

ALASKA STATE LEGISLATURE
JOINT MEETING
SENATE SPECIAL COMMITTEE ON THE ARCTIC
HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM &
ARCTIC POLICY
October 2, 2015
1:05 p.m.

MEMBERS PRESENT

SENATE SPECIAL COMMITTEE ON THE ARCTIC

Senator Cathy Giessel, Co-Chair
Senator Lesil McGuire, Co-Chair
Senator John Coghill

HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM &
ARCTIC POLICY

Representative Bob Herron, Chair
Representative Craig Johnson
Representative Charisse Millett, via teleconference
Representative Cathy Tilton
Representative Dan Ortiz

MEMBERS ABSENT

SENATE SPECIAL COMMITTEE ON THE ARCTIC

Senator Lyman Hoffman
Senator Gary Stevens
Senator Donald Olson
Senator Click Bishop
Senator Berta Gardner

HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM &
ARCTIC POLICY

Representative Louise Stutes
Representative Adam Wool

OTHER LEGISLATORS PRESENT

Representative Bryce Edgmon - via teleconference

COMMITTEE CALENDAR

PRESENTATION: ALASKA ARCTIC POLICY COMMISSION (AAPC)
IMPLEMENTATION PLAN

DEPARTMENT OF ENVIRONMENTAL CONSERVATION RECOMMENDATION 3A

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
RECOMMENDATIONS 3B, 3C, AND 3D

ALASKA DEPARTMENT OF FISH AND GAME RECOMMENDATIONS 3E AND 3F

DEPARTMENT OF LAW RECOMMENDATION 3G

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT RECOMMENDATION 3H

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

BILL GRIFFITH, Facility Programs Manager
Department of Environmental Conservation (DEC)
Anchorage, Alaska

POSITION STATEMENT: Presented information related to DEC's role
in Arctic communities.

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

POSITION STATEMENT: Explained DCCED Recommendations 3B, 3C, and
3D.

JOEL NIEMEYER, Federal Co-Chair
Denali Commission
Anchorage, Alaska

POSITION STATEMENT: Reported on the implementation of
Recommendation 3D.

GLENN HAIGHT, Executive Director
Alaska Board of Fisheries
Boards Support Section
Alaska Department of Fish and Game
Juneau, Alaska

POSITION STATEMENT: Presented Recommendations 3E and 3F.

BRUCE DALE, Director
Division of Wildlife Conservation
Alaska Department of Fish and Game (ADF&G)
Palmer, Alaska

POSITION STATEMENT: Answered questions related to food security of the Arctic people.

BRAD MEYEN, Senior Assistant Attorney General
Natural Resources Section
Department of Law (DOL)
Anchorage, Alaska

POSITION STATEMENT: Explained legal positions regarding Endangered Species Act (ESA) listings.

MIKE ANDREWS, Director
Division of Employment and Training Services
Department of Labor and Workforce Development (DOLWD)
Anchorage, Alaska

POSITION STATEMENT: Addressed Alaska Arctic Policy Commission Recommendation 3H.

MARK BRZEZINSKI, Executive Director
Arctic Executive Steering Committee
Washington, D.C.

POSITION STATEMENT: Testified about the federal government's perspective of the future of the Arctic.

BETH KERTTULA, Director
National Ocean Council
Washington, D.C.

POSITION STATEMENT: Testified during the presentation of the Alaska Arctic Policy Commission's Implementation Plan.

VIVIAN KORTHUIS, Vice President of Community Services
Association of Village Council Presidents (AVCP)
Bethel, Alaska

POSITION STATEMENT: Testified on ways to help support healthy communities.

KATE BLAIR, Committee and Projects Coordinator
Alaska Oil and Gas Association (AOGA)
Anchorage, Alaska

POSITION STATEMENT: Shared AOGA's role in Arctic policy.

ACTION NARRATIVE

[1:05:37 PM](#)

CHAIR HERRON called the joint meeting of the Senate Special Committee on the Arctic and the House Special Committee on Economic Development, Tourism & Arctic Policy to order at 9:05 a.m. Present at the call to order were Senators Coghill and Co-Chair Giessel and Co-Chair McGuire, and Representatives Tilton, Ortiz, Johnson and Chair Herron.

