

SCR

17

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 3/29/10

FURTHER: Finance

Date of 5-Day Notice: 3/25/10
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: _____

Community and Regional Affairs Committee considered SENATE CONCURRENT RESOLUTION NO. 17

SCR 17 ALASKA NORTHERN WATERS TASK FORCE

Establishing and relating to the Alaska Northern Waters Task Force.

and recommends:

☐ be replaced with ☐ SCS or ☐ CS _____ (_____)

☐ adopt previous ☐ SCS or ☐ CS _____ (_____)

☐ attached amendment(s)

☐ adopt _____ Letter of Intent

☐ further referral to _____ Committee

SENATE BILL:

☐ Same Title
☐ New Title

HOUSE BILL:

☐ Same Title
☐ Technical Title Change
☐ New Title w/ SCR # _____

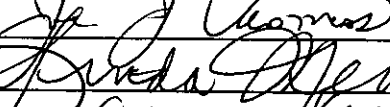
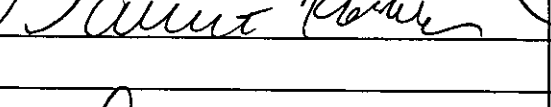
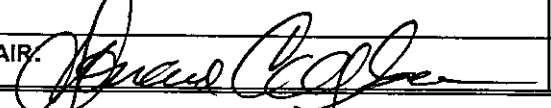
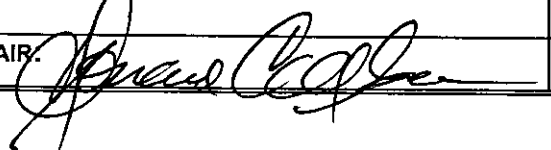
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
LEG	3/30	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

☐ APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	French			✓	
	Thomas	✓			
	MENARD	✓			
	Kookua	✓			
CHAIR. 	OLSON	✓			

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON, CHAIR

SENATOR ALBERT KOOKESH
SENATOR JOE THOMAS
SENATOR HOLLIS FRENCH
SENATOR LINDA MENARD



ALASKA STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182
907) 465-3877
FAX: (907) 465-4821

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Sponsor Statement

Senate Concurrent Resolution 17

Establishing the Alaska Northern Waters Task Force

Senate Concurrent Resolution 17 establishes the Alaska Northern Waters Task Force to facilitate regional coordination between the State of Alaska and the Federal Government related to the opening of Arctic marine transportation routes, national security, and resource development.

The task force will be comprised of Legislators from Northwestern Alaska, leaders from Arctic communities, and key federal agencies. Together, they will assess and facilitate the creation of a joint state and federal entity to coordinate United States and Alaska interests that result from the opening of Arctic waters.

The presence of perennial ice in the circumpolar Arctic waters is reducing. Arctic nations such as Norway, Canada and Russia are proactively promoting and defending their interests in increasingly ice-free areas. As the only Arctic state in this nation, Alaska has a unique role and interest in the development and evolution of U.S. policy in its northernmost region.

The creation of the Alaska Northern Waters Task Force anticipates increased federal attention to navigation routes, resource development, military activity and commerce in the Arctic. SCR 17 foresees the future creation of a joint federal/state commission that guides interagency and inter-jurisdiction actions in the Arctic. It provides an opportunity for Alaska's Legislature and Arctic communities to assume a proactive role in shaping such a body, and ensures that Alaska's unique interests are strongly represented.

In the execution of its responsibilities, the Alaska Northern Waters Task Force will hold hearings in the northern communities of Barrow, Nome and Kotzebue,

as well as Anchorage. By meeting in these regions, the task force will be able to seek guidance and feedback from the residents of the regions most likely experience impacts from increased activity in the Arctic.

The Alaska Northern Waters Task Force will deliver its findings to the Alaska Legislature in January 2012, including legislative proposals for consideration.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: _____

Bill Version: SCR 17

() Publish Date: _____

Identifier (file name): SCR17-LEG-COU-3-30-10

Dept. Affected: Legislature

Title: Establishing and relating to the

RDU: Legislative Council

Alaska Northern Waters Task Force

Component: Council and Subcommittees

Sponsor: Senate Community and Regional Affairs

Requester: Senate Community and Regional Affairs

Component Number: 783

Expenditures/Revenues

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES							
Personal Services							
Travel	84.0		42.0				
Contractual	10.0		10.0				
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	94.0	0.0	52.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	94.0		52.0				
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	94.0	0.0	52.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

SJR17 establishes the Alaska Northern Waters Task Force in the Legislative Branch. The Task Force consists of nine members composed of three Legislators, one member from the Executive Branch, and five public members. It is anticipated that the Task Force will hold five meetings the first year and 3 meetings the second year. Travel funding is included in this fiscal note and includes the cost for experts to attend the meetings. Meetings will be held in Barrow, Nome, Kotzebue, and Anchorage at Legislative Information Offices or local government facilities at no rental cost to the Task Force. The Legislator selected as Chair may assign their staff to support the Task Force. The Task Force will assess and facilitate the creation of a state and federal commission responsible for overseeing the development of state and federal northern ocean waters; inform and incorporate local stakeholders input into the process, and identify and coordinate efforts of mutual concern for federal, state, and local agencies. Funding for professional services contracts is included in this fiscal note. Costs to teleconference meetings and print the proposals and reports due in January 2012 will be absorbed in the Legislative Affairs Agency Budget.

