

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

March 30, 2010

8:06 a.m.

MEMBERS PRESENT

Representative Bob Herron, Co-Chair
Representative Cathy Engstrom Munoz, Co-Chair
Representative John Harris
Representative Wes Keller
Representative Sharon Cissna
Representative Berta Gardner

MEMBERS ABSENT

Representative Charisse Millett

OTHER LEGISLATORS PRESENT

Representative Neal Foster

COMMITTEE CALENDAR

OVERVIEW: COMMUNITY SERVICES BLOCK GRANT

- HEARD

HOUSE CONCURRENT RESOLUTION NO. 22
Establishing and relating to the Alaska Northern Waters Task
Force.

- MOVED CSHCR 22(CRA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HCR 22

SHORT TITLE: ALASKA NORTHERN WATERS TASK FORCE

SPONSOR(S): COMMUNITY & REGIONAL AFFAIRS

03/24/10	(H)	READ THE FIRST TIME - REFERRALS
03/24/10	(H)	CRA, FIN
03/30/10	(H)	CRA AT 8:00 AM BARNES 124

WITNESS REGISTER

JILL DAVIS, Grants Supervisor

Fairbanks Office
Division of Community & Regional Affairs
Department of Commerce, Community, & Economic Development
Fairbanks, Alaska

POSITION STATEMENT: Provided an overview of the Community Services Block Grant program.

SARAH SCANLAN, Deputy Director
RurAL Cap
Anchorage, Alaska

POSITION STATEMENT: Provided an overview of RurAL CAP and its CSBG-supported programs.

DAVID HARDENBERGH, Executive Director
RurAL CAP
Anchorage, Alaska

POSITION STATEMENT: During overview of CSBG and RurAL CAP, answered questions.

ELIZABETH HENSLEY, Staff
Representative Reggie Joule
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced HCR 22.

REPRESENTATIVE REGGIE JOULE
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HCR 22.

CHRISTINE HESS, Staff
Representative Reggie Joule
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During hearing of HCR 22, answered questions.

TRACY FOSTER, Executive Director
Alaska House
New York, New York

POSITION STATEMENT: During hearing of HCR 22, testified in support of the proposed task force.

MEAD TREADWELL, Chair
U.S. Arctic Research Commission
Anchorage, Alaska

POSITION STATEMENT: Endorsed HCR 22.

BILL NOLL, Owner
Major International LLC
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HCR 22.

DENISE MICHELS, Mayor
City of Nome
Nome, Alaska

POSITION STATEMENT: Testified in support of HCR 22.

TOM OKLEASIK, Planning Director
Northwest Arctic Borough
Kotzebue, Alaska

POSITION STATEMENT: Testified in support of HCR 22.

BOBBY SCHAEFER, Public Services Director
Northwest Arctic Borough
Kotzebue, Alaska

POSITION STATEMENT: Testified in support of HCR 22.

KATIE BALDWIN
Alaska House
New York, New York

POSITION STATEMENT: During hearing of HCR 22, related support for the proposed task force.

ANDERW MACK, Assistant
Office of the Mayor
North Slope Borough
Barrow, Alaska

POSITION STATEMENT: Testified in support of HCR 22.

REPRESENTATIVE ALAN AUSTERMAN
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified in support of HCR 22.

ACTION NARRATIVE

[8:06:49 AM](#)

CO-CHAIR CATHY ENGSTROM MUNOZ called the House Community and Regional Affairs Standing Committee meeting to order at 8:06 a.m. Representatives Munoz, Herron, Harris, Keller, and Gardner were present at the call to order. Representative Cissna

arrived as the meeting was in progress. Also in attendance was Representative N. Foster.

Overview: Community Services Block Grant

[8:07:22 AM](#)

CO-CHAIR MUNOZ announced that the first order of business would be an overview of the Community Services Block Grant (CSBG). She explained that in order for RurAL CAP to receive federal funding in the anticipated amount of \$2.7 million, it's necessary to have a public hearing before the legislature.

[8:08:04 AM](#)

JILL DAVIS, Grants Supervisor, Fairbanks Office, Division of Community & Regional Affairs, Department of Commerce, Community, & Economic Development, paraphrased from the following written testimony [original punctuation provided]:

Thank you, Co-Chairs and other members of the Community and Regional Affairs Committee.

I am pleased to participate in this hearing concerning the Draft State Plan for the Community Services Block Grant Program for Federal Fiscal Year 2011.

The Department of Commerce, Community, and Economic Development would like to accept comments from the public on the proposed use and distribution of these funds.

Community Services Block Grant funds are allocated to the Department from the U.S. Department of Health and Human Services. We get a yearly allocation, of which the state is authorized to keep a maximum of 5% of the funds to cover administrative costs. The balance is made available to RurAL CAP.

The purpose of the Community Services Block Grant is to impact the causes and conditions of poverty. The Draft State Plan, on which we are accepting comment today, outlines how the Department administers the CSBG program and the activities which RurAL CAP proposes to undertake during fiscal year 2011. Because the State Plan is lengthy, I will briefly

outline the major components which the Department and Rural CAP have identified for the program.

Rural CAP will utilize CSBG funds to serve low-income people throughout the State in several program components. These include Administrative Services; Anchorage Services; Child Development; Community Development; Rural Housing and Planning; and Public Policy and Advocacy. Each of these components are described in detail in the State Plan.