Alaska Arctic Policy Commission (AAPC) Implementation Plan

CO-CHAIR MCGUIRE commented that the topic of Healthy Communities is one area where the people of the Arctic can be positively impacted. The purpose of today's hearing is to learn about the administration's perspective of this topic through state agency involvement. She stressed that this is the beginning of the conversation.

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CO-CHAIR GIESSEL commented that she is a nurse practitioner and she led the team that worked on the resource development piece of AAPC. She opined that "a good paying job is the best social program." She read a quote about resource development and how it relates to positive community and economic development, cultural preservation, a modern standard of living, and health and safety.

CHAIR HERRON noted that Representative Edgmon was listening via teleconference. He also said the presentation could be found on BASIS.

Department of Environmental Conservation Recommendation 3A

[1:11:47 PM](#)

BILL GRIFFITH, Facility Programs Manager, Department of Environmental Conservation (DEC), presented information related to DEC's role in Arctic communities. He said the department works with communities all over the state, but today he would focus on the plan's delivery of reliable in-home water, sewer, and sanitation services in rural Arctic communities.

MR. GRIFFITH began by relating the department's focus on the process of getting rid of the honey bucket. Today, about 85 percent of rural homes have indoor plumbing. This was accomplished with a centralized approach of treating 100 percent of the water to full regulatory compliance, storing large quantities of water, and distributing the treated water. The

household sewage is transported to a lagoon. About 60 percent of Arctic communities have pipe systems, some have individual wells, and a handful have truck delivery, but 31 communities don't have individual services. The total number of unserved homes is about 3,500.

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CO-CHAIR MCGUIRE asked where the 31 communities are located.

MR. GRIFFITH replied that they are in the Yukon-Kuskokwim Delta, the Interior, and in the Northwest Territory. He referred to a map on the DEC website which depicts those communities.

He turned to a chart showing water and sewer funding needs, both for the current system and for the unserved communities. The amount has increased from \$4 million in 2006 to almost \$700 million in 2014. The funding gap continues to widen and appears to be an untenable situation as it is currently set up.

CO-CHAIR GIESSEL noticed that in 2010 funding increased and then decreased. She asked if federal funding played a role.

MR. GRIFFITH replied that the funding line represents all sources, including state and federal funds. The increase was caused by stimulus funds.

REPRESENTATIVE ORITZ asked him to summarize the reason for the rapid upward movement related to the Red Mine in the last five years.

MR. GRIFFITH explained that it is related to increasing construction costs and aging facilities. Also, the regulatory environment for drinking water and waste water disposal involves new costs in order to meet compliance standards.

CO-CHAIR MCGUIRE requested charts of numbers of households and funding needs, as well as delineating between new households and those doing upgrades.

MR. GRIFFITH agreed to provide the charts to the committee.

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He noted that the cost of operating a water and sewer system in rural communities is much greater than anywhere else. In the Lower 48 and in large Alaska communities it takes 1 percent of the average income to fund a sewer and water system, but in rural communities it takes 5 percent.

He concluded that innovative approaches are needed to address health problems associated with water and sewer deficiencies.

MR. GRIFFITH spoke of the Alaska Water and Sewer Challenge which began in 2013. Some key components are that it is private sector driven and ownership of all intellectual property is retained by project teams. Multi-disciplinary teams looked at the problems of rural sewer and water with a decentralized approach - household level systems. Three teams are putting together pilot systems which will be evaluated by DEC. Focus group members from throughout rural Alaska are working with the teams.

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REPRESENTATIVE JOHNSON asked if the project teams are contractors.

MR. GRIFFITH explained that two of the three teams are private sector driven and the third is led by University of Alaska-Anchorage.

REPRESENTATIVE JOHNSON asked why private companies retain intellectual properties when the funding is coming from federal or state sources.

MR. GRIFFITH clarified that DEC felt that the teams would be motivated to invest in the projects.

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SENATOR COGHILL noted that some teams have invested in the projects. He asked if a company from Fairbanks was involved.

MR. GRIFFITH didn't know. He noted that DEC is looking at the containerized approach for smaller communities such as Akiak.

SENATOR COGHILL suggested using a consistent design and allowing competition.

