

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

April 20, 2017

11:32 a.m.

**MEMBERS PRESENT**

Representative Dean Westlake, Chair  
Representative Andy Josephson  
Representative Chris Tuck  
Representative Mark Neuman  
Representative David Talerico

**MEMBERS ABSENT**

Representative Bryce Edgmon  
Representative Gary Knopp

**COMMITTEE CALENDAR**

HOUSE JOINT RESOLUTION NO. 19

Commending the Arctic Waterways Safety Committee; supporting the adoption of prevention measures into international agreements to ensure clear, universal, and enforceable marine safety measures in the Arctic; and urging the state's delegation in the United States Congress and the governor to promote the adoption of spill prevention measures into international agreements; urging the President of the United States and the United States Department of State to initiate negotiations to enter into international agreements to ensure safe and environmentally responsible marine operations in the Arctic.

- HEARD & HELD

PRESENTATION(S): MARINE EXCHANGE OF ALASKA

- HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: HJR 19

SHORT TITLE: ARCTIC MARINE SAFETY AGREEMENTS

SPONSOR(S): REPRESENTATIVE(S) WESTLAKE

04/07/17	(H)	READ THE FIRST TIME - REFERRALS
04/07/17	(H)	AET

04/11/17 (H) AET AT 11:30 AM BARNES 124  
04/11/17 (H) Scheduled but Not Heard  
04/20/17 (H) AET AT 11:30 AM BARNES 124

#### **WITNESS REGISTER**

JESSE LOGAN, Staff  
Representative Dean Westlake  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HJR 19 on behalf of Representative Westlake, prime sponsor, with the use of a PowerPoint presentation.

WILLIAM HARRINGTON  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HJR 19.

ED PAGE, Executive Director  
Marine Exchange of Alaska (MXAK)  
Juneau, Alaska

**POSITION STATEMENT:** Co-presented on Marine Exchange of Alaska with the use of a PowerPoint presentation.

PAUL FUHS, President  
Board of Directors  
Marine Exchange of Alaska (MXAK)  
Juneau, Alaska

**POSITION STATEMENT:** Co-presented on Marine Exchange of Alaska with the use of a PowerPoint presentation.

RACHAEL KALLANDER, Founder and Executive Director  
Arctic Encounter Symposium (AES)  
Cordova, Alaska

**POSITION STATEMENT:** Testified in support of HJR 19.

#### **ACTION NARRATIVE**

[11:32:31 AM](#)

**CHAIR DEAN WESTLAKE** called the House Special Committee On Arctic Policy, Economic Development, and Tourism meeting to order at 11:32 a.m. Representatives Josephson, Talerico, Westlake, and Neuman were present at the call to order. Representative Tuck arrived as the meeting was in progress.

#### **HJR 19-ARCTIC MARINE SAFETY AGREEMENTS**

[11:33:11 AM](#)

CHAIR WESTLAKE announced that the first order of business would be HOUSE JOINT RESOLUTION NO. 19, Commending the Arctic Waterways Safety Committee; supporting the adoption of prevention measures into international agreements to ensure clear, universal, and enforceable marine safety measures in the Arctic; and urging the state's delegation in the United States Congress and the governor to promote the adoption of spill prevention measures into international agreements; urging the President of the United States and the United States Department of State to initiate negotiations to enter into international agreements to ensure safe and environmentally responsible marine operations in the Arctic.

[11:33:28 AM](#)

The committee took an at-ease from 11:33 a.m. to 11:39 a.m.

[11:39:12 AM](#)

JESSE LOGAN, Staff, Representative Dean Westlake, Alaska State Legislature, presented HJR 19 on behalf of Representative Westlake, prime sponsor, with the use of a PowerPoint presentation [hardcopy available in the committee packet]. He mentioned that formerly he was a policy advisor to the Alaska Arctic Policy Commission (AAPC). He relayed that HJR 19 deals primarily with marine safety prevention measures as they pertain to international traffic in the Bering Straits and bilateral agreements with Russia.

MR. LOGAN relayed that Slide 2 cites the Alaska statute and the federal Act defining the "Arctic." He noted the yellow box on Slide 2 demonstrating the constriction point of the Bering Strait. He referred to Slide 3, entitled "Bering Strait Transits 2008-2016," which illustrates the vessel traffic in the Bering Strait during the last few years. He credited the Marine Exchange of Alaska (MXAK) for the graph.

