

HJR

15

<TARGET><BILL>HJR 15</BILL><SUBJECT>HJR
15</SUBJECT><COMM>HEDT27</COMM></TARGET>

- Kerre Fisher, Deputy Director of the Division of Public Health, DHSS (Questions only)
- DNR Commissioner Dan Sullivan (invited)
- Dr. Buck Sharpton, USARC (invited)

Now we have a Presentation from David Gottstein, "Getting Alaskans' Gas to Alaskans in the Shortest Amount of Time, while Maximizing an Export Opportunity". Mr. Gottstein, please state your name and affiliation for the record.

(He needs 30 minutes plus time for questions)

Committee discussion on HJR 15.

Assuming you want to move the bill:

The chair would entertain a motion to move HJR 15 from committee.

- version number with individual recommendations and attached zero fiscal notes

Take a brief at ease for the signing of the committee report

We are honored now to be joined by Canadian Consul General Denis Stevens on his first visit to Juneau. You should all have his bio in front of you, so let's take a look at that. "Denis Stevens joined the Department of Foreign Affairs and International Trade in 1996, where he served as policy adviser to the minister of foreign affairs, deputy director in the Human Rights Division and director of policy in the Secretariat on War-Affected Children. Mr. Stevens has, since 2001, served in management positions at the departments of Justice, Indian and Northern Affairs, Public Safety, and at the Privy Council Office. Since 2007, he has been the director general of intergovernmental relations and public outreach at Foreign Affairs and International Trade Canada. He is married to Geneviève Chanteloup, and they have two daughters. Mr. Stevens succeeds Peter Lloyd."

Consul General, welcome to Juneau. Please state your name and affiliation and proceed with your presentation sir.

Representative Bob Herron

Rep.Bob.Herron@legis.state.ak.us

State Capitol • Juneau, Alaska 99801-1182

Phone: (907) 465-4942 • Fax: (907) 465-4589



House District 38
Kuskokwim & Johnson Rivers
Kuskokwim Bay & Nelson Island

House Joint Resolution 15

Akiachak

Akiak

Atmautluak

Bethel

Chefornak

Eek

Goodnews Bay

Kasigluk

Kipnuk

Kongiganak

Kwethluk

Kwigillingok

Lower Kalskag

Mekoryuk

Mertarvik

Napakiak

Napaskiak

Newtok

Nightmute

Nunapitchuk

Oscarville

Platinum

Quinhagak

Toksook Bay

Tuluksak

Tununak

Tuntutuliak

Upper Kalskag

“Relating to collaboration with the Yukon and the Northwest Territories through the Pacific NorthWest Economic Region and its Arctic Caucus to address common issues.”

The Arctic Caucus was formed in November 2009 as an informal group of legislators, government officials, business leaders, and leaders of nonprofit organizations committed to the responsible development of North America's Arctic regions, including Alaska, Northwest Territories, and the Yukon. The Arctic Caucus is now a working group within the Pacific Northwest Economic Region (PNWER), a statutory public-private partnership which promotes economic development between three Canadian provinces, two territories and five American states, including Alaska. Alaska was a founding member of PNWER in 1991. The Arctic Caucus is designed to facilitate communication and cooperation among the Arctic Caucus member jurisdictions.

The Arctic Caucus held its first Leadership Forum in Barrow, AK Dec. 1-3, 2010. This meeting was attended by six Alaska legislators, key officials from the US and Canada, and leadership from Yukon and the Northwest Territories.

Issues on which the Arctic Caucus has agreed to focus on include:

- Increasing cooperation on scientific research and vessel tracking
- Exploring strategies to reduce tension between local users and industry
- Identifying bi-national economic development opportunities through tourism
- Regional infrastructure and partnership development
- Exploring increased cooperation in emergency and disaster preparedness, and
- Increasing coordination of search and rescue efforts.

This resolution encourages the Alaska Legislature to collaborate with the legislative assemblies of the Yukon and the Northwest Territories through PNWER and its Arctic Caucus to facilitate communication and cooperation among the Arctic Caucus member jurisdictions and, as a result, to more effectively address common problems.

