On a cloudless Tuesday evening after the long Memorial Day weekend, the Alaska Chamber hosted Secretary of the Interior, Ryan Zinke. The former U.S. House Representative and SEAL Team 6 commander addressed members of the Alaska business community while flanked by Senators Lisa Murkowski and Dan Sullivan, Alaska’s senior statesman Representative Don Young, and Chamber CEO Curtis W. Thayer.

In his opening remarks, Thayer welcomed a refreshing new tone from the developing administration in Washington D.C., saying, “Over 60 percent of all Alaska lands are owned by the federal government. It is a great sign when ‘our landlord’ wants to partner with us to help responsibly develop our natural resources and grow our economy.”

Zinke delighted attendees with a surprising familial tie to Alaska: his wife, Lola, worked at Lucky Wishbone in Anchorage as a teen. And as a geologist, the secretary has a science-based understanding of Alaska’s unique resource potential.

His address illustrated a deep and welcome understanding of Alaska — as a state with a strong identity, a diverse community, and also as a key component for the future of the United States of America.

While in Congress, Zinke worked with Alaska’s Congressional Delegation on issues that have serious impact on our state. Issues like the military and veterans’ affairs, energy production, states’ rights and resource production. The secretary’s tour of Alaska shows that those working relationships have clearly continued as he advances the administration’s economic, energy, and public lands initiatives.

Energy dominance is “different than energy independence” Zinke said. “It is better to produce energy here in North America under reasonable regulation than watch it be produced overseas with no regulation. If you want to watch the catastrophes of environmental recklessness I invite you to spend some time in the Middle East or in Africa.”

As Secretary of the Interior, Zinke plays an important role in defining the future of Alaska. Western states, Alaska in particular, are dominated by federally controlled lands. Recent actions from D.C. have erected barriers to resource development, but Zinke assured attendees that the new administration better understands Alaska’s importance in the national and worldwide landscapes.

The President’s goal for the United States is “energy dominance.” It will require infrastructure development, access to resources, and working American men and women to achieve dominance here at home.

Energy dominance is “different than Photos/Frank Flavin

TOP: Interior Secretary Ryan Zinke, center, is flanked on the left by Alaska Chamber President Curtis Thayer and Rep. Don Young and on the right by Sens. Lisa Murkowski and Dan Sullivan as he addresses an audience of Chamber members May 30 in Anchorage. MIDDLE: Zinke with Pat Foley and Chamber Board Chair Casey Sullivan, both of Caelus Energy. BELOW: Zinke, Thayer and the Alaska Congressional Delegation give a thumbs up to responsible resource development.
From the President: Fix spending before turning to taxes

By Curtis W. Thayer
Alaska Chamber President & CEO

The spring edition of Business to Business is where I prefer to write an end-of-session legislative report for all our hard-working Alaska Chamber members.

However, recurring special sessions have become the norm while the State fails to reform unsustainable extravagant spending habits. So while 2017 has seen positive movement on critical business issues like Workers’ Compensation reform, public sector financial failure still looms as a threat to the overall Alaska economy.

The Senate came up with a reasonable budget compromise. It balanced modest yet meaningful budget reductions with new revenues from the private sector, those coming as sacrifices from the oil and gas industry forgoing future development incentives.

Bringing spending in line with revenues is a foundational first step to lead Alaska out of recession. That ought to be the sole focus in Juneau right now, and we’ve already witnessed the private sector meeting state government in the middle.

But the House Majority and Governor Walker have dollar signs in their eyes. It’s a fact made clearly apparent by the laundry list of new taxes outlined in the executive proclamation issued by the Governor on May 17.

Three of the Governor’s eight special session to-dos are budget mandates that the legislature must perform. If legislators accomplish nothing else this year, by oath they have to address appropriations. Specifically, the legislature must adopt capital, operating, and mental health budgets.

Every other item in Governor Walker’s proclamation calls for new or increased revenues from hardworking Alaskans. It is poor governance to shoulder Alaskans with the burden of an inappropriately sized government. Particularly when we are struggling with recession and losing thousands of private sector jobs.

