

**ALASKA STATE LEGISLATURE**  
**HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**  
**HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, INTERNATIONAL**  
**TRADE AND TOURISM**

January 25, 2011

8:04 a.m.

**MEMBERS PRESENT**

HOUSE COMMUNITY & REGIONAL AFFAIRS

Representative Cathy Engstrom Munoz, Chair  
Representative Neal Foster, Vice Chair  
Representative Alan Austerman  
Representative Alan Dick  
Representative Dan Saddler  
Representative Sharon Cissna  
Representative Berta Gardner

HOUSE ECONOMIC DEVELOPMENT, INTERNATIONAL TRADE AND TOURISM

Representative Bob Herron, Chair  
Representative Cathy Munoz  
Representative Steve Thompson  
Representative Berta Gardner

**MEMBERS ABSENT**

HOUSE COMMUNITY & REGIONAL AFFAIRS

All members present

HOUSE ECONOMIC DEVELOPMENT, INTERNATIONAL TRADE AND TOURISM

Representative Peggy Wilson  
Representative Kurt Olson  
Representative Wes Keller  
Representative Chris Tuck

**COMMITTEE CALENDAR**

OVERVIEW: DCCED - NEW DIVISION OF ECONOMIC DEVELOPMENT

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

SUSAN BELL, Commissioner  
Department of Commerce, Community & Economic Development (DCCED)  
Juneau, Alaska

**POSITION STATEMENT:** Provided a brief overview of the Department of Commerce, Community & Economic Development.

WANETTA AYERS, Director  
Division of Economic Development  
Department of Commerce, Community & Economic Development (DCCED)  
Anchorage, Alaska

**POSITION STATEMENT:** Provided a presentation of the Division of Economic Development.

**ACTION NARRATIVE**

[8:04:43 AM](#)

**CHAIR CATHY ENGSTROM MUNOZ** called the joint meeting of the House Community and Regional Affairs Standing Committee and the House Special Committee on Economic Development, International Trade and Tourism to order at 8:04 a.m. Representatives Austerman, Foster, Dick, Saddler, Thompson, Herron, and Munoz were present at the call to order. Representatives Cissna and Gardner arrived as the meeting was in progress.

**Overview: DCCED - New Division of Economic Development**

[8:05:11 AM](#)

CHAIR MUNOZ announced that the two committees would hear a presentation from Department of Commerce, Community & Economic Development (DCCED) regarding the merger of the Division of Investments and the Division of Economic Development. The aforementioned merger was the result of a charge led by Representative Austerman last year to determine how those state agencies that are focused on economic development and community development, particularly DCCED, could be most effective.

[8:06:53 AM](#)

REPRESENTATIVE AUSTERMAN informed the committee that two years ago when he sat on the DCCED Finance Subcommittee, it quickly

became apparent that economic development had fallen by the wayside while the community and regional affairs side of the department was strong. Since that time, the governor has made some major changes in DCCED, such as appointing a commissioner with an economic development background. This new commissioner has already made changes that he has been pleased to see, particularly in terms of the strong emphasis on returning focus to economic development. Representative Austerman pointed out that communities will only function properly if there is a solid economic base within the state. However, he cautioned the committees to ensure that the focus on economic development pendulum doesn't go too far and diminish the focus on the community and regional affairs.

[8:08:53 AM](#)

CHAIR HERRON noted his appreciation for Representative Austerman's comments as it was imperative to make some changes [in DCCED]. He emphasized that it's in the best interest of the two committees to ensure [the changes] work.