Notably, the Arctic Caucus will also strive to promote a synchronized message detailing the common needs of the Arctic Caucus member regions to their respective federal governments and emphasizing that coordinated United States and Canadian federal policies are vital for the well-being of the region's citizens.

This resolution's final resolve calls on “the governments of the Yukon and the Northwest Territories to join Alaska in an enduring alliance to pursue the common goals of their regions.” We feel the time has come for such an alliance and are confident it will be embraced by our closest Canadian neighbors. We further hope and expect that the Alaska Legislature will welcome this spirit of northern camaraderie and support this resolution as a vehicle toward increased cooperation in the Arctic.

HJR 15 encourages the Alaska Legislature to support the Arctic Caucus within the Pacific Northwest Economic Region (PNWER).

First very briefly on PNWER: (we'll hear more from PNWER CEO Matt Morrison later)

- Founded in 1991, PNWER is the only statutory, non-partisan, bi-national, public/private partnership in North America.
- Includes 5 US states, 3 Canadian provinces and 2 Territories
- PNWER Mission:
 - To increase the economic well-being and quality of life for all citizens of the region.
 - To coordinate provincial and state policies throughout the region; to identify and promote "models of success;" and to serve as a conduit to exchange information.

Arctic Caucus

Thru facilitation of 18 working groups PNWER is able to tackle a wide range of issues. The Arctic Caucus is one such working group. First proposed by Sen. McGuire in October 2009, the PNWER Arctic Caucus was formed as an informal group of legislators, government officials, business and non-profit leaders all working to responsibly develop North America's Arctic. The Arctic Caucus's first open meeting was in July of 2010 during the annual PNWER meeting in Calgary. Most recently the group met in Barrow Dec. 1-3. The purpose of the group is to provide a forum within PNWER for Alaska, NWT, and the Yukon to discuss issues of mutual concern, share information, and identifying areas for possible collaboration. You can see on pages 8 and 9 of the PNWER handout the action items the Arctic Caucus agreed to in Barrow.

One of these action items is to "Promote a pan-Northern approach to federal government" and includes this Resolution. In fact, in the Resolution, (p.2, line 28) we can read: "the Arctic Caucus will also strive to promote a synchronized message detailing the common needs of the Arctic Caucus member regions to their respective federal governments and emphasizing that coordinated United States and Canadian federal policies are vital for the well-being of the region's citizens."

And the resolution's final resolve calls on "the governments of the Yukon and the Northwest Territories to join Alaska in an enduring alliance to pursue the common goals of their regions." We feel the time has come for such an alliance and are confident it will be embraced by our northern Canadian neighbors. We further hope and expect that the Alaska Legislature will welcome this spirit of northern camaraderie and support this resolution as a vehicle toward increased cooperation in the Arctic.

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House District 38
Kuskokwim & Johnson Rivers
Kuskokwim Bay & Nelson Island

Sponsor Statement CS HJR 15 (EDT)

Akiachak

Akiak

Atmautluak

Bethel

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HJR 15 (27-LS-0477M)

EDT CS

Conceptual Amendments:

P. 2, line 13 after "including," insert:

"limited educational opportunities, minimal distance-delivery education infrastructure and the need for expanded workforce development programs;"

On page 2, line 26 after "partnerships;" insert:

"supporting Arctic marine safety through appropriate jurisdictional licensing of marine pilots;"

ROB XT/41

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
Bill Version HJR 15
() Publish Date _____

Identifier (file name) HJR15-LEG-COU-3-17-2011 Dept. Affected Legislature
Title "Relating to Collaboration with the Yukon and the Northwest Territories through the Pacific NorthWest Economic Region..." Appropriation Legislative Council
Allocation Session Expenses
Sponsor Representative Herron
Requester House Special Committee on Economic Development, Trade... OMB Component Number 782

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	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)

	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost _____

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version

Initial Version

Prepared by Shane Miller, Finance Manager
Division Legislative Affairs Agency
Approved by Pamela Varni, Executive Director
Legislative Affairs Agency

Phone 465-6626
Date/Time 3/17/11 7:53 AM
Date 3/17/2011

Analysis

This fiscal note has zero impact on the Legislative Affairs Agency.