CO-CHAIR MCGUIRE thought it could be an opportunity for entrepreneurial efforts. She said projects are more marketable when the cost of energy is lowered.

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MR. GRIFFITH noted that the United States has assumed chairmanship of the Arctic Council. He said DEC has been working with the State Department on a recommendation to hold an International Conference on Water and Sewer Service in Rural

Arctic Communities in Anchorage in the fall of 2016. However, it has no funding at this point. The conference would bring together engineers, scientists, researchers, and policy makers from all over the Arctic to address some of the challenges and innovative ideas related to water and sewer service. At that conference DEC would demonstrate the pilot systems it is developing with the Alaska Water and Sewer Challenge.

CHAIR HERRON asked for information about how the two committees could endorse the conference.

MR. GRIFFITH agreed to provide the information.

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CO-CHAIR MCGUIRE noted that Representative Millett was on line.

MR. GRIFFITH shared information about a statewide study to assess the feasibility of piped water and sewer in remaining unserved villages and partially served villages.

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CO-CHAIR MCGUIRE asked what is needed in order to have the conference take place.

MR. GRIFFITH replied the State Department supports the idea of a conference, but does not supply funding for the projects. Federal agency support would be needed.

CO-CHAIR MCGUIRE asked what the conference budget would look like.

MR. GRIFFITH estimated \$200,000.

He turned to the topic of the connection between increased home water use, water quantity and improved health. Studies show a direct link in decreased severe skin infections and respiratory diseases. There is need for further studies and improved education and public outreach regarding better water use practices in homes.

CO-CHAIR MCGUIRE suggested setting a goal of reducing by 50 percent the numbers of households that do not have access to water and sewer. Canada set a goal of eradicating this problem and has actually attained it.

MR. GRIFFITH mentioned the importance of technical service providers for water and sewer systems who provide essential

training and services throughout the state. They are funded primarily through federal assistance grants specific to Alaska.

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He spoke of long term initiatives for future legislative consideration. Local contributions for water and sewer improvements are currently prohibited by the Village Safe Water Act (VSWA). Micro loan programs for small projects in communities might be a solution. He reviewed the history of the VSWA and why it did not include appropriations for water and sewer.

REPRESENTATIVE ORITZ asked how much funding the state contributed this year toward water and sewer programs.

MR. GRIFFITH answered that the state has provided the required match in order to receive federal funding.

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CO-CHAIR MCGUIRE expressed support for the idea of community micro loans.

SENATOR COGHILL thanked Mr. Griffith for his work. He inquired if there are any new ideas for replacing obsolete systems.

MR. GRIFFITH answered that DEC is always looking for innovative ideas. Currently, there is discussion about upgrading old water treatment plants for less cost. He added that they are installing remote monitoring features.

SENATOR COGHILL asked if there are possibilities of financing packages with housing entities like HUD.

MR. GRIFFITH replied there is not much money available from housing programs for water and sewer improvements, but there is for in-home plumbing. He noted that DEC is working closely with the Cold Climate Housing Research Center in Fairbanks.

He pointed out a future need for subsidies for water and sewer improvements to extend the life of the systems and save a lot of money in the long run.

Department of Commerce, Community and Economic Development
Recommendations 3B, 3C, and 3D

[1:45:46 PM](#)

CO-CHAIR MCGUIRE introduced Commissioner Hladick.

CHRIS HLADICK, Commissioner, Department of Commerce, Community and Economic Development (DCCED), explained DCCED Recommendations 3B, 3C, and 3D. He shared his experience of living in the Arctic for 25 years.

He began with Recommendation 3B, which is to reduce power and heating costs in rural Alaskan Arctic communities. He addressed the collaboration between the Alaska Energy Authority (AEA), the Alaska Center for Energy Power (ACEP), and the Alaska Village Electric Cooperative (AVEC), which has been successfully integrating renewables. They are responsible for researching, developing, and constructing energy infrastructure. He shared their new technology goals.

COMMISSIONER HLADICK discussed Administrative Order 272, which is to facilitate collaboration and coordination among governmental and other entities involved with consumer energy. He described the working group that was tasked with lowering the cost of energy and increasing efficiency.