Prepared by: Karla Schofield, Deputy Director

Division: Legislative Affairs Agency

Approved by: Pamela Varni, Executive Director

Legislative Affairs Agency

Phone 465-6626

Date/Time 3/30/10 11:24 AM

Date 3/30/2010

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SCR17

ANALYSIS CONTINUATION

5 meetings - all with travel

1 member of the Executive Branch - absorb travel in Executive Branch Budget.

3 Legislators; 5 public members; 1 staff person, 4 experts

1 meeting	247/day				
	Airfare	Per Diem			
<u>Nome Meeting</u>					
Bethel Legislator	1062	494			
Kotzebue Legislator	427	494			
Nome Legislator	0	0			
Juneau Coast Guard member	880	494			
North Slope Borough - Barrow	1158	494			
NW Arctic Mayor - Kotzebue	427	494			
Nome Mayor	0	0			
Anchorage Interior Dept member	568	494			
Kotzebue Staff person	427	494			
Anchorage Energy Expert	568	494			
Anchorage Energy Expert	568	494			
Washington, DC Energy Expert	1450	988			
Washington, DC Energy Expert	1450	988			
	8,985.00	6,422	15,407	1	15,407

2 meetings	278/day				
	Airfare	Per Diem			
<u>Anchorage Meeting</u>					
Bethel Legislator	494	556			
Kotzebue Legislator	568	556			
Nome Legislator	568	556			
Juneau Coast Guard member	506	556			
North Slope Borough - Barrow	709	556			
NW Arctic Mayor - Kotzebue	568	556			
Nome Mayor	568	556			
Anchorage Interior Dept member	0	0			
Kotzebue Staff person	568	556			
Anchorage Energy Expert	0	0			
Anchorage Energy Expert	0	0			
Washington, DC Energy Expert	1309	1112			
Washington, DC Energy Expert	1309	1112			
	7,167	6,672	13,839	2	27,678

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SCR17

ANALYSIS CONTINUATION

1 meeting	Airfare	278/day Per Diem			
<u>Barrow Meeting</u>					
Bethel Legislator	1098	508			
Kotzebue Legislator	1290	508			
Nome Legislator	1160	508			
Juneau Coast Guard member	1195	508			
North Slope Borough - Barrow	0	0			
NW Arctic Mayor - Kotzebue	1290	508			
Nome Mayor	1160	508			
Anchorage Interior Dept member	846	508			
Kotzebue Staff person	1290	508			
Anchorage Energy Expert	846	508			
Anchorage Energy Expert	846	508			
Washington, DC Energy Expert	1751	1016			
Washington, DC Energy Expert	1751	1016			
	14,523	7,112	21,635	1	21,635

1 meeting	Airfare	Per Diem 282/day			
<u>Kotzebue</u>					
Bethel Legislator	878	564			
Kotzebue Legislator	0	0			
Nome Legislator	427	564			
Juneau Coast Guard member	1078	564			
North Slope Borough - Barrow	1158	564			
NW Arctic Mayor - Kotzebue	0	0			
Nome Mayor	427	564			
Anchorage Interior Dept member	568	564			
Kotzebue Staff person	0	0			
Anchorage Energy Expert	568	564			
Anchorage Energy Expert	568	564			
Washington, DC Energy Expert	1670	1128			
Washington, DC Energy Expert	1670	1128			
	9,012	6,768	15,780	1	15,780

<u>Testify in Juneau during Session</u>					
Nome Mayor	978	756			
Barrow Mayor	<u>1216</u>	<u>756</u>			
	2,194	1,512	3,706	1	3,706

84,206

Senator Begich - Inuvikput Package

Introduced August 3, 2009, the *Inuvikput Package* consists of seven pieces of legislation:

S.1560 Arctic OCS Revenue Sharing Act - Alaska Natives who have subsisted on marine mammals and other arctic resources for thousands of years would bear the direct risks of increased commercial activity in their waters. This bill directs a portion of federal revenues from offshore oil and gas development - the same share Louisiana receives from drilling in the adjacent Gulf of Mexico - to the State of Alaska with a percentage of those funds directed to those most affected.

