

02/12/15

Presentations:

DCCED -

Division of

Economic

Development,

and Alaska

Travel Industry

Association

<TARGET><BILL></BILL><SUBJECT>01-22-15 Presentations by the
Pacific Northwest Economic
Region</SUBJECT><COMM>HEDA29</COMM></TARGET>

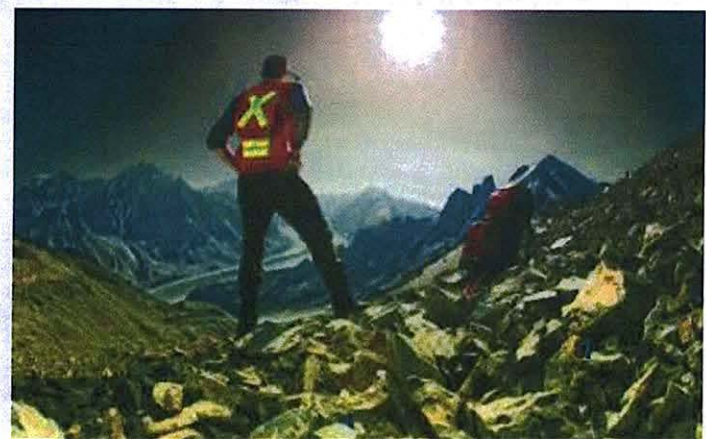
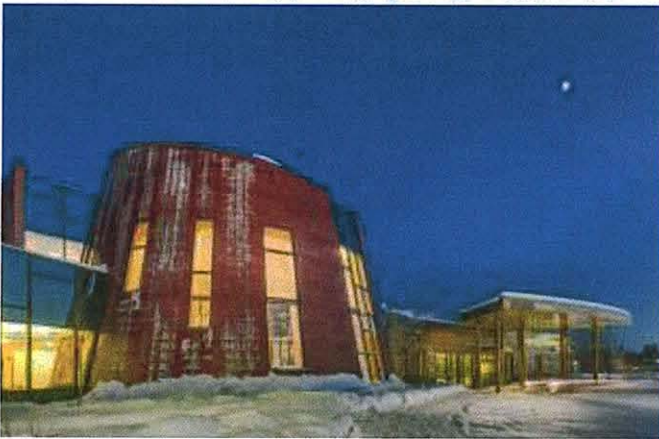
ALASKA

NORTH TO OPPORTUNITY

Division of Economic Development Overview

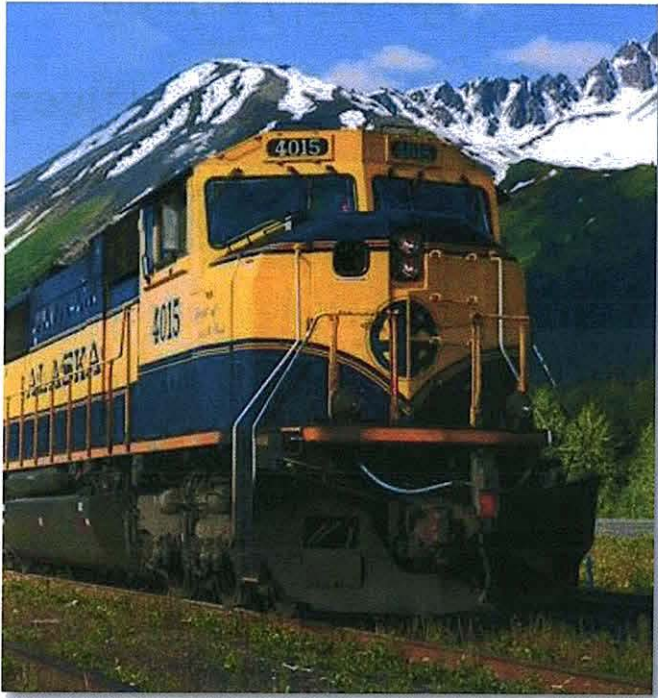
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF ECONOMIC DEVELOPMENT

2/12/15



Economic development is the process of creating wealth through investment and reinvestment in a community resulting in more jobs, higher incomes, an expanded tax base, a more diversified economy, business improvement, and a better quality of life.





Core Functions of DED

- Finance
- Development
- Tourism Marketing

Finance:

Administers and services **11** loan funds with a total principal outstanding exceeding \$200 million.

- | | |
|-----------------------------------|------------------------------------|
| 4 fishing-related loan programs | - 3 small business loan programs |
| 1 bulk fuel loan program | - 1 capstone avionics loan program |
| 1 alternative energy loan program | -1 mariculture loan program |

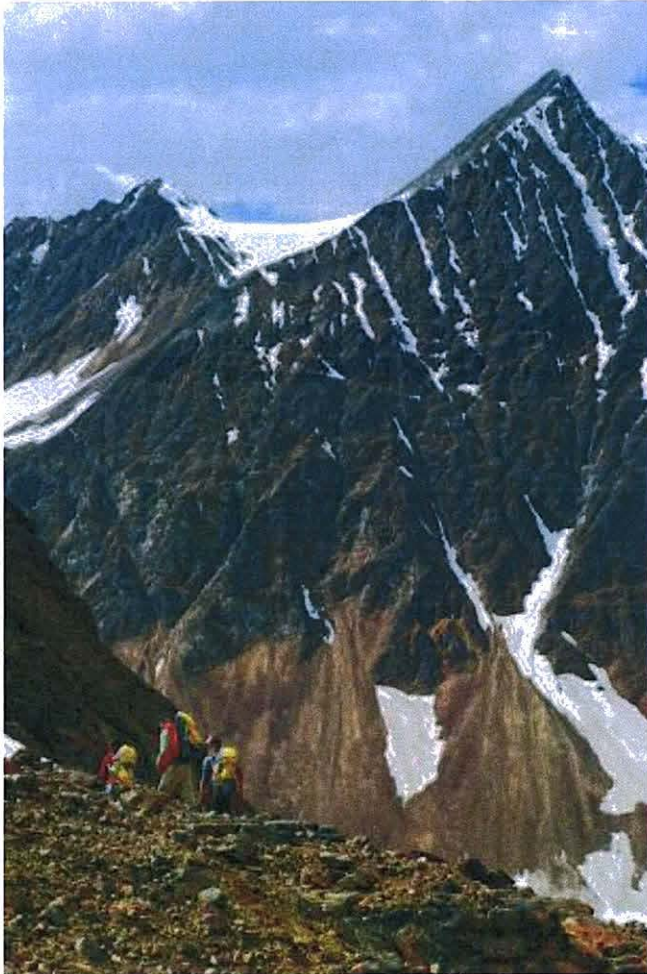
Loan programs were created to achieve:

Jobs for Alaskans

Stimulate Entrepreneurship

Reduce Costs and Improve Quality





Development Overview

Key FY 14 Developments and Initiatives

- ARDOR Reauthorization and AVCP
- Cultural Tourism
- North to Opportunity
- Unmanned Aircraft Systems
- Emmonak Port EIS
- Business Retention and Expansion
- Made in Alaska (Home)
- Iceland Trade Mission
- Minerals Promotion
- Mariculture Expansion/Hatchery
- Trends and Opportunities in Maritime Sector

ARDOR Program Update:

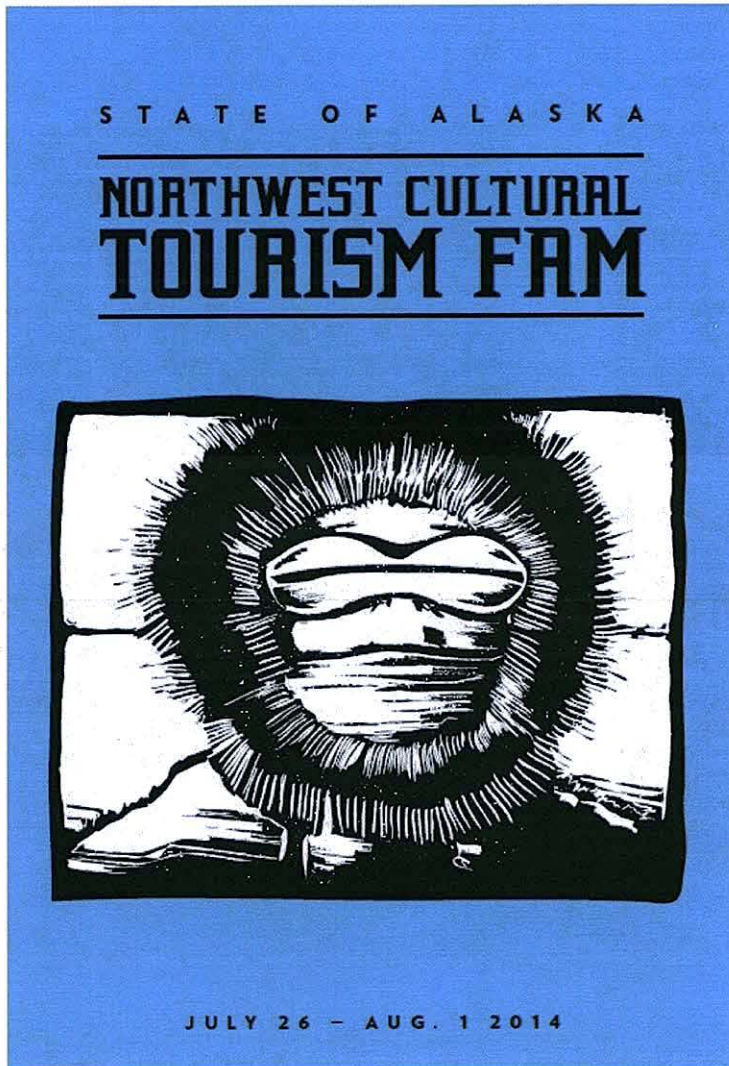
Program reauthorized via HB 71 in March 2014

ARDOR status removed from Interior Rivers and Lower Kuskokwim Economic Development Council. Association of Village Council Presidents (AVCP) became newest ARDOR in FY 15

Ten ARDORs received funding in FY 15

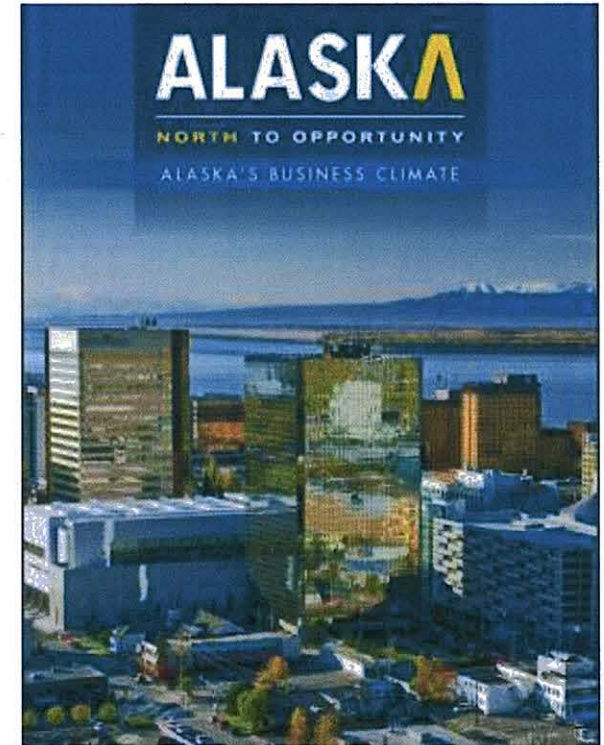
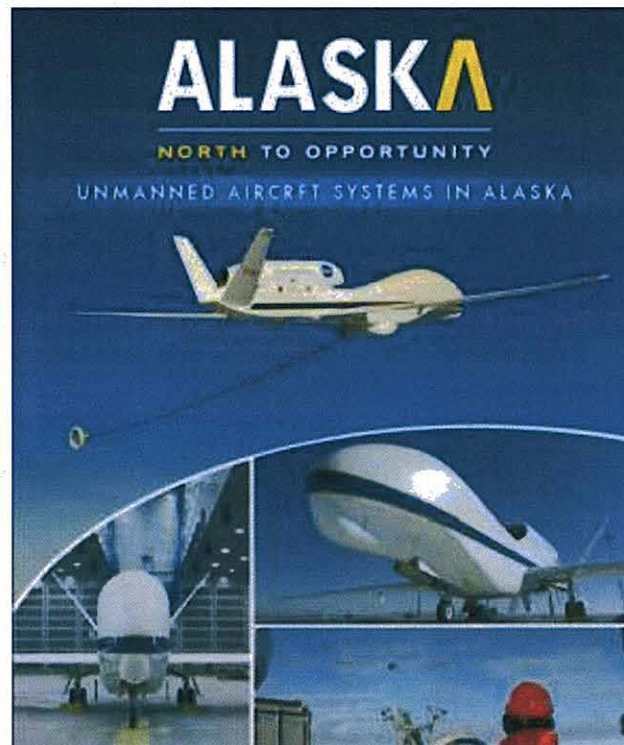
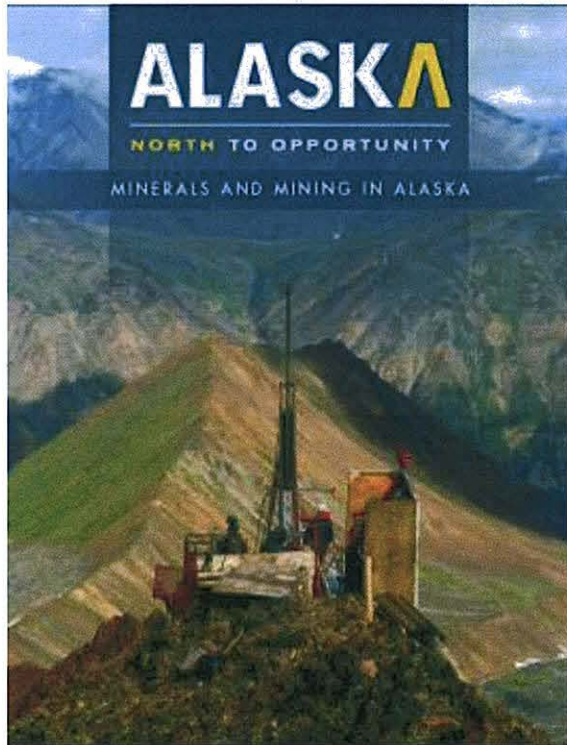
Improved accountability across program





Northwest Cultural Tourism and Native Arts

- Increase consumer awareness of Northwest Alaska region tourism opportunities and Alaska Native arts
- Promote cultural tourism and Alaska Native arts through press trips for journalists and product assessment tours for tour operators
- Conducted FAM Trip 7/26-8/1/2014
- Follow-up plans to build capacity in communities
- Coordinated with Tourism Marketing program





Unmanned Aircraft
Systems: An Economic
Development Strategy
for Alaska



January 27, 2015



Prepared for the State of Alaska,
Department of Commerce, Community,
and Economic Development, Division of
Economic Development

UAS Industry Development

- Participated in AUUSI Orlando Show
- Business Attraction Work with CAE
- Produced UAS Economic Development Strategy in partnership with UA Business Enterprise Institute.