The **Administrative Services** component ultimately increases the agency's capacity to achieve results by broadening the resource base. It does this by providing agency-wide fund development, public information and research services, database management of partners and potential supporters, as well as agency planning, opportunities for staff development, and program evaluation. Funds are used to build the capacity of the agency to better develop, manage and evaluate the direct services which lead to measurable results of program customers moving out of poverty into self-sufficiency.

The **Anchorage Services Division** component provides emergency services to the chronic, public inebriate, homeless population of Anchorage. In addition, the Anchorage Services Division provides affordable housing to low-income people in Anchorage and graduates of transitional housing programs, such as Homeward Bound. It does this by collaborating with the network of housing and alcohol treatment service providers and building and maintaining strong partnerships and linkages.

Within the **Child Development Division** are the rural Head Start and Early Head Start programs, the Child Development Center, and the Parents as Teachers Program. The Child Development Division operates under strict federal and state regulations and guidelines which require a well trained staff and close monitoring of its programs. Their outcomes for improvements in child health, school readiness, and parenting and family functioning are achieved through ongoing higher education requirements for the classroom and childcare staff, through capacity building with parents and families, and participation

on local Parent Committees and Councils and Advisory Boards.

Within the **Community Development Division** are four national service programs, wellness programs, the Rural Providers' Conference and environmental action. Cooperative relationships are established with regional and village organizations, rural councils and other community-based organizations to place the locally hired Members who, through their host organizations, identify the community's needs to their projects. Opportunities for youth involvement are increased, and the overall well-being of the community is improved by the identified projects. Additionally, capacity is maintained beyond the program year for these local hires who learn new skills through in-depth training and service.

The **Rural Housing and Planning Division** provides a full-range of construction, rehabilitation and planning services. Funds will be used to expand the range of technical assistance and direct services provided to rural housing entities to increase their capacity to conduct local needs assessments, planning, rehabilitation and new construction for their own low-income housing customers. The division also maintains oversight of RurAL CAP's Weatherization, Fee-For-Service Housing Rehabilitation, Self-Help Housing, and Community Planning programs. It is able to do this by brokering partnerships among various agencies and villages to maximize leveraging of funds. Through these collaborations the Division maintains an ongoing collection of needs assessment information to improve its quality and accuracy.

The **Public Policy and Advocacy** component's focus is on expanding the number of organizations the agency works with for the purpose of increasing resources and opportunities for individuals, families, and communities. It provides opportunities for target area Board members to share information on the status of their constituents along with opportunities to learn about best practices, provides public information and education on issues which affect low-income people in Alaska. These issues are directly related to the use of traditional, sustainable natural resources through hunting, fishing and gathering as

well as issues affecting tribal government and the ability of remote rural communities to become more self-sufficient. This component provides opportunities for low-income people to advocate on their own behalf. It also includes the production of the *Village Voices* newsletter. It is through these efforts to create an understanding by others of the situations in Alaska's communities that RurAL CAP increases opportunities for low-income people.

[8:15:15 AM](#)

Also included in this year's Plan are Outcome Measures for each of the program components. Program results are tracked and reported on a quarterly basis in terms of the number of clients who achieve a given milestone. Progress is reviewed by staff who use it to evaluate results and make changes when necessary.

Both the Department and RurAL CAP place a strong emphasis on promoting maximum participation by rural people in the elimination of the causes and conditions of poverty. I have personally worked with RurAL CAP in the delivery of CSBG programs for over 8 years. They have demonstrated a sincere interest in helping low income Alaskans and are recognized nationally as a leader in providing not only innovative programs which meet the needs of their clientele, but also in developing exemplary Outcome Measures. They are to be commended for their hard work and their success.

Thank you for your interest in the Community Services Block Grant program. Again, our purpose today is to educate the public about the program and to accept comment on the proposed use and distribution of funds.

[8:16:41 AM](#)

REPRESENTATIVE CISSNA expressed interest in strengthening communities, many of which are working on renewable energy programs. With regard to renewable energy, she opined that the state hasn't put in place financial help to grow ideas to the point of reaching a market and trading.

MS. DAVIS related her understanding that [the department] has been weatherizing homes in 19 communities. The residents are

taught the energy efficiency measures that can be done in their own homes, which result in savings.

8:18:30 AM

REPRESENTATIVE CISSNA clarified that she is referring to the commercial side. She said there are some potential commercial efforts, but no piece to further the process. She mentioned Ruby as an example of where [commercial efforts are proceeding] due to the help of a grant program from the Tanana Chiefs.

MS. DAVIS responded that she wasn't aware of such in the [CSBG] program. However, within the Division of Community & Regional Affairs there are other grant programs that are capital projects. There is help provided through legislative grants. In fact, there are wind turbine projects, but those projects wouldn't necessarily fall under CSBG.

8:19:59 AM

REPRESENTATIVE HARRIS related his understanding that the federal government will give [CSBG] \$2.6 million. Of the various areas in which the funds will be parsed, \$660,000 is allocated for administrative services. He inquired as to what is accomplished in administrative services.

MS. DAVIS explained that the funds go to Rural Cap in Anchorage, which administers the program. Those funds are used to advocate with other agencies and build partnerships to run the programs.

8:20:58 AM

REPRESENTATIVE HARRIS surmised then that the \$660,000 goes to pay salaries. He then recalled Representative Cissna's comments advocating for renewable energy projects that provide sustainable jobs in rural Alaska. He expressed concern that the \$660,000 for administrative services pays for employees in Anchorage and the money never funnels out to rural Alaska.

MS. DAVIS reiterated that Rural CAP acts as the entity that gathers information and performs the partnership in the various communities throughout the state. In further response to Representative Harris, Ms. Davis confirmed that Rural CAP employs people who live in rural communities throughout the state and those employees are providing services in those rural communities.