S.1561 Arctic Marine Shipping Assessment Implementation Act - As the polar icecap recedes, the Arctic region is increasingly accessible to shipping and tourism. This bill is designed to ensure safe and reliable maritime transportation in the Arctic and protect its waters. It would boost the nation's investment in needed infrastructure, including replacement of America's aging fleet of icebreakers and building new forward operating air bases for the Coast Guard to assert our national interest in the region.

S.1562 Arctic Science, Coordination and Integration Act - Numerous scientists and agencies conduct important and needed research into various aspects of the Arctic but concerns remain that these efforts are not well coordinated and leave gaps in our understanding of Arctic issues. This bill calls on the National Research Council to undertake a study toward a comprehensive strategy to coordinate Arctic research and make recommendations to Congress on a long-term Arctic Ocean research plan.

S.1563 Arctic Ambassador Act - Russia, Canada, Norway and other Arctic nations are represented at the ambassadorial level before the Arctic Council and U.S. interests would benefit from an enhanced diplomatic presence in Arctic matters. This bill is intended to strengthen U.S. representation before the Arctic Council and other international forums by appointment of a U.S. ambassador to the Arctic.

S.1564 Arctic Oil Spill Research and Recovery Act - Vast energy reserves are believed to lie beneath Arctic waters and it is vital that any development of such resources be conducted in a responsible manner that protects the environment upon which residents of the region depend. This bill directs the Secretary of Commerce to conduct research to improve oil spill prevention, response and recovery in Arctic conditions and requires the Coast Guard to assess and reduce risk from such development.

S.1565 Arctic Health Research Act - People of the Arctic suffer from increased rates of alcohol abuse, diabetes, high blood pressure, and death from injury and suicide. This act would initiate a study into the mental, behavioral and physical health problems in the Arctic, institute an Arctic health assessment program at the Centers for Disease Control and create an "Arctic desk" at the National Institute of Health that was called for in 1984 but has never been established.

S.1566 Arctic Climate Change Adaptation Act - Alaska villages and public infrastructure are already suffering from coastal erosion, flooding, permafrost melting and other impacts of climate change. This bill would help the State of Alaska, Alaska Native organizations, affected Arctic communities and the private sector adapt to the impacts of climate change and assist in dealing with habitat restoration, clean energy development and other economic development activities.

Melting ice could mean new riches

Jill Burke

Mar 1, 2010

"It's not a question of if but when."

That's what Mead Treadwell, chairman of the U.S. Arctic Research Commission, told a New York City crowd Monday about the prospect of a booming northwest passage.

Treadwell made the remarks during a moderated panel discussion, "Will the Bering Strait become the Panama Canal of the North?" hosted by the Council on Foreign Relations at Alaska House New York. (Alaska House is a nonprofit organization founded by Alaska Dispatch publisher Alice Rogoff to promote education about Alaska and its Native culture and foster economic development within the state.)

The day's discussion, which pulled together Alaska's congressional delegates, regional leaders and industry representatives, centered on the sense of urgency seemingly missing both in the state and nationwide for developing the infrastructure -- like deep water ports and international rules -- that will be needed to tap into a new hustling, bustling Bering Strait.

Two of the world's largest mining operations are above the Arctic Circle, including the Red Dog zinc mine in Alaska off the coast of Kivalina, according to Treadwell -- and the Arctic is poised to deliver even more resources. Minerals, fishing, oil and gas, exploration and science, and tourism all have northern footholds. Capturing opportunities related to those activities with the prospect of shorter shipping routes as ice recedes is something Americans need to be thinking about now, Treadwell said.

The challenge is building the infrastructure. Deep water ports are needed to accommodate large container ships and provide an anchor for the military presence that will need to increase to keep pace with a rise in offshore activity near the United States' northern coast.

Participants, including Rogoff, suggested that developing port infrastructure for Alaska's western coast, from Adak to Barrow, could be an economic boom as important to the state as the trans-Alaska oil pipeline, particularly when even a handful of new port jobs has the potential to pull villages teetering on the brink of economic failure into sustainability.

Alaska Sens. Lisa Murkowski, a Republican, and Mark Begich, a Democrat, attended the event and told participants they are aware of the critical role Alaska is poised to play in a changing Arctic environment. Murkowski is pushing for a Department of Defense and Homeland Security feasibility study for a deep water port off Alaska's shores.

"This study will determine whether it is in the strategic interest of the United States, as I believe it is, to build a port and where it might be located. A deep water port would not only serve our military and Coast Guard needs, but as we develop our offshore oil and gas reserves and see more shipping, tourism and vessel traffic in the Arctic, a deep water port could provide valuable support," Murkowski said.

A full transcript of the day's discussion will be posted online at the Council on Foreign Relations' Web site.