MR. LOGAN mentioned that the proposed resolution outlines some of the needs and challenges in ensuring that all vessels transiting the Bering Strait adhere to the same safety and prevention measures. He explained that beyond three miles from shore and up to the end of the Exclusive Economic Zone (EEZ), the strait is under federal jurisdiction; beyond that, it is in international and Russian waters. He asserted that the focus of

the proposed resolution is the vessel traffic in the Bering Strait.

MR. LOGAN stated that the proposed resolution commends the formation of the Arctic Waterway Safety [Committee] (AWSC), urges the governor and the state's congressional delegation to promote the adoption of the spill prevention measures and international agreements, and urges the President of the United States and the U.S. Department of State (DOS) to initiate negotiations with the state's coastal neighbors to enter into agreements to ensure safe and environmentally responsible marine operations in the Arctic.

MR. LOGAN relayed that without the uniform safety and prevention measures for all vessels transiting Alaska waters, the state becomes increasingly vulnerable to adverse effects in the event of a mishap or a tragedy. He mentioned that later in the committee meeting, Paul Fuhs [President of the Board of Directors, MXAK] and Captain Ed Page [Executive Director, MXAK] will provide background on MXAK and offer more detail on how the proposed resolution would fit into international agreements.

MR. LOGAN continued with Slides 4 and 5 to explain state policy and the function of AAPC, which has been in existence for just over two years. He stated that the goal of the commission was to develop an Arctic policy for the state and create an implementation plan for the policy. He said that for two years the commission convened public meetings around the state: the first was in Juneau; then meetings were held in Anchorage, Fairbanks, Barrow, Kotzebue, Nome, and Unalaska. He mentioned that each meeting began with a full day of listening sessions - gathering information from local leaders, community members, and stakeholders - to make the process as inclusive as possible.

MR. LOGAN referred to Slide 6 and relayed that in 2015 the commission delivered its Final Report, the Implementation Plan [for Alaska's Arctic Policy], and the Executive Summary, provided in the committee packet and available electronically on the website, "akarctic.com."

MR. LOGAN turned to Slide 7, entitled "Alaska's Arctic Policy," to highlight portions of the policy now codified in statute. He mentioned that the policy was a direct result of work by AAPC and former Representative Bob Herron, who introduced House Bill 1 in the Twenty-Ninth Alaska State Legislature, 2015-2016. He cited AS 44.99.105(a)(2)(A), which read, "strengthen and expand

cross-border relationships and international cooperation, especially bilateral engagements with Canada and Russia."

MR. LOGAN referred to Slide 8 and cited AS 44.99.105(a)(3)(A), shown on Slide 8, which read, "enhance disaster and emergency prevention and response, oil spill prevention and response, and search and rescue capabilities in the region." He cited subparagraph B, which read, "provide safe, secure, and reliable maritime transportation in areas of the state adjacent to the Arctic." He relayed that one of the most significant issues with maritime transportation in the Bering Strait is that the U.S. has jurisdiction over only a portion of it. He asserted that if all transiting vessels are not adhering to the same regulations, then it is possible that Alaska would see the adverse effects of the dangers mentioned in this statute.

MR. LOGAN referred to AS 44.99.105(b), displayed on Slide 9. He said that the state has decided in policy to support the strategic recommendations of the implementation plan and to address the infrastructure and response capacity to support the Arctic region.

[11:43:59 AM](#)

MR. LOGAN referred to Slide 10, entitled "Arctic Policy Implementation Plan FOUR LINES OF EFFORT." He relayed that in the Implementation Plan, each of the four lines of effort are broken into multiple recommendations identifying the problem, the lead agency, and the plan for implementation. He stated that it was a "tool book" advising policy makers on a starting point, (indisc.--coughing) players, and how to move forward.

MR. LOGAN referred to Slide 11, entitled "LINE OF EFFORT #2 ADDRESS RESPONSE CAPACITY." He stated that response capacity requires strong partnership and communication to prepare for incidents, respond, and develop best practices.

MR. LOGAN referred to Recommendation 2A on Slide 12, which is to ensure strengthened capacity within the Administration to address Arctic maritime, science, climate, and security issues. He mentioned that the lead agency was the Governor's Office. He stated that HJR 19 specifically speaks to the governor working with other stakeholders and the [Alaska] U.S. congressional delegation to support bilateral agreements on marine safety standards within the Bering Strait and elsewhere.