[8:10:25 AM](#)

SUSAN BELL, Commissioner, Department of Commerce, Community & Economic Development (DCCED), referring to the presentation entitled "Promoting a Healthy economy and Strong Communities", highlighted DCCED's broad mission to promote a healthy economy, strong communities, and protect consumers in Alaska. In working toward the aforementioned mission, DCCED ensures there are programs that focus on sustainable economic growth and that a stable business climate is provided while also assisting in the development of sustainable energy systems and addressing the cost of energy in rural Alaska in particular. Commissioner Bell emphasized DCCED's important role in ensuring the sustainability of communities throughout the state, which results in the department interacting with a wide array of communities of various sizes. She then directed the committees' attention to slide 5, which specifies the six core agencies within DCCED. She then reviewed slide 5 entitled "Department Organization", which specifies the corporate agencies as well as the core agencies of the department. She noted that the department has a different relationship with each of the corporate agencies. For instance, sometimes department staff sit on the board and sometimes department staff is engaged in the administrative functions of accounting or other support services while with some corporate agencies the department has an arm's length relationship. Two of the more independent corporate entities

are the Regulatory Commission of Alaska (RCA) and the Alaska Railroad Corporation (ARRC). Still, the department's mission remains. She briefly touched on consumer protection by highlighting the department's regulatory entities, which include the Division of Banking & Securities, the Division of Insurance, the Division of Corporations, Business & Professional Licensing, and the Regulatory Commission of Alaska. Commissioner Bell moved on to slide 6 entitled "Who We Are", which uses a map to illustrate that DCCED's presence is throughout the state. The department has 10 locations and 538 employees. Commissioner Bell recalled the pivotal meeting with the House Community and Regional Affairs Standing Committee last year in which the department concurred with many of the committee's ideas and brought many of its own ideas forward. She characterized this merger as providing framework as the department moves forward.

[8:16:17 AM](#)

WANETTA AYERS, Director, Division of Economic Development, Department of Commerce, Community & Economic Development (DCCED), began by informing the committees that she is a life-long Alaskan who has spent most of her career in community and economic development, primarily focused in rural Alaska. She then directed the committees' attention to slide 8 "Economic Development defined ..." that provides the definition of economic development adopted by the International Economic Development Council (IEDC). The focus, she highlighted, is on the economic well-being and quality of life for all Alaskans. The aforementioned is dependent upon creating jobs and providing a stable tax base. In reference to slide 9, Ms. Ayers highlighted that economic development takes place over the long-term with focus on the future economy. She then moved on to slide 10 entitled "Cluster Development Framework", which illustrates the need to focus on trade sector industries, those trade sector industries and businesses that export goods and services from Alaska. The trade sectors and the network of supplier firms that support the trade sectors are what the private sector does. The economic foundation of the cluster development framework is in which everyone participates and can be worked on to make the trade sectors and supplier network more efficient.

[8:20:13 AM](#)

MS. AYERS continued on to slide 11 entitled "Examining Economic Development". She reminded the committee of the December 4, 2010, House Special Committee on Economic Development,

International Trade and Tourism, which helped to catalyze discussions regarding how to better organize in terms of economic development. During the course of the last legislative session, there were also conversations regarding economic development which proved to be very helpful, particularly in terms of framing what has happened since then. Concurrently, the Alaska Forward Initiative was occurring, which, as the quote on slide 12 illustrates, was very critical of Alaska's economic development system. The assessment was that there was a lot of fragmentation and resources weren't being aligned for the highest and best purpose. Ms. Ayers related that economic development is a priority for Governor Parnell as related in the quote presented on slide 13. As a result of the aforementioned Governor Parnell issued Administrative Order 257, which created the Division of Economic Development from the former Office of Economic Development and the Division of Investments. Therefore, one cohesive operating unit that addresses development and financing activities was created. Such a unit will help focus and facilitate restructuring the state's economic development mechanisms within state government. Within this new division, work will be done to create operational and cost efficiencies as well as lay the foundation for various improvements. Since some of the key foundational work for economic development isn't addressed by statute or the former organization of the two units, the new division will need to do more with the following: business outreach and technical assistance, marketing and promotion of financing tools, outreach and development of traditional targeted industries, as well as development of emerging growth industries. Additionally, the Division of Economic Development wants to work toward overarching marketing and branding of Alaska, expanding business outreach and technical assistance, and expanding finance programs. Further, a key area of focus for the division is the coordination of a multiagency, multidisciplinary development response because no one department or agency within state government can fully address economic development.

