THE STATE of ALASKA

GOVERNOR BILL WALKER

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

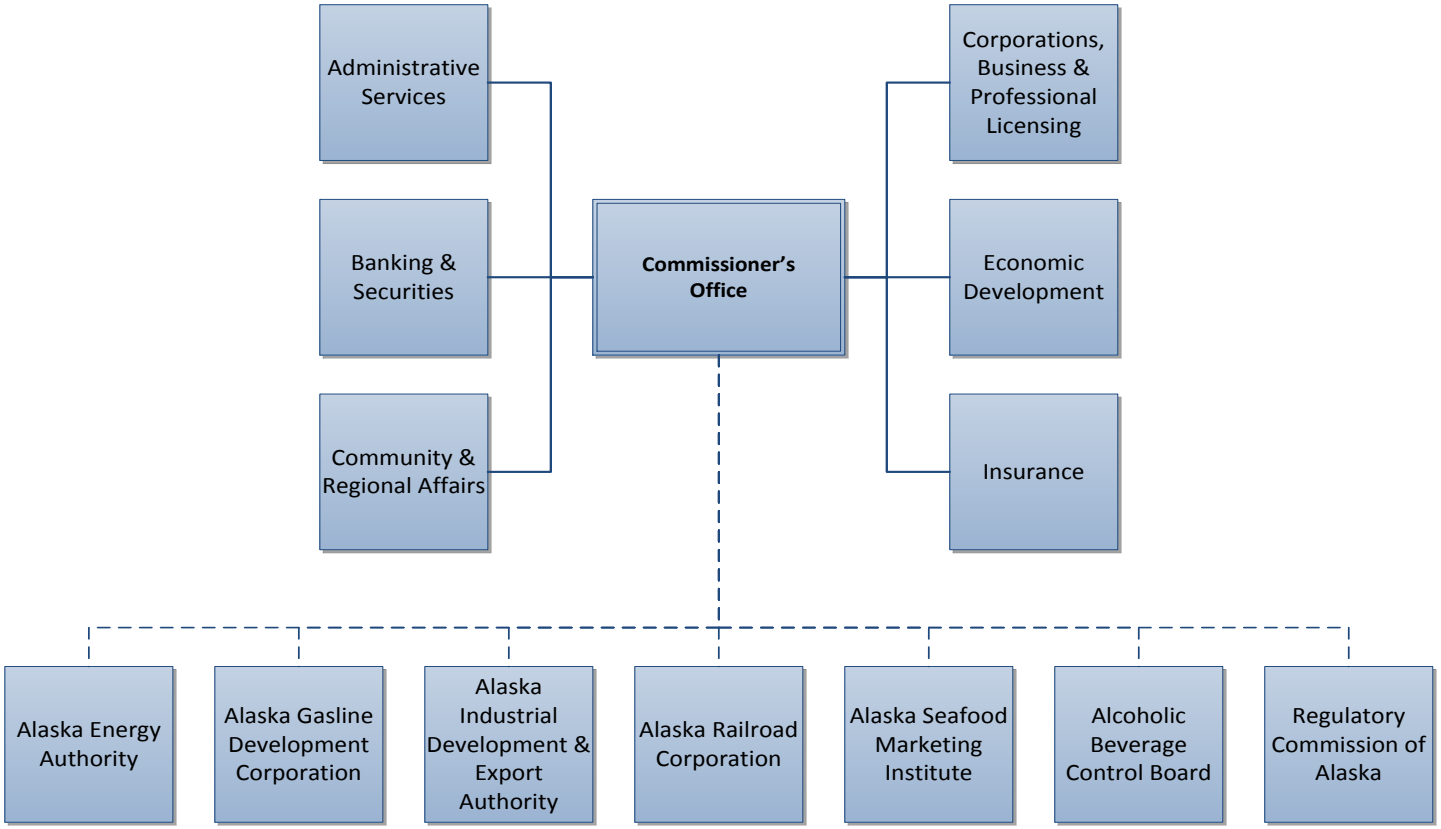
Department Overview presented to House Labor & Commerce

