

ALASKA STATE LEGISLATURE
SENATE SPECIAL COMMITTEE ON THE ARCTIC

March 19, 2015

11:20 a.m.

MEMBERS PRESENT

Senator Cathy Giessel, Co-Chair
Senator Lesil McGuire, Co-Chair
Senator Gary Stevens
Senator John Coghill
Senator Donald Olson

MEMBERS ABSENT

Senator Lyman Hoffman
Senator Click Bishop

COMMITTEE CALENDAR

SENATE JOINT RESOLUTION NO. 16

Expressing support for the Arctic Economic Council; and 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.

- MOVED CSSJR 16(ARC) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SJR 16

SHORT TITLE: ARCTIC ECONOMIC COUNCIL

SPONSOR(S): SENATOR(S) MCGUIRE

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|----------|-----|---------------------------------|
| 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 |

WITNESS REGISTER

TREVOR GUTIERREZ, Staff
Senator Lesil McGuire
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented an overview of SJR 16 on behalf of the sponsor.

TARA SWEENEY, Vice Chair
Arctic Economic Council
Anchorage, Alaska

POSITION STATEMENT: Presented information on the origin of the Arctic Economic Council (AEC).

LORI DAVEY, General Manager
Fairweather
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SJR 16 as a member of the Arctic Economic Council (AEC).

ACTION NARRATIVE

[11:20:38 AM](#)

CO-CHAIR LESIL MCGUIRE called the Senate Special Committee on the Arctic meeting to order at 11:20 a.m. Present at the call to order were Senators Stevens, Coghill, Co-Chair Giessel, and Co-Chair McGuire.

SJR 16-ARCTIC ECONOMIC COUNCIL

[11:21:18 AM](#)

CHAIR MCGUIRE announced the consideration of SJR 16.

CHAIR MCGUIRE explained SJR 16 as sponsor of the resolution.

[11:22:43 AM](#)

TREVOR GUTIERREZ, Staff, Senator Lesil McGuire, Alaska State Legislature, presented an overview of SJR 16 on behalf of the sponsor. He read the following sponsor statement:

SJR 16 "Expressing support for the Arctic Economic Council; and 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."

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 urges the federal government to work to empower residents of Alaska, especially indigenous residents, as partners in the Arctic Economic Council. It 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.

[11:24:07 AM](#)

CHAIR SENATOR MCGUIRE requested a motion to adopt the new committee substitute.

CO-CHAIR GIESSEL moved to adopt the CS for SJR 16, labeled 29-LS060\H, as the working document. There being no objection, it was so ordered.

CO-CHAIR MCGUIRE opened public testimony.

[11:25:11 AM](#)

TARA SWEENEY, Vice Chair, Arctic Economic Council, presented information on the origin of the Arctic Economic Council. She related that the Arctic Economic Council (AEC) was created by the Arctic Council (AC) under the leadership of Canadian Minister and Arctic Council Chair Leona Aglukkaq. There are 42 members of AEC from the United States, Canada, Denmark, Greenland, Iceland, Norway, Finland, and Russia. In addition, there are six permanent participant organizations; the Inuit Circumpolar Council, Arctic Athabaskan Council, Gwich'in Council International, Aleut International Association, Saami Council, and the Russian Association of Indigenous Peoples of the North.

MS. SWEENEY related that the U.S. is an Arctic state due to the strategic location of Alaska. Alaska has three business representatives, Crowley Maritime, Fairweather, and Bering Straits Native Corporation. The U.S. also has representation in four of the six permanent participants. All U.S. members of AEC are Alaskans, which is important because Alaskans are about to embark on a strategic journey to help shape guiding principles for doing business in the Arctic. The U.S. delegation has proposed to have the chairmanship of AEC mirror the same rotation structure of the Arctic Council, which means in April the chair would transfer to the U.S. for both AEC and AC, and would demonstrate to other circumpolar nations that there is support within the U.S. for AEC. Support from the Alaska Legislature strengthens the position of the Alaskans representing the U.S. on AEC.

[11:28:45 AM](#)

CO-CHAIR MCGUIRE thanked Ms. Sweeney for her work. She commented on the process of choosing Alaskan leadership on the AC and the representative to AEC. She related that the federal government requested that Senators Herron and McGuire participate, who then invited others to help lead AEC. SJR 16 requests that the chair of AEC be from Alaska.

She listed the main tasks of AEC; to foster business development in the Arctic, engage in deeper circumpolar cooperation, and provide a business perspective to the work of the AC.