[8:22:25 AM](#)

REPRESENTATIVE HARRIS inquired as to how many Alaska Native shareholders are employed through these funds.

MS. DAVIS deferred to RurAL Cap representatives for that information.

[8:23:05 AM](#)

REPRESENTATIVE GARDNER recalled that Ms. Davis had said that 5 percent [of the funds] are allocated for administrative costs.

MS. DAVIS clarified that those funds are for state administrative costs. The state can use that 5 percent and the remaining funds go to RurAL CAP.

[8:23:22 AM](#)

CO-CHAIR MUNOZ inquired as to what portion of the \$670,000 for the Child Development Division funds goes toward the Parents as Teacher (PAT) program.

MS. DAVIS said she didn't know, but directed attention to the budget sheets in the back of the booklet for that information.

[8:24:03 AM](#)

CO-CHAIR MUNOZ asked if the PAT money is the same amount requested or funded in the past.

MS. DAVIS replied that it's probably very close to the same amount. She opined that the budget amounts didn't change much percentage wise.

[8:24:43 AM](#)

SARAH SCANLAN, Deputy Director, RurAL Cap, paraphrased from the following prepared statement [original punctuation provided]:

Good morning Co-Chairs Herron and Munoz, and members of the CRA committee. My name is Sarah Scanlan. I am the Deputy Director of the Rural Alaska Community Action Program, also known as RurAL CAP. One of my responsibilities is oversight of the Community Services Block Grant, the federal funds that come to the State of Alaska with the goal of reducing poverty

through community-based activities which lead to a greater degree of self-sufficiency for low-income people.

Joining me here today is RurAL CAP's Executive Director, David Hardenbergh.

The CSBG funding comes to the Division of Community and Regional Affairs of the Alaska Department of Commerce, Community and Economic Development and is administered by Grant Manager Jill Davis. She does an excellent job handling the day-to-day responsibilities of the CSBG program including preparing and monitoring the State Plan.

As the only Community Action Agency in Alaska, RurAL CAP is the only eligible recipient for 90% of the state's CSBG funds. In FY 2011, RurAL CAP expects to receive approximately \$2.6 million in CSBG funds to support programs and services for low-income people.

RurAL CAP is a private, statewide, non-profit organization with 501(c)(3) tax exempt status. It is one of more than 1,000 Community Action Agencies in the nation which all work to build self-sufficiency and empowerment among low-income people who desire to pull themselves up out of poverty.

RurAL CAP is governed by a 24-member Board of Directors representing every major region of the state. The tripartite board is a balance of target area village representatives, elected public officials and private sector organizations.

The board meets quarterly, identifies major issues affecting low-income people and sets agency policy. The staff implements board policy through an applied strategic plan and oversight of agency programs and services.

RurAL CAP will use this core funding from CSBG to leverage approximately \$30 million in other public and private sector funds to benefit low-income Alaskans. The agency has roughly 400 regular positions across Alaska. In FY 2009, with increased Weatherization activities and temporary hires in Child Development, RurAL CAP employed a total of 859 people and provided

services in 79 communities across Alaska through Head Start, Early Head Start, Parents as Teachers, AmeriCorps, VISTA, Housing, and Weatherization programs.

As an organization focused on alleviating poverty, RurAL CAP applies the majority of its resources to rural communities where poverty rates are typically three times higher than in urban Alaska. Yet as the only community action agency in Alaska, and one with a mandate to serve people statewide, RurAL CAP also provides:

Head Start services to pre-school children and their parents in Ketchikan;
Home weatherization to qualifying low-income residents in Juneau;
Affordable housing opportunities to families in Anchorage; and
Community planning efforts based out of an office in Fairbanks.

The State Plan before you today contains detailed examples of outcome measures for each of RurAL CAP's CSBG-supported programs. This system of Results Oriented Management and Accountability, or ROMA, has received national recognition within the network of social service and community action agencies as a model of comprehensive outcome evaluation.

With attention focused on identifying and documenting measurable changes in the conditions and behaviors of the people we serve, RurAL CAP's system of program evaluation and accountability keeps both our human and financial resources focused on improving the lives of low-income Alaskans in ways that produce measurable results.

Here are samplings of the difference we made.

1,569 children were served in 29 communities across Alaska in Head Start, Early Head Start, Parents as Teachers, and child care.

During the 2009 program year, we conducted **1,168** developmental screenings through our early childhood education programs. Through these early detection

screenings we were able to identify if a child had difficulty with hearing, vision, language, or other potential learning barriers so that we could provide them with the services they need before they enter kindergarten.

During the 2009 fiscal year, **343** low-income households with 1,319 family members experienced an average of over 30% savings in their annual energy costs during the first year after their homes were weatherized. We have seen savings in the 50+% range in rural Alaska.

Members of our Community Development Division provided solid waste management assistance to **40** communities.

Ten families in Kenai became home owners through the Self-Help Housing program.

Our AmeriCorps members organized nearly **3,000 community volunteers** who contributed more than **16,000** hours of volunteer service.

We have filled **64** affordable housing apartments in Mountain View with residents who might otherwise be homeless.

RurAL CAP strives to be a responsible steward of public funds. We run some of the most scrutinized federal and state programs in the nation including Head Start, Alaska Housing Finance Corporation programs, AmeriCorps, and CSBG. We pride ourselves on being a grantee in good standing for all of our programs and services. We place a high value on getting clean financial and program audits, and we strive to provide cost-effective services that get results.