Acting Commissioner Fred Parady

January 26, 2015

Department Organization

DCCED's mission is to promote strong communities, a healthy economy, and to protect consumers in Alaska

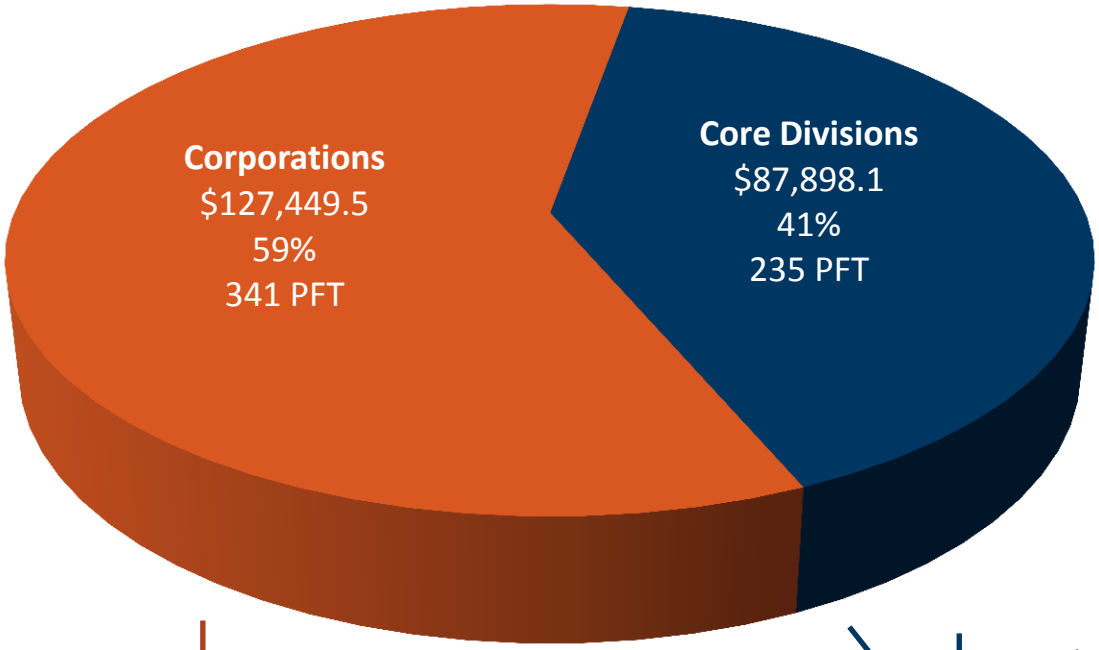


The department comprises 576 permanent full-time, 1 permanent part-time, 8 non-permanent budgeted staff in 3 core and 7 remote locations (excluding the Alaska Railroad Corporation).

Department Makeup

Funding Distribution

Corporate Agencies and Core Divisions



- Alaska Energy Authority
- Alaska Gasline Development Corporation
- Alaska Industrial Development and Export Authority
- Alaska Seafood Marketing Institute
- Alcoholic Beverage Control Board
- Regulatory Commission of Alaska