[8:26:03 AM](#)

MS. AYERS then directed the committees' attention to slide 16, which addresses the impact of staff across the state. The chart on slide 16 specifies the staff by duty station and section. As the chart specifies, most of the division's staff continues to be located in the Financing Section in Juneau. She noted that by statute the division has ongoing responsibility for a public lands information center in Tok. The chart on slide 17 entitled "Annual State Loan Fund Report FY 2010" relates the number of

new loans closed in the last fiscal year by loan fund as well as the total principal on loans closed, which was \$17.1 million last year. Slide 18 entitled "FY2010 Loan Servicing Summary" provides a summary of all loan servicing within the last fiscal year. The division has over 2,500 accounts with total principal outstanding of \$197.5 million. Ms. Ayers continued with slide 19 entitled "New Financing Tools", which is a summary of the Alaska microloan revolving loan fund, the commercial charter fisheries revolving loan fund, and the mariculture revolving loan fund each of which developed from discussions with the private sector. The need for this public financing was because these areas were not served or were underserved by private lenders.

[8:29:25 AM](#)

REPRESENTATIVE SADDLER inquired as to how these new financing tools for commercial fishing will interact with the Commercial Fishing and Agriculture Bank (CFAB).

MS. AYERS explained that although CFAB is addressed in Alaska statute, it is a traditional private sector lender and operates under the same parameters as any private lender. The [department] has partnered with CFAB in the past. She pointed out that [the department's] borrowers need to be turned down by a private lender first.

[8:30:45 AM](#)

REPRESENTATIVE SADDLER related his understanding from a presentation from the Division of Agriculture in the Department of Natural Resources that the agriculture revolving loan fund can cover shell fish loans.

MS. AYERS said that she didn't realize there had been such a determination. However, the division's development staff and economists have been working with existing mariculture operators, primarily in Southeast and Southcentral Alaska. The agriculture revolving loan fund is operated in DNR and its operating parameters are a bit different than in DCCED. Therefore, the division has been working with potential borrowers and others promoting the mariculture industry to structure the mariculture loan specifically to the needs of the mariculture industry. She explained that depending upon the borrowers product mix, it could take three to six years to develop a reliable revenue stream. Therefore, the mariculture revolving loan fund is designed to be the patience capital that

would have interest only payments during those first three to six years until a reliable revenue stream is developed.

COMMISSIONER BELL interjected that at stages when the governor's office and the legislative director were comfortable, the concepts were vetted through [DCCED's] economic advisory council. The aforementioned is a group of about 20 individuals from different economic sectors, including the banking industry. She then noted that [the department] also spoke with CFAB to understand what is good public policy in terms of providing financing opportunities, retaining Alaskan employment, and supporting entrepreneurs.

[8:33:37 AM](#)

REPRESENTATIVE FOSTER related his appreciation for Commissioner Bell's and Ms. Ayer's backgrounds in rural Alaska. He also related his belief that both will serve the state well. With regard to the Alaska microloan revolving loan fund, Representative Foster characterized it as a good program, particularly for those in rural Alaska. He then inquired as to how the division would communicate the program to those locations in the Bush where the agency does not have a presence.

MS. AYERS reminded the committees that in addition to the division's development staff the Alaska Regional Development Organization (ARDOR) program provides 12 outlets. Furthermore, the division has relationships with lots of other organizations and through the Division of Community & Regional Affairs the division has access to tribal and municipal organizations that are involved with economic development. She related that she believes the microloan revolving loan fund will be very welcome in rural Alaska and thus she anticipated much activity with it.

[8:35:17 AM](#)

REPRESENTATIVE AUSTERMAN related his understanding that now DCCED has only one deputy commissioner rather than two deputy commissioners, one on the rural side and one on the economic development side. He related his further understanding that the former deputy commissioner on the rural side has been made a special assistant. He inquired as to the difference in this new organization.