Contact Jill Burke at [jill\(at\)alaskadispatch.com](mailto:jill(at)alaskadispatch.com)

<http://www.alaskadispatch.com/news/news/4250-melting-ice-could-mean-new-riches>

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Published on March 18th, 2010

Opinion: Visit to New York, D.C. gets Arctic message across

By EDWARD ITTA

We Inupiaq like to say that the Arctic Ocean is our garden. It feeds us with its bounty of whales, seals, walrus, ugruk, fish and other subsistence foods. Our harvest is better in some years than in others. Weather, ice and ocean currents all affect the amount of "crops" we are able to feed to our families from year to year.

These are times of change for the ocean. Offshore oil and gas exploration is gearing up. We have seen plenty of evidence that climate change may cause dramatic shifts in the polar ice cap and in our weather. Receding ice could open up new shipping routes between Europe and Asia. We may see increased ocean traffic from commercial fishing boats and tourist ships.

What can we do about it? As mayor, I believe the borough should be engaged in the planning, monitoring, research and mitigation efforts that are being crafted right now as government agencies at all levels respond with a new sense of urgency to challenges and opportunities in the Arctic Ocean. That's why I spent the past week in New York and Washington, D.C. I joined Senators Begich and Murkowski in New York and the three of us made presentations on adapting to climate change in the Arctic to a group of policymakers, business people, scientists and journalists, who then participated in a roundtable discussion.

Policymakers are eager to hear our views, because they recognize that we have the most intimate knowledge of the Arctic and the most to lose if the ocean is not adequately protected. My message to them was that we don't want offshore development, but if it is going to happen, we insist on participating in decisions that will govern offshore activities and precautions. I showed them the Arctic policy principles adopted by ICC in 1984 as an example of longstanding Inuit leadership on protecting the polar region.

In Washington, I met with several of the highest officials in the Interior Department, including Interior Secretary Ken Salazar; his assistant secretary for Land and Minerals Management, Wilma Lewis; Liz Burnbaum, director of the Minerals Management Service (MMS); and Bob Abbey, director for BLM. I stressed that if the government is going to allow OCS activity, then it should set the bar very high when it comes to clean and cautious operations in the water.

I said that the shutdown requirement MMS wrote into Shell's Camden Bay permit is a good step in the right direction, since it gives that requirement the force of law for the first time. I argued for larger deferral areas around traditional Barter Island and Cross Island whaling areas, a moratorium on leasing new acreage, zero discharge of drilling wastes, a cumulative impacts analysis, and the need for better baseline science.

I invited Secretary Salazar to visit the North Slope this summer so he can get a first-hand look at some of the places that mean so much to our people. He agreed to pay us a visit in August.

At NOAA, I talked with two key officials about their efforts in preparing a new Environmental Impact Statement concerning the effects of oil and gas activities in the Arctic Ocean. Rather than the annual Incidental Harassment Authorizations (IHA) that are now issued, they are looking at doing five-year Incidental Take Authorizations. They believe it will build certainty and flexibility into their mitigation requirements, and I can see their point. I told them that we need more monitoring and study of the effects of noise on migrating whales. I discussed the Obama administration's new planning initiative for oceans and coastal areas with the head of the President's Council on Environmental Quality (CEQ). CEQ is spearheading the president's effort to deal with climate change. How this new ocean planning program will work is still something of a mystery, but it has a high priority in the administration. I focused on the need to be sensitive about traditional uses of the coastal and ocean areas and to make sure our voices are heard as these large-scale management programs are designed.

At the U.S. Fish and Wildlife Service, we discussed the ongoing management plan for Steller's eiders. I pointed out that our people are conservationists by nature and that education efforts about threatened species can be much more effective than hardball enforcement tactics. I thanked them for establishing a liaison position in Barrow (now held by Emma Huntsman) and said I look forward to better communication between the community and the agency.

Although I spent time with Senators Murkowski and Begich in New York, I was able to meet with each of them again in D.C. I also met with Congressman Young. In each case, I went over a range of issues that we can work on together, and I thanked them for legislation they sponsored in response to my eight-point OCS policy position.

All in all, it was a very productive week. If our voice is going to be heard in the halls of political power, it will be because we take our message to the decision makers and state our point clearly and forcefully. My staff and I will continue to engage with the agencies that shape the regulatory framework for North Slope activities of all kinds. In these challenging times,

these changing times, I want to make sure they can't forget our concerns as they plan the future in offices that are thousands of miles from the Arctic.

Edward Itta is mayor of the North Slope Borough.

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White House Climate Change Adaptation Task Force

In 2009, the White House Council on Environmental Quality (CEQ), the Office of Science and Technology Policy (OSTP), and the National Oceanic and Atmospheric Administration (NOAA) initiated the Interagency Climate Change Adaptation Task Force, which includes representatives from more than 20 Federal Agencies. When the President signed the Executive Order on Federal Leadership in Environmental, Energy, and Economic Performance, on October 5, 2009, he called on the Task Force to develop, within one year, Federal recommendations for adapting to climate change impacts both domestically and internationally.