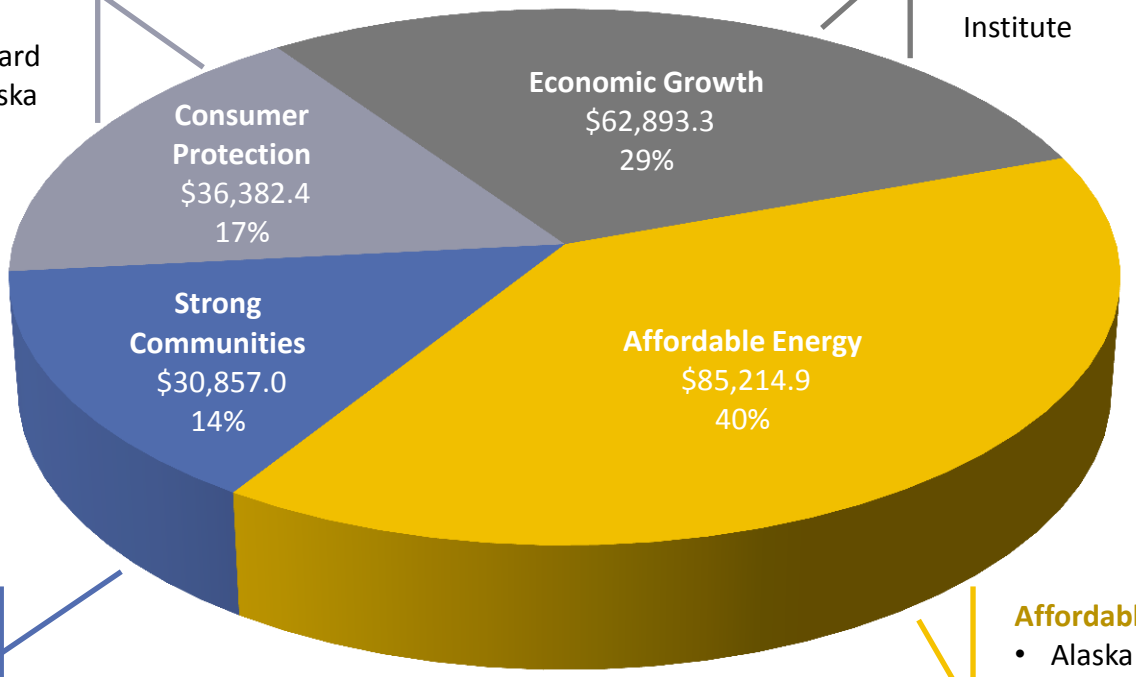
- Administrative Services
- Banking and Securities
- Community and Regional Affairs
- Corporations, Business and Professional Licensing
- Economic Development
- Insurance

Budget by Core Services

FY2015 Management Plan

Consumer Protection
- Banking and Securities
- Corporations, Business, and Professional Licensing
- Insurance
- Alcoholic Beverage Control Board
- Regulatory Commission of Alaska

Economic Growth
- Economic Development
- Alaska Industrial Development and Export Authority
- Alaska Seafood Marketing Institute

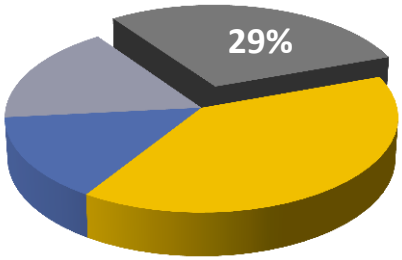


Strong Communities
- Community and Regional Affairs

Affordable Energy
- Alaska Energy Authority
- Alaska Gasline Development Corporation

Activities related to the Administrative Services Division and the Commissioner's Office are allocated across all core services.
Alaska Railroad Corporation is not included because it receives no operating funds from the state.

Economic Growth



- Division of Economic Development
- Alaska Industrial Development and Export Authority
- Alaska Seafood Marketing Institute

Division of Economic Development

- Alaska Maritime Industrial Support Sector analysis
- 261 loans for $29.1 million across 10 loan programs to Alaska-owned businesses, including 237 in the Commercial Fishing Revolving Loan Fund
- Tourism marketing, which generated 800,000 information requests, 220,000 trips, and 700,000 visitors
- Statewide strategy with UAF on drones (HCR15)
- Partnerships with industry and University of Alaska to support resource development efforts to develop new industry
- Manufacturing support through the Made in Alaska and Alaska Product Preference programs

