# **Greater Ketchikan Chamber of Commerce**

2417 Tongass Ave., Ste. 223A Ketchikan, AK 99901



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August 12, 2021

# Dear Leaders,

This letter is regarding Amendment 2186, filed by Senator Kirsten Gillibrand to the Senate's Infrastructure bill, which would require Commercial Drivers Licenses (CDL) for all commercial motor vehicles (CMV) designed to carry 9 to 15 passengers.

This amendment would be disastrous for the small companies which make up the majority of businesses within the Ketchikan Gateway Borough, Alaska. CDL driver positions are already among the most difficult positions to fill and regulations for insurance, drug testing, health clearance and license testing already complicate this process. The difference in wages between what a small business can pay for a CDL driver, driving a 15-passenger vehicle, also varies dramatically from what a trucking company can pay for driving a semi.

- Insurance: Many small businesses can only insure CDL operators after 1 year of CDL experience and minimum driving experience of 7 years. This automatically eliminates a large percentage of the young, often seasonal, workforce from these positions. It also prohibits many small companies from being able to hire an individual, with the intent of providing training, and being able to use this employee.
- License Testing: CDL practice & testing must be done in a qualified vehicle. Insurance companies often forbid CDL permit holders to drive insured vehicles before licensed. Thus limited the driving needed prior to testing. Additionally, due to Covid-19 protocols, the State of Alaska is not currently providing this service. All testing must be done with an independent licensing company. These companies are currently booked out so far in advance (3-6 months), that jobs cannot be filed in a quick manner. Additionally, companies that operate seasonally face further challenges, trying to anticipate the need for CDL drivers, months prior to opening their doors. Even if the need for further operators arises, they cannot complete the process prior to closing for the year.
- Wage Differences: Finally, a small business with fewer than 10 employees, which operates a 14-passenger van for say hiking tours, can in no way, compete with wages of a business looking to hire a CDL driver in construction or transport industries. When someone receives their CDL they are naturally going to look for the highest wage possible, which nearly guarantees you will continue to increase the hiring/retention difficulties these small companies are already facing.

These issues will not be limited to the business communities. They will affect small, rural schools who transport their students and athletes in small vehicles. It will impact camps, churches, day cares and many more organizations than I can list here.

We hope you now have a better understanding of how this Amendment will negatively impact businesses, communities, and schools, across the Ketchikan Gateway Borough, State of Alaska, and the United States.

This requires the immediate attention of each of you, to prevent another striking blow to the local business and tourism communities.

Sincerely,

Michelle O'Brien
Executive Director, Greater Ketchikan Chamber of Commerce
On behalf of the Board of Directors

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