuk and Point Thomson fields and offers near term development and exploration, and long term strategic exploration opportunities. Visit them online at brooksrangepetro.com.

Constantine Metal Resources Ltd.

Founded in 2006, Constantine Metal Resources Ltd. is a Canada-based metal exploration company. Constantine engages in the exploration, evaluation, and development of mineral properties in Canada and the United States. headquartered in Vancouver, Canada, Constantine explores for copper, zinc, gold, and silver deposits. The company’s principal asset is the Palmer copper-zinc-silver-gold volcanogenic massive sulphide project located in Alaska. Visit them online at constantinemetals.com.

Freegold Ventures Limited

Through its subsidiaries, Freegold Ventures Limited is engaged in the acquisition and exploration of precious metal properties in the United States and Canada. Its flagship project is the Golden Summit Project. Located just 30 minutes from Fairbanks off the paved Steese Highway, access to the property is excellent and offers infrastructure support for exploration activities on a year round basis. Several historic gold mines are located on the property, and open pit gold mining is ongoing at Kinross Gold’s nearby Fort Knox gold deposit. Visit them online at freegoldventures.com.

Millrock Resources, Inc.

Founded in 1979, Millrock Resources, Inc. is engaged in the acquisition, exploration, and development of mineral properties in Alaska and Ari-

zona. Headquartered in Vancouver, Canada, the company explores for gold, silver, copper, zinc, and lead deposits.

It has nine exploration projects in Alaska, as well as one each in Arizona and New Mexico; and nine mineral properties located in the State of Sonora, Mexico. Visit them online at millrockresources.com.

McDowell Group, Inc.

Since 1972, the McDowell Group has helped community leaders, public agencies and private companies respond to change and grow. With a staff of 15 multi-disciplinary professionals, McDowell Group has provided research and consulting services to hundreds of public and private sector clients, and will customize their research tasks and project team for each assignment, assuring the

highest-quality information, analysis and recommendations. Visit them online at mcdowellgroup.net.

Porcaro Communications

Established in 1982, Porcaro Communications has been influencing people using a broad range of tactics to change behaviors, introduce and sell products, increase company visibility and increase foot traffic.

With offices in Anchorage and Denver, the Porcaro family of companies provides full-service communication services to clients in Alaska, the Rockies, and the Pacific Northwest. Award-winning creative work, effective media planning, and clear marketing strategy have made them one of Alaska’s best full-service advertising agencies.

Visit them online at porcarocommunications.com.

Stewart Title of Alaska

In the business of closing real estate sale and loan transactions, and the issuance of title insurance policies on real estate, Stewart Title of Alaska is committed to helping businesses grow and achieve their goals.

Whether it’s through their underwriting expertise, unbeatable service or innovative technology, they are dedicated to providing magnificent service to their network of excellent independent issuing agents. Visit them online at stewart.com.

United Parcel Service

Founded in 1907, United Parcel Service (UPS) is the world’s largest package delivery company and a leading global provider of specialized transportation and

logistics services. Using advanced technology, access to global resources, and an integrated network of physical, technological, and human assets, UPS provides a powerful competitive advantage that can help you earn repeat customers and grow your business.

Visit them online at ups.com.

Vitas Energy, LLC

Vitus Energy, LLC is the holding company for Vitus’s aviation, marine, and terminal operations. The core of their business is managing the delivery of fuel from international and domestic sources to a wide variety of customers in Alaska.

Their customers include marine and shore-based distributors, utilities, and aviation companies. Visit them online at vitus-energy.com.

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