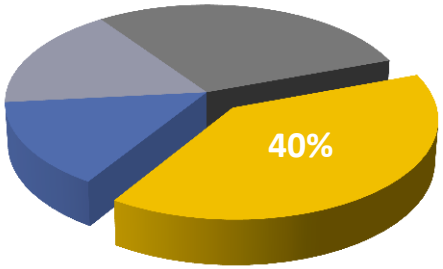
Alaska Industrial Development and Export Authority (AIDEA)

- $17.6 million FY16 dividend approved
- Nearly $700 million in private sector investment leveraged (projected)
- Projects and investments will create or retain nearly 1,500 construction jobs and over 1,000 permanent jobs (projected)
- First phase of the Mustang Oil Field development project completed; board recently approved second phase

Alaska Seafood Marketing Institute

- Export value up nearly 85 percent to $3.2 billion in ten years
- Responsible Fisheries Management initiative
- Collaborating with tourism marketing, Alaska Grown, and Nutritious Alaskan Foods in Schools programs
- Voluntary Fish Tax at .5 percent of ex-vessel value, generating roughly $12 million

Affordable Energy



- Alaska Energy Authority
- Alaska Gasline Development Corporation

Affordable Energy

Alaska Energy Authority

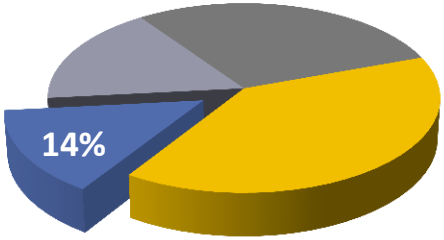
- Nearly $40 million disbursed in Power Cost Equalization grant payments to 188 communities in FY14
- 53 of 114 rural power system upgrades completed
- 22 projects funded through the Emerging Energy Technology Fund program
- Annual fuel savings from the Renewable Energy Fund projected to be 20 million gallons of diesel equivalent in 2016

Alaska Gasline Development Corporation

- Establishing alignment with administration directives
- Working to synchronize timing of AKLNG and ASAP project decisions
- Completed ASAP Class 3 cost estimate (+/- 20%)
- Produced new burner tip estimates

  FBKS $11.50 - $14, ANC $11.50 - $14.50

Strong Communities



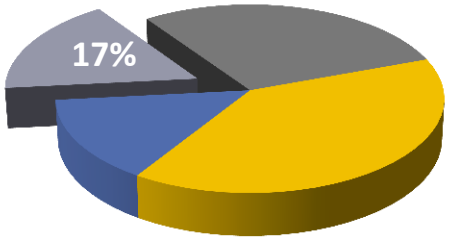
- Division of Community and Regional Affairs

Opportunities to breakdown silos and carry the state's full briefcase to all areas of the state

Division of Community and Regional Affairs

- Capacity building and technical assistance provided to over 200 communities; 80 disruptions to essential public services prevented
- Rural Utility Business Advisor program assisted 147 communities and trained nearly 200 rural utility managers
- Local Boundary Commission approved the Edna Bay incorporation, creating Alaska's first new city in ten years
- Over $85 million distributed to 307 communities through revenue sharing and other programs
- Staff being cross-trained to deliver secondary information and assistance to local governments

Consumer Protection



- Alcoholic Beverage Control Board
- Regulatory Commission of Alaska
- Division of Banking and Securities
- Division of Corporations, Business and Professional Licensing
- Division of Insurance

Consumer Protection

Alcoholic Beverage Control Board

- 1,847 active liquor licenses in 2014
- Issued 987 catering permits, 11 club catering permits, 82 restaurant catering permits, 18 wine auction permits, and 334 special events permits
- Since transition into DCCED in FY13, increased collaboration with other agencies, communities and businesses
- Registered interested individuals online for updates on development of regulations for marijuana
- Title 4 rewrite ready for legislative consideration

Consumer Protection

Regulatory Commission of Alaska

- Significantly improved processes and minimized costs to ratepayers and companies
- Collaborating with the Regulatory Assistance Project to lower costs and lead to more efficient use of the Power Cost Equalization Fund