COMMISSISONER BELL confirmed Representative Austerman's recollection of there being two deputy commissioners last year. Commissioner Bell explained that with the anticipated merger,

she took into account the size of the department, the geographic locations of the staff, the involvement in various subcabinets and commissions; she felt comfortable proceeding with a single deputy commissioner and two special assistants one in Juneau and one in Anchorage. The special assistant in Anchorage has been tasked with some priority projects, which include Connect Alaska, broad band, and the Rural Subcabinet. The Anchorage special assistant is also tasked with developing a long-term strategy for international trade with the Office of International Trade and the Film Office.

[8:38:17 AM](#)

REPRESENTATIVE AUSTERMAN inquired as to who is responsible for rural development and community affairs.

COMMISSIONER BELL clarified that unlike the past; now both the commissioner and the deputy commissioner are directly engaged with all the divisions.

[8:39:11 AM](#)

CHAIR HERRON, referring to slide 17, inquired as to why the average statutory interest rate for the Rural Development Fund is 6 percent while the rate for the other funds is lower.

MS. AYERS explained that DCCED manages the Rural Development Fund run on behalf of the Alaska Industrial Development and Export Authority (AIDEA). The fund was capitalized through an appropriation from the Economic Development Administration (EDA). There are a couple of loan funds, such as the Small Business Economic Development (SBED) Fund, that are managed in that way. She noted that the division has been working with EDA to unify management between the two funds. There are some geographic restrictions on certain aspects of the funds, and the division wants to make the fund available statewide so that they don't have to be managed separately. In further response to Chair Herron, Ms. Ayers said that she could provide more information on specific loans at a later date.

[8:40:42 AM](#)

CHAIR HERRON, referring to slide 18, asked if there is a certain sector of economic development that is in delinquency or foreclosure.

MS. AYERS related that a number of fisheries enhancement accounts have went into delinquent status and interest only payments have been taken in order to work out some of the revenue issues.

8:41:33 AM

CHAIR HERRON recalled that last year he and Representative Austerman put forth an effort to establish an economic development commission. He asked if the administration is considering such.

COMMISSIONER BELL said that she recognized that although the legislation forming such a commission last year didn't pass, interest remained. Therefore, the department has turned its focus from whether or not a commission should be formed to enhancing the effectiveness of the department's program.

CHAIR HERRON asked then if the department and the governor thought it's better to build within rather than to have a broader overarching commission.

COMMISSIONER BELL said that the department recognizes the concern regarding the effectiveness of DCCED's programs. Therefore, the department has reviewed, within its existing capacity, how to deliver the most effective programs.

CHAIR HERRON expressed the need for there to be coordination such that [the Division of Community & Regional Affairs] staff works with the client and his/her peer in [the Division of Economic Development] to assist the client.

8:45:01 AM

CHAIR HERRON then inquired as to why there is an increase in the base for the Division of Economic Development.

MS. AYERS answered that part of the funding is related to the one-time increment last year for a business outreach officer. The business outreach officer has been deemed very valuable, particularly with coordination of complex projects that involve multiple agencies and require ongoing involvement from the Division of Economic Development. Therefore, part of the funding would go toward funding that position on an ongoing basis. Additionally, some of the funding will go toward a position that was formerly funded at 70 percent funded by a reimbursable services agreement (RSA) through the governor's

office. Moreover, last year's funding only provided partial funding for a development specialist position that was focused on minerals. The [division's] funding for existing staff levels was significantly down in fiscal year (FY) 10, and thus most [of the increase] will restore full funding for those personnel services for those positions.

[8:47:15 AM](#)

CHAIR MUNOZ inquired as to the makeup and the role of the Economic Advisory Council in working with the department.