Again I want to thank our grant administrators from the Department of Commerce, Community and Economic Development for participating in this hearing and for your interest in the Community Services Block Grant FY 2011 State Plan.

Thank you.

[8:31:23 AM](#)

REPRESENTATIVE CISSNA asked if there is a piece that links the private sector and the granting agencies that are working at the commercial level to build businesses in communities.

MS. SCANLAN related that RurAL CAP does extensive training for all who are hired. The CSBG funds can't be used for infrastructure things that can't be taken from a building. However, RurAL CAP does a great deal of community planning through which projects the community believes are feasible are identified. RurAL CAP then assists the communities with identifying the appropriate funds to realize those projects. For example, RurAL CAP in partnership with the Denali Commission and other funds has made good progress with health issues related to dump sites. With regard to energy projects, she noted that RurAL CAP is at the table at the various meetings about infrastructure for energy. However, she pointed out that RurAL CAP hasn't yet become involved in funding such projects as wind turbines.

[8:34:15 AM](#)

REPRESENTATIVE CISSNA expressed interest in meeting with Ms. Scanlan to identify where linkages need to be strengthened in order to ensure DCCED works with its partners in an effective manner.

MS. SCANLAN acknowledged that rural Alaska struggles with how to sustain its communities and noted that the organization discusses that regularly. In fact, RurAL CAP has well over 200 partners throughout the state to develop and connect linkages.

[8:36:22 AM](#)

CO-CHAIR MUNOZ restated her earlier question regarding the amount of funds the Parents as Teachers program receives.

MS. SCANLAN answered that RurAL CAP has had a three-year grant through the American Native Education program out of the U.S. Department of Education. Unfortunately, that grant is ending this year and it's not being offered for competitive bid this year. Therefore, RurAL CAP will have to eliminate five programs in five communities. The loss of those programs will impact about 100 children. RurAL CAP has requested funds to sustain the aforementioned programs.

CO-CHAIR MUNOZ related her understanding that the budget includes funds to make up for the loss of federal funds.

MS. SCANLAN agreed, but noted that the funds are currently billed as Best Beginnings and PAT and thus the Department of Education and Early Development would receive the funds and determine how best to distribute the funds.

8:37:54 AM

CO-CHAIR HERRON noted that he is the House of Representatives representative on the RurAL CAP board. He highlighted that recently RurAL CAP has been in the news regarding safe housing for inebriates. He requested that Ms. Scanlan explain how such housing is important to those in Anchorage.

MS. SCANLAN informed the committee that in Anchorage about 78 percent of RurAL CAP's homeless customers are Alaska Natives. With the influx of [Native Alaskans] into Anchorage, these folks face many problems. Ms. Scanlan acknowledged that [housing inebriates] is a controversial issue, but pointed out that it's a community issue that needs to be addressed. Therefore, RurAL CAP wants to [move forward with a project that houses inebriates] while being sensitive to the community. She then deferred to Mr. Hardenbergh regarding the funding issues.

8:40:29 AM

DAVID HARDENBERGH, Executive Director, RurAL CAP, reminded the committee that CSBG funds can't be used for any direct capital projects, while it can be used to RurAL CAP's ability to leverage other funds. He told the committee that RurAL CAP has been working with the long-term chronic alcoholic homeless population since starting the Homeward Bound program based in Mountain View. About 78 percent of those who have used the Homeward Bound program, which is a 25-bed facility, are Alaska Natives from rural Alaska. Although the program targets some of the hardest to serve of the homeless population, the program can only get 25 people off the street at any given time. About 10 years ago RurAL CAP started [acquiring] affordable housing properties for Homeward Bound graduates to move into. Through the mayor's task force on homelessness, the concept of Housing First evolved. RurAL CAP pioneered the aforementioned with a 10-unit facility in Mountain View on Park Street. The facility provides on-site case management support for those coming straight off the street into housing. This opportunity with Red Roof Inn with which RurAL CAP proposes to convert into a Housing First model has received much press because of the concerns of the Mountain View Community Council as well as the neighboring

businesses and residents. The concern is about concentrating a 48-unit project in an area in Anchorage that offers other similar social services that draw a similar portion of the population. For RurAL CAP it's an opportunity to move many people off the street and into affordable housing that would cost just over \$20,000 a unit for acquisition. Over the past decade, RurAL CAP has found its average cost per unit for acquisition of affordable housing properties to be about \$50,000 per unit. For new construction for which tax credits are used, the cost per unit can increase to over \$200,000 per unit. Therefore, the Red Roof Inn was considered a low cost way to move folks off the street. He clarified that no CSBG funds are going into this Red Roof Inn affordable housing project. If the project is funded at all, it would be funded entirely with a special need housing grant administered by the Alaska Housing Finance Corporation (AHFC). RurAL CAP has submitted an application and the expectation is to hear whether it will be initially funded by the end of March.

[8:44:45 AM](#)

CO-CHAIR HERRON thanked Mr. Hardenbergh and his staff for all the hard work they do.

[8:44:54 AM](#)

REPRESENTATIVE CISSNA turned to the out migration of people from rural Alaska. She related that her district includes an area to which people come for health reasons. The result is that people accompany [family members who are present for health reasons] and they can't afford a place to live. These people end up living in the surrounding forest. Although many of these people return home, unfortunately they often return home dead. Representative Cissna inquired as to what [RurAL CAP] has been using for its information and whether there are ways to obtain better information to understand better what is happening.

