

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND
ARCTIC POLICY

April 7, 2015
9:32 a.m.

MEMBERS PRESENT

Representative Bob Herron, Chair
Representative Louise Stutes
Representative Cathy Tilton
Representative Dan Ortiz

MEMBERS ABSENT

Representative Craig Johnson
Representative Charisse Millett
Representative Adam Wool

COMMITTEE CALENDAR

CS FOR SENATE JOINT RESOLUTION NO. 16(ARC)
Expressing support for the Arctic Economic Council and the United States Arctic Economic Council delegation; requesting that the United States Congress express support for the Arctic Economic Council, for the chair of the Arctic Economic Council to be a resident of this state, and for the structure of the Arctic Economic Council leadership to mirror the rotation of the chair of the Arctic Council; and urging the United States Congress to empower residents of the state as partners in the Arctic Economic Council.

- MOVED CSSJR 16(ARC) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SJR 16

SHORT TITLE: ARCTIC ECONOMIC COUNCIL

SPONSOR(s): SENATOR(s) MCGUIRE

02/25/15	(S)	READ THE FIRST TIME - REFERRALS
02/25/15	(S)	ARC
03/19/15	(S)	ARC AT 11:15 AM BUTROVICH 205
03/19/15	(S)	Moved CSSJR 16(ARC) Out of Committee
03/19/15	(S)	MINUTE(ARC)
03/20/15	(S)	ARC RPT CS 4DP NEW TITLE
03/20/15	(S)	DP: MCGUIRE, GIESSEL, OLSON, STEVENS

04/01/15 (S) TRANSMITTED TO (H)
04/01/15 (S) VERSION: CSSJR 16(ARC)
04/02/15 (H) READ THE FIRST TIME - REFERRALS
04/02/15 (H) EDA
04/02/15 (H) EDA AT 11:45 AM BARNES 124
04/02/15 (H) -- Meeting Rescheduled to 4/6/15 --
04/06/15 (H) EDA AT 8:30 AM BARNES 124
04/06/15 (H) -- Meeting Rescheduled to 4/7/15 --
04/07/15 (H) EDA AT 9:00 AM BARNES 124

WITNESS REGISTER

TREVOR GUTIERREZ, Intern
Senator Lesil McGuire
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented CSSJR 16(ARC) on behalf of Senator McGuire, co-chair of the Senate Special Committee on the Arctic, sponsor.

TARA SWEENEY, Vice-Chair
Arctic Economic Council
No address given

POSITION STATEMENT: Testified in support of CSSJR 16(ARC).

DRUE PEARCE
Anchorage, Alaska

POSITION STATEMENT: Testified in support of CSSJR 16(ARC).

ACTION NARRATIVE

[9:32:09 AM](#)

CHAIR BOB HERRON called the House Special Committee on Economic Development, Tourism, and Arctic Policy meeting to order at 9:32 a.m. Representatives Stutes, Tilton, Ortiz, and Herron were present at the call to order.

SJR 16-ARCTIC ECONOMIC COUNCIL

[9:32:29 AM](#)

CHAIR HERRON announced that the only order of business would be CS FOR SENATE JOINT RESOLUTION NO. 16(ARC), Expressing support for the Arctic Economic Council and the United States Arctic Economic Council delegation; requesting that the United States Congress express support for the Arctic Economic Council, for

the chair of the Arctic Economic Council to be a resident of this state, and for the structure of the Arctic Economic Council leadership to mirror the rotation of the chair of the Arctic Council; and urging the United States Congress to empower residents of the state as partners in the Arctic Economic Council.

[9:32:43 AM](#)

TREVOR GUTIERREZ, Intern, Senator Lesil McGuire, Alaska State Legislature, paraphrased from the sponsor statement as follows [original punctuation provided]:

The Arctic Council was established by the Ottawa Declaration of 1996 to function as a high level intergovernmental forum to promote cooperation, coordination, and interaction across the Arctic. The Arctic Economic Council was established in 2012 by the Arctic Council. The Arctic Economic Council is in charge of fostering business development in the Arctic, engaging in deeper circumpolar cooperation, and providing a business perspective to the work of the Arctic Council. SJR 16 asks the Alaskan State Legislature to express its confidence in, and support for, the Arctic Economic Council. The United States will become chair of the Arctic Council in 2015. This resolution states that it is the intent of this legislature to have the chairmanship to the Arctic Economic Council parallel the chairmanship of the Arctic Council. I urge you to support this resolution emphasizing the importance of the Arctic, and the role that Alaskans will play in shaping its future.

[9:34:10 AM](#)

CHAIR HERRON opened public testimony on CSSJR 16(ARC).