Interim Progress Report

On March 16, 2010, the Task Force released an Interim Progress Report which outlines the Task Force's progress to date and recommends key components to include in a national strategy on climate change adaptation. These six components include:

1. Integration of Science into Adaptation Decisions and Policy
2. Communications and Capacity-building
3. Coordination and Collaboration
4. Prioritization
5. A Flexible Framework for Agencies
6. Evaluation

The Interim Progress Report is available for 60 days of public comment. [Submit your comment here.](#)

Workgroups

The Interagency Climate Change Adaptation Task Force formed workgroups to consider the capabilities of the Federal Government to respond to the impacts of climate change on various critical sectors, institutions, and agency mission responsibilities. Five initial workgroups began by reviewing existing policies, operations, procedures, and other tools that affect the Federal Government's response, and will suggest options for improving the government's capacity for adaptation to climate change. The five initial workgroups are focused on the following topics:

- **Agency Adaptation:** Develop recommendations on how agencies should plan and implement adaptation
- **Science Inputs to Policy:** Develop recommendations to couple the production of scientific and technical support to adaptation planning, prioritization, and resilience building within the USG, in the US, and internationally
- **Insurance:** Develop recommendations on opportunities for the United States Government to support insurance and adaptation issues
- **Water Resources Adaptation:** Develop recommendations on how Federal water management agencies should plan and implement adaptation actions related to climate impacts on water resources
- **International Resilience:** Develop recommendations on opportunities for the United States Government to support and lead international adaptation efforts

These workgroups have defined their scope and end products, and have begun initial analysis. Most workgroups have used stakeholder listening sessions to solicit feedback from various government and regional actors on adaptation issues within their respective issue area.

Listening Sessions

The five initial Interagency Climate Change Adaptation Task Force workgroups hosted twenty listening sessions with key stakeholders and experts. The listening sessions were designed to engage the expertise and recommendations of external organizations into the workgroup deliberations early in this review process.

Final Product

In October 2010, the Task Force will report to the President on the development of domestic and international dimensions of a U.S. approach to climate change adaptation and what Federal Agencies are doing to support this effort. The Task Force also will recommend additional aspects to consider in the development of a comprehensive national strategy.

White House Interagency Ocean Policy Task Force

On June 12, 2009, President Obama sent a memorandum to the heads of executive departments and federal agencies establishing an Interagency Ocean Policy Task Force, led by the White House Council on Environmental Quality. The Task Force is charged with developing a recommendation for a national policy that ensures protection, maintenance, and restoration of oceans, our coasts and the Great Lakes. It will also recommend a framework for improved stewardship, and effective coastal and marine spatial planning.

The oceans, our coasts, and the Great Lakes provide jobs, food, energy resources, ecological services, recreation, and tourism opportunities, and play critical roles in our Nation's transportation, economy, and trade, as well as the global mobility of our Armed Forces and the maintenance of international peace and security," President Obama wrote in the memorandum. "We have a stewardship responsibility to maintain healthy, resilient, and sustainable oceans, coasts and Great Lakes resources for the benefit of this and future generations."

"The challenges our oceans, coasts, and Great Lakes are facing are complex, and to meet these challenges we must have the participation of a wide spectrum of views from within the federal government," said Nancy Sutley, Chair of the White House Council on Environmental Quality. "The Task Force has a wealth of opportunity to make our oceans, coasts and Great Lakes healthier - both environmentally and economically."

The recommendations and frameworks developed by the Task Force will be cost effective and improve coordination across federal agencies. The Chair will terminate the Task Force upon the completion of its duties.

The time period to submit comments to the Task Force has closed, but you can [read comments from others](#). The Task Force's [Interim Framework](#) is open for comment through Friday, February 12, 2010.

Read the President's [Proclamation on National Oceans Month](#)

ARCTIC MARINE SHIPPING ASSESSMENT



Scenarios on the Future of Arctic Marine Navigation in 2050

Arctic Marine Shipping Assessment (AMSA)

The Arctic Council – an intergovernmental forum that addresses environmental protection and sustainable development issues, as well as challenges faced by the Arctic governments and people – is conducting an assessment of current and future Arctic marine activity. The lead countries for AMSA are Canada, Finland and the United States with the Arctic Council's working group on Protection of the Arctic Marine Environment (PAME) responsible for the assessment. A key element of AMSA is the creation of a set of scenarios, or plausible futures, for Arctic marine navigation.