MR. LOGAN referred to Recommendation 2C on Slide 13, which is to expand the development of appropriately integrated systems to monitor and communicate Arctic maritime information. He stated that MXAK and the Alaska Ocean Observing System (AOOS) were identified as the lead agencies for this recommendation. He mentioned that a presentation from MXAK is scheduled later in the committee meeting. He noted the map on Slide 13 showing the major Arctic shipping routes; three of the routes converge in the Bering Strait.

MR. LOGAN referred to Recommendation 2H on Slide 14, which is to foster and strengthen international partnerships with other Arctic nations and to establish bilateral partnerships with Canada and Russia to address emerging opportunities and challenges in the Arctic. He stated that the lead agencies for this recommendation are the Office of International Trade, Alaska's Congressional Delegation, U.S. DOS, and the President of the United States. He referred to the Northeast Passage, shown on the slide, and asserted that it is vitally important not only because it is open for increased vessel traffic, but because it reduces vessel transit by ten days and 10,000 kilometers. It represents savings for shipping to the Far East and is increasingly being utilized.

MR. LOGAN referred to Slide 15, a repeat of Slide 3, to emphasize that increased vessel traffic positions Alaska uniquely. Vessels not calling on Alaska or U.S. ports are considered innocent passage and are not subject to U.S. safety prevention measures - increasingly a cause for concern.

[11:47:34 AM](#)

REPRESENTATIVE TUCK mentioned that he viewed a digital video disc (DVD) on the Northwest Passage. He said that the route shown on the map on Slide 14 is one of the two routes that explorers tried to find for many years. He relayed that he learned from the DVD that 15-25 percent of the world's supply of oil and natural gas is in that region.

[11:48:20 AM](#)

CHAIR WESTLAKE opened public testimony on HJR 19.

[11:48:43 AM](#)

WILLIAM HARRINGTON offered his congratulations on the intent and timeliness of the proposed resolution. He offered that lines 9-

12, on page 2, of HJR 19, clearly state that Alaska's ability to control other nations' Arctic oil and gas ventures is nonexistent. He relayed that on April 19, 2017, British Broadcasting Corporation (BBC) Japan broadcasted a show featuring Russian-Japanese collaboration to deliver Arctic gas to Japan via huge Liquefied natural gas (LNG) tankers. He said a \$200 million Japanese investment was mentioned. He claimed it was not possible to fully gauge the entire situation from this reputable news source. He concluded that LNG tankers will ply the Bering Strait and the Arctic if the Russian-Japanese consortium has its way. He added that his modeling shows this to be 12 to 15 years in the future. He urged that Alaska not pursue a gas pipeline to tide water.

[11:50:26 AM](#)

CHAIR WESTLAKE closed public testimony on HJR 19.

[11:50:40 AM](#)

REPRESENTATIVE NEUMAN relayed that when he worked with AAPC in its first year, his office worked on infrastructure and wildlife policies. He stated that regarding infrastructure, there was much discussion on location of entry ports to the Arctic; both Dutch Harbor and the Northwest region were considered. He asked for an update on that issue.

[11:51:34 AM](#)

MR. LOGAN answered that the question is longstanding, especially as it relates to a deep-water port, which does not exist north of Dutch Harbor - 800 miles from the Arctic Circle. He said that [the possibility of] a dual port in Nome and Port Clarence was most recently identified by the federal government and the Army Corps of Engineers (ACE). He mentioned that an earlier HAET committee meeting provided an update on what Nome is doing to bring the port to fruition. He said that Cape Blossom near Kotzebue has also been considered. He opined that other communities would undoubtedly wish to have a port as well.

MR. LOGAN stated that one of the final reviews of ACE concerning the deep-water port in Nome specifically stated that without an anchor tenant, such as oil and gas drilling in the Chukchi or Beaufort Sea, a port there may not be economically viable. He added that with the right kind of agreements with Russia for vessel transiting, there may be opportunities for transiting vessels to call on ports. He added that Adak has the capacity

to be a storage and distribution center for vessels with ice navigation capabilities "to come down through the Northeast Passage, drop their cargo in Adak, and move back and stay within icy waters where other vessels can then distribute to either the U.S. or to Asia."

REPRESENTATIVE NEUMAN asked for the locations of the U.S. Coast Guard (USCG) ports in Alaska besides Kodiak.

MR. LOGAN responded that to the best of his knowledge Kodiak is the main station, and USCG has temporary stations north of Barrow and out of Kotzebue for Arctic exercises.

REPRESENTATIVE NEUMAN shared that Alaska's congressional delegation has been working very hard to get a U.S. ice breaker, which he hopes would be stationed in Alaska.