MS. SCANLAN informed the committee that several recent well-done reports have been conducted after a year's worth of meetings held by the Denali Commission, the Institute of Social and Economic Research (ISER), and the First Alaskans Institute. Therefore, there is research and information available regarding the in and out migration. In further response to Representative Cissna, Ms. Scanlan agreed to make those reports available to the committee.

[8:47:42 AM](#)

MS. SCANLAN responded to Representative Harris' earlier question regarding RurAL CAP's distribution of payroll throughout the state. She related that of the 859 RurAL CAP employees in fiscal year (FY) 09, just under \$12 million were actual payroll funds not including (indisc.) that were paid to these individuals. She further related that there are 61 employees in Maniilaq Nana Region, 52 people in the Kawerak Bering Straits region, 368 employees in (indisc.) Calista region, 8 employees in the Bristol Bay region, 20 employees in the Kodiak region, 3 employees in the Chugach region, 79 employees in the Tlingit & Haida Southeast region, 17 employees in the Copper River Atna region, and 30 employees in the Tanana Chiefs Doyon region. She noted that she also has the specific amount paid to those employees for each region. In the Cook Inlet region, which includes the Kenai Peninsula, there are 221 employees. She confirmed that amounts to about one-quarter of RurAL CAP's employees and is the location of the headquarter offices as well as other offices.

[8:50:08 AM](#)

The committee took an at-ease from 8:50 a.m. to 8:54 a.m.

[8:54:05 AM](#)

HCR 22-ALASKA NORTHERN WATERS TASK FORCE

[8:54:08 AM](#)

CO-CHAIR MUNOZ announced that the final order of business would be HOUSE CONCURRENT RESOLUTION NO. 22, Establishing and relating to the Alaska Northern Waters Task Force.

[8:54:20 AM](#)

ELIZABETH HENSLEY, Staff, Representative Reggie Joule, Alaska State Legislature, read the following prepared statement into the record [original punctuation provided]:

HCR 22 creates the Alaska Northern Water Task Force to facilitate State of Alaska leadership and regional coordination in the ongoing development of United States' policies related to the opening of Arctic waters.

As many of you know, the Arctic is changing. Recent warming trends are depleting the ice pack by 9% per decade. NASA has observed that the rate of depletion is accelerating due to interactions between the ice, oceans and atmosphere.

The melting of the sea ice is opening waters that were previously frozen year-round. Already, we have seen:

- increased ship traffic, and it is projected that the Bering and Chukchi seas will become major marine highways in the near future
- an unannounced cruise ship docking in Barrow
- possibilities for new fisheries
- increased access to natural resources
- questions of territorial rights

Arctic nations like Norway, Canada, Iceland and Russia are actively promoting and defending their interests in increasingly ice-free areas. The U.S. is taking steps, as well. In your bill packet, you will see that [U.S.] Senator Begich has introduced 7 pieces of legislation that deal with the Arctic, and [U.S.] Senator Murkowski has introduced 2 bills, one of which relates to crating a deep water port in northern Alaska. The White House has created 2 task forces that touch on northern waters issues: the Interagency Ocean Policy Task Force and the Climate Change Adaptation Task Force. Finally, international bodies like the Arctic Council and the Inuit Circumpolar Council have been working in this area, as well as Alaska-based [nongovernmental organizations] NGOs like the Institute of the North.

As the only Arctic state in this nation, Alaska has a unique role and interest in the development of U.S. Arctic policy. This bill foresees the creation of a joint federal/state commission that will guide interagency and inter-jurisdictional actions in the Arctic. It provides an opportunity for the Legislature to take a proactive role in shaping this commission, and in doing so, ensuring that Alaska's interests are strongly represented.

[8:56:44 AM](#)

CO-CHAIR HERRON moved to adopt CSHCR 22, Version 26-LS1622\E, Cook, 3/26/10, as the working document. There being no objection, Version E was before the committee.

[8:57:07 AM](#)

REPRESENTATIVE REGGIE JOULE, Alaska State Legislature, presented HCR 22. He opined that establishing this task force places the state in a position to look to and plan for the future.

[8:58:01 AM](#)

REPRESENTATIVE HARRIS expressed the need for Alaska to have a presence in Washington, DC. However, the fiscal note doesn't include funds to travel to Washington, DC. Therefore, he proposed including such.

[8:59:57 AM](#)

CHRISTINE HESS, Staff, Representative Reggie Joule, Alaska State Legislature, explained that five meetings of the proposed task force are planned: two in Anchorage, one in Nome, one in Kotzebue, and one in Barrow. The fiscal note specifies \$10,000 in professional services, which could possibly be used for a member to travel to Washington, DC, or to an international meeting.

[9:00:43 AM](#)

REPRESENTATIVE JOULE related that the original fiscal note was quite a bit higher than the one in the committee packet, but it was scrubbed. He opined that if the committee feels the need to include more of a presence where the actual discussions are occurring then they could [include more funds].

[9:01:54 AM](#)

REPRESENTATIVE HARRIS opined, "If we're going to do this, it needs to have the ability to be in the places where it's going to make a difference." He said that although he won't suggest the change in the fiscal note in this committee, he will make an appearance in the House Finance Committee regarding the proposed task force having the ability to make a difference. There's no doubt that the Northern ice cap is decreasing and the area needs to be prepared for more commercial activity. He also added that Alaska needs to be involved with the Treaty of the Seas as well.

Representative Harris reiterated the need for the resolution to have enough financial weight to accomplish [the goal].

9:03:42 AM

CO-CHAIR HERRON asked if the elders predicted this.