[11:32:10 AM](#)

CO-CHAIR GIESSEL commented that economic strength helps cultures grow and thrive and that is what AEC is about. The Arctic is a place where people live and wish to prosper and develop technology, resources, and economic strength.

SENATOR COGHILL asked Ms. Sweeney what to consider in the business climate in the Arctic.

MS. SWEENEY said AEC adopted five overarching themes: establishing strong market connections between Arctic states, encouraging public/private partnerships for infrastructure investment, creating stable and predictable regulatory framework, facilitating the knowledge and data exchange between industry and academia, and traditional indigenous knowledge, stewardship and focus on small business in the Arctic.

CO-CHAIR MCGUIRE requested a copy of those principles.

MS. SWEENEY said she would send a Power Point to that effect.

11:34:47 AM

SENATOR COGHILL noted a focus on working with Russian counterparts. He asked for an update.

MS. SWEENEY said AEC is establishing relationships with all Arctic states, including Russia. She related that there are good contacts with Russia. She said she sits on the executive committee and meets every three weeks with Canada, Finland, and Russia.

SENATOR COGHILL was interested in the methods of working together. He wished to know how to work best with Russia.

MS. SWEENEY said that AEC shares that interest. She spoke to the Bering Strait Native Corporation's involvement.

SENATOR COGHILL asked how the legislature could make connections with local dumas.

CO-CHAIR MCGUIRE noted the arrival of Senator Olson.

She said there have been conversations about connecting with Russia via a дума exchange. The Governor has stated that Alaska is re-joining the Northern Forum. She stressed the importance of Alaska's connections with Russia. She suggested working together.

MS. SWEENEY concluded that AEC is interested in serving as a resource to the legislature in that capacity.

11:39:04 AM

NILS ANDREASSEN, Executive Director, Institute of the North, provided information on the Institute of the North. He stated that AEC is one of Canada's more important accomplishments during the last two years. He said AEC's theme is economic development by the people of the North. He voiced appreciation for Alaska's delegation to AEC.

He spoke of the challenge regarding how AEC relates to the Arctic Council. Many of the Arctic nations have been supportive of that linkage. He spoke in support of SJR 16, which suggests that the U.S. supports AEC and its relationship with the Arctic Council. He maintained that AC needs a business voice. He reminded the committee of the responsibility to talk about economic development in the North. He stressed the importance of

promoting Alaska as an Arctic state and the U.S. as an Arctic nation.

[11:44:03 AM](#)

SENATOR COGHILL thanked Mr. Andreassen for his work. He commented that "a sustainable and healthy ecosystem only works if you have a healthy, vibrant economic system." He concluded that they have to work hand in hand.

MR. ANDREASSEN agreed and said it is an obligation of the U.S. chairmanship to remind others of this.

SENATOR STEVENS noted that the frantic mood of dealing with the Arctic has changed and now the process is more logical. We are taking the time to move ahead properly. He asked if that is Mr. Andreassen's reading of the situation.

MR. ANDREASSEN opined that the pace is just right. Governments, industries, and communities around the Arctic are responding and are developing policy.

[11:47:09 AM](#)

LORI DAVEY, General Manager, Fairweather, testified in support of SJR 16. She said she is also a member of AEC.

CO-CHAIR MCGUIRE thanked Ms. Davey for her service.

MR. GUTIERREZ presented information about why Alaska should care about the Arctic and why the Arctic is important. He contrasted the purposes of AC and AEC.

He described why the AEC was created and listed its objectives. He described the governance of AEC and how the meetings take place. He turned to the organizational structure of the AC and showed a map of the Arctic countries.

[11:51:39 AM](#)

MR. GUTIERREZ listed the permanent participants on the AC and the observing nations and organizations. He described the AC working groups.

He explained what SJR 16 will do. It recognizes the importance of the Arctic Economic Council in providing a forum for residents of the state to give input on policies. The state of Alaska holds a strategic position as the gateway to the Arctic. Alaska will benefit from the efforts of AEC. It seeks to empower

the U.S. EC delegation, which consists entirely of residents of this state.

He concluded that in SJR 16, the Alaska State Legislature expresses its confidence and support for AEC. The legislature respectfully requests that Congress express support for AEC. It requests that the chair of AEC be a resident of Alaska and for the structure of AEC leadership to mirror the rotation of the chair of the Arctic Council.

[11:54:12 AM](#)

SENATOR GIESSEL moved to report CSSJR 16(ARC) from committee with individual recommendations. There being no objection, the motion carried.

[11:54:43 AM](#)

There being nothing further to come before the committee, Senator McGuire adjourned the Senate Special Committee on the Arctic at 11:54 p.m.