

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

February 9, 2024

8:00 a.m.

MEMBERS PRESENT

Representative Thomas Baker, Chair
Representative George Rauscher
Representative Laddie Shaw
Representative Jesse Sumner
Representative Cathy Tilton
Representative Jennie Armstrong
Representative Maxine Dibert

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION(S): ALASKA'S ARCTIC POLICY

- HEARD

HOUSE BILL NO. 291

"An Act relating to reports of Alaska Native Claims Settlement Act corporations."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 291

SHORT TITLE: ANCSA REPORTS

SPONSOR(S): REPRESENTATIVE(S) WRIGHT

01/24/24	(H)	READ THE FIRST TIME - REFERRALS
01/24/24	(H)	AET
02/09/24	(H)	AET AT 8:00 AM BARNES 124

WITNESS REGISTER

A.L. LOVECRAFT, PhD, Professor
University of Alaska Fairbanks
Fairbanks, Alaska

POSITION STATEMENT: Gave the Alaska's Arctic Policy presentation.

REPRESENTATIVE STANLEY WRIGHT
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 291.

CYNTHIA BERNS, Vice President
Community & External Affairs
Old Harbor Native Corporation
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony on HB 291.

CHRISTOPHER SLOTEE, Vice President/General Counsel
Old Harbor Native Corporation
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony on HB 291.

ACTION NARRATIVE

[8:00:41 AM](#)

CHAIR BAKER called the House Special Committee on Arctic Policy, Economic Development, and Tourism meeting to order at 8:00 a.m. Representatives Shaw, Rauscher, Sumner, Armstrong, Dibert, and Baker were present at the call to order. Representative Tilton arrived as the meeting was in progress.

PRESENTATION(s): Alaska's Arctic Policy

[8:01:43 AM](#)

CHAIR BAKER announced that the first order of business would be the Alaska's Arctic Policy presentation.

[8:01:59 AM*](#)

The committee took an at-ease from 8:02 a.m. to 8:03 a.m.

[8:03:10 AM](#)

CHAIR BAKER introduced A.L. Lovecraft.

[8:05:38 AM](#)

A.L. LOVECRAFT, PhD, Professor, University of Alaska Fairbanks, She offered a background of the Center for Arctic Policy Studies (CAPS) at the University of Alaska Fairbanks (UAF) and explained what this presentation aims to achieve. She then began the PowerPoint [hardcopy included in the committee packet], on slide 1, which explained the importance and history of local legislative action and boards in the Arctic Region of Alaska. She continued to slide 2, which described Alaska statutes as they relate to current Arctic policy. The slide gave context to Alaska's significance in the Arctic on the world stage and gave a history of Alaska's Arctic policy.

[8:10:32 AM](#)

DR. LOVECRAFT moved on to slide 3, which explained a section of Alaska statute known as the "Declaration of State Arctic Policy." She continued to slide 4, which provided background information on UAF's CAPS and how it serves Alaska. She listed the ways that CAPS serves Alaska, saying it helps deliver UAF research to stakeholders, advise leaders at all levels of government to Arctic policy issues, and bring diverse scholars together to create solutions. She mentioned that CAPS offers a scholarship to those with innovative solutions and ideas to address the unique problems of the Arctic and added that CAPS recognizes and utilizes historical knowledge of Arctic policy to influence further decisions made in governance of the region.

[8:17:45 AM](#)

DR. LOVECRAFT skipped to slide 7, which described the unique challenges Alaska faces in the Arctic and recent political history of the Region. It explained the Northern Bering Sea Climate Resilience Area (NBSCRA) and the "Polar Paradox," a phenomenon that describes how rising oil costs both benefit and harm Alaska. The slide touches on how the Arctic is both managed and driven by external governance and geophysical change, elaborating on the NBSCRA and its impacts and implications for Arctic policy in Alaska.

[8:23:37 AM](#)

MS. LOVECRAFT moved to slide 8, which described products that CAPS had prepared for the legislature. It gave background information relating to the authors of the prepared products and detailed the role that the University of Alaska system plays in relationship with the state government.

[8:25:28 AM](#)

MS. LOVECRAFT moved to slide 9, which displayed previous reports made by the CAPS and where to find them. She touched on the report titled "Alaska's Arctic Energy System" and encouraged moving to renewables as a way to reduce cost and "carve our own path forward."

MS. LOVECRAFT moved to slide 10, which explained how international maritime borders are established and enforced under the United Nations Convention on the Law of the Sea (UNCLOS) and what that means for coastal security and infrastructure in the Arctic Region.

MS. LOVECRAFT moved to slide 11, which described relevant State of Alaska policy decisions and how they affect salmon, caribou, moose, and agriculture. She mentioned the impacts of bycatch to salmon harvest, saying Alaska needs to change how it approaches management of the salmon fishery from a policy perspective and the state needs more research on how policy decisions affect caribou and moose. She touched on agriculture, saying Alaska is gaining farmland every year due to a climate change induced lack of permafrost.