Lieutenant Governor Mead Treadwell
STATE OF ALASKA

February 21, 2011

The Honorable Representative Herron
Chairman House Special Committee on Economic Development,
Trade & Tourism
State Capitol Room 411
Juneau, Alaska 99811

Dear Representative Herron,

I appreciate the opportunity to be able to provide comment on HJR 15. For the record, I am Mead Treadwell, Lieutenant Governor, State of Alaska.

First, I would like to underscore the premise of this resolution: The Arctic is strategic to Alaska, the nation and the world. We feed, fuel, and defend America from the Arctic. Our Arctic location makes us a global player in aviation, and increasingly in shipping. Our Arctic scenery and culture inspires the world, and we have a major share of Arctic tourism. Arctic research conducted by Alaskans is central to global discussions on energy, climate change, shipping, health and biodiversity.

The Arctic Caucus of PNWER, and PNWER itself, is a way for us to get the word out about these important things we do, and want to do. It is a way to promote cooperation we need to develop our resources safely, protect our environment, establish safe, secure, reliable shipping, solve the Alaska-Canada border disputes, promote common investment in infrastructure, ranging from aids to navigation, oil spill response, search and rescue capability, energy development, ports and icebreakers.

As a joint resolution is an expression of the sense of the house and senate rather than of the administration, we will not be taking a position on whether or not the resolution should pass. Instead, we would like to express our appreciation for the Legislature's willingness to consider these important issues and pledge our willingness to work together on them.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mead Treadwell".

Mead Treadwell
Lieutenant Governor

Lieutenant Governor Mead Treadwell
Special Committee on Economic Development, Trade and Tourism
Testimony HJR 15
February 22, 2011

As Lt. Governor, I have been asked by Gov. Parnell to take the lead for Alaska on its work with the 8-nation Arctic Council, the regional governments of the Northern Forum. I serve as a liaison to the U.S. Arctic Research Commission, which I used to chair. I co-chair the State Committee on Research. In these responsibilities I work closely with the governor and his cabinet, and groups in Alaska working on Arctic issues, including specific committees of the Legislature and the Northern Waters Task Force.

My point in coming here today is to underscore the premise of this resolution:

The Arctic is strategic to Alaska, the nation and the world. We feed, fuel, and defend America from the Arctic. Our Arctic location makes us a global player in aviation, and increasingly in shipping. Our Arctic scenery and culture inspires the world, and we have a major share of Arctic tourism. Arctic research conducted by Alaskans is central to global discussions on energy, climate change, shipping, health and biodiversity.

The Arctic Caucus of PNWER, and PNWER itself, is a way for us to get the word out about these important things we do, and want to do. It is a way to promote cooperation we need.

Cooperation will help:

- a. To develop our resources safely. One example is the potential for common oil and gas standards. There are six Arctic nations exploring for oil offshore.
- b. To protect our environment. We need common work on fisheries, contaminants, climate response, biodiversity, subsistence.
- c. To establish safe, secure, reliable shipping
- d. To fix our borders
- e. To promote common investment in infrastructure, ranging from aids to navigation, oil spill response, search and rescue capability, energy development, ports to make mining work in several jurisdictions, icebreakers, etc.

The Executive Branch will not take a position, per se, on this resolution. But as the Legislature works to build stronger ties with our neighbors, we remain committed to work together with you, and to make our partnerships with our neighbors stronger.

**HOUSE ECONOMIC DEVELOPMENT, TRADE & TOURISM
SPECIAL COMMITTEE MEETING**

Conference Call - Thursday, March 16, 10:15 a.m.

Re: Response to House Joint Resolution No. 15 - Alaska State Legislature

Speaking Points for Assistant Deputy Minister for Conference Call

House Joint Resolution No. 15 relates to the support of collaboration between the Alaska State Legislature, Yukon Legislature and NWT Legislature through PNWER and through its Arctic Caucus to address common issues.

I would like to thank the committee for the invitation to participate in this conference call, and to extend Assistant Deputy Minister Hayden's regrets for being unable to make this presentation. We see PNWER and its Arctic Council as important mechanisms for collaboration in pursuing common goals and objectives in our respective regions.