REPRESENTATIVE JOULE replied yes, there are stories that reference growth. In further response to Co-Chair Herron, Representative Joule said that there really isn't fear, although there are concerns regarding the potential for clash. Therefore, the proposed task force is necessary to bring awareness to the community rather than have people at a distance make decisions. The aforementioned is an integral part of the proposed task force.

9:06:00 AM

REPRESENTATIVE KELLER surmised that the proposed task force will pay attention to the formation of the federal, international commission and ensure that Alaska has a voice in the discussions. He then inquired as to what Representative Joule envisions in terms of recommendations that will be brought to the legislature.

REPRESENTATIVE JOULE said he envisioned some entity continuing beyond the task force. He related his belief that there needs to be a high level view of what's occurring in general terms in order to determine what to do and what investments need to be made investments on the ground. The aforementioned could include partnerships and workforce preparedness.

9:08:45 AM

TRACY FOSTER, Executive Director, Alaska House, began by explaining that Alaska House is a nonprofit dedicated to promoting Alaska's issues and its opportunities. She noted her agreement with earlier testimony regarding the great need for the proposed task force. She related her understanding that there are 30 different federal agencies and committees that work to regulate oceans policy. At this point, there's no single state entity that works to coordinate with the federal and local governments. Therefore, it's imperative to have an entity with "some legs" and "some budget" to set policy, lead infrastructure development and planning efforts as well as policy.

9:10:02 AM

MEAD TREADWELL, Chair, U.S. Arctic Research Commission, began by relating that he endorses HCR 22. As chair of the U.S. Arctic Research Commission, he related that the U.S. Arctic Research Commission has been involved in this issue by funding the U.S. government's work on the Arctic marine shipping assessment, which was signed off on by eight Arctic nations last year. In fact, a number of town meetings were held throughout Alaska. However, there's no continuing state role with the follow-up work for the area meriting special attention (AMSA). Just yesterday, the five foreign ministers of the Arctic Ocean nations met in Canada where they reiterated interest, just to name a few, in the following: having a search and rescue agreement for the Arctic; having better hydrographic work; and having the international maritime organization set standards for Arctic ships. He reminded the committee that many of Alaska's coastal and river villages receive their goods through a tug and barge system, but pointed out that few have reviewed the new United Nations standards for Arctic Ocean-going vessels and how it may impact the cost of living in Alaska. The U.S. Coast Guard is performing a high-latitude study to determine the type of equipment it needs in northern Alaska. Again, the state and the local communities need to be involved in the aforementioned. The commission is publishing a paper on which the state weighed-in on heavily regarding obtaining more Arctic oil and ice oil spill funding. Speaking as a citizen of Alaska and the chair of the commission, Mr. Treadwell recalled that a few years ago the legislature funded a study regarding twin ports between Adak and Iceland. He noted that he has had conversations in Iceland regarding Alaska and Iceland together as a tender to find out what shipping companies would support the construction of an appropriate port at each end for Trans-Arctic shipping. He then noted that noise issues in the Arctic, in terms of subsistence, are fairly significant. The insurance industry has said that without the appropriate ports, ports of refuge, and tug capacity, the insurance rates won't decrease. Mr. Treadwell suggested that after the issue is considered through the proposed task force, Alaska's agenda would be considerable. There is legislation, the Arctic Marine Shipping Assessment Implementation Act, that has been sponsored by all three members of the Alaska congressional delegation. This legislation establishes a federal process that could result in the state having more involvement, especially if there is an [organization] that is responsible for following the issue. He commended the members to read the Arctic Marine Shipping Assessment Implementation Act. Speaking on behalf of the U.S.

Arctic Research Commission, Mr. Treadwell related that it will do what it can to support the state's efforts.

9:14:33 AM

CO-CHAIR HERRON asked if Alaska, although it's a state, becoming more involved with the Arctic waters issue heightens the issue.

MR. TREADWELL pointed out that the U.S. [government] has said it wants to lead in having a safe, secure, and reliable shipping system. If the aforementioned is done without including Alaska, it won't occur as well. He opined that many in the administration and the proposed task force will be able to bring lots to the table. Furthermore, there are governments around the world who are ready to set rules. In fact, the European Parliament held a large debate over the Arctic Northern waters two weeks ago. However, the Alaska State Legislature hasn't discussed it very much. Mr. Treadwell opined that it's time for Alaska to develop its own views. He further opined that others will listen to Alaska.

9:16:59 AM

REPRESENTATIVE JOULE interjected that Mr. Treadwell had much to do with the genesis of this concept [embodied in HCR 22]. He thanked Mr. Treadwell.

9:17:58 AM

BILL NOLL, Owner, Major International LLC, related his support for HCR 22. With regard to the earlier budget discussion, Mr. Noll related that in his experience in international business, the goal was to establish value prior to the budget. The value of this resolution is almost incalculable. He reminded the committee that state waters only extend three miles, beyond which are national waters and then international waters. At this point, it's a confusing situation in terms of who is in control as it has been said that there are 30 agencies addressing this matter in the federal government and they may not know they all exist. He likened this [proposed task force] to the Magnusson-Stevens Act, which established the North Pacific Fishery Management Council (NPFMC) and ultimately provided a forum where both state and federal officials were mandated to work together regarding fisheries. He characterized NPFMC as a huge success in terms of representing Alaskans who work beyond the three miles of state waters to 200 miles from shore.

[9:21:55 AM](#)

REPRESENTATIVE HARRIS commented that one of the reasons he supports HCR 22 is it's the state helping itself. He opined that having 30 different agencies in the federal government through which one will have to navigate on this issue is confusing.