STATE OF ALASKA

**ICELAND PROCESSING
TRADE MISSION**



OCTOBER 19 - 22, 2014

Iceland Trade Mission

- Led delegation of 12 to Iceland to learn more about Iceland Ocean Cluster
- Follow up to passage of SB 71



WORKSHOP

Business Retention and Expansion Program
June 19, 2014, 9:00 a.m. – 5:00 p.m.
Anchorage, Dena'ina Center, Kahtnu Room

The State of Alaska is developing a statewide business retention and expansion (BRE) program and will be providing specialized BRE software (Executive Pulse) and services to economic development organizations, municipalities, and communities.

If you are interested in offering BRE services for your community or region and want to learn more about developing and implementing a BRE program, then please join us for a full-day workshop that will cover:

- » Organizational capacity building
- » Executive Pulse software orientation
- » BRE survey development and administration
- » Business visitation and interview techniques
- » Leveraging resources

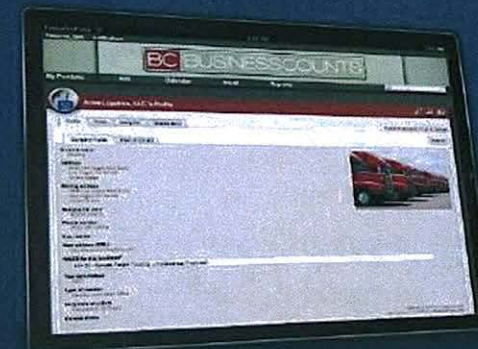
For more information or to register for this FREE workshop, please contact:

Dru Garson
State of Alaska
Division of Economic Development
Direct: (907) 465-2162
Email: dru.garson@alaska.gov

RSVP Deadline - June 6, 2014

Workshop Topics:

- » Best practices
- » Identifying partners
- » Selecting and scheduling companies
- » Developing a survey instrument
- » Conducting interviews
- » Interviewing and note-taking techniques
- » Interview guidelines
- » Information types and warning signs
- » Data entry and management
- » Data analysis and reporting





A rendering of the Petersen Group's Made in Alaska Home

Made in Alaska Home (Anchorage)

- The first “Made In Alaska” Home, designed and built by the Petersen Group, debuted Fall 2014
- Increased focus on locally-made products
- Design promoted energy efficiency
- Concurrent initiative undertaken in Bethel in partnership with CCHRC and AVCP (ongoing)



Minerals Promotion

- Promoted Alaska mining at the following trade shows: Prospectors and Developers Association of Canada trade show in Toronto; Alaska Miner's Association; Cambridge House; and, Association for Mineral Exploration British Columbia
- Showcased Alaska as a place to invest alongside up to 12 of its exploration projects and held "Opportunity Alaska" seminars
- Coordinated meetings for the Alaska Minerals Commission
- Produced Alaska Minerals Industry Report

Maritime Industrial Development

- Produced report identifying most prominent opportunities in Alaska's maritime industry
- Categorized and classified entire Alaska fleet
- Recommended strategies to stimulate growth
- DED currently working on broader maritime industry strategy

Trends and Opportunities in the **Alaska Maritime Industrial Support Sector**



Arctic Shipping Initiative

- Conducted through the University of Alaska Fairbanks
- Led by Dr. Lawson Brigham (also a member of the Alaska Arctic Policy Commission) and US author of the Arctic Council's Arctic Marine Shipping Assessment
- Will look at global market demand, industry trends, competition, infrastructure needs, navigation safety, and the global trade and economic development
- "Alaska and the New Maritime Arctic" workshop held in November 2013 on Northern Sea Route; summary report done

Scope of Work Includes:

- International Trade/Energy Shipments
- Jobs and Economic Development for Alaska
- Study complete February 2015



Tourism Marketing Program Overview



Tourism FY 14 Highlights

- Generated nearly 800,000 consumer information requests, which produced 220,240 actual trips (averaging 3.2 people per trip) or 704,768 total visitors drawn to the state.
- Continued promoting Icelandair flights to Alaska in 2014, including online and magazine advertising campaigns, resulting in a seven percent increase over 2013.
- Collaborated with the governments of Alberta, British Columbia and Yukon to promote the drive through Canada and into Alaska as “The Ultimate Road Trip”.
- Public relations efforts yielded a total of 144 Alaska tourism stories appearing in print and digital media with an advertising value equivalent of \$44 million.
- Targeted television and magazine advertising generated 788,142 requests for Alaska travel information, exceeding the goal by 27 percent.
- Generated 1,700,000 site visits to TravelAlaska.com through all advertising efforts.



PROGRAM GOALS/OBJECTIVES

1. **Generate awareness for Alaska as a travel destination**
 - Objective 1: Generate new high-potential prospects in North America
 - Objective 2: Raise awareness/interest in Alaska as a visitor destination among North America consumers
2. **Increase year-round visitation**
 - Objective 1: Increase visitation from North America market
 - Objective 2: Increase visitation from targeted international markets
3. **Generate private sector funding for tourism marketing**



Primary Target Market

- 45-65 years old
- Affluent
- Married
- College Educated
- Frequent Travelers
(Especially those who have taken a foreign vacation)

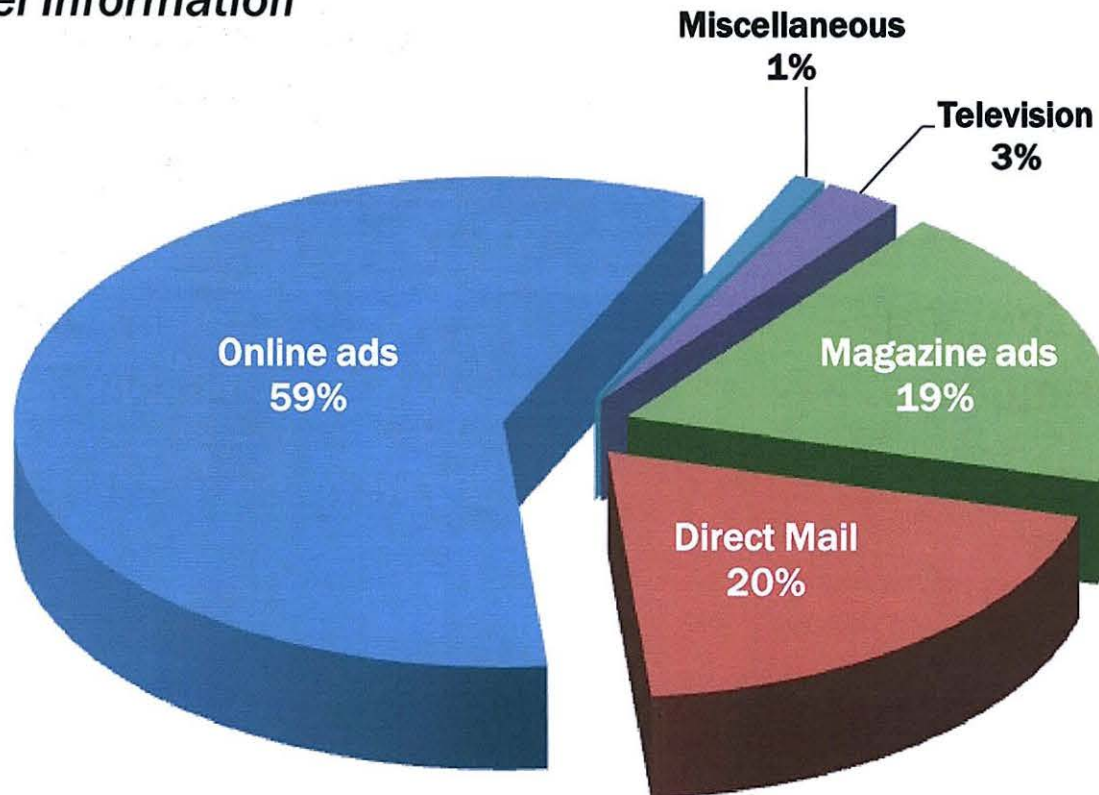
Niche Markets

- Adventure Travelers
- Highway Travelers



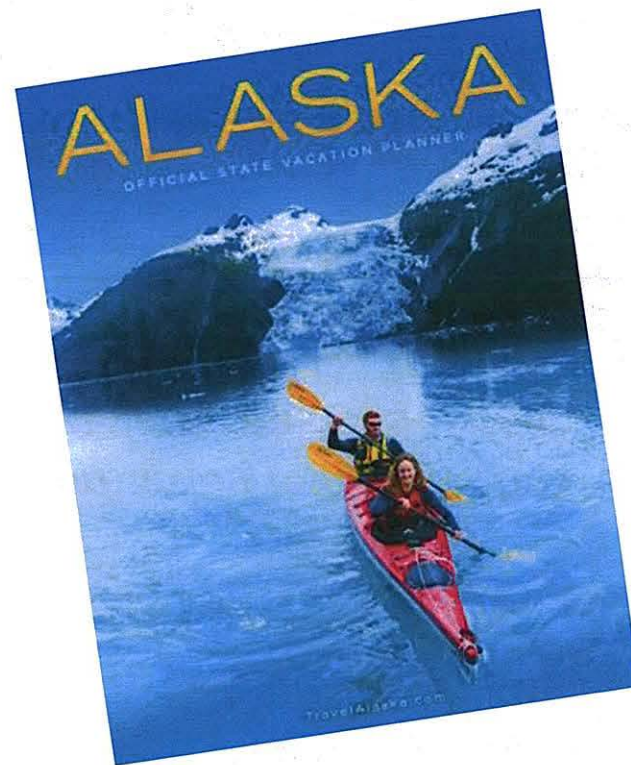
GENERATING REQUESTS FOR TRAVEL INFORMATION

Using a broad range of marketing programs to generate requests for Alaska travel information



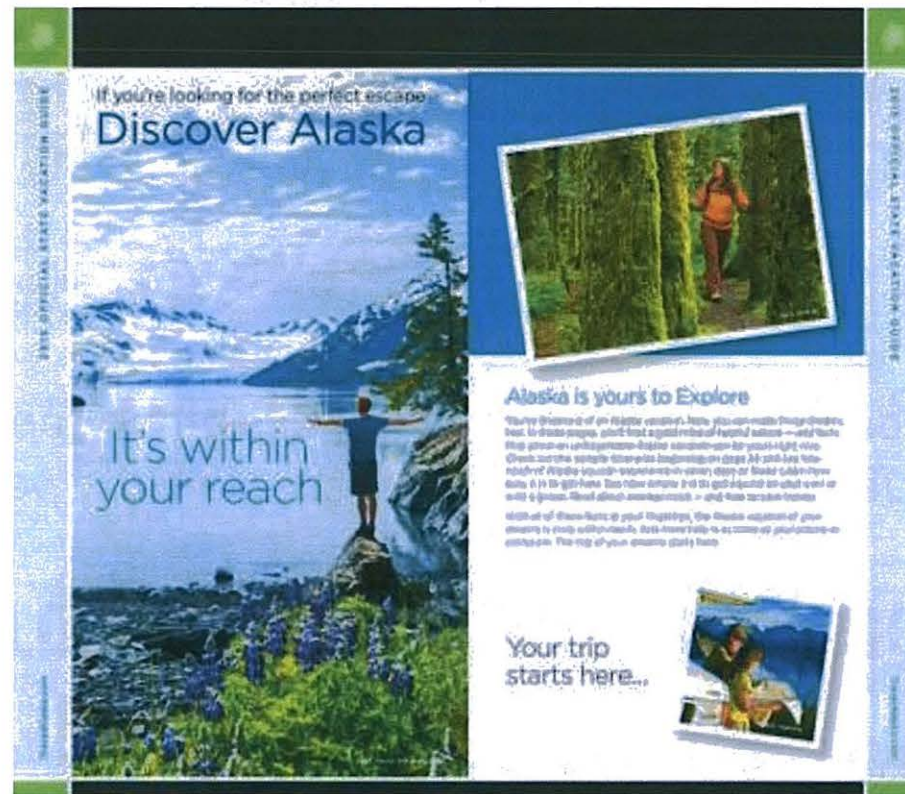
DISTRIBUTE OFFICIAL STATE VACATION PLANNER

Providing detailed trip planning information to consumers actively planning an Alaska vacation – includes an Alaska business directory to encourage reservations



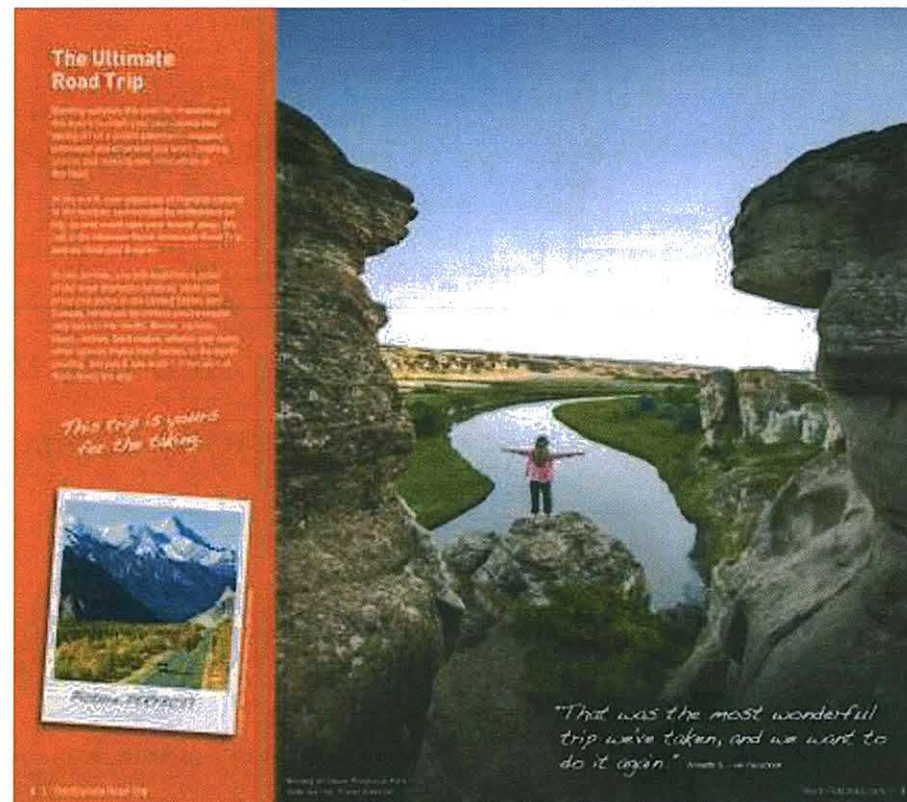
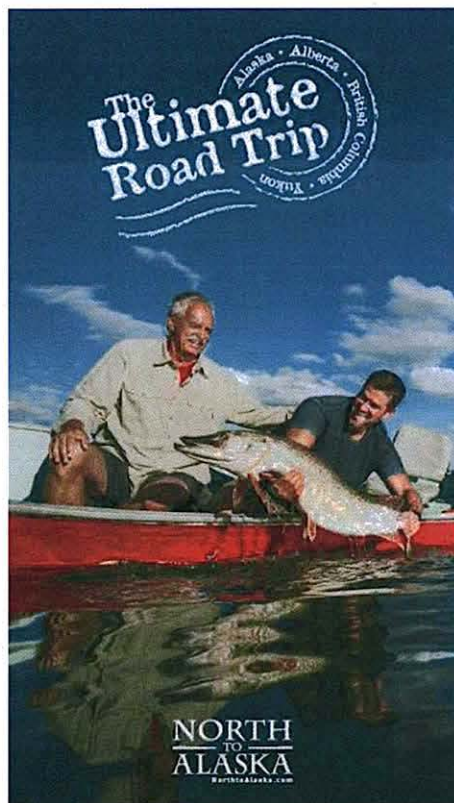
DISTRIBUTE THE WITHIN YOUR REACH BROCHURE