The Honourable Jim Kenyon, Yukon government's Minister of Economic Development is very supportive of PNWER and has been very active in PNWER over the past several years.

Yukon government would support the passing of Resolution No. 15 in the Alaska State Legislature. The passing of this resolution would help to advance discussion, networking and collaboration within PNWER's Arctic Caucus and promote a pan-northern approach to our respective federal governments.

Yukon and Alaska have a long history as trade partners. We have an extremely close relationship historically, socially and economically.

Our economies are interlinked, Yukoners and Alaskans cross the border each way for goods, services, work and recreation, and this is an important part of the fabric of life in this area.

Resolution No. 15 would enhance the collaboration between our respective jurisdictions and create a stronger alliance through which to pursue the common goals of our regions.

Yukon forms the corridor between Alaska and the rest of North America, and therefore we share a number of key infrastructure priorities including the development of port access, highway systems, alternative energy sources and telecommunications service and PNWER provides a forum for addressing these shared interests.

The Arctic Caucus is a unique approach and has great potential to benefit those of us living and working in the North, dealing with issues surrounding cold climate, remoteness and our needs for a sustainable economy through investment in transportation and communication infrastructure.

Yukon is moving forward with the expansion and diversification of its economy and the development of its vital infrastructure assets.

Our projections indicate that Yukon's population and economy will continue to grow, furthering our need to develop and maintain a strong and competitive infrastructure to meet these projections.

Yukon has an all-weather road system that is connected to Alaska, Alberta, British Columbia, and to the NWT.

Our highway system leads to tidewater access through Alaska, which is a prerequisite to the viability of many resource development projects in the territory.

Yukon government is participating in the development of the Yukon Ports Access Strategy with the Skagway Port Development Committee, and we believe this to be an important step towards meeting Yukon's commitment to secure tide water access in support of Yukon's resource industry.

Resource development is an important foundation of Yukon's economy and access to the Skagway Port is a major strategic advantage for our export to the Asian market.

As more Yukon resource projects advance to the production stage, our highway systems and availability to port access is crucial.

The Alaska Highway is a fine example of transportation infrastructure, a Canada/U.S. collaboration, of critical importance to each of our jurisdictions.

This infrastructure enables year-round tourism and commercial transportation to Alaska, and provides critical logistical support for construction and operation of the proposed Alaska Highway Natural Gas Transmission System to transport Alaska North Slope gas to mainland United States.

Yukon government is also committed to expanding Yukon's energy infrastructure that will provide an energy alternative to Yukoners and also provide mine sites with lower-costing green energy that will reduce the reliance on diesel power.

Sustainable energy is an important infrastructure element in any region and for Yukon it will meet our expanding population and economic growth.

The Alaska Highway Pipeline Project (AHPP) will provide options for gas-fired electrical generation which would remove current constraints to electrical generation.

In the long term, we would like to be connected to the North American grid.

Expanding our energy infrastructure remains a priority for the Yukon government, and will lead to the sustainable development and competitiveness of the PNWER region.

Access to reliable and affordable telecommunication services is another important infrastructure component for those living and working in the Arctic regions.

Yukon has been successful in ensuring that over 98 per cent of Yukon homes and businesses have access to broadband internet.

This access is provided through a 2,000 km fibre optic link between Whitehorse and Edmonton, Alberta completed in August 2009. Unfortunately this fibre is vulnerable to breach or impairment by human activity and natural events.

We are looking at the potential to build a second fibre optic link to the south that would enable an almost immediate switch over of voice and data traffic, with no degradation in service, thus improving the level of availability and reliability to institutions, businesses, and consumers.

Some of the routes being considered for the second fibre optic link would pass through the State of Alaska.

For a fibre build such as this to occur, it is likely that support from government sources would be required.

Telecommunications is an area of interest for PNWER and we continue to move forward on improving this important aspect of infrastructure.

I appreciate the opportunity to be part of the committee's discussion on this resolution.

Promoting and communicating a harmonized message detailing the common needs of the Arctic Caucus is important to the welfare of our respective jurisdictions.

