

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

March 8, 2018

11:36 a.m.

MEMBERS PRESENT

Representative John Lincoln, Chair
Representative Bryce Edgmon
Representative Andy Josephson
Representative Chris Tuck
Representative Mark Neuman
Representative David Talerico

MEMBERS ABSENT

Representative Gary Knopp

COMMITTEE CALENDAR

HOUSE JOINT RESOLUTION NO. 33

Urging the Alaska delegation in Congress to pursue the establishment of an Arctic naval station; supporting the increase in defensive capabilities in the Arctic region; and encouraging the development of critical Arctic infrastructure.

- MOVED CSHJR 33 (AET) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HJR 33

SHORT TITLE: DEVELOP ARCTIC INFRASTRUCTURE & DEFENSE

SPONSOR(S): REPRESENTATIVE(S) TUCK

02/09/18	(H)	READ THE FIRST TIME - REFERRALS
02/09/18	(H)	AET
02/27/18	(H)	AET AT 11:30 AM BARNES 124
02/27/18	(H)	Heard & Held
02/27/18	(H)	MINUTE (AET)
03/06/18	(H)	AET AT 11:30 AM BARNES 124
03/06/18	(H)	Scheduled but Not Heard
03/08/18	(H)	AET AT 11:30 AM BARNES 124

WITNESS REGISTER

MICHAEL LOWE, Intern

Representative Chris Tuck
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the proposed committee substitute (CS) for HJR 33, Version 30-LS1350\D, Radford, 2/14/18, on behalf of Representative Tuck, prime sponsor.

RICHARD BENEVILLE, Mayor
City of Nome
Nome, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 33, Version D.

JOY BAKER, Port Director
City of Nome
Nome, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 33, Version D.

ACTION NARRATIVE

[11:36:10 AM](#)

CHAIR JOHN LINCOLN called the House Special Committee On Arctic Policy, Economic Development, and Tourism meeting to order at 11:36 a.m. Representatives Talerico, Josephson, Neuman, and Lincoln were present at the call to order. Representatives Edgmon and Tuck arrived as the meeting was in progress.

HJR 33-DEVELOP ARCTIC INFRASTRUCTURE & DEFENSE

[11:37:03 AM](#)

CHAIR LINCOLN announced that the only order of business would be HJR 33, Urging the Alaska delegation in Congress to pursue the establishment of a U.S. Coast Guard port in the Arctic region; supporting the increase in defensive capabilities in the Arctic region; and encouraging the development of critical Arctic infrastructure. [Before the committee, adopted as a working document during the meeting on 2/27/18, was the proposed committee substitute (CS) for HJR 33, Version 30-LS1350\D, Radford, 2/14/18.]

[11:37:20 AM](#)

MICHAEL LOWE, Intern, Representative Chris Tuck, Alaska State Legislature, presented the proposed committee substitute (CS)

for HJR 33, Version 30-LS1350\D, Radford, 2/14/18, on behalf of Representative Tuck, prime sponsor. He addressed a question, raised at the previous [2/27/18] committee meeting, pertaining to the possible location for the proposed U.S. Coast Guard port. Nome is "at the top of the list," he said, based on "a number of factors" including a 2012 U.S. Department of Transportation (USDOT) survey that assessed 13 different areas in Western and Northern Alaska. He opined that Nome is not far enough north but reaffirmed its status as a tentative frontrunner.

MR. LOWE offered to provide the committee with copies of the USDOT report.

[11:39:14 AM](#)

REPRESENTATIVE NEUMAN stated that, although he supported Version D, he wished it highlighted the hard work done by the [Alaska Arctic Policy Commission] (AAPC). He said he would like to have seen references to the fully-developed plan proposed by AAPC and suggestions that the plan be followed.

MR. LOWE said the AAPC report contributed to the writing of HJR 33. He agreed with Representative Neuman's assessment that AAPC should have been mentioned.

REPRESENTATIVE NEUMAN reasserted the effort that was put forth by AAPC. He offered to help add a suggestion to follow the Commission's plan.

[11:41:37 AM](#)

CHAIR LINCOLN asked Representative Neuman to clarify if he was requesting the bill be held until an amendment could be offered.

[11:41:49 AM](#)

REPRESENTATIVE EDGMON said he would not recommend holding the bill. He suggested that Representative Neuman was alluding to potential future action on the bill, such as on the House floor.

REPRESENTATIVE EDGMON stated that he served on the AAPC, as well as its predecessor, the Alaska Northern Waters Task Force. He said he did not recall the AAPC report suggesting a location for an Arctic port. He said there has been a lot of work investigating two possible sites: [Port] Clarence near Nome and Cape Blossom outside Kotzebue. He said he believes Nome has "a leg up at this point, if not officially been selected as the

site." He emphasized his belief that Version D was well-intentioned and would serve its purpose. He said he did not recall any civic designation coming from the legislature.

[11:43:39 AM](#)

REPRESENTATIVE NEUMAN suggested that Dutch Harbor was discussed as an integral part of the plan due to its substantial industrial infrastructure and its ability to deal with large ships. Although there is support and need for a port in or around Nome, he said, any traffic headed in that direction would necessarily pass through Dutch Harbor, given its unique ability to offer specialized services and repairs. Representative Neuman recalled the AAPC discussing Dutch Harbor as "the entry way" to northern latitudes.

[11:44:32 AM](#)

The committee took an at-ease from 11:44 a.m. to 11:45 a.m.