Providing trip planning information to people that need extra encouragement to choose Alaska as their next vacation destination



DISTRIBUTE THE NORTH TO ALASKA BROCHURE

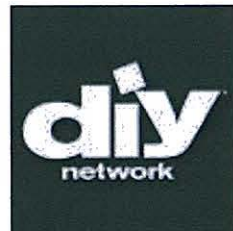
Providing highway travel information to people interested in a driving vacation through western Canada and into Alaska



TELEVISION ADVERTISING

Alaska ads are running on:

- *National broadcast television (ABC, NBC, CBS)*
- *Syndicated programs and on national cable networks*



- Continue design refresh for TravelAlaska.com
- Expand mobile app development



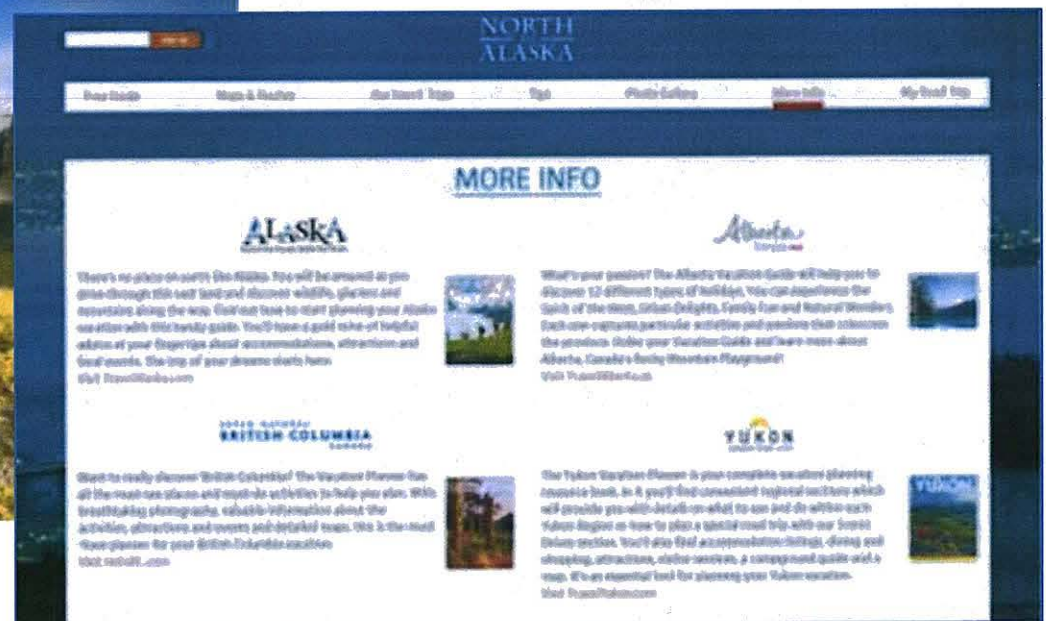
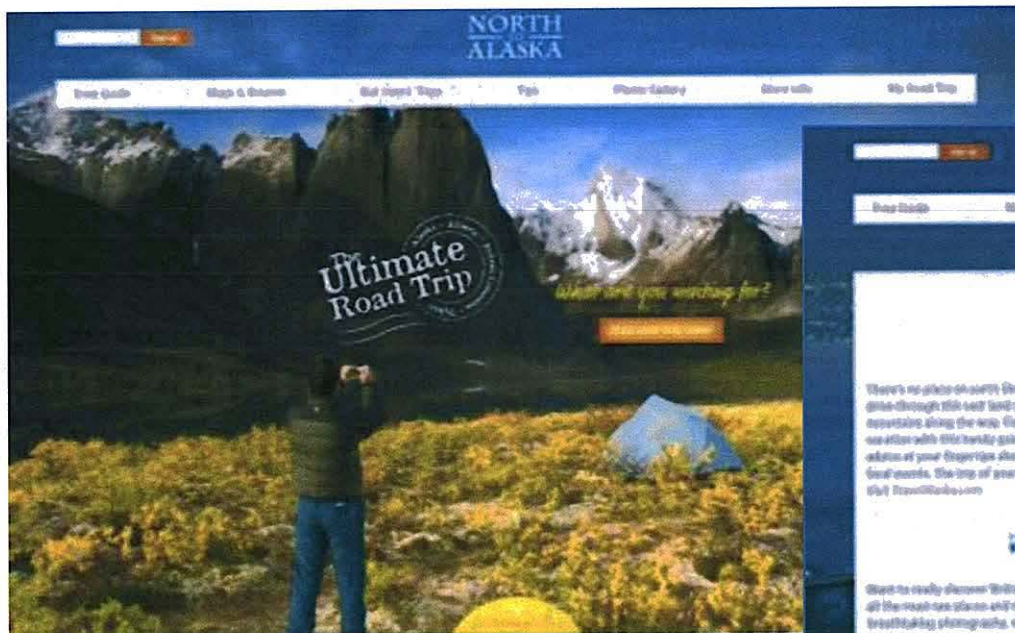
➤ Foreign-language websites

- German
- Japanese
- Korean
- Spanish
- Chinese



NEW ALASKA HIGHWAY TRAVEL WEBSITE

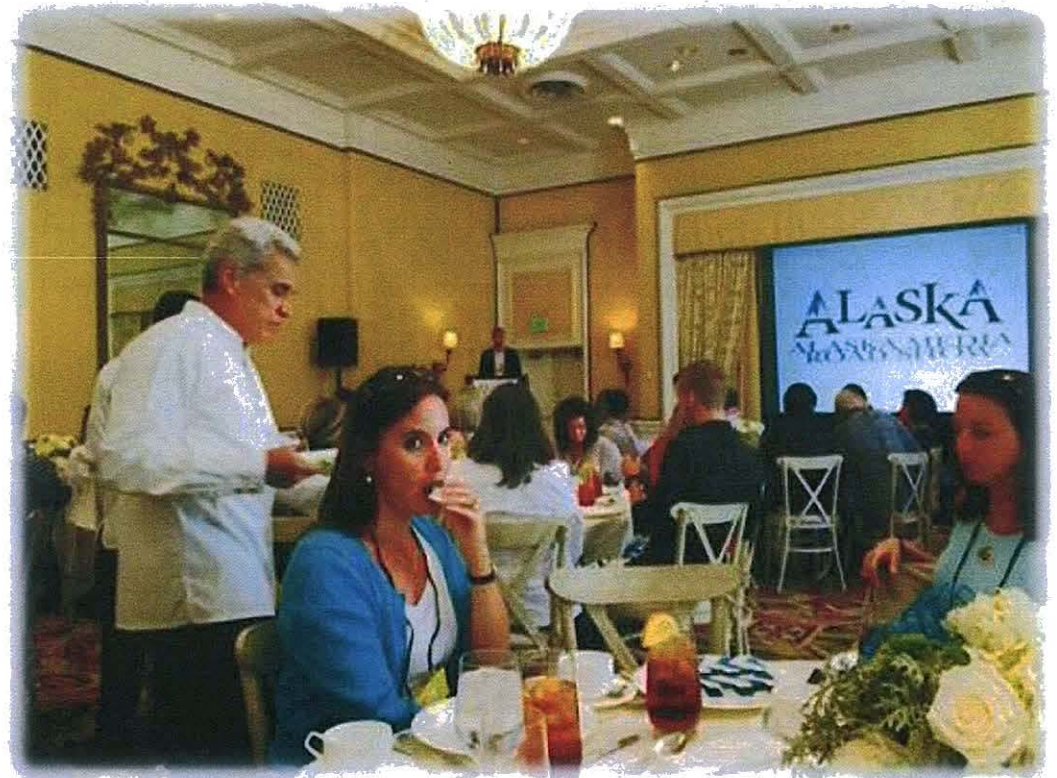
Providing additional information for planning a driving vacation to Alaska – maps, driving routes, travel tips, visitor testimonials and a photo gallery



PUBLIC RELATIONS

Working with travel journalists to increase interest in Alaska and connecting journalists with Alaska businesses

- ***Alaska Media Road Show*** event highlighted: Alaska tourism along with Alaska grown products and seafood
- ***Several state agencies participate including: Alaska Marine Highway System, Alaska State Parks, Alaska Railroad, Alaska Council on the Arts and Alaska State Museums***



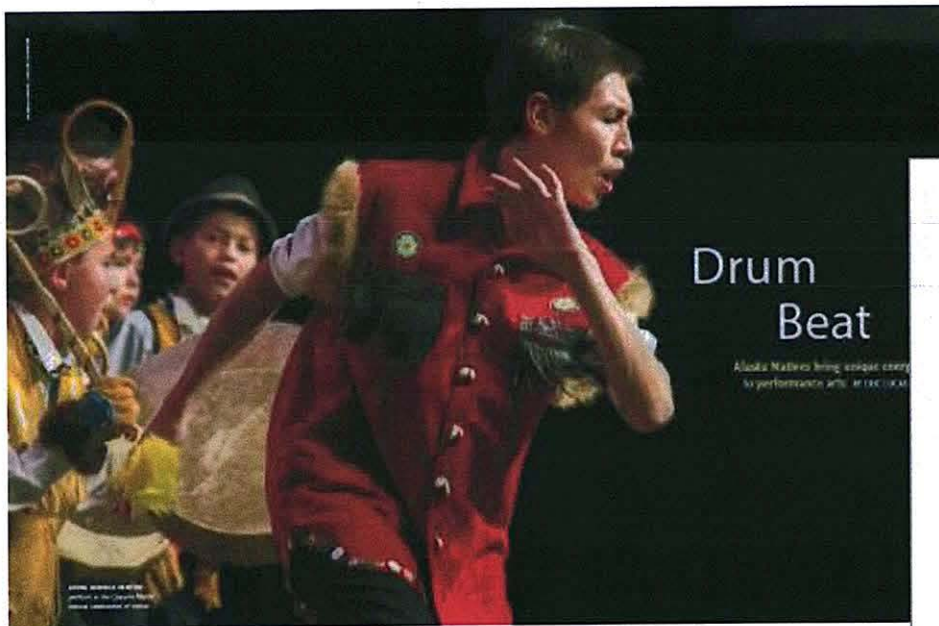
PUBLIC RELATIONS

Generating Alaska Travel Stories

- Alaska Airlines Magazine: July 2014

Delivered Alaska's cultural message and highlighted several cultural events visitors can enjoy

Ad Value = \$99,300



TODAY SHOW IN JUNEAU



TRAVEL TRADE EVENTS

One-to-one conversations with Domestic Travel Trade:

- Virtuoso Travel Week: Aug. 9-15, 2014
- ATTA World Summit: Oct. 6-9, 2014
- IMEX America: Oct. 14-16, 2014
- USTOA: Dec. 5-7, 2014
- ABA Marketplace: Jan. 10-13, 2015
- NTA Travel Exchange: Jan 18-22, 2015
- Select Traveler: Feb. 8-10, 2015
- Go West Summit: Feb. 10-13, 2015
- Cruise Shipping Miami: March 16-19, 2015
- Cruise3Sixty: April 22-26, 2015



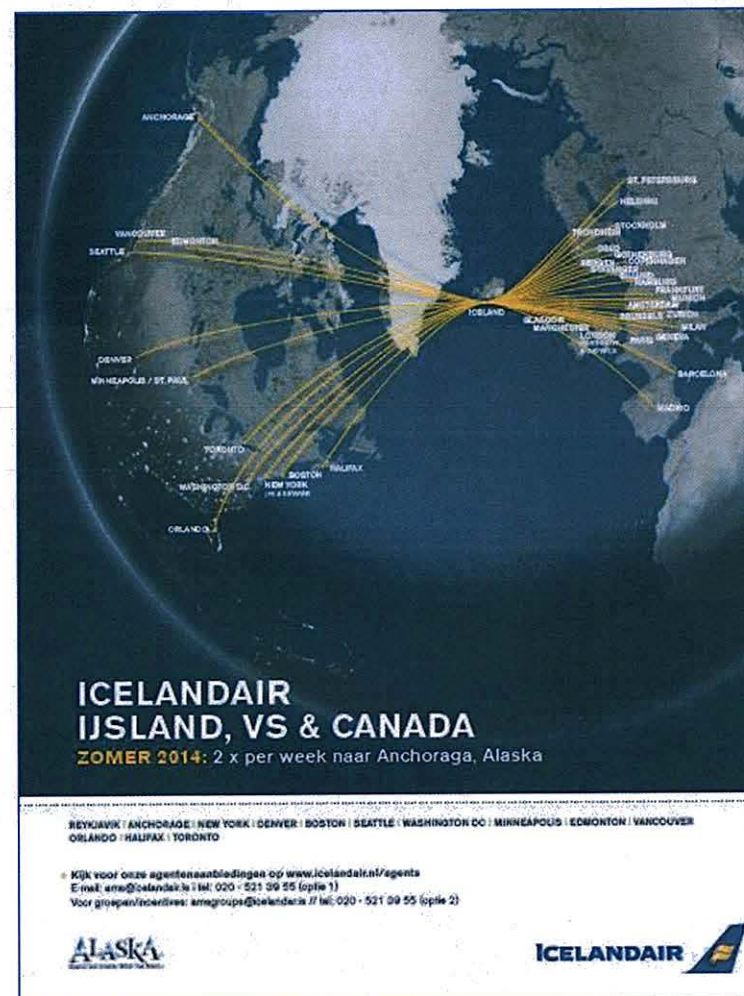
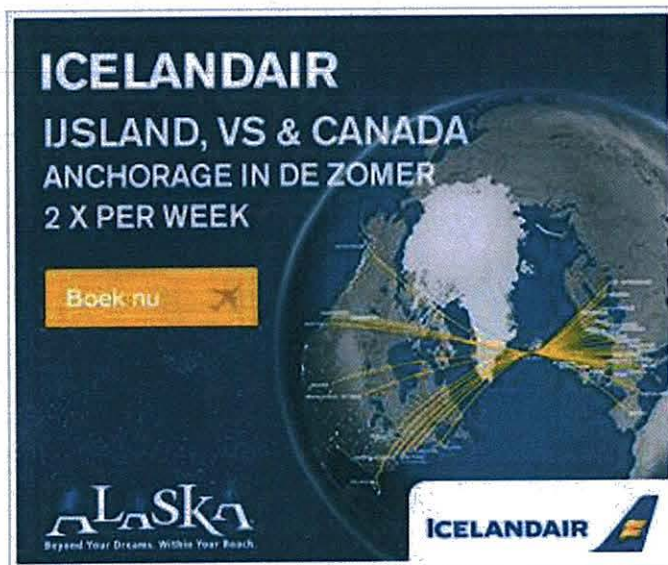
- Changsha & Xiamen Road Show: Aug. 25-28, 2014
- International Tourism Fairs of the Americas (FITA): Sept. 18-21, 2014
- International Luxury Travel Market (ILTM): Sept. 22-26, 2014
- JATA: Sept. 25-28, 2014
- WTM: Nov. 3-6, 2014
- International Travel Fair Taipei: Nov. 7-10, 2014
- CITM: Nov. 13-16, 2014
- Mid-Atlantic Summit: Jan, 5-8, 2015
- ITB: March 4-7, 2015
- IPW: May 30 - June 3, 2015



