

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

March 30, 2010

3:35 p.m.

MEMBERS PRESENT

Senator Donald Olson, Chair
Senator Joe Thomas, Vice Chair
Senator Hollis French
Senator Albert Kookesh
Senator Linda Menard

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

REPRESENTATIVE N. FOSTER

COMMITTEE CALENDAR

SENATE CONCURRENT RESOLUTION NO. 17
Establishing and relating to the Alaska Northern Waters Task
Force.

- MOVED SCR 17 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SCR 17

SHORT TITLE: ALASKA NORTHERN WATERS TASK FORCE

SPONSOR(S): COMMUNITY & REGIONAL AFFAIRS

03/29/10	(S)	READ THE FIRST TIME - REFERRALS
03/29/10	(S)	CRA, FIN
03/30/10	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

JIM CULVER
Aide to Senator Olson
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Presented SCR 17.

CHRISTINE HESS

Aide to Representative Joule
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Provided information on SCR 17.

ELIZABETH HENSLEY

Intern to Representative Joule
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Provided information on SCR 17.

REPRESENTATIVE AUSTERMAN, District 36

Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Provided information on SCR 17.

TOM OKLEASIK, planning director

Northwest Arctic Borough
Kotzebue, AK

POSITION STATEMENT: Testified in support of SCR 17.

ANDREI JACOBS

Alaska House New York (AHNY)
New York City, New York

POSITION STATEMENT: Testified in support of SCR 17.

BILL NOLL

Representing himself
Anchorage, AK

POSITION STATEMENT: Testified in support of SCR 17.

ANDY MACK, special assistant

Office of the Mayor of the North Slope Borough
Barrow, AK

POSITION STATEMENT: Testified in support of SCR 17.

ACTION NARRATIVE

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CHAIR DONALD OLSON called the Senate Community and Regional Affairs Standing Committee meeting to order at 3:35 p.m. Present at the call to order were Senators Menard, Thomas, French, Kookesh and Olson.

SCR 17-ALASKA NORTHERN WATERS TASK FORCE

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CHAIR OLSON announced the first order of business to come before the committee was SCR 17. He said SCR 17 is a committee resolution and a companion to HCR 22.

JIM CULVER, aide to Senator Olson, said SCR 17 is a collaboration of the bush caucus, including the work of Representatives Joule, Austerman, Herron and Senator Olson. The shrinking polar ice cap is opening Arctic waters to marine transportation and creating new security concerns and resource development opportunities. SCR 17 creates a legislative task force to develop recommendations and coordinate policy between Alaska and the federal government. Over 30 federal agencies are working on this issue and Alaska is not involved. The task force will be made up of local government officials, legislators and federal officials and will hold meetings in Anchorage, Nome, Kotzebue and Barrow. The task force will deliver a report to the Legislature in January 2012. The fiscal note, for travel to these meetings, is \$94,000 for the next fiscal year and \$52,000 for the following fiscal year. He noted that HCR 22 was passed out of House Community and Regional Affairs this morning.

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CHRISTINE HESS, aide to Representative Joule, noted that shipping traffic has increased in arctic waters and an unannounced cruise ship came through. The Coast Guard is increasing its presence and looking at a possible deep water port. Changing ice conditions will allow for economic and resource development. Activity has already begun and will increase in the future. Five hearings for the proposed task force are planned: two in Anchorage, and one in Nome, Barrow and Kotzebue.

SENATOR MENARD asked how many open water summers the arctic has had.

ELIZABETH HENSLEY, intern to Representative Joule, replied that frozen ice is present year round but is depleting at a rate of nine percent per decade. Summers are not entirely ice free but passageways are present. Icebreakers are still necessary.

CHAIR OLSON recognized Representative Foster as joining the meeting.

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SENATOR KOOKESH asked about any opposition to SCR 17.

MS. HESS replied that she has not heard any opposition. Several agencies, such as the U.S. Arctic Commission, brought the issue to Representative Joule's attention and strongly support SCR 17.

SENATOR THOMAS asked if any consideration has been given to the science going on in the area as there seems to be a lot of disagreement about what is taking place. He noted that the University of Alaska's research vessel is being deployed to the area with extensive ability to monitor and its research should make helpful contributions.

MR. CULVER said that it would be the job of the task force to bring in expert panelists though the scientific experts would not necessarily be on the task force.

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CHAIR OLSON recognized Representative Austerman as joining the meeting.