[11:53:59 AM](#)

CHAIR WESTLAKE announced that HJR 19 would be held over.

**PRESENTATION(S): Marine Exchange of AK**

[11:54:06 AM](#)

CHAIR WESTLAKE announced that the next order of business would be the presentation by Paul Fuhs and Captain Ed Page entitled, "Marine Exchange of AK."

[11:54:20 AM](#)

ED PAGE, Executive Director, Marine Exchange of Alaska (MXAK), co-presented on the Marine Exchange of Alaska with the use of a PowerPoint presentation [hardcopy available in the committee packet], entitled "Safe and Environmentally Sound Maritime Operations in the Arctic." He explained that the Marine Exchange of Alaska (MXAK) is a non-profit organization located in Juneau; it was initiated 16 years ago. He stated that he and Paul Fuhs [president of the MXAK board of directors] served in the U.S. Coast Guard (USCG) in the 80s, and during that time, there were many marine casualties, oil spills, vessel drownings, and fires. He mentioned that Mr. Fuhs was a diver involved in some of these vessel incidents; he is also the former mayor of Dutch Harbor.

CAPTAIN PAGE relayed that he served 33 years in USCG and has been in the marine safety program almost 50 years, both in

private industry and in USCG. He stated that during that period, he worked on the Exxon Valdez spill response effort and was also involved in several search and rescue cases resulting in unfortunate outcomes including loss of life. He said he became a strong advocate of prevention. Upon leaving USCG, he and Mr. Fuhs discussed the "marine exchange" concept to involve industry in the development of solutions. He maintained that MXAK board of directors represents the marine industries that operate in Alaska - the ports, the tanker operators, the fishing vessel operators, the container operators, the pilot association, and the towing industry. He added that MXAK receives support from the State of Alaska, funding from the cruise ship head tax, and contributions from USCG. He asserted that the MXAK is responsible for the Automatic Identification System (AIS) tracking system in MXAK's operation center, which serves as the "nerve center" for USCG, and for information exchange. He stated that MXAK's focus has shifted from the Aleutians and Southeast Alaska to the Arctic. Even though shipping in that area is not yet huge, it is increasing and there is increased risk. He said that MXAK seeks to "shut that down" and not suffer the consequences of a major oil spill.

CAPTAIN PAGE reiterated that his testimony is to provide background, support, and context to the proposed resolution. Since there is increased shipping in this new maritime frontier, the admiral district commander, the headquarters commandant, the vice commandant, and others recognize that the tools to deal with these new challenges of maritime safety and environmental protection will be unlike the lighthouses and buoys of the past; new technologies are needed and the MXAK is advocating for them. He mentioned the large cruise ship that passed through the Northwest Passage this past summer and MXAK's role in tracking the vessel and ensuring that if there is a mishap, it is minimal.

CAPTAIN PAGE stated that the Arctic Waterway Safety Committee (AWSC) was developed by the communities and is "owned" by them. He added that he serves as the technical advisor to the committee. He maintained that USCG personnel attend the meetings to be aware of the local interests and concerns and to ensure that residents have a role in decision-making for managing shipping and its risks.

CAPTAIN PAGE relayed that maritime exchanges date back to the 1800s - sharing information with the maritime community and USCG. In those days, spyglasses, semaphores, and chalkboards were used; today personal digital assistants (PDAs), smart

phones, and computers are used. He mentioned that much of what is used today was not possible ten years ago. For example, AIS is new technology; it is akin to transponders in aircraft; and it is required on all major vessels. Every couple of seconds, information is broadcast via the AISs, and MXAK built the network to receive those transmissions. He said the MXAK nerve center in Juneau maintains 24/7 tracking of cruise ships, container ships, USCG vessels, ferries, fishing boats, and tankers.

[12:00:20 PM](#)

PAUL FUHS, President, Board of Directors, Marine Exchange of Alaska (MXAK), explained that the vessels broadcast a signal approximately every six seconds transmitting latitude and longitude, which is accurate within three meters; therefore, MXAK knows a vessel's location to within about ten feet and the direction in which the vessel is pointed.

CAPTAIN PAGE stated that with support from the state, the maritime industry, and USCG, MXAK has built, operated, and maintained a network of 130 receiving stations throughout Alaska and in the Arctic. The MXAK maintains a 24-hour operation center; it is the largest vessel compliance monitoring system in the world with a range of 1.5 million square miles. The next largest is the Australian monitoring system for the Great Barrier Reef, which is only 100,000 square miles.