COMMISSIONER BELL opined that the department felt it was important to have a group of individuals with some continuity. The council has representatives from various industry sectors. The desire, she related, was to have supportive, candid individuals that were representative of the state geographically as well as representative of the industries in the state. The first meeting of the Economic Advisory Council was in September when the department was in the process of developing its legislative proposals and budget. At that stage, it was premature for the department to share its concepts with the council, but in early December the department approached the council to broadly describe some of the ideas related to economic development within the Division of Economic Development and other agencies within the department. She anticipated that the council would meet quarterly. While the [department] has increased its engagement with various economic development organizations and private businesses throughout the state, she felt it would be valuable to have some continuity from a group and receive feedback regarding the department. Commissioner Bell related that she has been pleased with the council and anticipates continuation of it.

MS. AYERS added that in addition to the Economic Advisory Council, the Minerals Commission and Alaska Travel Industry Association (ATIA) as well as other industry sectors provide feedback on initiatives being considered by the division and the department. She mentioned that the division has received positive feedback and is seeking more feedback to shape its economic development efforts.

[8:50:29 AM](#)

REPRESENTATIVE FOSTER expressed interest in the makeup of the Economic Advisory Council. He asked if the seats are designated or open.

COMMISSIONER BELL related that the department made a list of individuals it thought would be constructive and candid and then reviewed these individuals in terms of the organizations in which they were involved as well as their geographic location. The council is a group the department formed for itself, so it doesn't have a statutory basis and the members aren't appointed by the governor. The council is asked to be the department's sounding board.

8:51:47 AM

REPRESENTATIVE SADDLER inquired as to what the department's measures of success will be with regard to this new division.

COMMISSIONER BELL answered that the department is working on [measuring the success]. The number of loans and jobs created are measured. Commissioner Bell related that there have been candid discussions with the administrative services director regarding the need to review existing performance measures to determine if DCCED is focusing on the appropriate items. Internally, the department has identified, but not yet implemented, the need to review what indicators should be set to determine where the department and the state are making a difference in the economy. She indicated that the department reviews things within its purview as well as outside its purview, such as infrastructure, roads, communication, and public safety. Those areas within the department's charge include how the state markets itself as well as the state's environmental and regulatory tax policy. The department has a role in advising where the state is going via departmental proposals and how that's communicated with the business community, whether it's inside or outside the state. Commissioner Bell indicated that the department will bring forth more specific measures.

8:54:37 AM

REPRESENTATIVE SADDLER remarked that he is intrigued by the idea of cluster-based investment and the Alaska Forward Initiative.

MS. AYERS related that the Alaska Forward Initiative has taken many years to mobilize, and began with directors of the various ARDORs wanting to have a comprehensive economic development strategy for the state. Over the course of several years funding was initially obtained through the Denali Commission and last year the state contributed funding. The ARDOR directors

have continued to lead the effort. She noted that the leadership council has been developed with lots of private sector representatives who will shape the next phase of the Alaska Forward Initiative. The idea of cluster-based investment goes back to the notion that there are a lot of resources but the success will be contingent upon the ability to align and move the resources in a coordinated fashion. The leadership council has identified the following five priority areas: the oil and gas industry, the tourism industry, alternative energy, advanced business systems, and international trade and logistics.

[8:56:58 AM](#)

REPRESENTATIVE DICK informed the committees that over the last 44 years he has lived in very small communities in Alaska, the largest of which was 350 people. He expressed the desire to talk with the department regarding how to reach all the people in all the communities. Often, there are very ambitious folks in these small communities who would never hear what the department is doing if the department only spoke to the local government.

[8:57:55 AM](#)

REPRESENTATIVE CISSNA highlighted that what has been useful for the House Community and Regional Affairs Standing Committee in the past, has been the various reports the department develops. For instance, the report on the price of fuel has been very helpful. She then opined that it would be useful for this committee to have a good working knowledge of where in Alaska there are problems. She further opined that it would be helpful for the committee to know the departmental overlaps.