The Alaska Affordable Energy Strategy (SB 138) was set up to provide a source of funding for those who won't have direct access to a North Slope natural gas pipeline. The working group is considering ways to reduce energy costs, long-term planning, and investment strategies.

He said DCCED concurs that long-term strategic planning is needed to address complex issues of change in remote Arctic communities. He discussed objectives of a coordinated planning strategy.

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COMMISSIONER HLADICK turned to current efforts of implementation of Recommendation 3C. He described the Alaska Community Coastal Protection Project blueprint for how to implement 3C for the communities of Shishmaref, Shaktoolik and Kivalina. The objective is to increase community sustainability, resilience to the impacts of climate change and natural hazards.

CHAIR HERRON asked him to share efforts made in Kivalina.

COMMISSIONER HLADICK said the plans necessary to receive funding are in place and a funding source is being sought. A working group is seeking answers if funding is not found.

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He reported that currently funding and technical support for a full-time community coordinator is being provided for each of the three communities. Also, interagency working groups have been organized to assist with the planning effort. The communities and the inter-agency working group is working on a long-term strategic management plan. He noted the plan is community driven and the Department of Environmental Conservation (DEC) is intimately involved with it. So far, no additional funding has been identified. He suggested that the legislature could act to fund future Department of Community and Regional Affairs (CRA) planning efforts and federal and other funding opportunities should be pursued.

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COMMISSIONER HLADICK addressed Recommendation 3D, which is to anticipate, evaluate, and respond to risks from climate change related to land erosion and deterioration of community infrastructure and services, and support community efforts to adapt and relocate when necessary. He explained the Alaska Risk Mapping, Assessment, and Planning (Risk MAP) program, which is funded by FEMA and implemented by the Division of Community and Regional Affairs. It provides communities with tools, resources, and technical assistance they need to achieve greater disaster resilience.

He discussed the Alaska Climate Change Impact Mitigation Program established by the legislature to provide funding and technical assistance for communities with imminent risk of climate-related natural hazards. It has two funding sources, the Hazard Impact Assessment Grants and the Community Adaptation Planning Grants. The Denali Commission has been named as the single coordinating agency for the program.

He addressed future considerations for Recommendation 3D and concluded that a lot of planning had gone into this effort and continued efforts to find federal and alternative funding must be undertaken.

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REPRESENTATIVE ORITZ requested more information about controlling high energy costs. He referred specifically to two weatherization programs currently in effect and asked if they have had any impact in the Arctic.

COMMISSIONER HLADICK answered yes. He listed ways that high energy costs might be controlled. One of the problems is that standards are often not met when completing projects. Schools

need incentives to improve their energy consumption. He suggested that a new home might be financed based on fuel savings.

CO-CHAIR MCGUIRE noted that in 2009 the state put in \$24 million matched by federal government to AHFC for school district loans using the same concept. She asked about Commissioner Hladick's role on the Arctic Council.

COMMISSIONER HLADICK answered that he is one of five people, and the only Alaskan, named to a task force on Arctic Marine Cooperation.

CO-CHAIR MCGUIRE agreed that getting Alaskans involved in working groups is important.

COMMISSIONER HLADICK said there is a request for an Alaskan to get involved in a Sustainable Development Working Group and he volunteered to do so. He said he also has been named to a Marine Protection Working Group.

SENATOR COGHILL thanked him for his involvement and agreed that having a local voice is very important. He asked how local communities manage federal funding.

COMMISSIONER HLADICK responded that the mapping establishes the 100-year flood plain and the insurance program works based on house location.

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CHAIR HERRON commented that many urban dwellers benefitted from the weatherization program. He gave an example of the savings a weatherized home in Bethel might receive.

He requested a report on the Denali Commission.

[2:13:03 PM](#)

JOEL NIEMEYER, Federal Co-Chair, Denali Commission, reported on the implementation of Recommendation 3D. He related that the President Obama appointed an Arctic Executive Steering Committee, which is a high-level group that can effect funding for programs in the Arctic. He noted the Denali Commission will never have the funds needed for adaptation strategies of village relocation or "protect and place" and will need to rely on local, state, and federal funding. The Denali Commission has a coordinating role that is still being worked on. It will provide an opportunity for Alaskans to "get to the policy makers."