INTERNATIONAL CO-PROMOTIONS

Co-promotion with Icelandair:

- Continued support of Icelandair flights with online advertising, print advertising and travel trade newsletters



COLLABORATING WITH PRIVATE SECTOR

Meeting with Alaska tourism industry representatives to review tourism marketing plans and solicit input:

- *Alaska Tourism Marketing Board (Jan 5-6)*

Upcoming meetings:

- *January 29 (teleconference)*
- *March 25 (Juneau)*



COLLABORATING WITH PRIVATE SECTOR

Alaska state tourism is working with businesses and organizations around the state to encourage participation in a wide variety of cooperative marketing programs

cooperative marketing opportunities

State of Alaska October 27, 2014

Cooperative Marketing with the State of Alaska

The State of Alaska offers cooperative marketing programs to fit any budget! Read below to learn about current State of Alaska cooperative marketing opportunities or you can visit AlaskaTIA.org or contact any member of ATIA's sales team at advertising@alaskatia.org to learn more.

SATTE

Want to put your product in front of hundreds of members of India's travel trade? SATTE is India's biggest B2B travel event and the State of Alaska will be exhibiting there. Brochure distribution is available for \$250 plus shipping.

Leads Program

New email and direct mail leads of potential 2015 visitors are now available! Alaska's national advertising campaign generates more than 667,000 high-quality leads each year from direct mail, TV, magazines and the Internet. All ads encourage potential travelers to contact the State to request the

International Trade Shows

Partner with the State of Alaska for the most cost-effective way to meet directly with overseas tour operators to promote your product or region. Register to join the Alaska booth at ITB Berlin or [Get the **Hottest** Book From the Coolest State **It's FREE!**

Visit \[AlaskaTripPlanning.com/req\]\(http://AlaskaTripPlanning.com/req\) or call 800-525-9000 to reserve your Official Alaska Vacation Guide

ALASKA
Beyond Your Dreams. Within Your Reach.

Grid of brochures including: SOLD OUT FREE GUIDE, ALASKA'S PLAYGROUND, BEST OF ALASKA, Wrangell, ALASKA MARINE NATIONAL, FERRY ALASKA COMPASS, ALASKA WESTERN WOODS, FAIRBANKS, ALASKA WILDLIFE HELI-SKIING JUNEAU.](http://IPW (formerly</p>
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Promote entrepreneurship and enterprise development.

Lead: Department of Commerce, Community and Economic Development – Division of Economic Development

Justification

Business development and entrepreneurship in Arctic communities is challenging. The bulk of economic activity in this region is conducted by government and outside vendors. Locally-owned and operated companies provide one mechanism for taking advantage of increased economic Arctic activity, even as it supports a community-managed transition towards a market-led, outward-looking economy. Communities' natural entrepreneurs are often fully employed and do not have the capacity to start a business on their own. Yet many rural entrepreneurs have not had exposure to many (or any) business startup plans or trained professionals. Thus they justly maintain misperceptions regarding this process. There is also a fear of failure. Successful entrepreneurs have been exposed to mentorship, which provides them with encouragement, guidance and training on the technical, business and fundraising aspects of bringing a product to market. Compounding these challenges is weak financial literacy and understanding of business financial management and fiscally feasible and sustainable start-up enterprise planning. Additionally, there exists a lack of access to outside project investors. Therefore, there is a strong need to expose would-be entrepreneurs to entrepreneurial thinking and practices. This education should occur as early as K-12. Alaska Native regional and village corporations have been able to respond to this challenge to some extent, but there is a strong need for a developed comprehensive educational approach for an entrepreneurial ecosystem in Arctic communities.

Resources Needed

Fiscal – Current resources could be redirected to support this effort.

Leveraged – Alaska Native regional corporations and CDQ “marketplace” initiatives; State Chamber and UAF Business Week; technical assistance programs.

Partners – State – DCCED-DCRA, ARDORs, local government; Federal – DOC, USDA, Small Business Development Corporation; Other – University of Alaska, Alaska Native Regional and Village Corporations, CDQs, AFN.

Execution

Starting young is essential. Support for programs like Lemonade Day Alaska or Junior Achievement encourages the initiation of an entrepreneurial mindset to communities and to young and emerging leaders. There is also a need to encourage entrepreneurial thinking in the school system. Several rural/remote schools have successfully adopted entrepreneurial curriculum even if it only encompasses bake sales that offset costs associated with attending regional sporting events. The types of businesses that will bring wealth to the Arctic region include small businesses like local food production, or mid to large enterprises such as bulk purchasing cooperatives, barging and transportation firms and/or supply chain firms to either oil and gas or shipping. These businesses might be best started as hybrid entities of the regional corporation. Reliable communications tools are essential for creating a network between investors, owners and global markets. Small start-up businesses can only begin to blossom once these other businesses begin to drive down the costs associated with bringing goods to these communities; a stronger entrepreneurial culture will follow.

Legislative Actions

1. Review investment in the Small Business Development Center and the University of Alaska's Center for Economic Development.
2. Consider more effective alignment between DCRA, ARDORs and CED.
3. Conduct review of business plan competitions and consider state investment or facilitation
4. Evaluate co-investment options.
5. Encourage the federal government to create a Northern Economic Development Agency, (modeled off of CANNOR), which would promote business development in the U.S. Arctic.

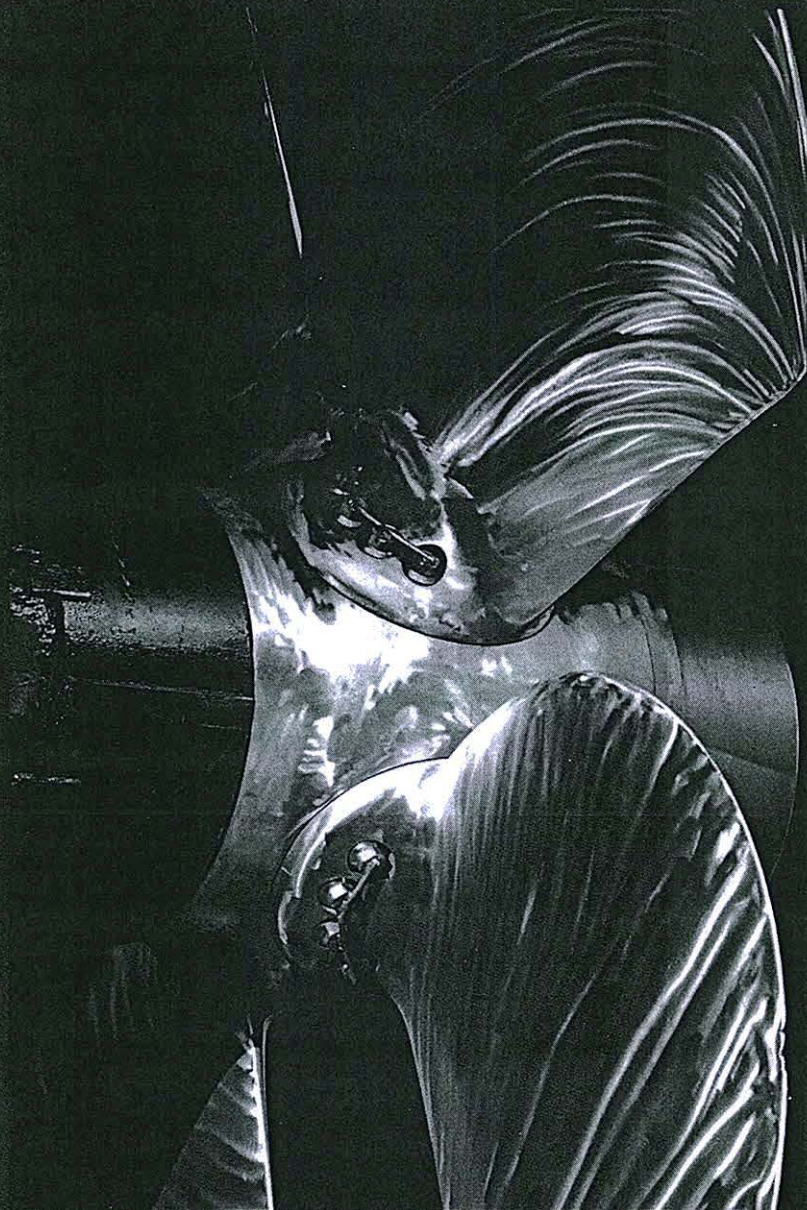
Evaluation

Success will be measured by: 1) expansion of and increased profit to current locally-owned businesses; and 2) development of new small, medium and large businesses

**THE FOLLOWING DOCUMENT
HAS NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL FILE
AND ONLINE:**

<http://www.mcdowellgroup.net/publications/>

Trends and Opportunities in the Alaska Maritime Industrial Support Sector



PREPARED BY



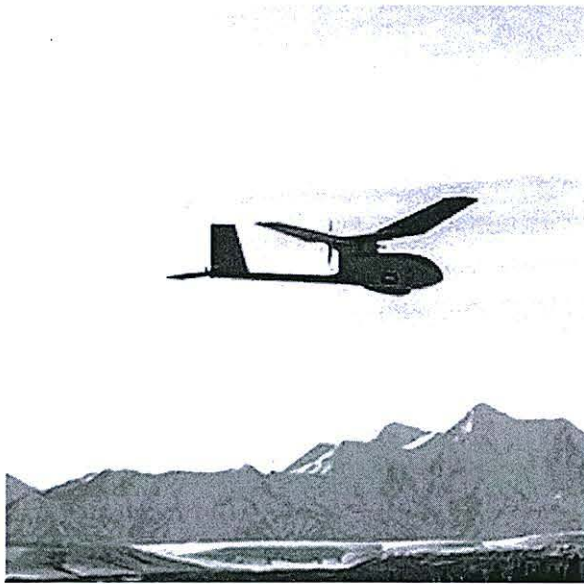
PREPARED FOR

Alaska Department of Commerce,
Community & Economic Development

Division of Economic Development

**THE FOLLOWING DOCUMENT
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AND ONLINE:**

<https://www.commerce.alaska.gov/web/ded/DEV/UnmannedAerialSystemsInAlaska.aspx>



Unmanned Aircraft Systems: An Economic Development Strategy for Alaska



January 27, 2015



Prepared for the State of Alaska,
Department of Commerce, Community,
and Economic Development, Division of
Economic Development

2015



REPORT OF THE
ALASKA MINERALS COMMISSION

{ COMMISSIONERS }

Karl Hanneman,
Chairman
International Tower Hill
Mines Ltd.

Bill Jeffress,
SRK Consulting

Bartly Kleven,
Kinross Gold Corporation

Larry Westlake,
Rural Community Member

Anna Atchison,
Kinross Gold Corporation

Jerry Birch,
Taiga Mining Company

Greg Beischer,
Millrock Resources Inc.

Gary Reimer,
AECOM

Dr. Lance Miller,
NANA Regional Corporation

Robert Retherford,
Alaska Earth Sciences

Stephen Trimble,
Trimble Strategies, LLC

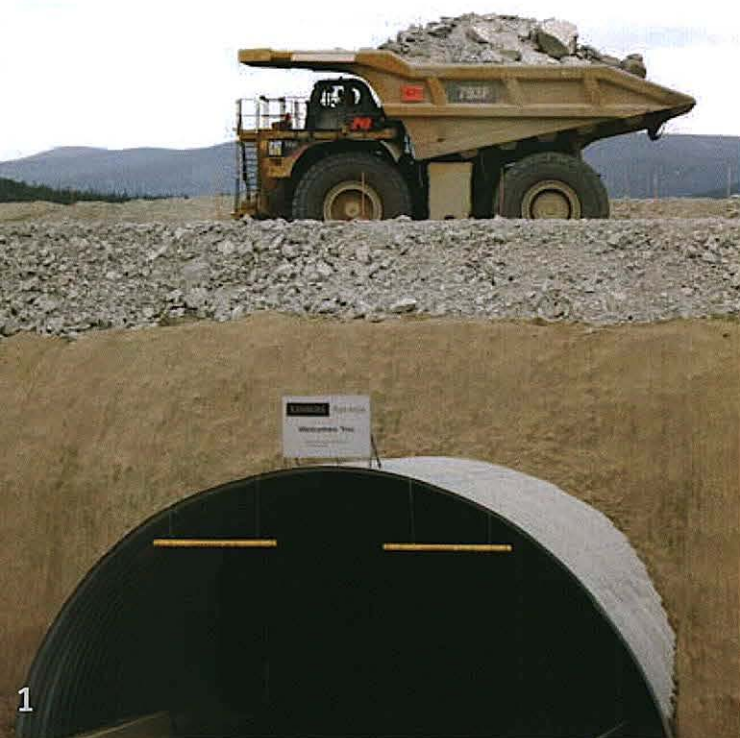
This publication was released by the Department of Commerce, Community, and Economic Development (DCCED) on January 15th, 2015. This report is required by AS 44.33.431 (d) and does not constitute an official position or opinion by DCCED.