Scenario Framework

The high-level scenario summaries were created at two AMSA/PAME Scenarios Workshops held in San Francisco (April 2007) and Helsinki (July 2007). The workshops were designed and facilitated by Global Business Network of San Francisco. Through brainstorming, work in small groups and spirited plenary discussion, workshop participants collectively agreed that the two factors detailed below – Governance and Resources & Trade – are the most important and uncertain in shaping the future of Arctic marine navigation in mid-century. By crossing these two critical uncertainties, participants formed the scenario matrix illustrated to the right. This framework also allows the incorporation of many of the uncertainties explored at the workshops, while still creating four different scenario spaces that are plausible and relevant to the range of Arctic stakeholders. When completed, the scenario stories will be posted on the PAME website, www.pame.is.

GOVERNANCE

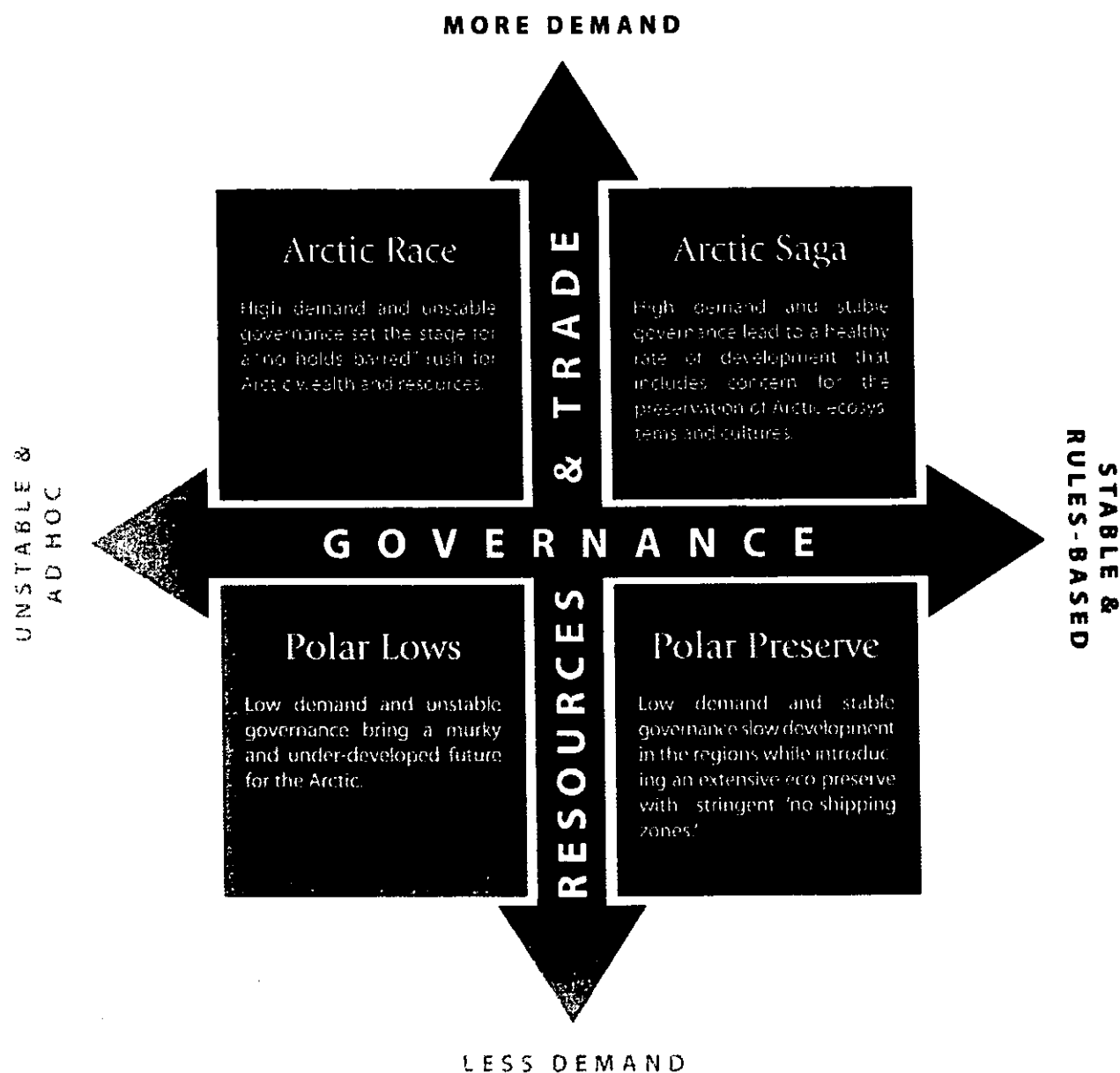
This uncertainty axis describes the degree of relative *Governance stability*, both within the Arctic region and internationally.

- ← **Less stability** implies shortfalls in legal structure and transparency, as well as a propensity for stakeholders to work on a more unilateral basis rather than by collaborating in a cooperative, international fashion.
- **More stability** implies not only efficiently operating legal and regulatory structures, but an international atmosphere more conducive to collaborative and cooperative development.