***The United States Coast Guard &
the Consulate of Canada, Anchorage***

***Invite you to help honour U.S. Canada
collaboration in the Arctic***

Please join us for a reception at the
United States Coast Guard Buoy Deck Clubhouse
Located in the Downtown USCG Station
345 Egan Drive

6 to 8 p.m. on Thursday, March 17

The event will provide an opportunity to meet Canada's Consul
General Denis Stevens on his inaugural visit to Juneau.

Hors d'oeuvres, beer and wine will be served



**Consulate of Canada / Anchorage
Consulat du Canada / Anchorage**



Pacific NorthWest Economic Region

**PNWER's Arctic Caucus
February 22, 2011**



PNWER Profile

- PNWER – formed by statute in 1991
- PNWER is a Public/Private Partnership
- Alaska, Alberta, British Columbia, Idaho, Oregon, Montana, Saskatchewan, Washington, Yukon & Northwest Territories

- Alaska Delegate Council:

- Governor Sean Parnell
- Sen. Fred Dyson
- Sen. Charlie Huggins
- Sen. Lesil McGuire
- Sen. Tom Wagoner

- Rep. Anna Fairclough
- Rep. Bryce Edgmon
- Rep. Lindsey Holmes
- Rep. Peggy Wilson



Recent Successes

- Facilitation of Enhanced Drivers License
- Legislative Energy Horizon Institute
- 2010 Olympics and Border Symposium
- Arranged visit for AK Legislators to Alberta Oil Sands
- Foundation of the Arctic Caucus
- Support of international rail connection BC-WA

Arctic Caucus

- Founded in 2009 during Presidency of Senator McGuire
- A forum for PNWER Northern Jurisdictions to enhance collaboration amongst themselves and with other members
- Lead by Alaska, Yukon and Northwest Territories
- First Leadership Forum held in Barrow, Dec. 2010

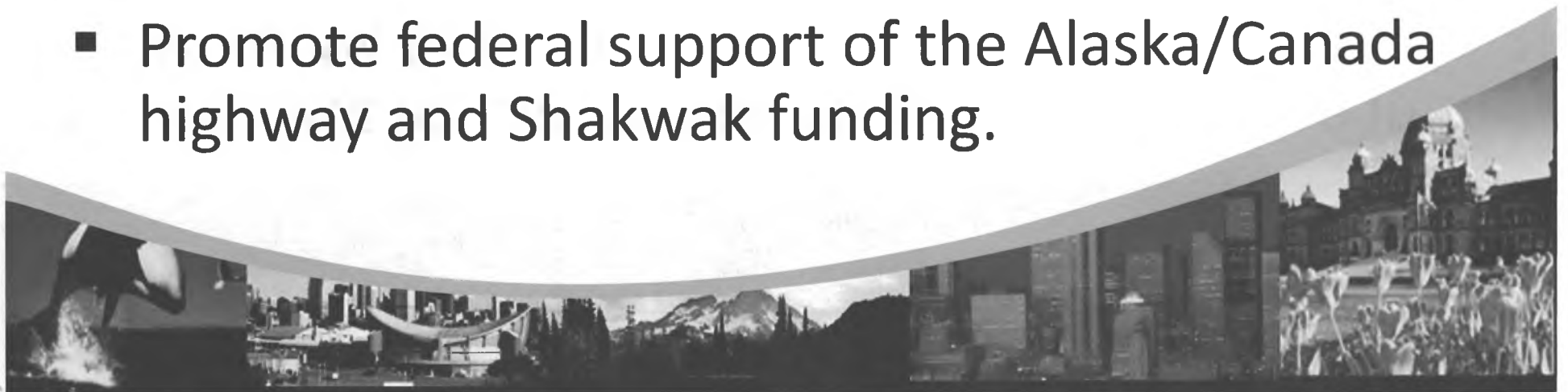
Action Items – (see Arctic Caucus Report for complete list)

- Advocate for cabinet-level (US) participation in the Arctic Council
- Promote a pan-Northern approach to federal governments. (Including Legislative concurrent resolution)



Action Items – (see Arctic Caucus Report for complete list)

- Explore means to support the expansion of the Marine Exchange of Alaska's AIS System in Alaska as well as Northwest Territories (NWT), Yukon and BC. Support current efforts to increase Search and Rescue response capacity and infrastructure on both sides of the border including joint training/exercises
- Promote federal support of the Alaska/Canada highway and Shakwak funding.