[12:01:17 PM](#)

REPRESENTATIVE TUCK asked where the monitoring center is located.

CAPTAIN PAGE responded that the MXAK monitoring center is on the waterfront next to the Juneau-Douglas bridge about 100 yards from the waterfront construction at the end of Harris Harbor. He added that it is a new location; it is above Juneau Electronics; and he invited the committee members to visit the center.

MR. FUHS encouraged the committee members to visit the center. He asserted that it is a "marvelous piece of technology," and MXAK staff can convey a more in-depth perspective of the vessel [motor vessel (M/V) Destination] that sank with no survivors [on 2/11/17].

[12:02:08 PM](#)

CAPTAIN PAGE declared that the system has captured the attention of Canada and Russia. He said that he has traveled to both Moscow and Ottawa, at their invitation and expense, because Canada and Russia are trying to replicate MXAK's system. He added that MXAK is sharing the concept and the technology due to shared concerns and possible common solutions.

CAPTAIN PAGE referred to Slide 14 to point out the waterways being managed by MXAK. He stated that MXAK monitors vessel distance from shore, safety practices in the Arctic, and compliance with the voluntary standards to which the marine industry has agreed to participate to minimize risk of oil spills. He asserted that MXAK's focus is aiding with prevention and with response. He maintained that if there is a problem, MXAK immediately knows what vessels are in the area to aid and in that way, prevent a major disaster.

CAPTAIN PAGE stated that "an ounce of prevention is worth a pound of cure" and offered that MXAK learned that the hard way during the grounding of the M/V Selendang Ayu. He related the events of that incident: The USCG contacted MXAK to locate the Selendang, which was in distress. The conditions surrounding the Selendang Ayu became extreme. The USCG and tugs were limited in the assistance they could offer at that point. The ship broke in half. The rescue helicopter crashed. Six ship crew members died. There was a major oil spill and a loss of the vessel. He opined that the tools for early notification that MXAK currently utilizes would probably have prevented that sequence of events. He added that due to new standards, vessels must stay farther off shore unless they are coming into port. He added that this is true for vessels that are subject to U.S. regulations; the proposed resolution would encourage the international community to participate in these standards as well.

[12:04:37 PM](#)

REPRESENTATIVE NEUMAN asked for the size and types of vessels that MXAK monitors.

CAPTAIN PAGE answered that USCG expanded the vessel requirements: there are international community requirements and requirements of various other countries. He declared that every commercial vessel over 65 feet is required to have the AIS technology, including fishing vessels. He added that, as it turns out, fishing vessels of any size are choosing to use the

equipment: it is relatively inexpensive; and through use of this equipment, crew can determine the name, size, and destination of another vessel approaching them at night and communicate with the other vessel's crew. He added that even recreational boats are acquiring the AIS technology because it is one of the greatest technological advances in maritime safety in the last 30 years.

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MR. FUHS relayed that the technology includes an emergency button notifying MXAK staff that a vessel is sinking or has other problems. He stated that "we used to say search and rescue," but maintained that now there is no search, it is just rescue. He reiterated that MXAK can locate a vessel within 10 feet and a nearby vessel can be summoned for assistance. He mentioned the sinking of the Alaska Juris, in which 26 crew members were saved by a thousand-foot container ship diverted from its sailing route on the great circle.

REPRESENTATIVE NEUMAN asked for the average cost to outfit a boat with AIS technology.

CAPTAIN PAGE responded that large commercial vessels are required to have the more sophisticated Class A AIS, which costs about \$2,500. Smaller vessels can use a Class B AIS, which costs about \$500.

REPRESENTATIVE NEUMAN asked if there is a yearly fee associated with the AIS.

CAPTAIN PAGE answered no.

[12:07:25 PM](#)

CAPTAIN PAGE referred to Slide 20, entitled "U.S. Jurisdiction Innocent Passage Vessels." He stated that USCG has jurisdiction out to 200 miles for vessels engaged in U.S. trade. The vessels shown on the map are most likely traveling from Vancouver, British Columbia (BC), or Prince Rupert, BC, to China. They have no trade with the U.S., but since they pass through U.S. waters, they present risks. He said that the challenge is to bring the innocent passage vessels "into the fold" as far as complying with the risk mitigating measures. He asserted that these vessels are not required to stay off shore, which is one of the safety measures. If a vessel breaks down off shore, crew have time to act - fix the problem, find a tug, or have a

helicopter deliver parts. If a vessel is one mile off shore, there is no time to fix the problem. This is a standard to which vessel operators agree. He mentioned that many of the innocent passage vessels comply with the standard at MXAK's urging because it is a good "standard of care." He relayed an example of a captain with a German shipping company who demanded to know why MXAK requires his vessels to do an innocent passage. Captain Page replied, "I'm not requiring, but tell me, do you think it's a good idea to stay offshore; to notify us if there is a casualty; and have your AIS on?" The shipping company captain responded, "Of course ... I make all my vessels do it." Captain Page offered that it is an "easy sell"; the shipping company captain just does not like anyone suggesting to him how to operate his vessels.