COMMISSIONER BELL thanked Representative Cissna for recognizing the value of DCCED's reports. She indicated that the department will seek input regarding on which topics it would be appropriate to focus. With regard to the overlap of departments and working across departments and divisions, representatives from DCCED and various other departments and organizations are going to travel to one of the leading mineral trade shows and conferences. Commissioner Bell opined that [the departments] are most effective when they pull together.

[9:01:58 AM](#)

REPRESENTATIVE GARDNER said that the investment credit system under Alaska's Clear and Equitable Share (ACES) is not well understood. She noted that Commonwealth North is offering a series of presentations, at which one of the presenters, an independent explorer, stated that Alaska's tax incentive credit system is one of the best in the world. She further noted that a former commissioner has related to her that the state's biggest problem is that it's not marketing Alaska's tax incentive credit system. She opined that in her view ACES isn't just about the state take, it's also about getting small independent explorers in the mix and to do so in a manner that offers a meaningful opportunity. She questioned what the state is doing and/or what it should do.

MS. AYERS answered that although oil and gas isn't part of the division's portfolio, it is a core industry that's considered in terms of how it shapes other opportunities and questions. Ms. Ayers said that Representative Gardner's question illustrates what's required in every development opportunity; that is businesses want to know the state's tax regime, regulations, and the available economic foundations. The pivotal role the Division of Economic Development can play is navigating the state's system, illustrating the opportunities within the state, and communicating the aforementioned to the private sector in language it can understand. The division can and should take on the role of the marketing and communications piece of economic development. The division is trying to do so within its existing statutory authority.

[9:05:49 AM](#)

REPRESENTATIVE GARDNER then asked if the Division of Economic Development is taking this matter up or should she discuss it with another agency.

COMMISSIONER BELL related that the department believes it can serve a broader role by looking at what the state should and could do in terms of financing, research, marketing, and business and technical assistance and coordination. By organizing with industry expertise internally, the department believes it can serve statewide needs more effectively.

REPRESENTATIVE GARDNER again inquired as to who should be pushed to do actual oil and gas marketing to the independents.

MS. AYERS remarked that it would be a great conversation to continue throughout this session with regard to existing

industries and emerging opportunities. The [division] would like to do more and the resources to do more marketing, but at this point the department is 90 days into the merger and will have more of a story in the future.

COMMISSIONER BELL related that each department is talking with business leaders in the oil and gas industry. She offered to take Representative Gardner's comments to her colleagues in order to ensure that policies are being clearly articulated. With regard to marketing and communication, Commissioner Bell characterized that as a growing role for DCCED that wouldn't be limited to certain industry sectors.

REPRESENTATIVE GARDNER stated that she would like Alaska to have a solid and unequivocal role in trade industry conventions in terms of marketing opportunities in Alaska.

9:09:32 AM

REPRESENTATIVE AUSTERMAN opined that much of this has to do with the legislature itself, no matter the resource being marketed. He noted that most other states have their own marketing entity that markets the state as a place to do business. However, Alaska hasn't done so. He recalled that last year the legislature placed \$17 million into tourism marketing and \$2.5 million into the Alaska Seafood Marketing Institute (ASMI). Representative Austerman then suggested that the legislature needs to come together to market Alaska as a place to do business, no matter the industry. Furthermore, the legislature has to come together to fund this marketing because it's going to be very difficult to market the state with the current funds. He noted that this conversation has also been had with the Senate.

9:12:10 AM

REPRESENTATIVE FOSTER said that he was happy to see that energy is being considered part of economic development. As the co-chair of the House Special Committee on Energy, Representative Foster encouraged the department representatives to let him know if his committee can help in any way. With regard to the trade show departmental staff will be attending, he inquired as to what kinds of marketing and education is done. He further inquired as to whether there's a packet or presentation that's used for these trade shows.

