



March 12, 2025

The Honorable Julie Sande  
Commissioner  
Department of Commerce, Community, and Economic Development  
P.O. Box 110800  
Juneau, AK 99811

Dear Commissioner Sande,

We, the undersigned, thank you for your continued support of Alaska's industries, and recognition of the importance of fair, reasoned governance in moving our state forward.

In this time of unprecedented opportunity and alignment on a State and Federal level, we are approaching you with concerns about misalignment on the local level. Specifically, regarding a recently adopted ordinance by the City of Whittier that carries statewide repercussions for Alaska's economy.

The City of Whittier recently adopted Ordinance 2024-005 that places a local ground transportation fee on all visitors to Whittier who enter via commercial motorcoaches. The ordinance becomes effective January 1, 2026.

In laying out our concerns, it is important to note the most traveled road in Whittier is owned by the State of Alaska. The tunnel leading in and out of Whittier is owned by the Alaska Railroad and operated by the Alaska Department of Transportation and Public Facilities (DOTPF). The State currently assesses a fee to enter the tunnel that generates revenue for tunnel operations and maintenance. Unlike the State fee, Whittier's new "fee" is effectively a new local tax on only certain types of ground transportation generating revenue for the City's general fund. There is no tie to debt or road maintenance, most of which is performed by the State.

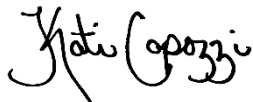
As you know, the flow of goods and people throughout the State is of vital importance to the economic health of Alaska businesses. Strong road transportation systems, rail service, marine, and air travel are fundamental. We write to highlight the dangerous precedent that this ordinance presents. If a community can charge entry for a bus carrying passengers, they can also charge entry for trucks carrying commercial goods. A truck traveling from Anchorage to the North Slope travels entirely on state roads, but travels through the Municipality of Anchorage, the City of Wasilla, the Mat-Su Borough, the Denali Borough, the City of Nenana, the Fairbanks North Star Borough, the City of Fairbanks, and the North Slope Borough. If the Whittier precedent stands, that truck could potentially be charged eight fees by the end of its journey, dramatically impacting the cost of goods in our state. If allowed to stand, this tool could be weaponized by local governments to discourage certain projects moving forward, to

discriminate against a single company or industry through the implementation of arbitrary so-called “fees” for passage, and limit the movement of commerce.

However, for the reasons that follow, we do not believe the fee sought to be imposed by the City of Whittier is legal. The Commissioner of DOTPF, as well as counsel for the Cruise Lines International Association (CLIA), wrote letters of opposition to the ordinance when it was before the City Council raising the legal concerns that arise from adopting a city entrance fee. We agree with Commissioner Anderson’s position and analysis, and are disappointed that the City chose to disregard that analysis and move forward. Both Commissioner Anderson’s and CLIA’s correspondence are included in this communication.

The free transport of goods, services, and people throughout the state is threatened by this ordinance. As a businesswoman and a state leader, we respectfully request that you review this situation. If you agree with our concerns, we ask that the State of Alaska engage with the City of Whittier in the strongest possible terms, highlighting the legal issues this ordinance creates and its chilling impact to the business climate in Alaska.

Sincerely,



Kati Capozzi  
President & CEO  
Alaska Chamber



Karen Matthias  
Executive Director  
Alaska Metal Mines



Deantha Skibinski  
Executive Director  
Alaska Miners Association



Rebecca Logan  
CEO  
Alaska Support Industry Alliance



Jillian Simpson  
President & CEO  
Alaska Travel Industry Association



Leila Kimbrell  
Executive Director  
Resource Development Council of Alaska, Inc.

cc: The Honorable Adam Crum, Commissioner, Department of Revenue  
The Honorable Ryan Anderson, Commissioner, Department of Transportation and Public Facilities  
Tyson Gallagher, Chief of Staff, Office of the Governor  
Rachel Bylsma, Deputy Chief of Staff, Office of the Governor