INTRODUCTION AND EXECUTIVE SUMMARY

The Alaska Minerals Commission asserts the following findings:

1. The State of Alaska has the basic right to develop its resources.
2. The State of Alaska has demonstrated responsible development and will continue to do so.
3. Mineral development will diversify our economy and strengthen our state and nation.

The Alaska Minerals Commission (AMC) serves in an advisory capacity to the governor and the Alaska State Legislature. Its role is to recommend strategies to mitigate constraints on mineral development in Alaska. Created by the legislature in 1986, the commission's authorization was extended through 2024 by the Alaska State Legislature in 2013 via House Bill 99. Over the past 27 years, the AMC has worked with the state and legislature to successfully implement key recommendations that support a strong and sustainable Alaska minerals industry. This report builds upon past work with the intent to identify state and federal issues that block responsible development.





The Alaska Minerals Commission commends state leadership on actions taken to improve the minerals exploration, development and production climate in Alaska. The commission has identified three specific issue areas with action items for 2015:

ISSUE	ACTION ITEM
1. Federal Regulatory Uncertainty	
Onerous Wetlands Mitigation	<ul style="list-style-type: none">Alaska must not let the federal agencies ignore the Alaska-specific flexibility afforded by the 1994 Alaska Wetlands Initiative, which states that compensatory wetlands mitigation is not required in Alaska.
Unwarranted BLM placer rules	<ul style="list-style-type: none">Alaska must act to prevent proposed new BLM permitting requirements from ruining the small placer miners on federal lands.
2. Resource Education	
	<ul style="list-style-type: none">Alaska should support K-12 and public resource education.
3. Outdated Federal Land Withdrawals	
	<ul style="list-style-type: none">Alaska should promote federal removal of outdated federal land withdrawals to either allow selection of valuable lands by the State or return the federal land to multiple use.

Alaska is perceived as a difficult place to permit a mining project due to federal agency failure to consider Alaska-specific conditions when implementing regulations. While the Commission supports stringent regulation, inconsistent enforcement of regulations and unbalanced judgments are not conducive to investment or economic development.

Mineral exploration and development continues to be impeded by the uncertainty resulting from new implementation and re-interpretation of regulations and policies by federal agencies; e.g., U.S. Army Corps of Engineers (USACE), Environmental Protection Agency (EPA), and Bureau of Land Management (BLM). Issues surrounding the definition and management of wetlands and new BLM rules for placer mining are of particular interest for 2015.



Federal Regulatory Uncertainty

ONEROUS WETLANDS MITIGATION

The State of Alaska is unique among the 50 states, territories, and trust properties of the United States. Alaska is the nation's only Arctic state, with vast areas of permafrost inappropriately defined as "wetlands." In addition to having over twice the length of shoreline of all the other coastal states combined, Alaska is also the largest land state in the country, occupies 20% of the nation's land base and contains half the nation's wetlands, and 40% of the nation's surface water. Approximately 46% of Alaska is classified as wetlands, but far less than 1% has been developed.

Due to the vast differences between Alaska and other states, Federal programs are often difficult to apply to Alaska even though those programs may very well meet the needs of other states. Federal flexibility and state collaboration to balance national policies with local conditions is needed for successful resource management.

In the past, the USACE successfully worked with the State and industry to maintain some flexibility in considering circumstances in Alaska in regards to implementing alternative analyses and compensatory mitigation requirements under the Clean Water Act Section 404 wetland regulatory program. For example, in 1994 after an extensive public process, the EPA, USACE, Fish and Wildlife Service, and National Marine Fisheries Service issued the Alaska Wetlands Initiative. In a memorandum dated May 13, 1994, the EPA and the USACE implemented policy statements that recognized the need for flexibility in establishing mitigation requirements for Section 404 permits and application of the no net loss of wetlands goal. From 1994 until 2009, the USACE successfully implemented the agreed upon guidance of "practicability" and "flexibility" for large projects in Alaska.

The implementation of the regulations changed abruptly in 2009 with the recruitment of new Alaska District Regulatory Branch leadership from the lower 48 that were not familiar with Alaska, its regulatory history, or the extensive stakeholder engagement that had culminated in the 1994 Alaska Wetlands Initiative.

In 2009, the USACE Alaska District issued a Regulatory Guidance Letter (RGL) 09-01 to the Alaska District staff that provided guidance on the implementation of the new national 2008 Mitigation Rule in Alaska. The new RGL direction inappropriately included mandatory mitigation ratios for compensatory mitigation with no consideration for site specific flexibility. In effect, it ignored the May 13, 1994 policy statement, despite the fact that the preamble to the 2008 Mitigation Rule specifically states, "...it does not change the May 13, 1994, Alaska mitigation statement...". In-lieu fees and mitigation banks became part of the methodology for providing compensatory mitigation. There are limited opportunities, even today, for these options on projects in the State of Alaska. Permittee-Responsible Mitigation (PRM) projects allowed under the 2008 Rule are limited by the requirement to provide conservation easements (permanent easements) on PRM projects. State and private land owners resist permanent easements as they want to have future options to develop their lands.

The 2008 Mitigation Rule and the 2009 RGL do not work for large resource development projects in Alaska. There are limited opportunities for wetlands mitigation and compensatory mitigation requirements can drastically impact development timelines and the economics of projects without any demonstrated environmental benefits.

{ RECOMMENDATION }

Alaska must not allow wetlands mitigation to stifle responsible development. The Commission recommends funding from the legislature and support from the administration to work with the USACE to recognize the 1994 Alaska Wetlands Initiative and implement flexible and affordable wetlands mitigation solutions tailored to Alaska-specific conditions.



Federal Regulatory Uncertainty

NEW BLM PERMITTING REQUIREMENTS THREATEN PLACER MINERS

The Alaska district of Bureau of Land Management (BLM) recently re-evaluated their implementation of 43 CFR 3809 which “applies to operations that involve locatable minerals, including metallic minerals; some industrial minerals, such as gypsum; and a number of other non-metallic minerals...” This change in policy is essentially a new regulation and would inappropriately place increased requirements on placer miners operating on federal lands. The new rules would require collection of at least one year of data prior to submitting an application and once the application is submitted, the review timeline uncertainty can force a small miner to miss an entire placer mining season, risking financial ruin. Under the existing permitting system, BLM staff are unable to process applications in a timely manner and placer miners have faced extreme hardship due to permitting delays. There are three decades of recent placer mining experience to demonstrate that the environmental impacts of placer mining are being well managed under the existing system of information collected by the Alaska Departments of Natural Resources, Environmental Conservation, Fish and Game and the BLM in the Annual Placer Mining Application (APMA). Since 2012, the Alaska District of the BLM has produced two National Reclamation Awards from Alaska placer miners on BLM land and in 30 years there

has never been a draw on the bond pool from placer miners on federal land. Despite this demonstration that the existing regulatory system is effective, the BLM nevertheless proposes to burden the placer miners by requiring the following supplemental documents:

- Baseline Data Report – Stream Profile and Photos
- BLM Supplement A – Performance Standards
- BLM Supplement B – Reclamation Plan
- BLM Supplement C – Water Management Plan
- BLM Supplement D – Interim Management Plan
- BLM Supplement E – Monitoring Plan
- BLM Supplement F – Spill Contingency Plan
- BLM Supplement G – Preliminary or Conceptual Designs and Plan
- A Reclamation Cost Estimate (RCE) may be requested by the BLM. Some operators, even those with a good record, and all remote operators who are beyond the road system, will not be able to use the Bond Pool.

These new procedures are unwarranted, unnecessary, will not result in meaningful incremental environmental protection, and will cripple the placer industry on federal lands.

{ RECOMMENDATION }

Considering the minimal impacts from many of the small “mom and pop” placer operators who do not have the means or the technical background to comply with onerous new rules, the State of Alaska should accelerate work with the BLM to utilize the permitting program already in place for placer miners to minimize the information requirements with environmental impacts and streamline the permitting timeline.



RESOURCE EDUCATION

Alaska's resource-based economy depends upon rational public policies which support responsible development. The Alaska Minerals Commission believes that having a population that is better informed about the benefits of mining to our society would help foster consensus and thereby remove a major constraint on responsible development. There are several facets of education that are important. Workforce education would prepare candidates for mining industry careers. Public workshops focused on the rigors of the permitting and regulatory system would benefit Alaska residents as they try to understand how the rigorous permitting system ensures that development impacts are minimized. Marketing efforts are needed to carry the message of Alaska's strong mineral endowment to a competitive world wide industry. And perhaps most importantly, Alaska's students must be informed about the need for minerals in our modern society, that those minerals must be mined from the earth, and that the permitting and environmental management systems implemented by modern mining operations in Alaska are some of the best on the planet.

For the 2015 report, the Commission chose to focus primarily on the importance of student education, with public education and international marketing also noted.

ALASKA RESOURCE EDUCATION

Science and engineering education during K-12 is vitally important in preparing students for careers in the mining industry and to prepare students for participation in Alaska's resource-based economy. Since 1982, Alaska Resource Education (ARE) has been instrumental in igniting young minds and inspiring students and teachers to learn about the importance of natural resources in their

everyday lives. As a 501(c) (3) organization based in Alaska, ARE is a partnership between private industry and the Alaska Department of Education and Early Development (DEED) – a relationship that is ideally suited to bridge the gap between natural resource employment opportunities, Alaska's resource economy, and the teachers who are educating tomorrow's workforce. Dedicated to the sustainable future of Alaska, ARE uses Science, Technology, Engineering, and Math (STEM) focused curriculum to teach principles and concepts that have local and tangible applications.

During 2014, ARE trained 64 teachers from four regions through Rock and Roll Around Alaska, a 500-level course certified through the University of Alaska that educates teachers about Alaska's natural resources and provides classroom-ready materials. During 2014, ARE provided instruction to 2,095 students from seven regions across Alaska.

PUBLIC EDUCATION INITIATIVE

Given the need to better educate the public about the benefit of mineral development to Alaska, the Commission should support and work with staff at the Department of Commerce, Community, and Economic Development (DCCED) to implement a modest marketing/educational effort for education to Alaskans about mining. The material could be hosted on the DCCED minerals website and would expand the state's suite of web-based resources.

MINERALS MARKETING

To attract mineral investment to the State it is important to advertise and educate companies about the great mineral wealth and resource-based economy of Alaska. The DCCED has developed programs to increase outside awareness and knowledge of the State, which include participation in industry conferences with promotional materials. Further directed investment in advertising will result in increased capital investment in Alaska.

{ RECOMMENDATION }

1. Preserve Alaska Resource Education's (ARE) general fund support at a state level of \$100,000 and appropriate an additional \$100,000 for new curriculum (i.e., a Google Earth-based geospatial Alaska minerals curriculum for grades 7-12).
2. The commission will work with DCCED on a modest outreach effort illustrating the benefits of the minerals industry to the State.
3. The DCCED should initiate cost effective participation in INTERNATIONAL TRADE EVENTS or partnerships to increase awareness of Alaska's great mineral potential.

Removal of Federal Land Withdrawals will

ALLOW STATE TO SECURE TITLE TO HIGH-PRIORITY LANDS

In the early 1970s, the Secretary of the US Department of the Interior (DOI) used a variety of authorities, mostly derived from the Alaska Native Claim Settlement Act (ANCSA), to withdraw land tracts so that Alaska Native Corporations would have a pool of lands from which to select. The State of Alaska “top-filed” on many of these lands so that it may claim title to the land in the event that a Native corporation did not. Today, conveyance of lands to Native corporation ownership is nearly complete. The majority of the State’s top-priority land selections are top-filed lands that should now be available, but the State’s selection does not attach until such time as the outdated land withdrawals are lifted by the DOI. Rather than removing the outdated withdrawals, the Bureau of Land Management (BLM) is

pushing the State to accept other lower priority land selections.

The original purpose for the land withdrawals has now been satisfied and the requisite Resource Management Plans required by the National Environmental Policy Act (NEPA) for removal of the withdrawals have been completed in many areas. The State Director of the BLM has recommended that the Secretary of the DOI remove specific withdrawals. The Secretary has the discretion to lift the withdrawals but has not acted. This inaction is detrimental to the State of Alaska’s ability to secure title to high priority lands to which it is entitled under the Statehood Act.

{ RECOMMENDATION }

1. The Commission recommends that the State actively and aggressively push the DOI to immediately and selectively lift the land withdrawals overlying the lands that have been top-filed by the State of Alaska.
2. The Commission recommends that the State work cooperatively with the BLM to develop a plan to lift all outdated land withdrawals, returning the federal lands to the public domain for multiple land-use designation.



ALASKA

NORTH TO OPPORTUNITY

MINERALS AND MINING IN ALASKA

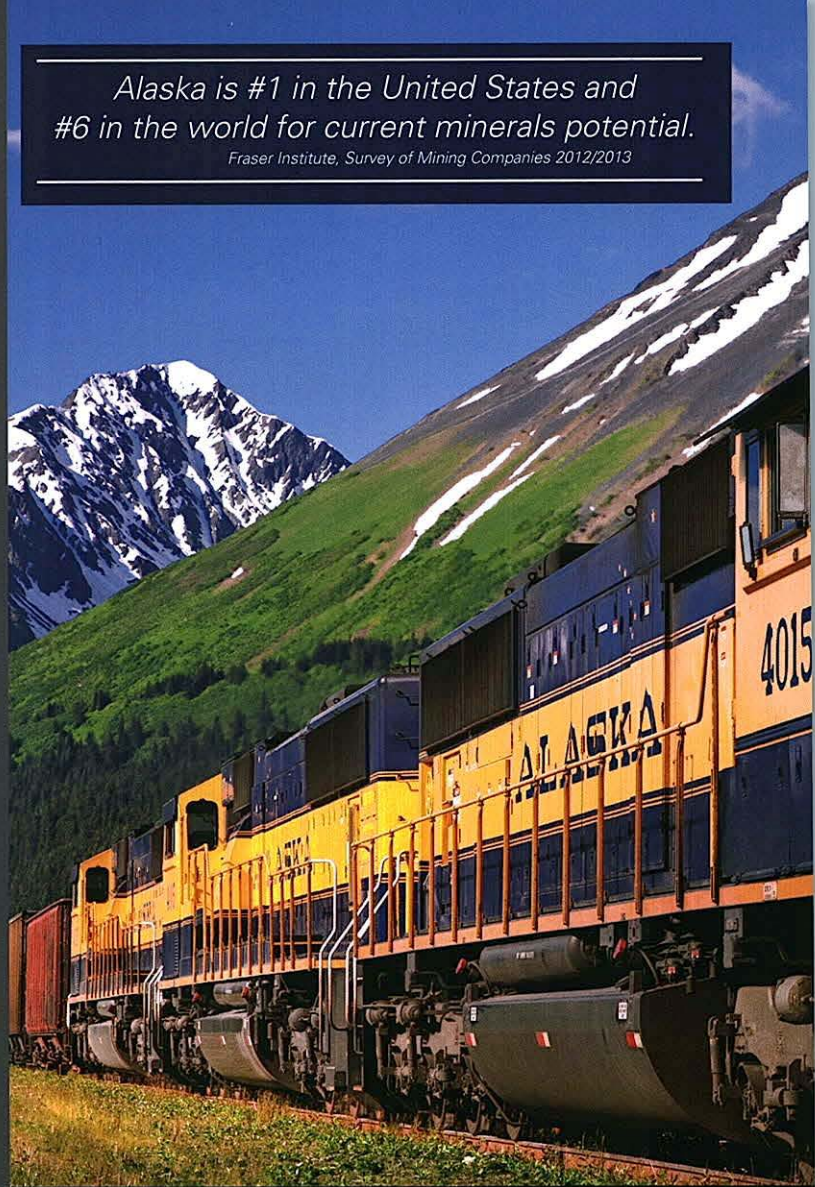


WHY INVEST IN ALASKA?

