



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

To: Senator Paskvan; Labor and Commerce Committee Chairman

From: Curtis Thayer, Deputy Commissioner

Date: February 2, 2010

Re: Economic Development Hearing Remarks

Thank you Mr. Chairman and members of the committee; it is a pleasure to be here today to share our vision for economic development in Alaska. We would especially like to thank Rep. Austerman for leading this discussion on improving the economic development functions within the department. Because of the efforts of your staff and yourself we have been deeply examining the role and effectiveness of our Office of Economic Development and the assorted other agencies and offices working toward the goal of wealth generation for Alaskans.

Governor Parnell and his administration are working to change the direction of state government and to position Alaska for economic growth. He believes that the best thing government can do to foster economic development is to know when to lend a hand, and know when to simply get out of the way. I share his belief that the best way to accomplish this is for state government to work toward creating an environment that is conducive to private-sector investment and sustainability. The state plays its most critical role in laying the economic foundations for such an environment by:

- Developing Alaska's energy and other resources
- Enhancing transportation systems
- Improving workforce development and training at all levels
- Removing barriers that inhibit opportunity and growth.
- Telecommunications and broadband access

While we understand the energy and transportation infrastructure investments are more accurately called community development rather than economic development, we also understand that you can't have a thriving economy without affordable, reliable energy or transportation systems.

Gov. Parnell knows that jobs are a fundamental part of the quality of life for Alaska families. So he has made job creation one of the focuses of his administration. And he knows that to be successful in doing this, the state must reach out to all stakeholders and let the private sector do what it does best.

Since taking office, the Governor has personally met with community leaders and industry experts in every sector of our economy-- including transportation, mining, tourism, banking, oil and gas, fishing, construction, health care, and others -- to better understand their unique perspectives and challenges. He knows that with the assistance of the Legislature, and through meaningful public-private partnerships, we can work together toward the common goal of a prosperous future for ourselves, for our children, and for our grandchildren.

As deputy commissioner of the Department of Commerce, Community and Economic Development, I have been tasked with, among other duties, overseeing the Office of Economic Development. With my private-sector background and understanding of the business world, I am committed to fostering the kind of robust public-private partnership that will lead to growing and diversifying our economy.

Through recent discussion with business leaders we have compiled a list of more than 70 potential projects, large and small that, through vigorous private-sector participation, can help build the foundation for future growth that will bring sustainable jobs and provide a boost to our economy.

By aggressively reasserting the state's role in creating a business-friendly climate conducive to responsible, sustainable development, we can raise real income and improve the quality of life for all Alaskans. Economic development

is neither a destination, nor a checklist of activities. It is an ongoing process requiring constant adjustment and quick responses in an environment that is never static.

To assist in this mission, we are in the process of hiring a business development outreach specialist to aggressively engage the private sector, and we have several dynamic candidates who would like to lead the Office of Economic Development. This will help us continue the process, which is already under way, of breaking down silos and identifying interagency synergies such as:

- Ag revolving loan fund program
- International trade office
- Alaska Grown program

Additionally, we are proposing a small business loan program – something that has been lacking in Alaska but has proven to be huge boon to small business development in other states.

I also share the governor's vision for supporting AIDEA and its renewed emphasis on its role in economic development. Business and community leaders can expect to see and hear more from AIDEA—particularly the two new development officers who are tasked with identifying opportunities and strategizing on financing and technical resources within and outside of AIDEA.

Our Governor believes that in a free market economy, the government should not be the primary economic planner. Citizens should be free to create economic wealth and experience a high quality of life. However, he also believes it is important for the state to be an active participant in the creation of a long-term vision and economic framework. To that end, the Governor has committed senior staff and financial support to Alaska Forward, a comprehensive economic development strategy for Alaska. He appreciates the leadership provided by the Alaska Partnership for Economic Development and the funding provided by Denali Commission to launch this effort.

This is important as we strive for self-sufficiency and a significant reduction in imports to Alaska. In turn, this reduces the leakage of money outside of Alaska.

This is a critical piece of the puzzle, since the state's current economic model allows more wealth to leave the state than remains here.

Alaska has had a great and prosperous run for its first 50 years. Despite our current challenges, Gov. Parnell believes we can make the next 50 years even better. And with your help, we WILL do better. Because the challenges we face today breed the opportunity of tomorrow.