[9:23:19 AM](#)

DENISE MICHELS, Mayor, City of Nome, related the City of Nome's support for HCR 22. She told the committee that the City of Nome has experienced an increase in ocean vessel traffic in both the Bering Sea and Norton Sound. In 1990, there were 34 dockings in the Port of Nome while at the end of the season last year there were 301 dockings. In 2008, three vessels traveling the Northwest Passage stopped in Nome, which increased to four vessels in 2009. She related the various organizations with which the City of Nome has tracked or worked on this issue. She also related that there are three studies regarding ports and harbors that are being performed. The U.S. Navy is conducting a two-year study for the deep water port its [constructing]. The U.S. Coast Guard is performing a high latitudes study. The Corp. of Engineers and the Department of Transportation are performing a baseline survey of ports and harbors. During the process, the question arose regarding who in Alaska is keeping track of all the studies and groups. Mayor Michels agreed with earlier testimony that all levels of government needs to be involved, particularly those at the local level because the laws and regulations being considered at the national and international level will directly impact local [Alaskan communities]. In conclusion, Mayor Michels related that she looks forward to participating [with this issue].

[9:26:05 AM](#)

REPRESENTATIVE HARRIS highlighted that HCR 22 taps the mayor of Nome to be part of the task force. He asked if she's up to the task.

MAYOR MICHAELS replied yes.

[9:26:36 AM](#)

TOM OKLEASIK, Planning Director, Northwest Arctic Borough, related the Northwest Arctic Borough's support for HCR 22. He

reminded the committee that Arctic is home to the Inupiaq people, with interrelations across the region and countries. Furthermore, the Inupiaq people are closely connected to the environment. Changing climate and global economic interest cause the Arctic to be viewed in a new light, particularly in terms of marine accessibility as well as the exploration and exploitation of natural resources onshore and offshore. He opined that in general there's a lack of science and understanding of the unique Arctic environment. Therefore, the state and federal policy and permit decisions need to be cautionary. At this point, any development needs to be done correctly and in partnership with the Inuit. Mr. Okleasik pointed out that there are many past mistakes with Arctic development that need to be acknowledged and from which one can learn. He highlighted that the Arctic is one of the last pristine environments in the world, and thus the task force needs to include indigenous people, including the Eskimo Walrus Commission, the Alaska Eskimo Whaling Commission, the Nanuk Commission, and others that would have an important voice in the process.

MR. OKLEASIK, in the way of background, informed the committee that both the Northwest Arctic Borough and North Slope Borough Planning Commissions have held a joint strategic planning session over the past year. One of the priorities, in recognition of the Arctic development is to map high use subsistence use areas and define deferral development areas in order to achieve balanced development. Both commissions realize the need to boost their Arctic economies, in terms of both their cash and subsistence economies. The aforementioned was also supported by the Arctic Economic Development Summit, which is a summit in which both boroughs participate. Mr. Okleasik related that there is recognition of infrastructure needs, including the development of ports in multiple locations. He then expressed the need for an energy policy in order that the region can be energy independent while contributing to the energy needs of the U.S. At the same, there needs to be wildlife protection to ensure that the subsistence economy is protected and thrives in the future. In conclusion, Mr. Okleasik reiterated the Northwest Arctic Borough's support for HCR 22, but encouraged amendments to achieve better involvement of the indigenous people of the Arctic.

[9:30:47 AM](#)

BOBBY SCHAEFER, Public Services Director, Northwest Arctic Borough, began by characterizing HCR 22 as a stepping stone in

the right direction. There is very little scientific data regarding the Arctic ecosystem. He related that over the course of the last six to seven years, the Kotzebue IRA has been tagging the bearded seal to track its movement. The Beluga Commission has been tagging Beluga whales in order to know the areas they frequent throughout the year. He explained that he mentioned the aforementioned tagging in order to relate the concern for the wildlife. He noted that these are animals upon which the people in the area utilize to survive. The concern, he expressed, is that the increased traffic due to the opening up of the Northwest Arctic passage will impact wildlife. However, the extent of the impact is unknown, which is why he is pushing for the work [in the Arctic region] to begin as soon as possible. Mr. Schaeffer then reiterated support for HCR 22. He concluded by relating his belief that the Alaska Inuit Circumpolar Conference should have a representative on the proposed task force.

[9:33:33 AM](#)

KATIE BALDWIN, Alaska House, began by relating that she was originally from Bethel, Alaska. She then related that Alaska House, which is a resource to connect Washington, D.C. and Alaska, recently hosted a discussion on the issues of melting Arctic ice and increased shipping traffic. She opined that it has been eye-opening to participate in these discussions. These shipping routes are opening and without planning ahead, Alaska's coastlines and people will be taken advantage of. Therefore, establishing this infrastructure protects the state's coastlines, monitors the ecological effects, and takes measures to protect the state's environment. Ms. Baldwin also characterized this as an opportunity for economic development, particularly in terms of seasonal work. Therefore, it's in the best interest of Alaskans to hear about these jobs first and to be trained to fill the jobs. The aforementioned may mean the need for training programs, which she opined can't happen without the proposed Alaska Northern Waters Task Force. In conclusion, Ms. Baldwin related her support for the proposed task force.

[9:35:27 AM](#)

CO-CHAIR HERRON inquired as to what Ms. Baldwin tells people in New York in terms of describing the impact of opening the Northern waters.