RESOURCES & TRADE

This uncertainty axis describes the level of demand for Arctic natural resources and trade. Framing this in a global context exposes the scenarios to a broader range of potential market developments, such as the rise of Asia or political instability in the Middle East.

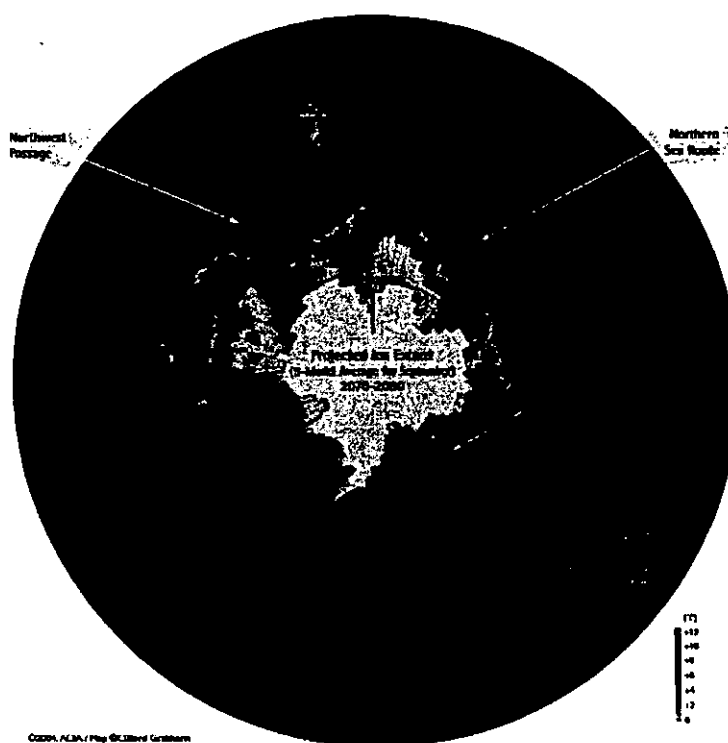
- ↑ **More demand** implies exactly that – higher demand from more players and markets around the world – for natural resources and commerce in the Arctic.
- ↓ **Less demand** is also straight forward, with fewer global players interested in utilizing Arctic commerce and natural resources.



Development of the AMSA scenarios is being facilitated by Global Business Network of San Francisco. Support for this effort has been provided by: Aker Arctic Technology, BP Shipping, Finnish Ministry of Foreign Affairs, Institute of the North, Transport Canada, U.S. Arctic Research Commission, U.S. Department of State and U.S. National Oceanic & Atmospheric Administration.

Arctic Climate Impact Assessment Key Finding #6:

"Reduced sea ice is very likely to increase marine transport and access to resources."



Institute of the North
935 W. Third Avenue
Anchorage, Alaska 99501 USA
Tel: 1.907.771.2445 Fax: 1.907.771.2466
Web Site: www.institutenorth.org
E-mail: institute@institutenorth.org



AMSA Chair & Scenarios Lead
U.S. Arctic Research Commission
420 L Street, Suite 315
Anchorage, Alaska 99501-1971 USA
Tel: 1.907.271.4577 Fax: 1.907.271.4578
E-mail: usarc@acsalaska.net



Arctic Council
Secretariat
Polarmiljøsenteret
NO-9296 Tromsø Norway
Tel: 47.77.75.01.40 Fax: 47.77.75.05.01
E-mail: AC-chair@arctic-council.org



Protection of the Arctic Marine Environment
Secretariat
Borgir, Nordurslød
600 Akureyri, Iceland
Tel: 354.461.1355 Fax: 354.462.3390
E-mail: pame@pame.is

Major International LLC
4167 Apollo Drive
Anchorage, Alaska 99504
skymajor@aol.com
907-227-7015

March 27, 2010

Northern Waters Commission

A Call to Action

China declares itself an Arctic nation. Building an icebreaker.

Canada renames the much sought-after Northwest Passage the "Canadian Northwest Passage."

Two new-built container ships cut the shipping time from East Asia to Rotterdam in half. Sea route across northern Russia. Icebreaker escorts not needed.

Norway seeks talks with Alaskans.

Canada - Alaska border dispute flares up.

Iceland envisions a transshipment role for itself.

Russia claims undersea territories and resources.

Disclaimer.

This paper is NOT -- repeat NOT -- a treatise on global warming or explanations for it. This is a look at Alaska's potential role in new strategies and opportunities brought forward by receding sea ice in Northern Waters,

Discussion

Reports clearly indicate that the sea ice in Northern latitudes is receding.

No matter what the cause might be, what meaning does that fact have for Alaska and the United States?

Other nations and their governments are already hard at work on their own interests. Russian, Canada, Norway, Iceland and even our own Federal government are players.

These governments and their commercial partners are at the table. What should the State of Alaska and the Alaskan people be doing? We are not very active yet, but we should be.