MR. FUHS commented that insurance carriers are invested in this practice, since they pay the costs associated with damages to environment and cargo.

CAPTAIN PAGE added that the value of cargo on some container ships is as much as \$1 billion; some container ships are 950 feet long and carry 10,000 containers. He referred to Slide 21, entitled "North Slope Maritime Activity 2016," and Slide 22, entitled "Kaktovik Region Maritime Traffic Summer 2016," to illustrate historical track lines to identify the risk and higher risk events. He added that most of the vessels represented in the illustrations are research vessels and tug boats, so do not present much risk. He said that MXAK pays close attention to oil tankers and the larger cargo vessels. He referred to Slide 23, entitled "Bering Strait 2016," which is colored coded to show the types of ships. He added the information is used by USCG to determine port access routes to manage the risk. He referred to Slide 24, entitled "Bering Strait Transits 2008-2016," which illustrates the growth of traffic through the Bering Strait region. He referred to Slides 25 and 26 to report that MXAK is also working closely with USCG using the "Arctic Next Generation Navigational Safety Information System" to develop transmitters that can transmit information about whales, whalers, and other information to manage risk and response incidents. He gave the example of a buoy in Cook Inlet, which would not stay in place due to ice movement, being replaced by a virtual buoy that was transmitted through technology.

[12:11:37 PM](#)

MR. FUHS added that the virtual buoy is displayed to the bridge of the ship and appears to crew just like a buoy - right side green, left side red. Crew know their location in the channel. He added that the channel going into the Port of Anchorage is only 1,000 feet wide through the (indisc.--coughing) shoal, and it must be transited precisely and at high tide; therefore, the virtual buoys are of great importance.

CAPTAIN PAGE stated that the International Maritime Organization (IMO) Polar Code went into effect in January of this year: implementing a series of measures to manage risk in the Arctic; and recognizing that an oil spill in the Arctic is very damaging, difficult to recover, and the best option is prevention. He referred to Slides 29-31 to highlight excerpts from the Polar Code: a premium placed on ship monitoring and tracking; future protection of Arctic people, Arctic coastal communities, and traditional lifestyles; and the protection of the unique environment and eco-systems of the polar region. He added that these excerpts demonstrate the state's engagement and interest in protecting the Arctic through implementation of these measures.

CAPTAIN PAGE referred to Slides 32-34 to relay an example of how a ship that is not complying with risk mitigating measures is notified: the 24-hour MXAK operation center contacts the vessel; it notifies crew that it is not complying with standards; and it asks what the vessel's intentions are, but does not direct the ship. He relayed that in response to the notification, the vessel changes course and replies, "Message well received and noted. We have deviated to comply with standards."

MR. FUHS added that in that instance, the vessel was attempting to transit through the wrong pass, and the pass did not have the water depth necessary to accommodate the vessel. The MXAK staff caught the error and redirected the ship.

CAPTAIN PAGE said that MXAK staff ensure ships go through charted waters that are well surveyed and of sufficient depth.

[12:13:46 PM](#)

REPRESENTATIVE TUCK asked on what occasions marine pilots are used.

MR. FUHS responded that a marine pilot is only required if a ship calls on a state port; no marine pilot is required if the ship is just passing through.

REPRESENTATIVE TUCK referred to Slide 28 [showing the IMO Polar Code area] and asked why the IMO jurisdiction is not a uniform circle.

CAPTAIN PAGE replied it is because of the Gulf Stream; the Gulf Stream influences the temperature of the waters making them milder in the region of Norway. He said the IMO does not want the measures to apply to waters that are not ice covered or "act like Arctic waters." He confirmed for Representative Tuck that the partial circle on the map is not the Arctic Circle.

[12:15:32 PM](#)

CAPTAIN PAGE declared that there are similar needs throughout the Arctic region, and the Polar Code area is not strictly the Arctic Circle, but Arctic waters.