MS. HESS said the task force has a narrow mission: to have input into the formation of the federal commission which will oversee Arctic Ocean and northern waters development. The task force will be made up of a small number of people working on making sure the state has an active role in the federal commission. Later, a long standing commission dealing with northern waters development is a likely recommendation. That future commission might include more interested parties.

CHAIR OLSON asked if Ms. Hess was talking about a state or federal commission.

MS. HESS replied that conceivably there could be a federal commission and a recommendation for a state commission as well.

SENATOR THOMAS said he does not see a narrowly defined goal for the task force in the language of SCR 17.

MS. HENSLEY replied the duties of the task force are listed on page 3, line 11 of SCR 17 and include: "assess and facilitate the creation of a state and federal commission". The task force would consider the feasibility and need for creating a state commission to look at the changing northern waters. The task force will visit four communities and ask what kind of commission people would like to see and how the state can best participate. She noted that the mayors of Nome, Northwest Arctic

Borough and North Slope Borough would be on the task force so that their voices will be included.

The task force will present its recommendations to the Legislature in January 2012, such as possibly creating a [standing] commission. The task force is a fact-finding entity to get the ball rolling.

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SENATOR THOMAS asked if the task force's main goal is to create two commissions: one state and one federal. He commented that the members of the task force seemed carefully considered.

MS. HENSLEY replied that the idea of SCR 17 is to have one state and federal commission. The task force will hold hearings and bring any number of recommendations to the Legislature. The state waters are only out to mile three and beyond that is federal. A federal state commission would be best.

SENATOR THOMAS clarified that Ms. Hensley means a joint federal state commission.

MS. HENSLEY replied yes.

CHAIR OLSON asked about the plans for a deep water port.

MS. HESS said the Coast Guard is currently studying where the best point for a deep water port would be.

CHAIR OLSON asked about customs and foreign security.

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MS. HESS replied that the federal government is looking into national security issues.

CHAIR OLSON asked if Canada has provincial participation in the Arctic issues.

MS. HENSLEY replied that Canada is very active in the arctic region; there are two current conflicts about territory between the US and Canada and Denmark and Canada. Canada has been forthright in making territorial claims. Last week, Canada hosted a meeting with six of the eight arctic nations. Russia is active in these conversations and sent a flag to the outer continental shelf. The federal government deals with foreign relations but Alaska should have a say.

CHAIR OLSON said the international power is concerning.

MR. CULVER said testifiers will be able to speak to collaboration in other nations. He also pointed out that ten percent of the Legislature is involved in this legislation, including Representative Foster who was not named earlier.

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CHAIR OLSON asked what issues will be addressed in 2012.

MS. HESS replied that the prime goal is to present a recommendation on how the state would participate in the federal commission that the federal government is already working on. Further recommendations will address how the Legislature can actively participate in northern waters issues.

SENATOR MENARD asked what other arctic nation's progress could be mirrored.

MS. HENSLEY replied that she appreciates Greenland's system. The local government, a territory of Denmark, is very active in asserting its self-determination in relation to northern waters and development. The local government has taken advantage of opportunities and a lot of communication is happening. The task force in SCR 17 is a communication mechanism.

SENATOR MENARD said it can be useful to mirror another nation who is doing a good job.

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REPRESENTATIVE AUSTERMAN said creating a task force is important. He referred to the Wrangell Islands and former Senator Taylor's involvement in making sure the U.S. was protecting itself. Russia, China and others are rapidly working on developing their arctic fisheries. Alaska is behind. The federal government is moving forward, the Coast Guard is working on their method to patrol the area. What happens outside the three mile limit, but impacts Alaska, is just as important as what happens within the three mile limit. The North Pacific Fishery Management Council (NPFMC), set up by the federal government to manage fisheries outside of three miles, is a good model except that the Alaska Legislature has no say in policy decisions that affect Alaska.

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The Legislature has can put this task force together and have input into how a commission is formalized.

SENATOR FRENCH commented that the NPFMC has fairly clear jurisdiction over the entity it is governing. He wonders how the task force will integrate its jurisdiction over state issues with respect to a global issue.

REPRESENTATIVE AUSTERMAN replied that only a few people are discussing whether Alaska should be involved and how. The state is not at the table. How much push to have, and where, will be part of the task force's future recommendation.

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TOM OKLEASIK, planning director, Northwest Arctic Borough, Kotzebue, said the borough supports SCR 17. The arctic is home to the Inupiat people with interrelationships across regions and countries and a close connection to the environment. Satellite photos show significant ice free areas, especially off the North Slope coast where ice receded the furthest in recorded history. This created an open passageway across the Northwest Passage. Each summer is different but the climate is changing. He recognizes the global economic interest in the arctic from exploration to exploitation of natural resources both on shore and off shore. State and federal policy and permit decisions need to be cautionary. Any development needs to be done in partnership with Inuit across the arctic. The arctic is one of the last pristine environments on the globe.