How and when do we claim our place at the table? Or should we maintain a subordinate, quasi-colonial posture? Most are repulsed by the very thought of the latter.

The situation in Northern Waters could be summed up as follows.

The waters north and northwest of Alaska have strategic importance for at least these four reasons:

- 1. Protection of routes of ocean transit.**
- 2. Mineral and other resource rights, sub-surface and on-shore.**
- 3. Territorial rights and claims by foreign governments.**
- 4. Rights and welfare of local inhabitants.**

As governments, the interests listed above are shared by the Federal government and the State of Alaska.

Some independent Federal agencies are taking actions, and some bilateral or multilateral international forums exist. Not all these agencies are coordinating with one another.

Although these shared interests are critical, yet, as of now, there is no organized Federal-State mechanism for handling or even discussing these matters.

Fortunately, there is an approach that is time-proven and very successful.

Suggestion

1. Use the very successful Fishery Management Council model, on which Federal and State appointees sit, deliberate, form policy and approve actions.
2. Feds and State agree to form a **Northern Waters Commission** (working title).
3. A balanced membership is formed comprised of Federal and State of Alaska appointees.

The **Northern Waters Commission** would be the forum at which to discuss policy issues, such as those listed in the four strategic areas above.

Regular meetings would be held, just as with the North Pacific Fishery Management Council, in a balanced atmosphere, with advice and input from staff, local governments, public agencies and the public.

Initial discussions about the **Northern Waters Commission** have been held with members and staff of our Congressional delegation, members of the State Legislative and Executive branches, the US Arctic Research Commission, the Mayor of the North Slope Borough, and experienced members of the public.

There is universal acknowledgement of the general issues involved with receding sea ice, and there is a real interest in the course of action outlined above as a means of addressing those issues.

As further background, in New York City a March 1, 2010 conference was held at the Council on Foreign Relations on the general subject of the retreating sea ice in the North. Senators Murkowski and Begich both made statements there, as well as Mayor Edward Itta.

Many notables were at the conference including the Norwegian Ambassador to the United Nations; David Rockefeller Jr.; Theodore Roosevelt IV; Nome Mayor Denise Michels; Alaska State Representative Carl Gatto; Bering Straits Native Corporation executive Gail Schubert; Alaska Native Arts Foundation chair Alice Rogoff; US Arctic Research Commission chair Mead Treadwell; and former Alaska Commissioner of Commerce, Community and Economic Development Bill Noll.

There was also an evening reception on March 1st at the Alaska House New York on the same subject. Mead Treadwell, Alice Rogoff and Bill Noll shared the podium at the reception. Mead gave a great power point presentation, followed by a lively Q&A.

About 80 had attended the Council on Foreign Relations event. Follow up is expected. As one example, an officer from Norway's General Consulate requested bilateral talks with Alaskans on this general subject.

Here is a link to the text of the afternoon session at Council on Foreign Relations, including the remarks by Senator Murkowski, Senator Begich and Mayor Itta:
http://www.cfr.org/publication/21623/adapting_to_climate_change_in_the_arctic_coordinating_a_federal_state_and_private_sector_response.html?breadcrumb=%2Fbios%2F13363%2Fscott_g_borgerson

Here is a link to the evening session at Alaska House New York:
<http://www.ustream.tv/recorded/5121092>

So, the question is, what to do next?

Recommendation

The State of Alaska perform work to create a report that will be the basis for taking actions deemed prudent to protect the interests of Alaska and Alaskans and advance these interests in the face of the receding sea ice.

There are and will be opportunities for people and businesses. Will Alaska play the role of a colony or foil for Federal and international protagonists? Or will Alaska step into the breach and take its rightful place alongside the sovereign powers already working for their own ends?

Proposed Scope of Work

- A. The current and recent commercial and recreational marine transits passing Alaska over the top across Russia and Canada. The nature of this shipping and its potential. The economics.
- B. Estimated oil, gas and other minerals in Northern Waters and their value.

- C. Territorial claims to sea, sub-sea or land areas and resources.
- D. Current actions by the US Coast Guard and the US Navy. Port potentials.
- E. Other commercial potential such as tug support, pilotage, and ice breakers.
- F. Shoreside support needs and potential for commerce. Infrastructure.
- G. Social and economic potentials for local residents, businesses and governments.
- H. Federal agencies currently involved in any way. International forums.
- I. Existing Federal laws and regulations, and those pending in Congress.
- J. The Law of the Sea Treaty: situation report.
- K. The North Pacific Fishery Management Council budget and funding source.
- L. Public hearings in key Northern locations.

Respectfully submitted.

William C. (Bill) Noll, Owner

Former Mayor of Seward

Former Alaska Commissioner of Commerce, Community and Economic Development

Founding president, Seward Association for the Advancement of Marine Science, dba
Alaska Sealife Center