Alaska Department of Fish and Game Recommendations 3E and 3F

[2:15:43 PM](#)

GLENN HAIGHT, Executive Director, Alaska Board of Fisheries, Boards Support Section, Alaska Department of Fish and Game, presented Recommendations 3E and 3F. He related that the department is impressed with AAPC's strategies, which correlate with some of the department's programs regarding education and outreach, food security, and the endangered species listings.

He began with a discussion of the department's education and outreach program with a goal to involve communities in the management of fish and wildlife resources. Education toward the goal of connecting people with their natural environment involve hunter education, teacher resources and workshops, events and programs. Working with the Department of Education and Workforce Development, ADF&G provides an Alaska Natural Resource & Environmental Literacy Plan.

He highlighted examples of ADF&G's outreach to communities about critical issues in the Arctic, for example, the Western Arctic caribou, moose in the Upper Koyukuk, Sheefish, Dolly Varden, and marine mammal programs.

He said that AAPC has enhanced the advisory committee system within the Boards program to include more outreach and education. He explained that the Board of Game and Board of Fisheries are not set up by geographic locations and there are two members from Arctic areas on the Board of Fisheries and one on the Board of Game.

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MR. HAIGHT continued to say that there are 84 different advisory committees and 28 are in the Arctic. They are made up of volunteers whose functions are to review and make recommendations on regulatory proposals. They also serve as local forums on issues related to ADF&G. They are often involved in complex management issues.

SENATOR COGHILL advised members to attend an advisory committee meeting. He said they can be very intense.

REPRESENTATIVE MILLETT noted that Anchorage advisory committees don't feel like they are listened to very much. She asked how much consideration the department gives to advisory committee

recommendations. She said three members resigned because they felt like they were being blocked.

MR. HAIGHT replied that the department was aware of this situation so he reviewed Anchorage's suggestions and it appeared that 80 percent of them were taken into consideration. He added that Fairbanks has also had a hard time working with the boards and he would continue to work with them. This issue is on the Board of Fisheries' agenda.

MR. HAIGHT commented that ADF&G has started two programs: a recognition program to highlight work the advisory committees do and a training program so they can be more effective at board meetings.

MR. HAIGHT turned to Recommendation 3F - to enforce measures that protect and help further understanding of food security of Arctic peoples and communities. It encompasses many topics, such as economic independence, emergency preparedness, health, nutrition, and sustainable food production. The Commission requested that ADF&G focus on cultural dependence on a living resource of a region (subsistence).

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He related that subsistence foods are researched and measured and managed for sustainability. They are the first priority in consumptive uses. He pointed out that over 90 percent of Arctic households use fish and game resources.

The Division of Subsistence has done extensive research. The issue of food security has been targeted since 2004 by communities and a level of concern is being raised. The Department of Commerce, Community and Economic Development (DCCED) is also involved in subsistence research on food contaminants. He emphasized that subsistence is a priority and is measured and managed by the Divisions of Wildlife Conservation, Sport Fish, and Commercial Fisheries.

MR. HAIGHT addressed climate change. He said in 2007 the state created a subcabinet led by DEC on climate change. He continued that ADF&G's part was to develop a climate change strategy in order to focus on the likely effects on fish and wildlife and their uses and to develop adaptations and strategies to address these effects.

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CHAIR HERRON requested the status of that information as it originally appeared and as it is currently.

BRUCE DALE, Director, Division of Wildlife Conservation, Alaska Department of Fish and Game (ADF&G), answered questions related to food security of the Arctic people. He said he didn't have that information and offered to provide it later.

MR. HAIGHT addressed Recommendation 3G, to identify and promote industry, community and state practices that promote sustainability of subsistence resources while protecting against undue Endangered Species Act (ESA) listings and broad-brush critical habitat designations. He stated there has been close collaboration between ADF&G and the Department of Law on the science and the law related to this issue.

2:34:13 PM

CO-CHAIR GIESSEL asked if ADF&G is collecting data on the Alexander Archipelago wolf.

MR. HAIGHT replied they have been conducting research on the Prince of Wales wolf since the late 80s and have substantial data from a variety of methods. He estimated that the figure of 24 wolves per thousand square kilometers has dropped to 12. It is still the highest wolf density in Alaska. Prince of Wales deer do not need to be listed and can support the wolf population.