CAPTAIN PAGE mentioned that MXAK has been working closely with AWSC to identify ways to minimize potential for local (indisc.) being impacted by larger ships. He reported that through the Arctic maritime "Safety Net" project, MXAK can track the smaller vessels and make crew aware of other vessels. There is an application ("app") on their iPhones through which they can view Arctic maritime activity and ships in their region. He maintained that the crew of small vessels can become aware of a ship passing by that may be breaking ice and changing the environment, creating substantially more risk.

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MR. FUHS referred to Slide 38, entitled "Cost Prohibitive Federal Oil Spill Response Equipment Requirements." He relayed that national oil spill pollution response standards require that oil spill response be within a certain amount of time and with a certain amount of equipment. He said that if Alaska had to meet those requirements, many depots would need to be established around the state - as shown on the slide - at a cost of hundreds and hundreds of millions of dollars to be borne by the entire industry. The USCG, recognizing that the maritime industry could not meet those standards, allowed the industry to propose prevention measures instead. In response, MXAK developed safety measures. He offered that Mr. Harrington was partly correct in testifying that Alaska does not have absolute

jurisdiction [over Arctic waters], but maintained that proposing the prevention measures as an alternative was acceptable to the vessel operators. He stated that the measures do not apply to 35 percent of the vessels, which are Canadian, or to Russian vessels. He asserted that MXAK is working on international agreements with Canada and Russia, because these two countries have some of the same concerns; U.S. vessels transit very close to the coast of BC. He mentioned that Russia appears to be open to an agreement and to demonstrating that the two countries can work together on an issue that cannot be criticized.

MR. FUHS relayed that the Arctic Economic Council (AEC) is comprised of the Arctic Native corporations and the Arctic shipping companies. The shipping companies support standard requirements and prevention measures; the insurance companies support [the requirements and measures] as good business practices. American shippers support the measures as a way of "leveling the playing field"; if they must meet the requirements, all vessels should have to meet the requirements and benefit from greater safety.

MR. FUHS referred to Slide 40, entitled "Arctic Circulation Patterns," and offered that an incident in the Bering Strait would affect the entire coast. He stated that the proposed resolution references the "Law of the Sea Treaty"; the U.S. [Congress] has not adopted the treaty; and the Alaska congressional delegation has indicated that the possibility of that happening is even more remote today. The countries that have adopted the treaty have the authority to issue regulations for ice-laden waters including those of Canada and Russia. He stated that MXAK has offered to apply its technology to these waters, because it can view the entire Bering Strait.

[12:20:24 PM](#)

MR. FUHS referred to Slide 41, entitled "Bering Strait Seaway," and relayed that MXAK has proposed to Russia a seaway modeled after the St. Lawrence Seaway, which flows through the Great Lakes region and is shared with Canada. He mentioned that establishing the Bering Strait Seaway would entail agreeing on the location of shipping lanes, monitoring of the seaway, and implementing prevention measures. He said that in the last conference he attended, Russian President Vladimir Putin specifically stated that Russia supports collaboration on the Bering Strait, which will facilitate negotiating the Russian bureaucracy. Mr. Fuhs mentioned he will be meeting with the Russian Ministry of Transport. He maintained that the

technology that MXAK has already developed will facilitate this collaboration. He stated that the MXAK budget is about \$4 million per year: a little over half is from the private sector; \$1.7 million is from USCG, which shares the data; and \$600,000 is from State of Alaska cruise ship head tax funds.

MR. FUHS, in response to Representative Neuman's question regarding deep water ports, stated that it may be possible to create a 28-foot port in Kotzebue. He asserted that the question involves the definition of "deep water draft." He said the U.S. Navy wants the depth to be 35-40 feet. He relayed that when U.S. Senator Lisa Murkowski [of Alaska] met with the U.S. Secretary of the Navy [Richard Spencer], the secretary stated that the U.S. wished to protect its sovereignty militarily in the Arctic. She asked, "What resources, what money are you bringing to the table?" Secretary Spencer replied, "Oh, we didn't mean that .... Let us assure you [we] have very strong feelings about our sovereignty in the Arctic." Consequently, MXAK concluded it needed a major industrial partner to drive the economics of the effort. He added that in the meantime, all materials for port development are coming up to the Arctic by barge, which is very effective but very expensive. Beach access is often the only access.