So while special session is unfortunately necessary, the Governor’s call pulls legislative attention away from the critical issues of reducing the budget.

Alaskans and Alaska’s industries are willing to compromise where it’s warranted. We’ve witnessed that happen with oil and gas tax credits, and restructure of the Permanent Fund.

But the State must demonstrate responsible spending before turning to new taxes. And the Chamber will continue to advocate for sustainable spending before new tax measures are considered.

From the Chair: Annual awards, policy submissions open

By Casey Sullivan
Board Chair, Alaska Chamber

The Alaska business community is strong, and we’re at our strongest when we work together across all geographic and industry boundaries. Be part of the grassroots, pro-business effort. The policy submission and nominations on local and national issues of our day. It’s a chance for like-minded professionals to share experiences and build connections with peers from around the state.

It’s also a chance to celebrate the year’s best in business with our Top Business Awards.

The Bill Rivin Small Business of the Year and Local Alaska Chamber of the Year awards recognize exceptional performance from Alaska organizations that embody the ideals that make our state great.

Similarly, the William A. Egan Outstanding Alaskan of the Year award is a prestigious recognition of the unique and lifelong contributions of some of Alaska’s greatest citizens.

Nominations for these awards also come directly from the business community. Again, the submission period begins on Monday, June 5 and runs through Friday, August 4. Consider the businesses, local Alaska chambers and exemplary Alaskans that you work with, and nominate the best of them for recognition in Sitka this October.

The Alaska business community is strong, and we’re at our strongest when we work together across all geographic and industry boundaries. Be part of the grassroots, pro-business effort. The policy submission and awards nomination guidelines are available online at alaskachamber.com, and save the date to join us in Sitka this fall.
Welcome New Members

Avitus Group

Avitus Group takes the worry and stress out of HR management, from administering payroll to recruitment and training. Their experts guide you through always-changing health insurance regulations, seek out the best benefits and deliver unmatched service and support. Most importantly, you choose the options that fit you best, from individual services to an all-inclusive outsourced human resources solutions package. Visit them online at avitusgroup.com.

CVS Health

Millions of times a day, CVS Health helps people on their path to better health. From advising on prescriptions to helping manage chronic and specialty conditions, CVS plays an active, supportive role in shaping the future of health care. Visit them online at cvshealth.com.

Denali Commercial

The leasing arm of Denali Commercial Management, Denali Commercial provides leasing services to over 600,000 square feet of office, retail and warehouse space in Anchorage, Wasilla and Palmer. Visit them online at denalicommercial.com.

Insurance Brokers of Alaska

A full-service insurance agency, Insurance Brokers of Alaska offers property and casualty, workers compensation, surety and bonding, employee benefits, and other specialized types of coverage to meet specific client needs. Visit them online at insurancebrokersak.com.

Juneau I, LLC

A commercial property management company, Juneau I LLC oversees properties in Anchorage and Juneau.

K.Jardell Company

With experience in all three branches of Alaska government, K.Jardell Company provides strategic guidance, representation and advocacy to clients on policy and political issues before the State of Alaska Executive and Legislative branches of government. Visit them online at kjardell.com.

Lockheed Martin Corporation

Headquartered in Bethesda, Maryland, Lockheed Martin Corporation is a global security and aerospace company that is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. Visit them online at lockheedmartin.com.

Peak Trust Company

Since 1997, Peak Trust Company (PTC) has provided exceptional trust and investment management services to thousands of individuals and families across the nation. PTC offers tax-favored trust status in either Nevada or Alaska, flexible and customized trust administration solutions and unparalleled service for a reasonable fee. Visit them online at peaktrust.com.

Talking Circle Media

Based in Anchorage, Alaska, Talking Circle Media (TCM) has filmed all across the state. From the rainy southeastern rainforest, to the surface of a glacier, to shooting in far away locations no camera has ever shot, TCM’s crew will meet all your needs. Visit them online at talkingcirclemedia.com.