Other Identified Issues :

- Gas Pipeline development
- UN Convention on the Law of the Sea
- Transmission/Local Energy Development
- Joint Tourism/Marketing
- Training/Workforce Development
- Support development of youth exchange programs
- Conduct an infrastructure gap analysis and provide a justification for investment in cross-border infrastructure.

Next Steps

- Arctic Caucus will meet at PNWER Summit in Portland Oregon, July 2011
- Second Leadership forum will be held August 18 – 19 in Yellowknife, NWT
- Meetings in Washington, DC and Ottawa to push Action Items to both Federal Governments
- Further development of plan for implementation and support of Arctic Caucus

Contact

Pacific Northwest Economic Region (PNWER)

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Matt.Morrison@pnwer.org



HJR 15 - Support Arctic Caucus

For House Economic Development, Trade and Tourism
Committee – 2.22.11

Representative Bob Herron, Chair

Arctic Caucus Members



- Northwest Territories (NWT): 440,000 sq. mi. – pop. 41,464



- Yukon: 186,272 sq. mi. – population 30,989



- NWT & Yukon Combined: 626,272 sq. mi. – pop. 72,453



- Alaska: 586,412 sq. mi. – population 698,473

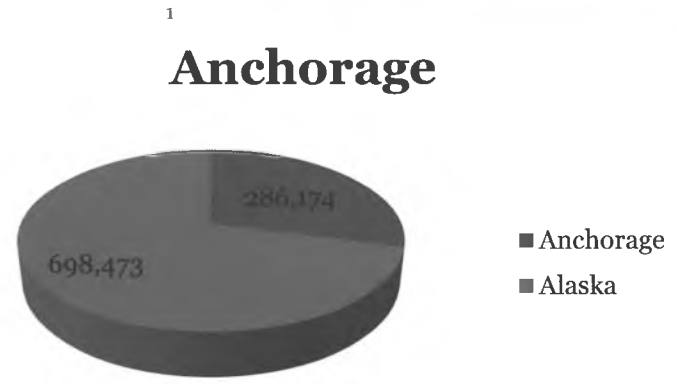


Arctic Caucus members of PNWER

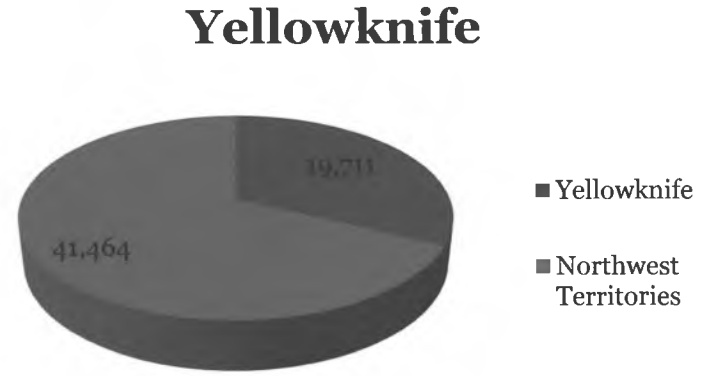
Source: DNR

Largest Settlements

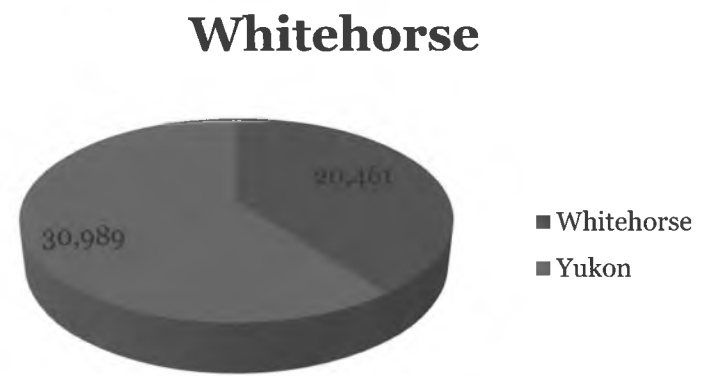
❖ 41% of Alaska's population lives in Anchorage