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In addition to the membership outlined in SCR 17, the task force should also include the Eskimo Walrus Commission, the Alaska Eskimo Whaling Commission, the Nanuq Commission and the Inuit Circumpolar Conference of Alaska and include knowledge of the existing resources that have been used for many generations. A joint strategic planning session with the Northwest Arctic Borough and North Slope Borough found that high use subsistence areas should be mapped, particularly in coastal areas, and be considered by the task force. Both boroughs feel that their cash economy and subsistence economies need a boost, not one or the other. Ports are needed in Barrow, Kotzebue and Nome to keep up with a changing arctic. How these areas can be energy independent, and can contribute to U.S. energy needs should be considered as well as wildlife protection. Alaska and the U.S. have a lack of planning for the arctic.

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DENISE MICHELS, Mayor of Nome, testified in support of SCR 17. Arctic shipping and vessel traffic in the Bering Sea and Norton

Sound are increasing. In 1990, Nome's port had 34 dockings. In 2009, the port had 301 dockings. Three vessels in 2008 and four in 2009 stopped in Nome after successfully completing the Northwest Passage. Nome has been working with Kawarek, Inuit Circumpolar Conference, the Arctic Research Commission, the University of Alaska - Fairbanks, the governor's climate change subcabinet, the Arctic Council, Institute of the North, Alaska's congressional delegation, the Coast Guard, the Army Corps of Engineers and NOAA on emerging arctic issues. Nome provides information on opportunities and concerns, scientific studies, infrastructure needs, environmental responses, search and rescue and national security. Nome follows the White House Council on Environmental Quality Ocean Policy task force, which is similar to the task force proposed by SCR 17, and is creating comprehensive, integrated, ecosystem-based marine planning and management. Three studies on ports and harbors are currently underway. The city of Nome needs to be at the table regarding laws and regulations that national and international bodies are considering because they affect Nome directly.

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CHAIR OLSON asked Ms. Michels for a projection of dockings in Nome over the next 20 years.

MS. MICHELS replied that this needs to be studied. She commented that the ocean is open longer each year; barges have docked in November for the last couple of years, which was unheard of just ten years ago.

CHAIR OLSON if the facilities at Nome would have to be significantly increased to handle the increased traffic.

MS. MICHELS replied yes. The current draft is minus 22 and large vessels require at least minus 50.

ANDREI JACOBS, Alaska House New York (AHNY) referred to the earlier statement that over 30 groups are tackling the subject of Northern waters development and noted that AHNY has a unique ability to connect Alaska with decision makers in New York and Washington DC. AHNY has had several events associated with Northern waters discussions including two receptions hosted by AHNY and the Council on Foreign Relations (CFR) to educate the public and media.

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The Norwegian Consulate General expressed interest in increasing communication with Alaska. AKHY is a reasonable place to convene thinkers, media and industry.

BILL NOLL, representing himself, Anchorage, said he is a former mayor of Seward, former Commissioner of Commerce, Community and Economic Development (CCED) and the founding president of Alaska Sea Life Center. He fully endorsed SCR 17 as a strong move in the right direction. He attended the March 1st CFR event at AHNY where the Consulate General of Norway expressed the desire to talk with Alaska about receding sea ice. Relationships with Japan and Russia would also be possible and beneficial.

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He felt the model of the NPFMC was a good one as it mandated federal and state coordination. NPFMC has a science and statistics component which makes recommendations to the council at large. He likes NPFMC's model of the advisory panel collecting information and approaching tangled issues. Consideration of a commission on northern waters is at square one and Alaska can have a say in how it is formed.

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Andy Mack, special assistant to the mayor of the North Slope Borough, said the borough supports SCR 17. Collaboration at the federal level is going on around climate change, its impacts and engaging local communities. The Bush administration issued a new arctic policy in January of 2009 and the Obama administration started an ocean policy task force. The effects of these policies and discussions have been and will continue to trickle down through federal departments and agencies. Alaska needs to stand up and be part of this because policies are being formulated now, without Alaska's input.

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CHAIR OLSON closed public testimony.

SENATOR MENARD moved to report SCR 17 from committee with individual recommendations and attached fiscal note(s). There being no objection, the motion carried.

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CHAIR OLSON, seeing no further business to come before the committee, adjourned the meeting at 4:26 p.m.