

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND
ARCTIC POLICY
March 19, 2015
11:30 a.m.

MEMBERS PRESENT

Representative Bob Herron, Chair
Representative Craig Johnson
Representative Louise Stutes
Representative Cathy Tilton

MEMBERS ABSENT

Representative Charisse Millett
Representative Dan Ortiz
Representative Adam Wool

COMMITTEE CALENDAR

CONFIRMATION HEARINGS(S):

Department of Commerce, Community & Economic Development,
Commissioner

Chris Hladick - Unalaska

CONFIRMATION - ADVANCED

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

CHRIS HLADICK, Commissioner Designee
Department of Commerce, Community & Economic Development
Juneau, Alaska

POSITION STATEMENT: During the confirmation hearing for the commissioner of the Department of Commerce, Community & Economic Development, provided his background and answered questions.

ACTION NARRATIVE

[11:30:22 AM](#)

CHAIR BOB HERRON called the House Special Committee on Economic Development, Tourism, and Arctic Policy meeting to order at 11:30 a.m. Representatives Stutes, Tilton, Johnson, and Herron were present at the call to order.

CONFIRMATION HEARINGS(S):

[11:30:42 AM](#)

CHAIR HERRON announced that the only order of business would be a confirmation hearing for the commissioner of the Department of Commerce, Community & Economic Development (DCCED).

[11:31:23 AM](#)

CHRIS HLADICK, Commissioner Designee, Department of Commerce, Community & Economic Development (DCCED), informed the committee his experience includes 25 years in city management in Alaska, from Galena and Dillingham to Unalaska. During this time he managed many projects and he said he looked forward to bringing his skills to DCCED.

CHAIR HERRON inquired as to why Commissioner Designee Hladick would leave his present position.

COMMISSIONER DESIGNEE HLADICK said although Unalaska is the greatest place to live, work, and raise kids, his kids are grown and off to college so he took this opportunity.

CHAIR HERRON appreciated Commissioner Designee Hladick's willingness to bring his leadership skill sets to DCCED because of the challenges ahead. He asked what could be done about the Alaska Marine Highway System "westward."

COMMISSIONER DESIGNEE HLADICK observed this has been an issue for Southwest Alaska for many years, and his understanding is that the proposed reductions are "double cuts because not only are you reducing the service, you're reducing the revenues." He has planned to speak with the commissioner of the Department of Transportation & Public Facilities about the importance of this issue for the region. Governments in Southwest Alaska have been working for more ferry visits because the difference in the cost of goods transported by ferry or barge is a huge economic driver for the region. Commissioner Designee Hladick seeks to educate folks about this topic.

[11:34:52 AM](#)

REPRESENTATIVE STUTES reminded the committee that fisheries are the largest employer in the state. The Alaska Seafood Marketing Institute (ASMI) has had its budget reduced, at the same time that European countries and Russia are spending increasing amounts of money to promote their fisheries. Along with the issue of the certification of fish, she asked for any ideas on how Alaska can keep its fish in the forefront of the seafood market.

COMMISSIONER DESIGNEE HLADICK said this is an important issue which he has discussed with the seafood industry in Unalaska. Factors are: sanctions on Russia, the dollar, the yen, less fish going to Japan, fish going to China for secondary processing that is then sent to Japan, and cultural changes. The question remains how the state will continue to promote its fish with a reduced budget. Commissioner Designee Hladick expressed the need to sit down with stakeholders to find a solution because of the huge impact to Kodiak, Unalaska, Sand Point, Dillingham, King Salmon, the Southeast communities, and Kenai.

REPRESENTATIVE STUTES agreed and relayed that 70 percent of the population in the Anchorage and Matanuska-Susitna Valley areas is affiliated with the fishing industry, thus this has a huge economic impact to the entire state.

CHAIR HERRON referred to Governor Bill Walker's transition team report on economic development that was found in the committee packet, and asked which of the five priority issues in the transition report would be Commissioner Designee Hladick's main focus.

COMMISSIONER DESIGNEE HLADICK observed that as in previous administrations, he will look at economic development from the standpoint of the need to replace oil and gas development. To achieve this on a large scale, cheap energy provides the building blocks; however, how to attain cheap energy is one of the issues on which to work. He noted that DCCED is reaching out to new industries, such as Lockheed Martin's facility in Anchorage, and the drone industry. Needed are new businesses, and keeping current businesses, as discussed recently by the cabinet; in fact, there are plans underway on how to maintain and grow the business climate in the state.

[11:39:54 AM](#)

REPRESENTATIVE STUTES moved [to forward the name of Chris Hladick to the position of commissioner, Department of Commerce, Community & Economic Development, to the joint session for consideration.] She said the House Special Committee on Economic Development, Tourism, and Arctic Policy has reviewed the qualifications of the following governor's appointee and recommends that his name be forwarded to a joint session for consideration. She reminded the committee that [signing the report regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointees, and that the nominations are merely forwarded to the full legislature for confirmation or rejection]. There being no objection, Chris Hladick's name was forwarded.

[11:41:06 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Economic Development, Tourism, and Arctic Policy meeting was adjourned at 11:41 a.m.