MR. FUHS stated that the proposed resolution would be very important. He relayed that in discussions with the Secretary-General of IMO [Kitack Lim of the Republic of Korea] at the Arctic meetings in Juneau, Mr. Lim was very impressed with MXAK operations. Mr. Lim offered that the IMO pays greatest attention to official government bodies; therefore, the resolution would be important, as would the forthcoming letter from the governor. He offered that the proposed resolution would be used effectively in fostering support from groups such as the Pacific NorthWest Economic Region (PNWER). He maintained that the intent of the proposed resolution is not to put additional requirements on business; industry organized the effort; and vessel operators appreciate the monitoring and the prevention measures. He added that MXAK has never received any complaints.

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CHAIR WESTLAKE stated that he supports the idea of congruity with the Russian Arctic region. He expressed his appreciation for the companies that hired ships to ply the coast and do wildlife studies. He mentioned MXAK's vessel tracking with an accuracy of within ten [feet] as it relates to first-line

response to an oil spill coming from the other side of the border. He added that the flow charts for the Bering Strait are a big problem. He offered the support of the committee for MXAK's efforts.

CAPTAIN PAGE responded that MXAK appreciates the legislative support in the last couple years. He offered that MXAK would not have existed if the state had not allowed the use of Exxon Valdez settlement money to "jumpstart" the effort. He added that the industry and the state provided the initial impetus, and USCG said, "We want in."

CAPTAIN PAGE, in response to Representative Neuman's comment regarding an ice breaker, said that all indications suggest that securing an ice breaker will come to fruition, but doing so will require a very long process; it would be a billion-dollar project; and it would not happen sooner than ten years. He said that there seems to be a fair amount of support for having an icebreaker and for having sovereignty, control, and influence in the Arctic. He said that with respect to Arctic ports, the USCG has no ports in the Arctic and the closest port is in Kodiak. He mentioned that temporary air stations can be deployed in Barrow and Kotzebue, but USCG ships currently must come from Kodiak or Hawaii.

#### **HJR 19-ARCTIC MARINE SAFETY AGREEMENTS**

[12:26:48 PM](#)

CHAIR WESTLAKE announced that the final order of business would be the return to HOUSE JOINT RESOLUTION NO. 19, Commending the Arctic Waterways Safety Committee; supporting the adoption of prevention measures into international agreements to ensure clear, universal, and enforceable marine safety measures in the Arctic; and urging the state's delegation in the United States Congress and the governor to promote the adoption of spill prevention measures into international agreements; urging the President of the United States and the United States Department of State to initiate negotiations to enter into international agreements to ensure safe and environmentally responsible marine operations in the Arctic.

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CHAIR WESTLAKE reopened public testimony on HJR 19.

[12:27:05 PM](#)

RACHAEL KALLANDER, Founder and Executive Director, Arctic Encounter Symposium (AES), testified that AES is the largest annual Arctic policy and economics symposium in the U.S. She mentioned that AES just hosted the Fourth Annual Arctic Encounter in Seattle on April 13 and 14; AES also hosted a group of young Alaskans as part of its team. She relayed that AES hosted Arctic Encounter in Paris last year during the United Nations (UN) Convention on Climate Change, also referred to as COP 21. She shared that there were stimulating discussions at last week's symposium and expressed her belief that the proposed resolution is timely. She mentioned that many Alaskans participated in the conference. The conference speakers included Alaska Senator Lisa Murkowski, Alaska U.S. Representative Don Young, Ambassador [Geir H. Haarde] from Iceland, Ambassador [Kåre R. Aas] from Norway, and the former Prime Minister of Greenland [Aleqa Hammond]. She said that all were enthusiastic and optimistic to work with the State of Alaska, the legislature, and Alaska's congressional delegation, to "push forward" on many issues impacting the Arctic and the people who live in the Arctic. She offered her support for HJR 19 and the efforts to raise awareness.

MS. KALLANDER stated that she wished to share the AES mission, which is to gather together all the stakeholders to engage challenges and debate solutions for responsible development, sustainable environments, and healthy communities. She said that she learned at last week's symposium that the stakeholders have an opportunity and a responsibility to raise awareness together. She said that she feels compelled to point out that "we're in a time and place in history in which we really have to innovate and advocate for the best future possible results." She offered that there are many young Alaskans around the state who are engaged in these issues. She emphasized the importance of the committee's role in involving Alaskans in these issues that will impact the future of the state. She offered the assistance and support of AES for the committee's efforts.

[12:30:30 PM](#)

CHAIR WESTLAKE, after ascertaining that no one else wished to testify, reclosed public testimony on HJR 19.

[HJR 19 was held over.]

[12:30:49 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 12:31 p.m.