CO-CHAIR GIESSEL understood that those wolves need to be identified as a unique subspecies.

MR. HAIGHT answered that the U.S. Fish and Wildlife Service (FWS) concluded they could be listed as a distinct population segment and listed them as such. The state considers them just another Southeast wolf.

REPRESENTATIVE ORITZ said he is from Ketchikan and asked if ADF&G is not going to recommend listing them as an endangered species, but FWS is.

MR. HAIGHT clarified the petition to list them as endangered came from non-governmental organizations (NGOs).

REPRESENTATIVE ORITZ asked if there is cooperation between FWS and ADF&G.

MR. HAIGHT answered at times. He stressed that it is a very hotly contested issue. There is a lot of uncertainty and controversy.

Department of Law Recommendation 3G

[2:43:36 PM](#)

BRAD MEYEN, Senior Assistant Attorney General, Natural Resources Section, Department of Law (DOL), explained legal positions regarding Endangered Species Act (ESA) listings. He related that DOL works closely with ADF&G to protect food security and subsistence resources as they relate to ESA rulings. He gave several examples of restrictions and exceptions of ESA rulings.

He shared the process of ESA reviews and described how petitions go through to a final decision and critical habitat designation. He stressed that it is a process consisting of many stages.

CO-CHAIR GIESSEL asked how long he has been working on ESA listings.

MR. MEYEN said since December of 2007.

CHAIR HERRON asked if he is the only one who works on ESA issues.

MR. MEYEN replied that he is the only designated attorney in DOL who works on ESA issues, but outside counsel also assists in litigation, as do other assistant attorney generals, as needed.

CHAIR HERRON said it looks like Alaska has been successful most of the time. He asked if there is a pending "hot list" of federal listings.

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MR. HAIGHT reported that the Northern Bog Lemming and Phalaropes (Wadepipers) in the North Slope are on the radar.

SENATOR COGHILL asked how other Arctic countries deal with endangered species protection and whether ESA is unique to the United States.

MR. MEYEN replied that endangered species listings are worldwide, but Alaska is the only state where certain species exist and is the only area where critical habitat can be designated for those species under ESA. He used the polar bear as an example.

SENATOR COGHILL asked for a comparison of America to other Arctic nation's regulations.

MR. MEYEN didn't know how other countries deal with their endangered species. He opined that the U.S. Fish and Wildlife Service and the National Marine Fisheries Service computer models contain pretty extreme projections out one hundred years.

SENATOR COGHILL suggested that Alaska think internationally, as well, when discussing endangered species issues with other Arctic nations.

MR. HAIGHT said that Canada appears to have a program similar to the United State program. He noted that marine mammals are also managed under a global treaty called the Marine Mammal Protection Act. The management of the Chukchi Sea polar bear quota is an example.

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MR. MEYEN added an example regarding the ringed seals.

He explained the role between the state and federal agencies in terms of ESA management. He focused on Section 4(i), a provision that states that the Secretary must submit to the state a written justification for the failure to adopt state regulations. He gave several examples where the state prevailed.

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MR. MEYEN reported on three state-challenged critical habitat case appeals. He predicted that by the end of 2015 all of these cases would be resolved.

SENATOR COGHILL asked if the 9th Circuit Court is under a timeline.

MR. MEYEN answered no.

CO-CHAIR MCGUIRE asked if the state would appeal the 9th Circuit Court decisions.

MR. MEYEN answered that it would depend on the reason for denial.

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MR. MEYEN addressed the collaboration on endangered species litigation between the Association of Fish and Wildlife

Agencies, a coalition of the 50 state agencies, the Western Association, which includes 22 western agencies and several Canadian provinces, as well as the Western Governors Association, Native organizations, and local governments, especially the North Slope Borough. There also has been cooperation with the ESA Federal Task Force. He added that the current chair of the Western Governors Association is Wyoming's Governor Lee who is focusing on ESA reforms.

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MR. HAIGHT added that Alaska is participating in the Western Governors Association Task Force in November of 2015.

SENATOR COGHILL requested notices of such meetings.