[8:32:48 AM](#)

MS. LOVECRAFT moved to slide 12, which explained pending and past state decisions relating to development of Alaska's mineral resources. She reviewed the proposed Ambler Road project and the past Willow project, detailing how the current approach to Arctic policy influences these projects and their success. She referenced the proposed Ambler Road project and said that once a massive infrastructure project begins many other development projects generally follow suit. She emphasized that the Alaska Industrial Development and Export Authority (AIDEA) has invested \$35 million in the proposed Ambler Road project, even though there is strong tribal, regional, and national opposition to the project.

[8:37:01 AM](#)

MS. LOVECRAFT continued to slide 13, which gave context to Alaska's position as it relates to the rest of the world. She described Alaska's geopolitical role and power in the Arctic Region and touched on Arctic military operations in Alaska. She explained how other world events impact Alaska, such as wars in

Europe, trade tariffs, and refugee events that bring people in search of asylum to Alaska.

[8:41:57 AM](#)

MS. LOVECRAFT moved to slide 14, which explained how climate change has impacted the Arctic in Alaska. She said that recent events of extreme precipitation and warm temperatures are in part influenced and amplified by climate change and gave context to how these events relate to state and federal law surrounding Arctic climate policy. She touched on how climate change has impacted seasonal harvests and gave context to what governing body manages those resources for both commercial and subsistence use.

[8:44:56 AM](#)

MS. LOVECRAFT concluded the presentation on the final slide, which displayed a graph that explained the different scales of governance - local, state, and federal - and their possible impacts to different facets of human security in Alaska's Arctic Region.

[8:48:19 AM](#)

The committee took an at-ease from 8:48 a.m. to 8:49 a.m.

HB 291-ANCSA REPORTS

[8:49:52 AM](#)

CHAIR BAKER announced that the final order of business would be HOUSE BILL NO. 291, "An Act relating to reports of Alaska Native Claims Settlement Act corporations."

REPRESENTATIVE STANLEY WRIGHT, Alaska State Legislature, as prime sponsor, presented HB 291. He said that when the Alaska Native Claims Settlement Act (ANCSA) was passed, it required that Alaska Native corporations be incorporated under state law. He referenced a current Alaska statute that requires an Alaska Native corporation with over 500 shareholders to file extensive materials with the Alaska Division of Banking and Security. He said this threshold of 500 shareholders has become problematic, as shares are passed down through generations of shareholders, thus imparting smaller villages with an unjustly large amount of paperwork in a complex world of regulatory demands. He said that HB 291 aims to alleviate the unintended burden on these

corporations by proposing a revision to the "arbitrary assets threshold" and specifying the shareholders' count to be current to the time of incorporation.

[8:52:36 AM](#)

CYNTHIA BERNS, Vice President, Community & External Affairs, Old Harbor Native Corporation, gave invited testimony on HB 291. She gave context to what the Old Harbor Native Corporation is and said that it is one of 52 Native corporations established by Congress. She echoed the bill sponsor's remark that due to current statute, there is unjust burden placed on the employees and shareholders to file tremendous amounts of extra paperwork because of shares passed through generations. She cautioned that because shareholder information is public, there is general concern for how that information could be used against the associated communities and people. She said over the last several years, there have been significant efforts by corporations in the Lower 48 to attack Alaska Native corporations and their shareholders. She stated that HB 291 would reduce these burdens and help communities by alleviating the regulatory requirements currently in statute.

[8:57:35 AM](#)

CHRISTOPHER SLOTEE, Vice President/General Counsel, gave invited testimony on HB 291. He said under the current statutory regime, Alaska Native corporations with more than \$1 million in assets and 500 or more shareholders must file copies of all annual reports, proxy consents/authorizations, proxy statements, and other materials related to proxy solicitations. He said that current statute is based on the number of shareholders, not the number of shares, which inevitably leads to all village corporations being subject to this statute through the natural dilution of their shares as they are inherited and gifted through shareholders' descendants. He purported that all Alaska Native corporations are harmed by this burden and said that HB 291 would relieve that burden.

[9:02:30 AM](#)

REPRESENTATIVE RAUSCHER asked whether it could be an issue if the State of Alaska doesn't know who a shareholder is.

MR. SLOTEE replied that that does it reduce the obligation to provide information to the shareholders. He said that HB 291 only addresses the current need for corporations to file with

the State of Alaska. He added that currently, no other private corporation is required to file a list of their shareholders.

[HB 291 was held over.]

[9:04:42 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Arctic Policy, Economic Development, and Tourism meeting was adjourned at 9:04 a.m.