UBER

Based in San Francisco, California, UBER is an application-based ridesharing service with operations in 528 cities worldwide. Pending legislation, UBER hopes to be operating in Alaska soon. Visit them online at uber.com.

Save the Dates!

2017 Member Appreciation Reception
July 24, 2017
Anchorage, Alaska

2017 Policy Submission Period
June 5-August 4, 2017

2017 Top Business Awards Nomination Period
June 5-August 4, 2017

2017 Fall Forum
October 10-12, 2017
Sitka, Alaska

Mark your calendars and check our website for more information at alaskachamber.com.

“"When you see Alaska through Robert Murphy's eyes, you see a world of possibilities.""

Jaime Kissner, First National Bank Alaska, Vice President/Loan Officer

Robert Murphy started Alaska Excursions with a single van, a lot of imagination and a simple mission: Offer visitors from around the world the Alaska experience of a lifetime.

Robert could bank anywhere but he chooses First National Bank Alaska. Today, Robert operates Alaska Excursions in Skagway, Haines and Juneau. And First National has helped him grow every step, tour, cruise, zipline run and charter along the way.

If you have a vision and need a local bank that knows how to navigate Alaska’s changing economy, give us a call. We’d love to explore your possibilities and discover new ways to help your business – and Alaska – succeed.

For the rest of Robert’s story visit FNBAlaska.com
907-777-4362 / 1-800-856-4362

Jaime Kissner, Vice President/Loan Officer

Robert Murphy, CEO/Founder Alaska Excursions

"We Believe in Alaska"
Hard change needed for workers’ compensation reform

By Curtis W. Thayer
Alaska Chamber President & CEO

Change is hard... even when everyone agrees that change is necessary. It’s easier to do nothing than it is to affect change. But every once in a while you bump into something that’s just so utterly broken that change is the only option. That’s why we’re at with Alaska’s Workers’ Compensation system.

In 2004 Alaska was the second most expensive workers’ compensation state in the country. It took us almost a decade, but in 2012 we finally dethroned states like California and Illinois as the worst in the United States. Over that last three or four years, Alaska has flirted with incremental improvements. Progress has been frustratingly slow, particularly if you’re an injured worker floundering in a bungled system or an employer hemorrhaging money at activities that don’t.

The challenge is that Alaska has an underperforming Workers’ Compensation system. The introduction of Senate Bill 112 is the first step in addressing the problem and we look forward to working with all parties to fix the system.

The argument for reform

The obstacle that derailed many reform attempts is that it can be hard politics to address constituents on either side of an issue. That’s not the case with workers’ compensation. Alaska’s current system is broken and it’s not serving anyone.

In 49 of 50 U.S. states, litigating attorneys are compensated based on a set percentage of settled claims. In Alaska, attorneys invoice for their time and preferred hourly rate, in some cases exceeding the settlement amount.

Ten years ago when the Chamber started advocating for reform, you’d mention workers’ compensation in a room full of people and everyone’s eyes would just glaze over. There are a lot of moving parts to the system, and it’s taken a long time to get everyone up to speed on why it’s failing Alaska workers. But we’re there now.

Over that last three or four years, Alaska has flirted with incremental improvements. Instead of giving people a lump sum for training they’ll never get, we should implement a voucher system that will help your employees.

We’ve made small improvements, particularly with the medical community stepping up to accept certain payment controls on common procedures. And now we’re finally ready to tackle the foundational flaws in Alaska’s failed workers’ compensation system.

So what has to change?

Make wise choices

Alaska needs to adopt options for employees to direct their own care. Currently, if an Alaska worker is unfortunately or dissatisfied with their doctor, they can switch once. Then they’re stuck. It’s worse for employers.

If there’s a talented specialist or experienced out-of-state option, our Alaska companies or their employees don’t have that option.

Use what works

There are medical treatment guidelines that help ensure treatments for injured workers are both reasonable and necessary. Alaska doesn’t use those guidelines and we should. Similarly, we need to adopt official disability guidelines and utilization reviews to make sure our provider community is getting our workers the care they need.