❖ 48% of the Northwest Territories population lives in Yellowknife



❖ 66% of the Yukon's population lives in Whitehorse

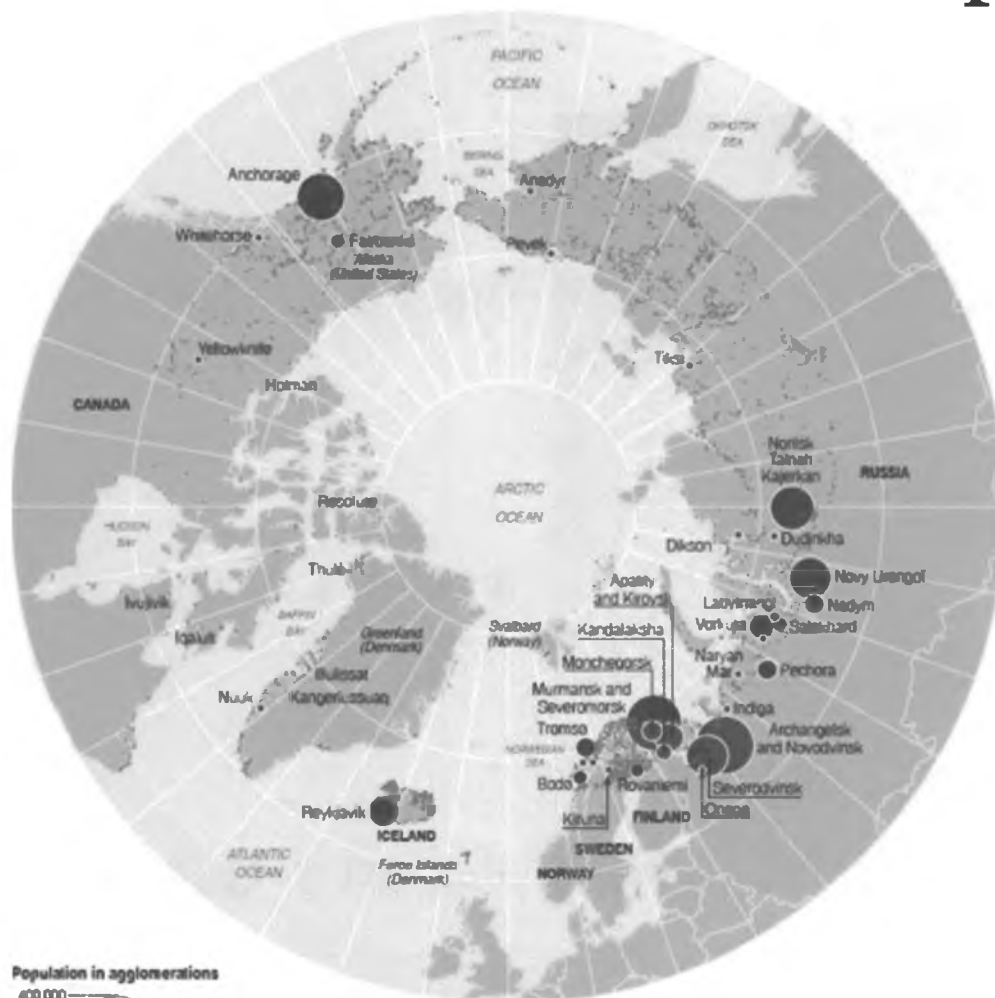


Gross Domestic Product Per Capita

- NWT: \$ 116,773
- Yukon: \$ 56,474
- Alaska: \$ 73,786



Arctic Population



Population in agglomerations



NB: The small blue dots represent villages with less than 20,000 inhabitants and very small communities.