- Extraordinary geological potential
- Low degree of prior exploration
- Geopolitically stable
- State constitution and government that emphasize resource development
- Clear land ownership
- Competitive tax incentives and low taxation
- State-sponsored infrastructure development and permitting coordination
- Growing geological database
- Strategic global position in close proximity to international minerals markets

STRATEGIC & CRITICAL MINERALS

Alaska is considered highly prospective in regard to strategic and critical minerals for domestic uses. Alaska's diverse geology hosts a wide range of minerals deposit types, including more than 70 occurrences of rare earth elements and millions of acres of selected or conveyed land with significant minerals potential. The State is undertaking a statewide assessment of Alaska's strategic minerals potential and will provide infrastructure partnerships and incentives for the development of known or highly prospective strategic minerals occurrences throughout Alaska.



Alaska is #1 in the United States and #6 in the world for current minerals potential.

Fraser Institute, Survey of Mining Companies 2012/2013

*WORLD-CLASS DEPOSITS AWAITING DISCOVERY
Alaska's undeveloped world-class minerals deposits represent extraordinary potential for future discoveries.*



Top ten globally for known resources of important minerals:



Source: Alaska Department of Natural Resources, 2011 estimates



The United States is consistently ranked as one of the best countries in the world for mining investment.

Behre Dolbear



INCENTIVE TO EXPLORE

The Alaska Exploration Incentive Credit Program allows the deduction of up to \$20 million of qualified costs from taxes and royalties over a 15-year period for new mines. Exploration credits are site-specific and continue to be earned up to receipt of the final operating permit.

INFRASTRUCTURE PARTNERSHIPS

The State of Alaska provides financing of minerals development and associated infrastructure through the Alaska Industrial Development and Export Authority (AIDEA). AIDEA has a 29-year history of supporting Alaska's mining industry, beginning with the development of the DeLong Mountain Transportation System, which includes a 52-mile road and port facility that serves the Red Dog Mine in Northwest Alaska. AIDEA also financed the development of the Seward Coal Loading Facility and continues to own and operate the Skagway Ore Terminal that serves base metal mines in the Yukon via the port municipality of Skagway.

ROADS TO RESOURCES

New roads to resources are being developed and will provide reliable access to known or highly prospective, significant minerals occurrences. AIDEA is currently leading the State of Alaska's efforts to provide surface access to the Ambler Mining District with a 200-mile, industrial, all-season access road. Additional upgrade and construction projects implemented by the Alaska Department of Transportation and Public Facilities will unlock promising minerals opportunities: www.dot.state.ak.us/roadstoresources.

CONSISTENT AND EFFECTIVE PERMITTING

Alaska supports a rigorous but fair permitting process coordinated through the Alaska Department of Natural Resources (DNR) Office of Project Management and Permitting (OPMP). OPMP facilitates the inter-agency Large Mine Permitting Team, which works cooperatively with large-mine applicants and operators, federal resource agencies and the public. The coordinated process minimizes duplication and is often tailored to fit specific project needs. Five of Alaska's six producing mines coordinated permitting work utilizing the Large Mine Permitting Team.

TO OPPORTUNITY

AN EDUCATED WORKFORCE

Alaska has a variety of educational programs as well as education and training tax credits available to support the minerals industry workforce and ensure that Alaskans entering the workforce are career-ready. Providing education and training opportunities to build in-state workforce expertise is vital to the industry and a priority for Alaska's educational institutions.

- The **University of Alaska** offers undergraduate, graduate and doctoral programs with emphases in earth science, geology, engineering, minerals and mining, operations, permitting, exploration and development.
- The **Center for Mine Training** provides world-class workforce training in occupational fields, with a special emphasis on growing the Alaska workforce for underground hard-rock mining.
- **University of Alaska Corporate Programs** include the Mine and Petroleum Training Service (MAPTS), Underground Mine Classroom, MSHA Certifications and Mine Simulator.
- **University of Alaska Fairbanks (UAF) Community and Technical College** is one of only a few programs in the nation to offer a working wellhead in a classroom environment.
- **The State of Alaska** operates 22 job centers across the state to connect employers to job seekers and also partners with employers, educational institutions and training providers to invest in Alaska workers.

The 2012 gross minerals production value from Alaska totaled \$3.4 billion, yet this just scratched the surface of what's possible.

Based on estimates, Alaska's reserves offer tremendous opportunity for growth in future production and career-making finds for exploration companies, juniors and global mining leaders.

ALASKA'S MINING INDUSTRY

Alaska's minerals remain largely undeveloped. There are only six producing mines in Alaska, with more than 190 million acres of land open to exploration and investment.

Producing Mines and 2012 Mineral Production

- **Red Dog Mine:** one of the world's largest zinc mines, produced over 583,000 tons of zinc and 105,000 tons of lead
- **Greens Creek Mine:** among the world's top 10 silver mines, produced over 6.4 million ounces of silver, 55,000 ounces of gold, 64,000 tons of zinc and 21,000 tons of lead
- **Pogo Mine:** produced 315,900 ounces of gold
- **Fort Knox Mine:** produced 359,900 ounces of gold
- **Usibelli Mine:** produced over 2 million tons of low-sulfur coal, exporting half of its production
- **Kensington Mine:** produced 82,100 ounces of gold

Minerals Exploration

Thirty-one projects spent \$1 million or more in 2012; \$2.4 billion has been spent on minerals exploration in Alaska since 1981. Advanced exploration projects include:

- **Pebble:** ~ 80.6 billion pounds of copper, 107.3 million ounces of gold and 5.6 billion pounds of molybdenum
- **Bokan Mountain:** enriched in yttrium, dysprosium and critical, heavy rare earth elements
- **Donlin Gold:** ~ 42.3 million ounces of gold
- **Livengood Gold Project:** ~10.1 million ounces of gold
- **Niblack:** ~9.0 million tons polymetallic (copper, gold, silver and zinc)

KEY CONTACTS

ALASKA DEPARTMENT OF NATURAL RESOURCES

Division of Mining, Land and Water

550 W. 7th Ave., Suite 1070
Anchorage, AK 99501
907-269-8600
dnr.alaska.gov/mlw

Office of Project Management and Permitting

550 W. 7th Ave., Suite 1260
Anchorage, AK 99501
907-269-8400
dnr.alaska.gov/commis/opmp

ALASKA DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

Division of Economic Development

3032 Vintage Park Blvd, Suite 100
Juneau, AK 99801
907-465-2510
commerce.alaska.gov/dnn/ded

Alaska Industrial Development and Export Authority

813 W. Northern Lights Blvd.
Anchorage, AK 99503
907-771-3000
www.aidea.org

THE ALASKA TRAVEL INDUSTRY ASSOCIATION (ATIA)

Sarah Leonard

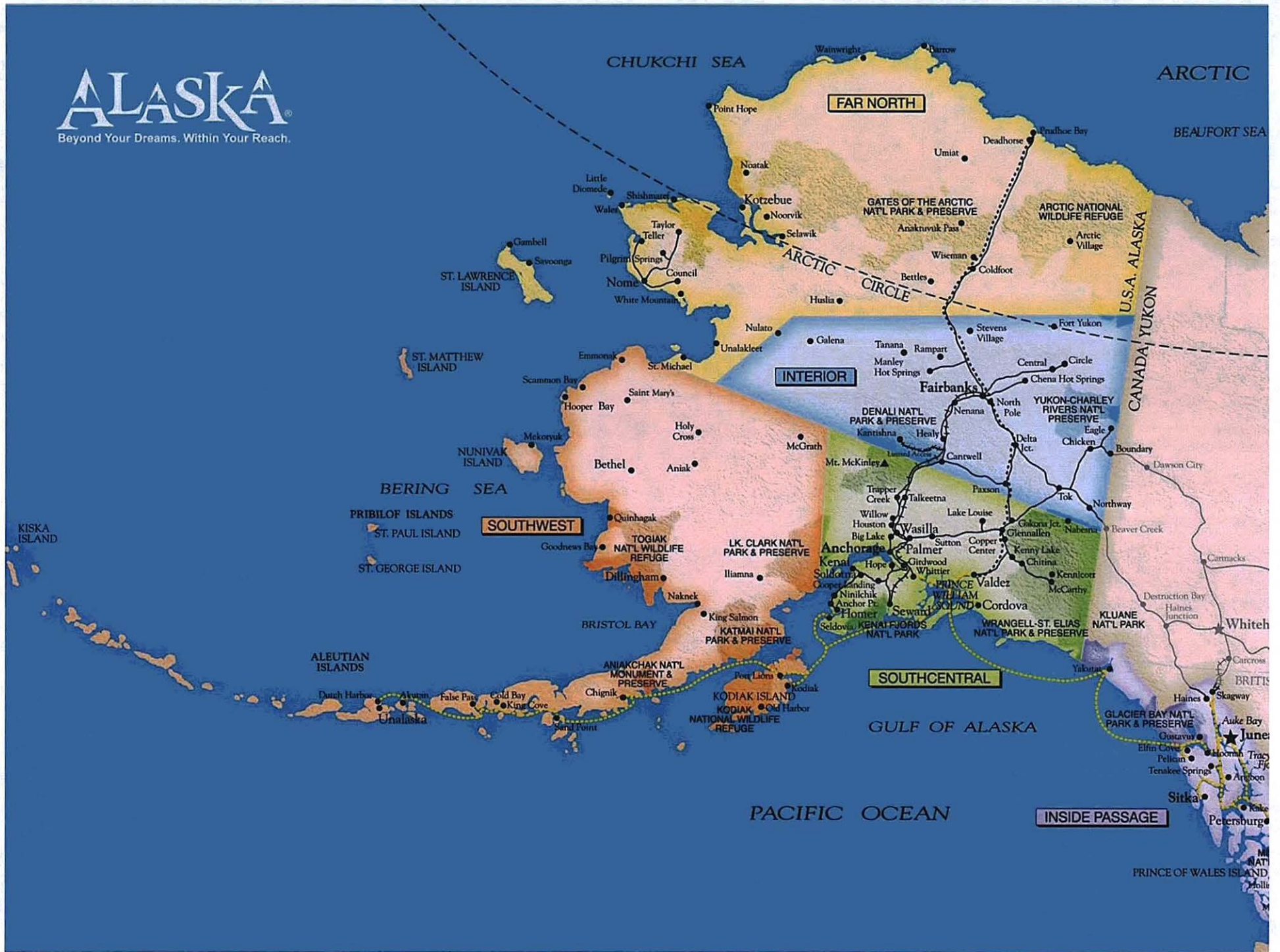
President & CEO

February, 2015

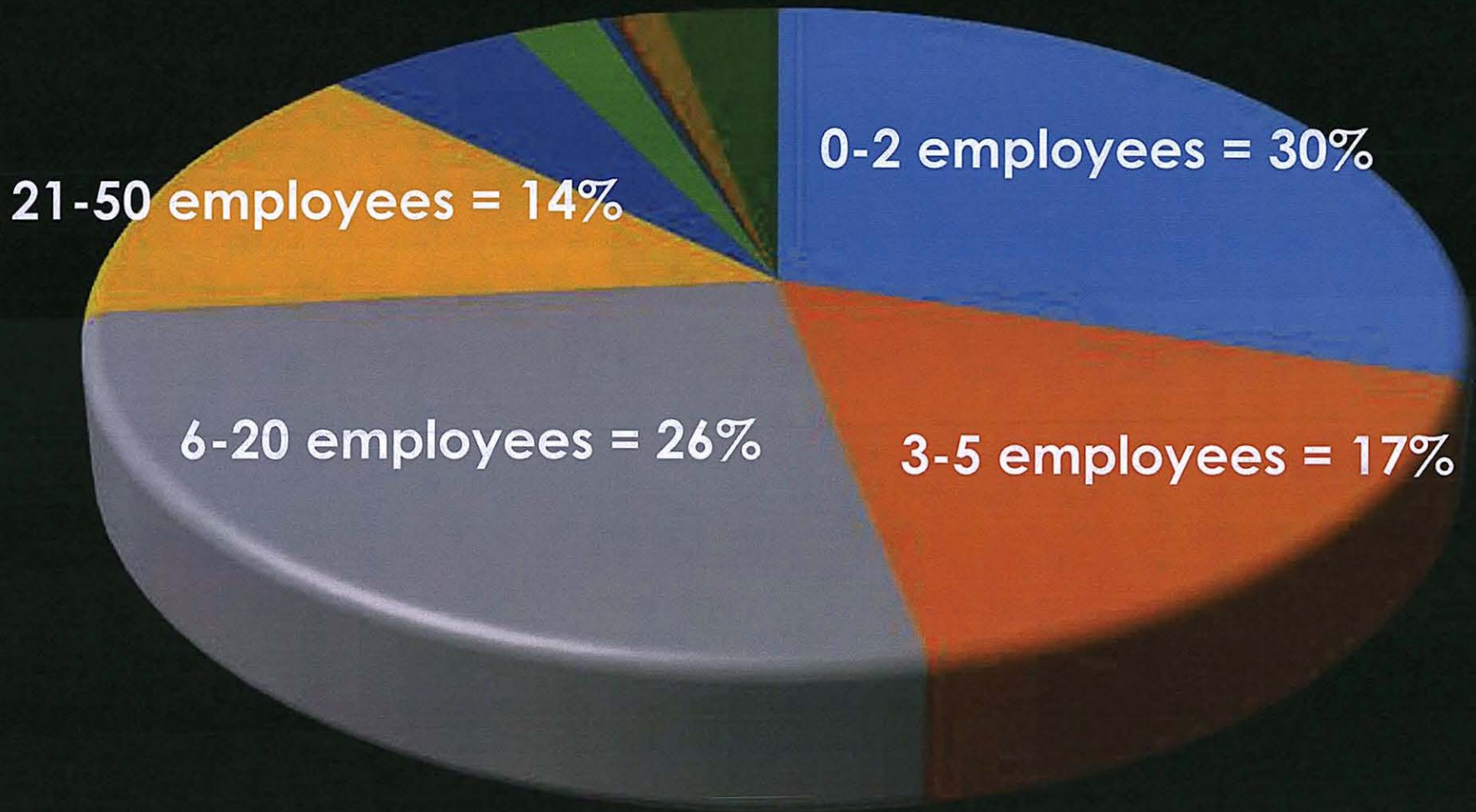
Alaska State House Committee on
Economic Development, Tourism & Arctic Policy

ALASKA

Beyond Your Dreams. Within Your Reach.