Pull the rest

Re-employment benefits pay for training so injured workers can move into a new field. Re-employment training sounded pretty good as a concept; however, in practice, re-employment benefits doesn’t do anything and needs to be repealed.

Between a Department of Labor commissioned study and one from California, we find that nearly no one completes their re-employment program and they return to their old profession.

It’s important that Alaska be present while a new administration develops in D.C. The trip also provided the opportunity to find additional common ground with our nearest business partners. I expect our Pacific Northwest counterparts to join us, providing a stronger, more unified voice for Alaska’s future.
**Q&A with the Avitus Group**

**Q.** How long have you been an Alaska Chamber member?  
**A.** While we are a recent member addition to the Alaska Chamber, we have had an office presence in Alaska for about two years. In July 2015 we acquired Swan Employee Services and today have an office Anchorage, as well as a satellite office in Fairbanks.

**Q.** Can you briefly describe your business?  
**A.** Avitus Group is a full service, back office solutions company that works with business owners to offer a unique array of services designed to eliminate everyday hassles that come with running a business. Avitus Group offers services such as: Human Resources, Payroll, Accounting, IT, Marketing, Co-Employer and Recruiting.

**Q.** What sets you apart from competitors?  
**A.** Avitus Group is a one-stop shop for all of your back office needs. While many of our competitors offer payroll and human resources, Avitus Group can offer a variety of services, all of which are a-la carte, suited to help your business succeed.

**Q.** What trends or insights are you finding in your field or market?  
**A.** Over the years more and more business owners are choosing to outsource their back office functions in order to focus on what they do best, run their business. With Avitus Group, you can focus on what you do best, while we handle all of the back office hassles.

**Q.** Why did you get involved with the Alaska Chamber?  
**A.** At Avitus Group we believe it is important to be connected to the community in which we work in. Joining the Chamber is a great way to get involved in the community while building relationships with the local members.

**Q.** How can people reach you? (E.g. Locally, Nationally, etc.)  
**A.** We have a local representative in the area, Steven Abeln, and he would be happy to speak with you about any of our services or questions you may have about Avitus Group. Steve can be reached via email at sabeln@avitusgroup.com or via his cell (907) 302-1322. In addition to Steven, I am also available at (720) 582-3450 or mbreckenridge@avitusgroup.com.
Cook Inlet producers power Alaskan business

By Curtis W. Thayer
Alaska Chamber President & CEO

Alaska is fortunate to have abundant natural resources that drive our economy in a number of ways. From tourism and recreational hunting and fishing, mining, maritime transportation, to oil and natural gas development, economic prosperity is brought about by the state’s resources and the ingenuity of Alaska’s business community.

Within this broader landscape, in and of itself, and the Alaska Chamber is proud of the work by our members that make this region one of opportunity for all Alaskans.

The recent economic downturn has again highlighted the importance of companies who continue to invest in Alaska. In particular, independent energy companies have taken on a greater role in recent years, as the mix of energy companies in the state has shifted with changes in technology and strategy.

The oil and gas industry is not only a significant source of state revenue and jobs for many Alaskan families, but it serves a critical role in producing the energy our communities depend upon throughout the year.

The company’s response has been resolute and responsible stewardship, and the businesses continue to do business and collaborate with one another if we are to extend the region’s record of economic prosperity.

The success of each industry is directly tied to the success of the others in the region. Responsible companies working together to solve challenges and conduct good business practices is key to a bright future for our community.

Our members work hard to keep things running smoothly in Cook Inlet, and they learn from their mistakes when incidents occur. The legacy of Cook Inlet is one of economic success and responsible stewardship, and the businesses that operate in the area would like it to stay that way.

Curtis W. Thayer is lifelong Alaskan and serves as president and CEO of the Alaska Chamber.

Cook Inlet oil and gas production is a major economic driver for jobs and energy in Southcentral Alaska. Hilcorp, the largest producer in the region, invests about $150 million per year in its infrastructure.

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