MS. BALDWIN answered that it begins by describing the [Bethel] area as it's foreign to [those in the Lower 48]. People are shocked that Bethel isn't on the road system. She also expressed the need to discuss the subsistence lifestyle and its importance to the Yupik people in the area as well as the importance of non Alaska Natives to be able to live off the land. She opined that people [in the Lower 48] can relate to the fact that the area is unique and is part of America's heritage. She further opined that people [in the Lower 48] are willing to protect the aforementioned.

[9:38:08 AM](#)

ANDERW MACK, Assistant, Office of the Mayor, North Slope Borough, speaking on behalf of North Slope Borough Mayor Itta, related that the North Slope Borough shares many of the concerns expressed in HCR 22. Specifically, the Arctic Ocean ice cap is rapidly melting and the effects of the aforementioned and other symptoms of climate change are already being experienced in the surrounding communities and wildlife populations. For instance, coast erosion has accelerated, wildlife migration patterns appear to be changing, and numerous species are migrating into Northern waters for the first time. Moreover, cruise ship activities are expected to increase and commercial fishing is being contemplated in the Northern waters. He characterized the Arctic as ground zero for climate change.

MR. MACK informed the committee that last week the U.S. Fish & Wildlife Service asked the North Slope Borough to join the Arctic Landscape Conservation Cooperative, which will be a partnership of federal, state, and local government agencies, tribes, nongovernmental organizations, and other entities in Arctic Alaska and Northern Canada. The Arctic Landscape Conservation Cooperative is part of a larger effort to address the impacts of climate change called for in Secretarial Order 3289, which was signed by U.S. Secretary Salazar last September. Additionally, the North Slope Borough holds the position of chair of the North Slope Science Initiative (NSSI), which includes federal and state agencies focusing on science needs in the North Slope. The goal is to provide more effective programs for developing science in the Arctic. Perhaps most importantly, is the existence of the Interagency Ocean Policy Task Force, which is a program that overlaps with issues identified in HCR 22. Since last summer, the aforementioned task force has been working to develop a national policy for oceans and coasts. The Interagency Ocean Policy Task Force traveled to Alaska and took testimony last August. The task force has issued an interim

report with recommendations on human health, economic interest, the adaptation to climate change and other environmental concerns, foreign policy, and homeland security. The task force is also developing recommendations for a framework for coastal and marine spatial planning, which is a huge endeavor that could impact the borough in a significant manner. Therefore, the borough is spending much time to understand the process. He noted that the task force is being directed from the White House and thus he expected that an executive order will be signed and issued. Mr. Mack stated that these are just three examples of major initiatives already underway that the task force proposed in HCR 22 should consider. He reviewed activities by various other organizations and related that the North Slope Borough is approached on a regular basis to participate in various efforts to examine the changing Arctic environment. "We appreciate that HCR 22 provides a strong local voice. We need the local, state, and federal agencies to be working together to address these big issues," he related. In conclusion, Mr. Mack related support for HCR 22 as the vehicle for the state's voice in the aforementioned process.

[9:43:22 AM](#)

CO-CHAIR HERRON asked if the approach by the various organizations is patronizing.

MR. MACK answered that in some cases it feels as if the organization wants to include the local communities in the beginning, but as the process continues it becomes apparent that people outside of the Arctic and Alaska are driving the process. At that point, it does feel patronizing. He then highlighted that the state territorial waters are very limited, whereas there are far more [waters] controlled by federal regulatory processes. Therefore, it's imperative that the State of Alaska take an active role.

[9:45:52 AM](#)

REPRESENTATIVE ALAN AUSTERMAN, Alaska State Legislature, opined that Alaska is behind on addressing the depletion of the Arctic ice cap and the issues that will arise with other foreign countries. Alaska should be involved in what occurs in the Arctic and the proposed task force is a good step with regard to what is going on, who is involved, and their plans. Although the state only has control of three miles of water, the impact of what occurs in the vast territorial waters is important. He recalled six to seven years ago when he worked with fisheries in

the Murkowski Administration when there was a shift in fishery issues such that foreign countries were becoming involved in fish stocks that seem to be moving. The aforementioned led to the North Pacific Fisheries Council closing all fishing inside federal waters until they can get a handle on what the stocks are and will be doing. In conclusion, Representative Austerman related his support for HCR 22.

[9:48:49 AM](#)

CO-CHAIR MUNOZ, upon determining no one else wished to testify, closed public testimony.

[9:49:17 AM](#)

REPRESENTATIVE JOULE thanked the committee for introducing the resolution and related that he looks forward to moving HCR 22 through the legislative process.

[9:50:06 AM](#)

REPRESENTATIVE HARRIS mentioned that there may be some language issues on page 2, lines 26 through page 3, line 3. He related his belief that the President of the Senate and the Speaker of the House of Representatives won't appoint the following members to the task force: the U.S. Coast Guard member; the member representing the state administration; the mayors of the North Slope Borough, Northwest Arctic Borough, and the City of Nome; and the U.S. Department of Interior representative. Therefore, he suggested that the language be modified such that the appropriate appointing agency is specified.

REPRESENTATIVE JOULE agreed to address the necessary language changes as the resolution moves through the legislative process.

[9:51:16 AM](#)

CO-CHAIR HERRON moved to report CSHCR 22, Version 26-LS1622\E, Cook, 3/26/10, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHCR 22(CRA) was reported from the House Community and Regional Affairs Standing Committee.

[9:51:39 AM](#)

REPRESENTATIVE JOULE concluded by relating his appreciation for the work performed by the staff in his office as well as Representative Austerman's office.

[9:51:54 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:52 a.m.