ATIA membership 2014





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MARKETING

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ATIA FOUNDATION

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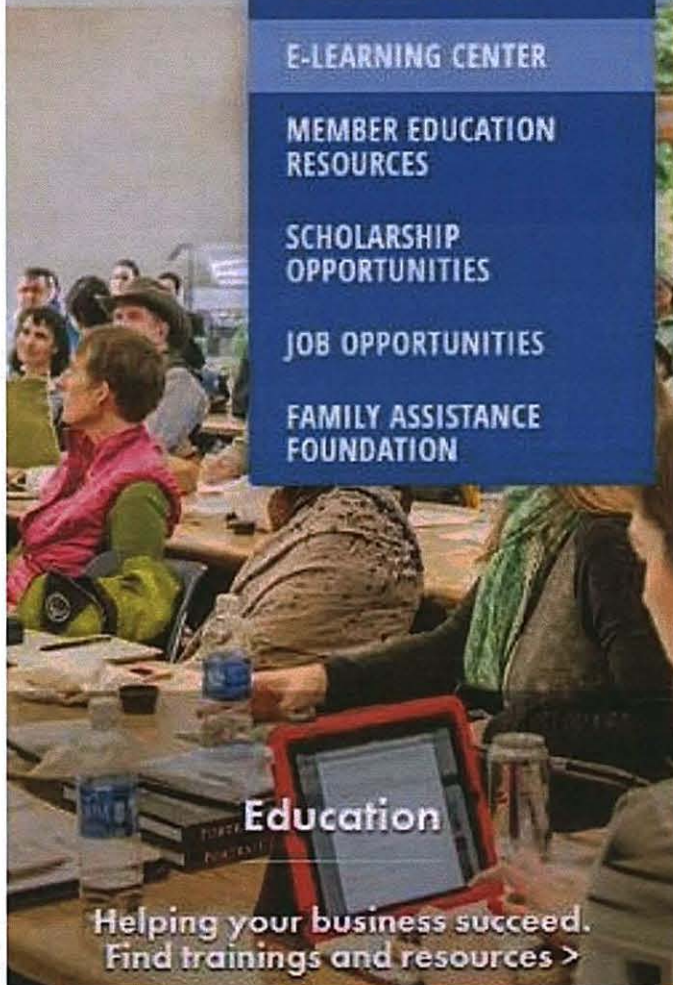
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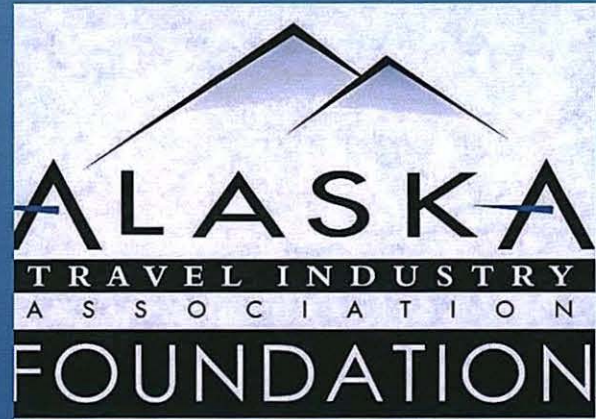
Our Voice

Sustaining Alaska's tourism future.
Get Involved >



Membership

Connecting you to industry.
Join or renew your membership >



**Kris Geldaker Memorial
\$2500**

**Elizabeth Jagusch
Ward Cove, AK**



Co-Operative Marketing Opportunities

- ▶ Ads in the Official State Vacation Planner
- ▶ Ads on TravelAlaska.com
- ▶ Participation at Trade Shows
- ▶ Media events
- ▶ Leads

Trade Shows

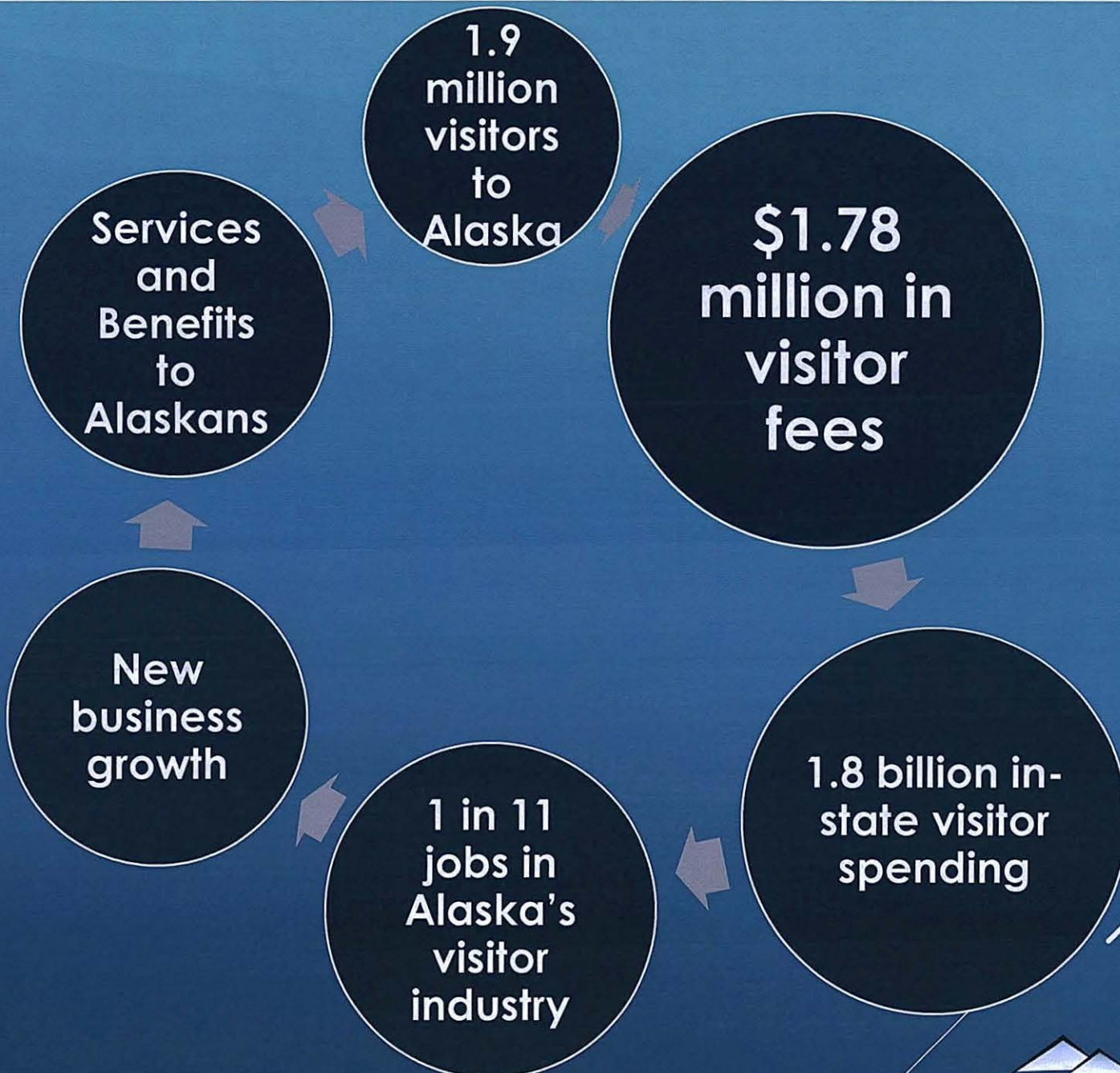
- ▶ Representation at International Sales Missions
- ▶ Attracting new and expanded products and itineraries
- ▶ Reaching target markets: international, travel agents, adventure



Reinvest in Alaska Tourism



- Almost 2 million visitors
- 1 in 11 jobs
- Over \$100 million in State revenue
- \$1.8 billion in-state visitor spending
- \$1.24 billion in labor income



1.9 million visitors to Alaska

\$1.78 million in visitor fees

1.8 billion in-state visitor spending

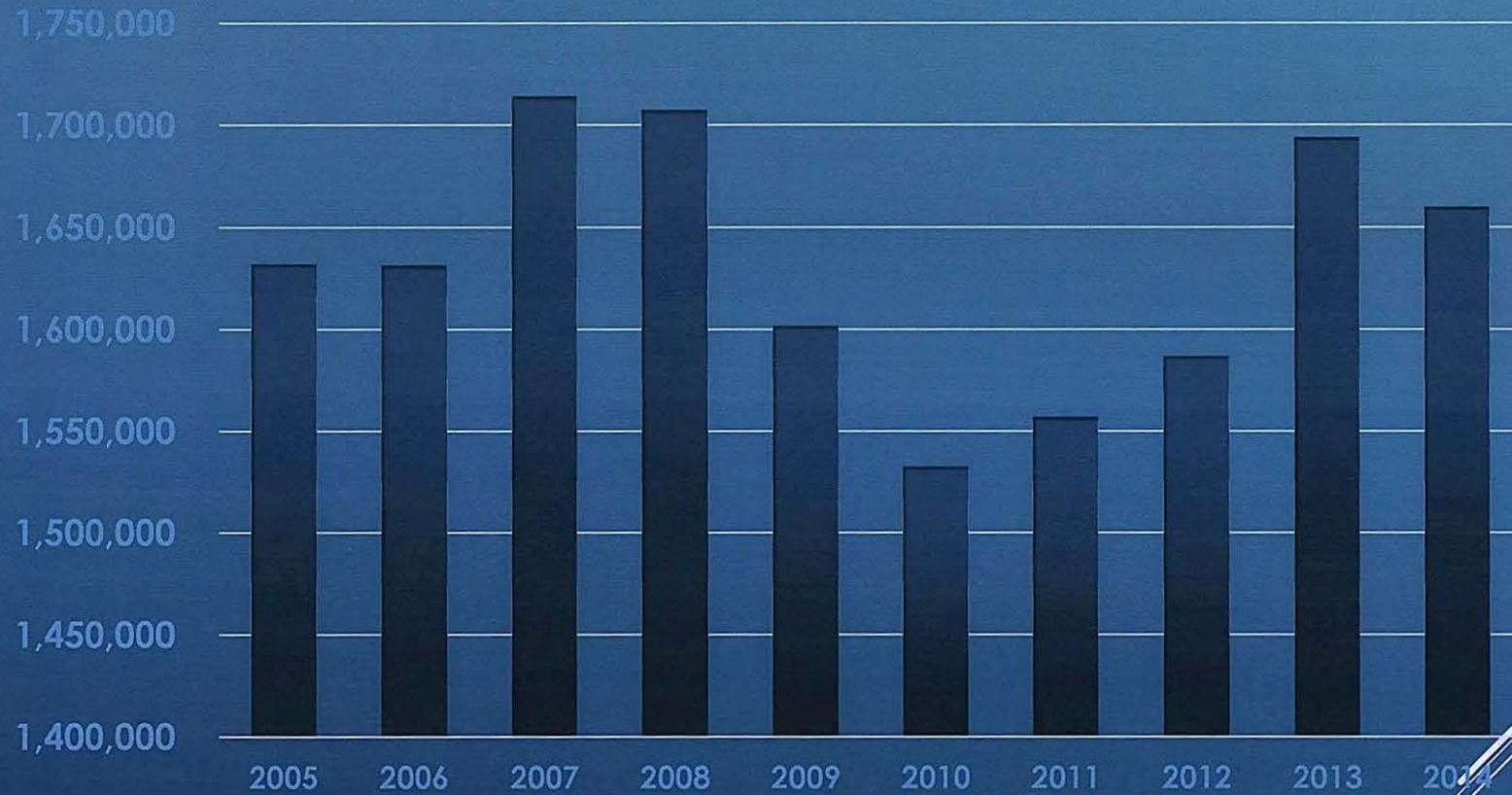
1 in 11 jobs in Alaska's visitor industry