MS. AYERS explained that due to the volume of information the minerals industry needs, the department would provide a disc with information regarding mineral potential, the tax and regulatory regime, as well as workforce opportunities. It's a fairly comprehensive package, which she offered to provide to all members. Additionally, at this particular trade show, the department will focus on rare earth element opportunities for which the Department of Natural Resources has produced a thumb drive with pertinent information.

REPRESENTATIVE FOSTER noted that he is glad to hear of the focus on rare earth element opportunities in Alaska, particularly in light of China's current stance.

[9:15:35 AM](#)

CHAIR HERRON requested information on the governor's proposed legislation, HB 119, specifically in terms of the definition of "relating to the definition of 'own' for the economic development account."

COMMISSIONER BELL reminded the committee that last year legislation passed that allowed AIDEA to own part of a project. After the passage of that legislation last year, the need to have specific language to allow AIDEA to participate in a limited liability company (LLC) and other business structures was pointed out. Therefore, the language in HB 119 identified by Chair Herron was included as well as language that would explore the ability of AIDEA having new market tax credits.

[9:17:34 AM](#)

REPRESENTATIVE SADDLER asked if the merger of the agencies within DCCED caused any administrative, personnel, or budgetary changes.

MS. AYERS responded that the division is in the process of reviewing efficiencies, including going from two directors to one director while also having a management team that includes a manager of the development section and the financing section. The division is also reviewing efficiencies while maintaining the integrity of the budget for the individual sections. The aforementioned may largely come in allocating those costs in the coding process for accounting. In further response to Representative Saddler, Ms. Ayers said that at this point there has been no net change with regard to geographic parity.

9:19:06 AM

REPRESENTATIVE AUSTERMAN asked if international trade remains within DCCED.

COMMISSIONER BELL answered that the Office of International Trade is housed within the governor's office. However, she highlighted the need for that office to work closely with DCCED. To that end, the department requested the governor task DCCED with a long-term strategy that reviewed the department's trade missions, emerging markets, existing markets/activities, infrastructure needs, workforce training needs, and marketing needs. She emphasized that trade missions are just a piece of the aforementioned. The department has begun to meet and is ensuring that DCCED is communicating with state and community entities while also performing private sector outreach. Commissioner Bell opined that it's imperative for DCCED to work with the Office of International Trade.

MS. AYERS, in further response to Representative Austerman, informed the committees that the Office of International Trade has two trade specialist positions that are supervised by the governor's office director in Anchorage.

9:21:31 AM

CHAIR MUNOZ asked if the new financing tools will be housed in the new division. With regard to the microloan revolving fund, Chair Munoz asked if there are restrictions on the businesses that can apply.

MS. AYERS indicated that the new financing tools will be housed in the new division. The microloan revolving fund is modeled on a SBA microloan program that isn't available in Alaska because there isn't an intermediary lender to implement the program. Therefore, there aren't any restrictions on the type of business that can apply and thus the microloan revolving fund provides an opportunity to have a financing tool that's available in most other states in Alaska. Although she couldn't anticipate the traffic of this loan, rural areas and small businesses have related the need to have a financing tool that focuses on their marketing opportunities and the scale of those. In further response to Chair Munoz, the legislation for the revolving microloan fund is HB 121.

9:23:12 AM

CHAIR MUNOZ thanked the department for the presentation and its responsiveness to the input, particularly the input of Representatives Austerman and Herron and the House Community and Regional Affairs Standing Committee.

[9:24:00 AM](#)

COMMISSIONER BELL introduced DCCED staff in attendance.

[9:25:01 AM](#)

CHAIR MUNOZ encouraged committee members to contact her regarding ideas for presentations or a particular direction for the committee to pursue. She reviewed the requests the House Community and Regional Affairs Standing Committee has already received as well as its upcoming agenda.

[9:26:39 AM](#)

#### **ADJOURNMENT**

There being no further business before the committees, the joint meeting of the House Community and Regional Affairs Standing Committee and the House Special Committee on Economic Development, International Trade and Tourism was adjourned at 9:26 a.m.