CO-CHAIR MCGUIRE agreed. She said three committees, Arctic Policy, Judiciary, and Resources would be impacted.

Department of Labor and Workforce Development Recommendation 3H

[3:03:59 PM](#)

MIKE ANDREWS, Director, Division of Employment and Training Services, Department of Labor and Workforce Development (DOLWD), addressed Alaska Arctic Policy Commission Recommendation 3H. The purpose of 3H is to create workforce development programs to prepare Arctic residents to participate in all aspects and phases of Arctic development. He shared the policies related to the recommendation: promote economic and resource development, address the response capacity gap, support healthy communities, and strengthen state-based science and research agenda.

He listed areas identified by the Arctic Council: emergency and environmental response, search and rescue, telecommunications, maritime, ports, road and civil construction, oil and gas development, and facility operations. He named the workforce plans that the state already has in place, all of which are aligned with Alaska's Career and Technical Education Plan.

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MR. ANDREWS discussed the current Arctic labor market, including unemployment and workforce statistics. He provided data about jobs provided by the oil and gas industry, local government, and mining. He spoke of workforce challenges, such as attracting and training young people to the Arctic workforce.

He emphasized Governor Walker's priority of a renewed focus on Alaska hire and that the department will expand training and

apprenticeships in the areas of mining, maritime, oil and gas, and health care. The department was awarded a grant of \$3 million from the U.S. Department of Labor to expand apprenticeships in health care occupations.

CHAIR HERRON asked Mr. Andrews to explain enforcement against worker misclassification and labor trafficking, as shown in the slide presentation.

MR. ANDREWS explained that it seeks to prevent importing employers and workers that are not up to state standards.

[3:12:11 PM](#)

He highlighted the University of Alaska's role in Arctic workforce development with quality programs and training.

CO-CHAIR GIESSEL said she has heard that 90 percent of Alaska Marine Highway's Masters and Mates are not Alaska residents. She asked if Mr. Andrews was aware of that.

MR. ANDREWS replied that he didn't know the answer to that, but he offered to find out. He said that the maritime industry has the largest number of jobs in the state at about 70,000.

SENATOR COGHILL pointed out that Greenland, Finland, and Sweden are probably trying to do the same type of training for occupations in the Arctic and wondered if Alaska could collaborate with them.

MR. ANDREWS answered that he has not looked into that, but was aware that it was also taking place in other countries.

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SENATOR COGHILL suggested that Alaska might benefit by participating in regional and international training centers.

MR. ANDREWS agreed. He thought it would be very beneficial in the area of maritime jobs.

He shared information on regional training centers, such as in Kotzebue, Nome, Barrow, King Salmon, and Bethel.

REPRESENTATIVE ORTIZ asked if Alaska is losing oil industry jobs due to lack of training and if there were any training centers specific to that industry.

MR. ANDREWS answered that he has seen more new hires of workers who don't live in Alaska, especially in Prudhoe Bay. He stated that more has to be done to create direct access for Alaskans in all industries.

REPRESENTATIVE ORTIZ asked if the trend is to hire more local residents and the situation is improving.

MR. ANDREWS noted the fact that only 2 percent are local hires is problematic. He stressed that direct access to the jobs must be improved.

CO-CHAIR GIESSEL asked him to define "local resident."

MR. ANDREWS thought it meant "folks from the North Slope Borough."

CO-CHAIR GIESSEL asked if he was sure.

MR. ANDREWS answered he would confirm that.

CO-CHAIR GIESSEL asked how the data was collected.

MR. ANDREWS answered that the state collected it from PFD applications and employment statistics.

CO-CHAIR GIESSEL recalled a private organization that did a study and came up with a different number for jobs held by non-Alaskans. She requested more data.

MR. ANDREWS highlighted the Fairbanks Pipeline Training Center and Seward's Alaska Vocational Technical Education Center (AVTEC) which has training programs for maritime workers.

He addressed key Arctic workforce planning principles: career & technical education planning for Arctic economic and workforce development, directly involve industry, regional employers, educators, and community representatives, and training programs focused and designed for sustainability. He shared a plan to perform an Arctic region economic and workforce analysis that will be sent to the Arctic Policy Council in the spring of 2016.