New business growth

Services and Benefits to Alaskans



VISITOR VOLUME TRENDS

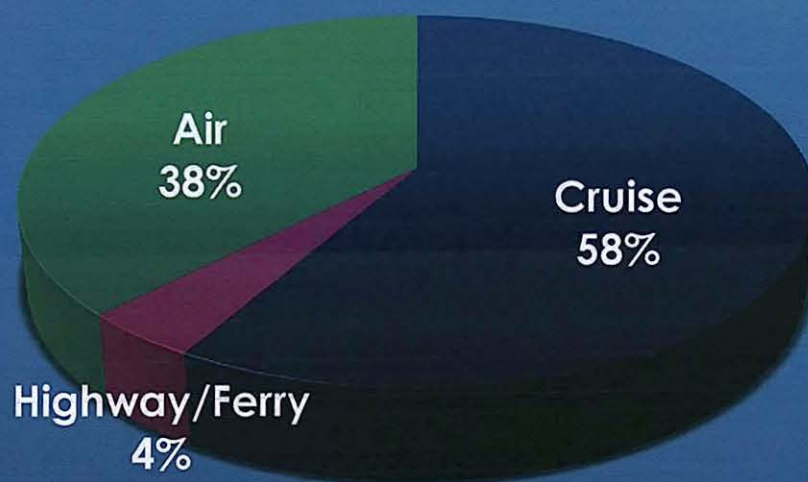


Source: DCCED, Alaska Visitor Statistics Program VI: Summer 2014



ALASKA VISITOR VOLUME, BY TRANSPORTATION MARKET

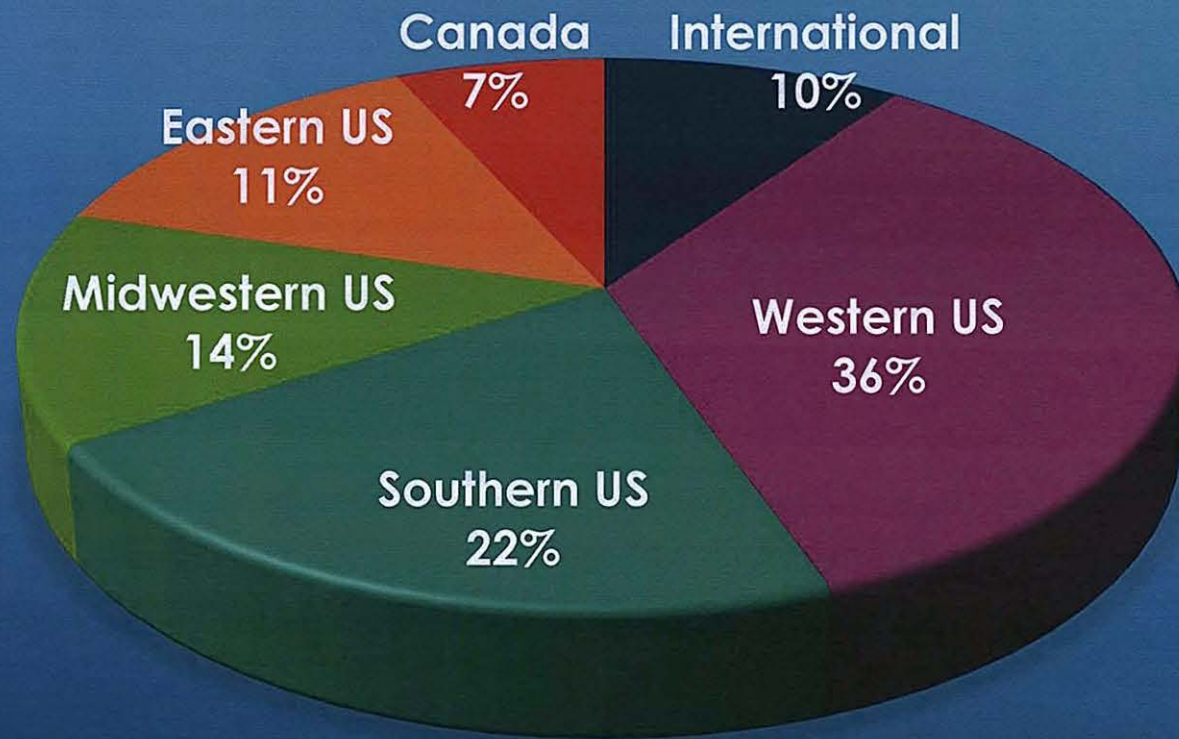
Summer 2014



Source: DCCED, Alaska Visitor Statistics Program VI: Summer 2014

	2013	2014	% change
Air	619,400	623,600	+1%
Cruise ship	999,600	967,500	-3%
Highway/Ferry	74,800	68,500	-8%
Total	1,693,800	1,659,600	-2%

VISITOR ORIGIN

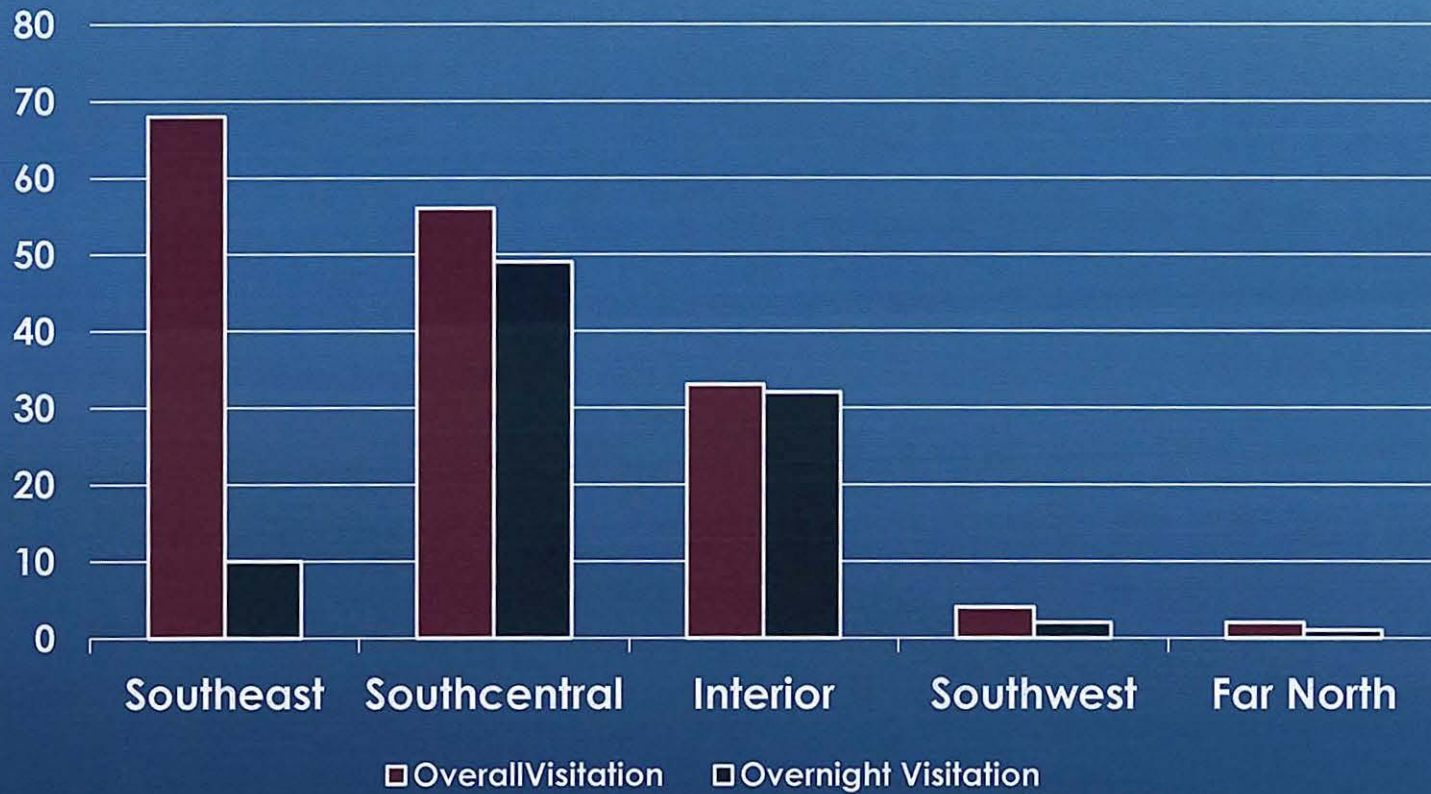


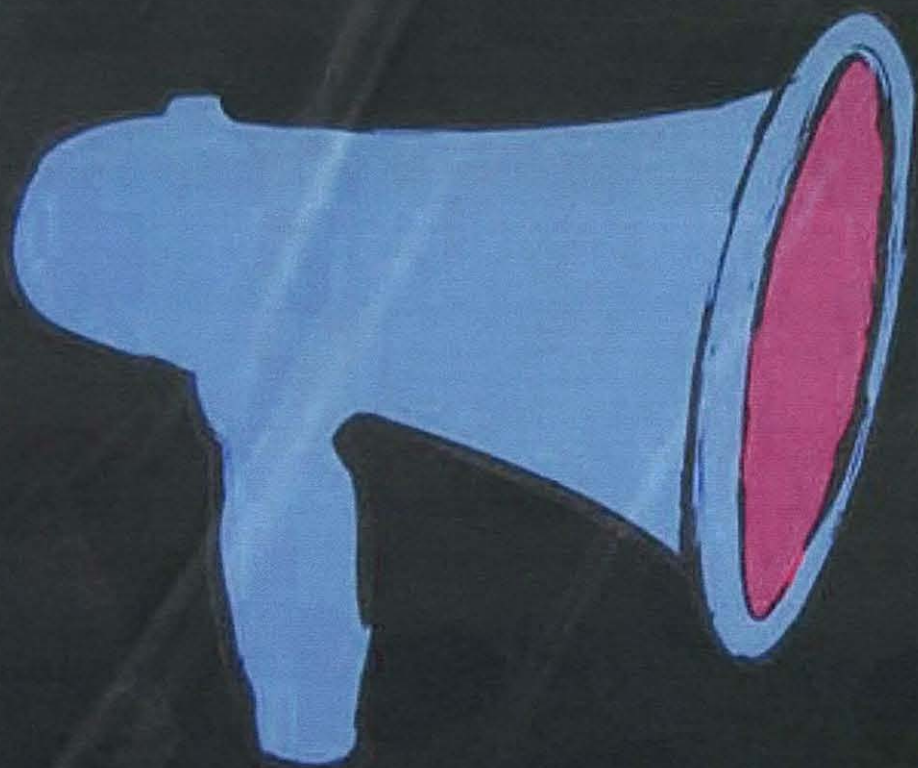
Australia/NZ	42,000
UK	33,000
Germany/Switz.	20,000
Asia	18,000
Other Europe	11,000
Mexico	8,000
Other Int'l	22,000

Source: DCCED- AVSP VI Summer 2011



REGIONS VISITED





SPEAK UP



A word cloud on a black background. The central and largest text is "Tourism for Native". Other prominent words include "public", "funding", "marketing", "development", "private", "border", "recreation", "mist", "vs", "systems", "Board", "transportation", "permitted", "Marketing", "languages", "fire", "cultural", "cabins", "crossings", "Alaska", "Tourism", "growth", "lands", "product", "cultural", "crossings", "Alaska", "Tourism", "growth", "for", "Native", "transportation", "development", "private", "border", "recreation", "mist", "vs", "systems", "Board", "transportation", "permitted", "Marketing", "languages", "fire", "cultural", "cabins", "crossings", "Alaska", "Tourism", "growth", "for", "Native", "transportation".

A photograph of an Arctic landscape at sunset or sunrise. The sky is a mix of deep blue and soft pinkish-orange. In the foreground, a large, dark, curved walrus harpoon line arches across the frame. Below it, the silhouettes of wooden structures, possibly a boat or a small building, are visible on a dark, rocky shore. The water in the background reflects the light from the sky.

**Arctic communities
ready?**

**Needed
infrastructure, access
& resources?**

**Communication and
safety issues?**

Monitoring?



A photograph of a man standing on a beach, celebrating with his arms raised. He is wearing a dark jacket, olive green shorts, and a cap. In the background, a red and white ship is visible on the ocean under a blue sky. The text is overlaid on the left side of the image.

Sarah Leonard, President & CEO

info@AlaskaTIA.org

www.AlaskaTIA.org

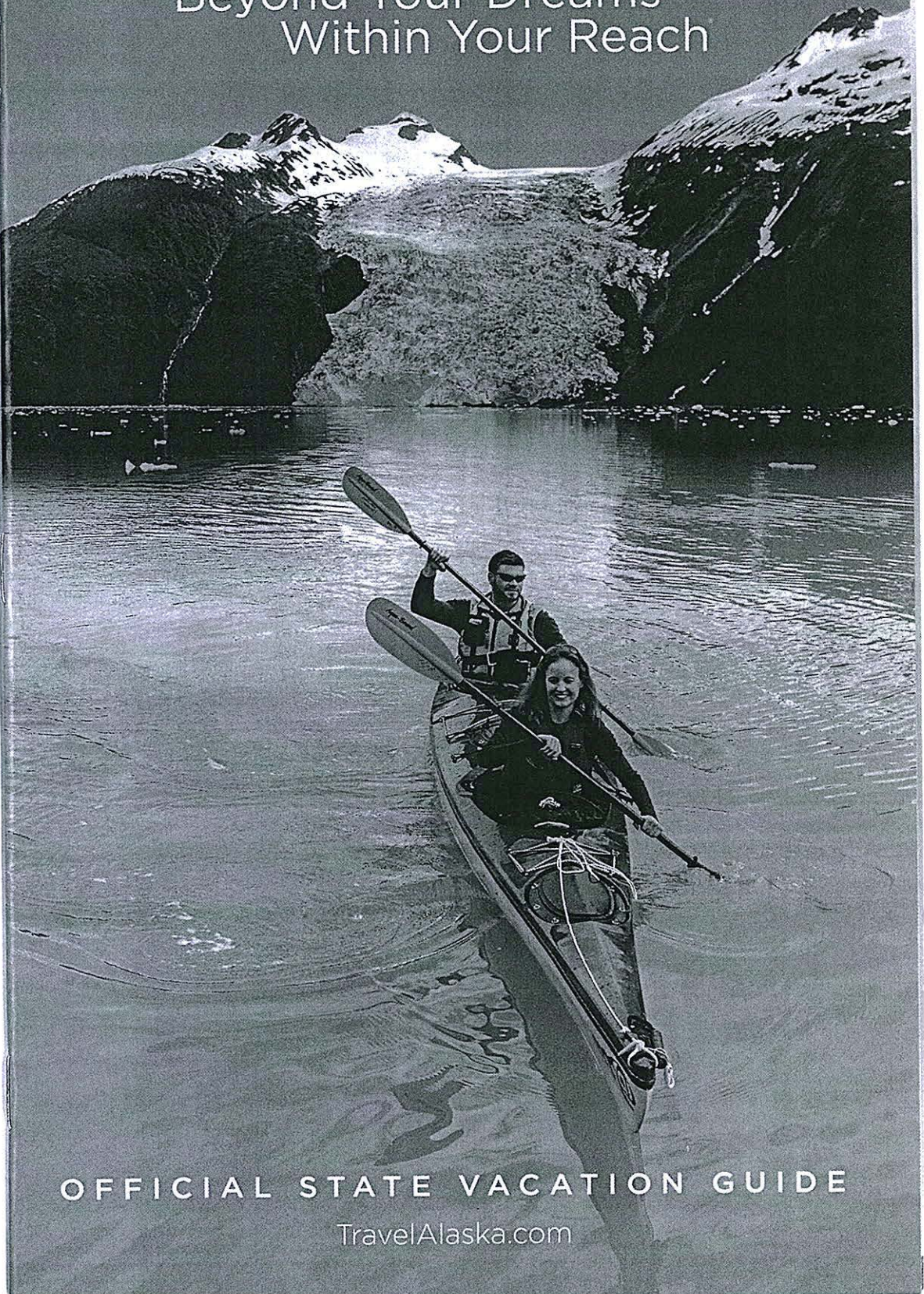
907.646.3301

Thank you!

**THE FOLLOWING DOCUMENTS
HAVE NOT BEEN FILMED BUT ARE
AVAILABLE IN THE ORIGINAL FILE**

ALASKA

Beyond Your Dreams
Within Your Reach



OFFICIAL STATE VACATION GUIDE

TravelAlaska.com

STATE OF ALASKA

**NORTHWEST CULTURAL
TOURISM FAM**



JULY 26 - AUG. 1 2014

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TravelAlaska.com