[9:34:36 AM](#)

TARA SWEENEY, Vice-Chair, Arctic Economic Council, informed the committee the Arctic Economic Council (AEC) was created by the Arctic Council during Canada's chairmanship. The Arctic Economic Council consists of 42 members from the U.S., Canada, United Kingdom of Denmark, Iceland, Norway, Sweden, Finland, and Russia, in addition to six permanent participant organizations. The strategic location of Alaska makes the U.S. an Arctic nation and its business representatives are Crowley Maritime

Corporation, Fairweather L.L.C., and the Bering Straits Native Corporation. The U.S. also has representation in four of the six permanent participant organizations including the Arctic Athabaskan Council, Gwich'in Council International, Aleut International Association, and the Inuit Circumpolar Council. All of the U.S. AEC members are Alaskans. Ms. Sweeney stated the resolution is important at this time when the U.S. is beginning to help shape guiding principles for doing business in the Arctic. She said the U.S. delegation has proposed that the chairmanship of AEC mirror the rotation structure of that of the Arctic Council, and the resolution would demonstrate to the other circumpolar nations the support in the U.S. for AEC. In addition, support from the legislature strengthens the position of the Alaskans representing the U.S. on the council.

CHAIR HERRON asked for Ms. Sweeney's travel schedule.

MS. SWEENEY said her travels begin tonight to attend a series of meetings in Washington, D.C., and then to Canada for the annual AEC meeting. Following that she will make a presentation at a meeting of the Arctic Council in Iqaluit, Nunavut, Canada. In further response to Chair Herron, she said the incoming chair of AEC has not yet been determined; however, the desire is for the chair to rotate to the U.S.

CHAIR HERRON suggested that the governor sign the resolution in Barrow.

[9:40:02 AM](#)

DRUE PEARCE informed the committee she is a former member of the Alaska State Legislature and has been working on Arctic issues in Alaska for many years. Ms. Pearce acknowledged the work of Senator McGuire and the Alaska State Senate. She said she participated in the initiation of the Arctic Economic Council, which seeks to provide advice and council from the private business sector to their federal counterparts. The work of a taskforce led to the formation of AEC in order to provide an opportunity for indigenous-owned and nonindigenous-owned businesses in the Arctic to showcase their products, and to establish contacts with their governments. Ms. Pearce traveled to St. Petersburg as a member of the circumpolar business forum which became the Arctic Economic Council. Of the eight founding nations, the U.S. is the "most reluctant" participant, so co-chairs of the Arctic Policy Commission sent her and business representatives to the AEC organizational meeting. At a second meeting in Ottawa, Canada, Ms. Sweeney was elected as a member

of AEC's executive committee. She pointed out the Arctic Council differs from AEC in that the permanent participants do not vote, although "their voices are very persuasive" Conversely, AEC permanent participants will hold positions on the executive committee and will have voting rights, although no determination has been made as to whether a decision by consensus will be required. In the near future, the AEC executive committee will brief the ministers from the eight countries to inform them of its agenda. Ms. Pearce expressed her excitement over these developments and welcomed support from the legislature, the Alaska Congressional delegation, and the U.S. Senate.

[9:45:02 AM](#)

REPRESENTATIVE ORTIZ asked Ms. Pearce to elaborate on why the U.S. was a reluctant participant.

MS. PEARCE responded that even through the U.S. Secretary of State John Kerry signed the administrative documents, she was advised that there is reluctance to providing a private sector group direct access to interact with senior Arctic officials. However, she said the organization is making progress.

REPRESENTATIVE STUTES agreed these are exciting times in the Arctic and for Alaska.

MS. PEARCE noted that AEC will meet every year and the first meeting during the U.S. chairmanship will be in Alaska.

CHAIR HERRON surmised the reluctance by the state department toward AEC is because it represents the private sector whereas in other Arctic Council governments, Norway, for example, there is little difference between a state-owned business and a privately-owned business. He mentioned likely locations for meetings in Alaska over the next two years.

[9:49:40 AM](#)

MS. PEARCE relayed that the governor has expressed great interest in the Arctic and has named Craig Fleener as his Arctic specialist, and she reviewed Mr. Fleener's international background and experience.

REPRESENTATIVE ORTIZ inquired as to whether members of the Arctic Council and the AEC overlap.

MS. PEARCE was unsure, although that is possible.

[9:52:12 AM](#)

CHAIR HERRON closed public testimony on CSSJR 16(ARC).

[9:52:45 AM](#)

REPRESENTATIVE STUTES moved to report [CSSJR 16(ARC)] out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, CSSJR 16(ARC) was reported from the House Special Committee on Economic Development, Tourism, and Arctic Policy.

[9:53:09 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 9:53 a.m.