Division of Banking and Securities

- License, register, charter and examine
  - Securities firms: 1,211 broker-dealers, 756 investment advisers, 85,000+ salespersons
  - Securities registrations and filings: 5,546 mutual fund/unit investment trust filings, 499 securities registrations, 137 exemption filings
  - ANCSA: 336 proxy related filings, 119 inquiries
  - Mortgage broker/lenders: 197 brokers/lenders, 185 branch offices, 1,389 mortgage loan originators
  - Money service businesses (e.g., money transmitters, currency exchangers): 66 businesses, over 650 delegates in Alaska
  - State depository and non-depository institutions: 3 state banks and 1 mutual savings bank, 3 bank holding companies, 1 credit union, 1 BIDCO (Business Industrial Development Corporation), 1 small loan company, 3 trust companies, 27 premium finance company offices, 25 payday loan offices, 1 commercial fishing an agricultural bank

Division of Banking and Securities

- Collected $13.4 million in fees and assessments
- Electronic filing for certain securities, providing investors with real-time information, reducing paper and postage
- Framework under development for new financial tools
- Outreach and enforcement
  - Website links and Alaska specific information
  - Presentations to consumers and entrepreneurs
  - Issued 24 administrative actions

Division of Corporations, Business and Professional Licensing

- Business Licensing
  - Processes applications and issue licenses
  - Grants tobacco endorsements
- Corporations
  - Registers and maintain reporting corporate compliance
  - Registers trademarks
- Professional Licensing
  - Provides public protection through licensure of professionals
  - Supports to 21 boards and solely manage 22 programs
- Investigations
  - Responds to public complaints regarding violations of licensing law
  - Gathers evidence to support a licensing action
  - Assists boards, commissions, and CBPL in enforcement
- Administrative Support
  - Provides front-line customer service
  - Supports division's clerical and fiscal functions

Division of Corporations, Business and Professional Licensing

- New data management system increased corporate entities in good standing from 60 to 93 percent
- Business license renewal, professional licensing quarterly financial reports, and end-of-year reports available online
- Barcoding professional license renewal applications lowered receipting timelines from three weeks to three days
- Improved efficiency in investigative caseloads has shortened open-to-close time by over 50 percent

Division of Insurance

Market Regulation

- Financial Examinations
  - Admitted 1,128 insurers to conduct business in Alaska
  - Over $3.4 billion in total premium written in calendar year 2013
  - Collected $64 million in taxes and fees in FY14
  - Completed one financial exam on a domestic insurer in FY14
  - Admitted 14 new insurers to do business in Alaska
- Rate and Form Filings
  - Approved 3,628 rate and form filings and disapproved 147 in FY14

Market Conduct

- Licensing
  - Issued 47,376 licenses, an increase of almost 8 percent over FY13
  - Administered 1,945 examinations
- Consumer Services
  - Opened and closed 245 complaints
  - $216,000 returned to consumers in FY14 as a result of DOI actions
- Investigations
  - Opened 79 and closed 115 investigations in FY14
  - Issued 21 disciplinary orders in FY14
  - Conducted first joint investigation with the Division of Banking and Securities
- Compliance Examinations
  - Completed 4 premium tax audits in FY14

Division of Insurance

- Modernization – adopted new processes that will
  - Improve the turnaround time in rate and form filings
  - Increase transparency to property and casualty filings
  - Merge consumer services with fraud and investigations units
  - Address succession planning by capturing the knowledge within the division
- Building Relationships / Consumer Outreach
  - Participated in numerous industry events to re-establish relationships with stakeholders including insurers, brokers and adjusters
  - Published several “Insurance Smart” flyers that contain tips for consumers on topics such as getting married or buying a new car
  - Published several white papers for consumers about current topics of interest including changes in homeowner’s deductibles, need for earthquake insurance, and ride-sharing companies
  - Drafted a disaster response plan

Questions?