[11:45:17 AM](#)

REPRESENTATIVE EDGMON suggested the Port Director of Nome and Mayor of Nome be invited to address the question and offer clarification.

[11:45:52 AM](#)

CHAIR LINCOLN opened public testimony on HJR 33.

[11:46:11 AM](#)

RICHARD BENEVILLE, Mayor, City of Nome, congratulated Representative Tuck for drawing the attention of the legislature to the importance of establishing a new port.

MR. BENEVILLE said he recently attended the Arctic Frontiers Conference in Tromsø, Norway. He described feeling disheartened after conversing with people from Finland, Norway, and Sweden. "Those folks are not looking at the future," he said, "they are living in it today." He said Alaska needs to do likewise in order to help get the United States "on the map" as far as the Bering Sea and Bering Strait are concerned.

MR. BENEVILLE shared his excitement that the City of Nome had entered into a 50-50 cost-sharing agreement with the U.S. Army Corps of Engineers for a Nome-specific study, the results of

which would inform the creation of infrastructure. One day, he opined, there will be a series of ports going north, as "what is happening in the far north" is "that big." He named locations of possible future ports: Nome, Port Clarence, Cape Blossom, and Utqiagvik. There will be activity in all these places, he said, because there will be "that much traffic coming through." He cited a statistic that ports of call in Nome rose from 441 in 2016 to 723 in 2017. He said he looks forward to Nome being the strategic port north of Dutch Harbor.

MR. BENEVILLE thanked the governor and the legislature for approving \$1.6 million in funds for Nome to enter into the previously-mentioned cost-sharing agreement with the U.S. Army Corps of Engineers. He said he just returned from Washington, D.C. and described the experience as "enlightening."

MR. BENEVILLE compared his experience growing up during the Cold War to the present. He invoked Winston Churchill: "If you don't learn from history, you are doomed to repeat it." He stressed that "we are so behind in the far north." Alaska, he said, needs a port closer to the Bering Strait.

MR. BENEVILLE said the quality of life in Western Alaska will improve. The commerce that comes into the Port of Nome, he explained, affects 53 villages. Further development in the region, he said, would benefit not just Nome, but Western Alaska and the United States as a whole.

[11:50:09 AM](#)

REPRESENTATIVE EDGMON said it was nice seeing Mr. Beneville in Anchorage a couple days before. He wished the mayor a great Iditarod.

MR. BENEVILLE extolled the Iditarod ("like Mardi Gras with dogs") and invited the committee members to Nome.

[11:51:28 AM](#)

JOY BAKER, Port Director, City of Nome, clarified that the 2012 USDOT study referenced earlier by Mr. Lowe was a combined joint study between USDOT and the U.S. Army Corps of Engineers-Alaska District. The study evaluated 13 sites in western and northern Alaska for development of an Arctic port. The study settled on the three sites mentioned by Representative Edgmon: Point Spencer - a peninsula on Port Clarence, Cape Blossom, and the City of Nome. A further evaluation of those three sites

concluded that Nome was the most logical and economically viable site for expansion. This conclusion was due to Nome's existing infrastructure including the hospital, airport, and onshore facilities that support the harbor. She said this conclusion was solidified in January 2015 by the U.S. Army Corps of Engineers' Alaska Regional Ports study. She said progress was halted in summer 2015 when [Royal Dutch] Shell pulled out of the Arctic and ceased operations.

MS. BAKER said the agreement between the City of Nome and the U.S. Army Corps of Engineers had resumed the evaluation of benefits offered by an expanded Port of Nome. She said she believes Nome could "fit the bill" for a regional port. She acknowledged the benefits offered by Dutch Harbor for larger vessels but emphasized that Nome's proximity to the Arctic and existing coastal infrastructure could save three to four days' travel and costs for the maritime fleet.

MS. BAKER said Version D, as well as the federal Water Infrastructure Improvements for the Nation Act (WIIN Act) of 2016, would benefit the region and not just Nome. She expressed confidence that the new study would prove the benefits of port expansion outweigh the costs. After that, she said, they would soon move into the design and construction phases in order to get an Arctic deep-draft port in place for use not just by the region and the maritime fleet, but also for use by the military, given "how far we are behind Russia."

[11:55:20 AM](#)

CHAIR LINCOLN, after ascertaining no one wished to offer further testimony, closed public testimony on HJR 33.

[11:55:30 AM](#)

REPRESENTATIVE NEUMAN said resolutions that support infrastructure in Alaska are important. He said that the expansion of opportunities for ports and exports is important for safety and security, but his concern is the economic opportunity it provides for creating jobs. He said he wishes more safety and infrastructure proposals could receive support. He said there was one near his district that would inject \$750 million into the economy, which would add a lot of safety. He remarked, "We just lost another one of our Alaskans a couple of days ago because of the issues we are facing." He restated his support for Version D and the development of infrastructure and safety for all Alaskans.

11:57:20 AM

REPRESENTATIVE EDGMON moved to report CSHJR 33, Version 30-LS1350\D, Radford, 2/14/18, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHJR 33(AET) was reported out of the House Special Committee On Arctic Policy, Economic Development, and Tourism.

11:58:10 AM

The committee took an at-ease from 11:58 a.m. to 12:01 p.m.

12:01:50 PM

ADJOURNMENT

There being no further business before the committee, the House Special Committee On Arctic Policy, Economic Development, and Tourism meeting was adjourned at 12:01 p.m.