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CHAIR HERRON recommended providing an update to Senator Giessel's questions on employment data with the report to the Arctic Policy Council.

[3:28:57 PM](#)

CHAIR HERRON opened public testimony.

MARK BRZEZINSKI, Executive Director, Arctic Executive Steering Committee, testified about the federal government's perspective of the future of the Arctic. He said he had been working with Beth Kerttula to spearhead a unity of purpose on the part of the federal government regarding the future of the Arctic, a core mission of the newly formed Arctic Executive Steering Committee. He shared the genesis, goals, and priorities of the committee, which was created by President Obama by executive order in January 2015. Its mission covers domestic and international issues and its core goals are to set and evaluate priorities, especially those the President made after visiting Alaska, to accelerate and integrate a full coordinating effort with the state, local, and tribal entities, and to proactively support the U.S. chairing the Arctic Council. He stressed the importance of the President's visit and the need to work globally on the challenges of the Arctic. He noted that three important commitments were made following the President's visit.

[3:38:14 PM](#)

BETH KERTTULA, Director, National Ocean Council, testified during the presentation of the Alaska Arctic Policy Commission's Implementation Plan. She said she could see Mark Brzezinski's deep commitment to Alaska and the Arctic. She listed several projects the federal government is involved with in the Arctic, such as the mapping project.

CHAIR HERRON stated he was glad to see the federal government recognizing the importance of Arctic policy and wanting to have an earnest conversation about the Arctic. He stressed the importance of the legislature's role in the conversation.

SENATOR COGHILL said he was looking forward to international cooperation. He opined that U.S. federal regulations appear to be more burdensome than in other Arctic nations and he wished to see them aligned.

CHAIR HERRON agreed. He stated that the federal government seems to hold Alaska to a different standard than the other 49 states.

MR. BRZEZINSKI said he welcomed learning about important, specific Alaskan concerns. He pointed out that regarding international cooperation, the United States is "in the catbird seat" as the leader of the Arctic Council and could advance priorities.

MS. KERTTULA noted the importance of agency coordination on Arctic positions and policies.

MR. BRZEZINSKI related how he followed up on Senator McGuire's concern about communication with the Department of Energy.

CO-CHAIR MCGUIRE said she is relieved and thanked him.

[3:49:52 PM](#)

VIVIAN KORTHUIS, Vice President of Community Services, Association of Village Council Presidents (AVCP), testified on ways to help support healthy communities. She said everything the tribe does in their region "is Arctic" because the Arctic is their home. She spoke of their goal for healthy communities and shared AVCP's recommendations.

CHAIR HERRON noted the committee had a copy of the recommendations. He asked her about the top two.

MS. KORTHUIS said these are not the only things that can be implemented in the region. She highlighted the recommendations of the holistic approach and the partnership with the Cold Climate Research Center, and the Emergency Response Center Project, and others.

CHAIR HERRON thanked her for her patience in waiting to testify.

[3:59:22 PM](#)

KATE BLAIR, Committee and Projects Coordinator, Alaska Oil and Gas Association (AOGA), shared AOGA's role in Arctic policy. She stated AOGA's mission and thanked the Arctic Policy Commission for their work on the implementation plan and the follow through. She opined that the document reflects the opinions of Alaskans and is a meaningful guide.

MS. BLAIR spoke to Recommendation 3E saying AOGA strongly encourages education efforts that increase public awareness of living natural resources and their impact on the state. She suggested including all natural resources such as timber, coal, minerals, oil, and gas.

She also suggested that Recommendation 3G include strong support by AOGA when challenging federal government ESA listings used to halt or delay development. She encouraged the legislature to include funding to continue litigation in ESA matters.

CO-CHAIR MCGUIRE asked if AOGA had filed an amicus curiae brief in the most recent ESA cases.

MS. BLAIR said she would have to follow up on that question.

SENATOR COGHILL suggested that the committee take seriously Ms. Blair's comment about including all natural resources.

CHAIR HERRON concurred. He shared an experience in King Cove.

4:04:55 PM

CO-CHAIR GIESSEL thanked everyone and adjourned the joint meeting of the Senate Special Committee on the Arctic and the House Special Committee on Economic Development, Tourism & Arctic Policy at 4:04 p.m.