UNEP/GRID-ARCTIC - MARCH 2004

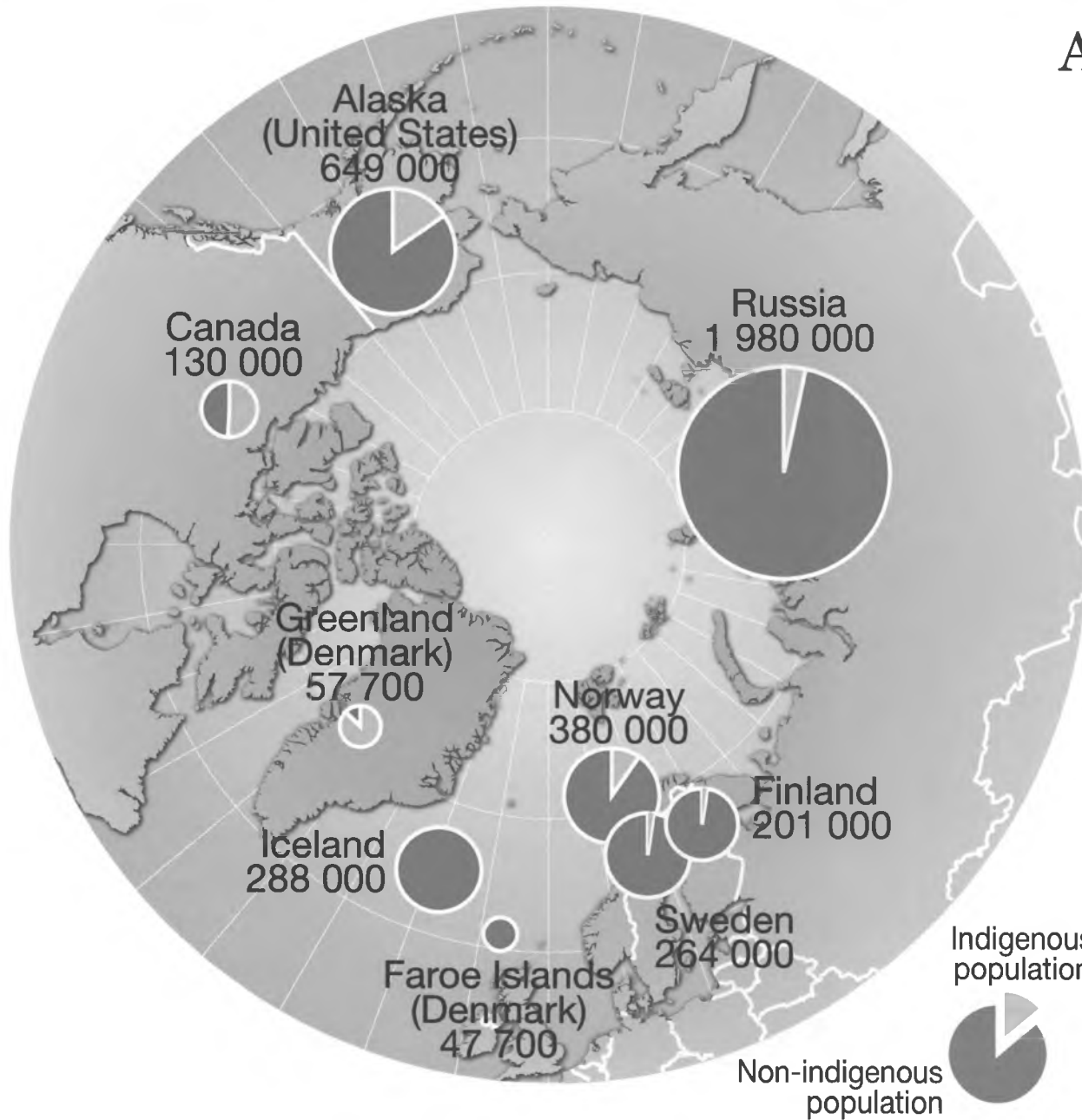
Sources: United States: US Census Bureau, 2002 and United States department of commerce 1993; Canada: Statistics Canada, 1996 and 2002; Greenland: Statistics Greenland, 1994 and 2002; Faroe Islands: Faroe Islands Statistics, 2002; Iceland: Statistics Iceland, 2002; Norway: Statistics Norway, 2002; Sweden: Statistics Sweden, 2002; Finland: Statistics Finland, 2002; Russia: State Committee for Statistics, 2003; Republican information and publication center, 1992; State committee of the Russian Federation for statistics 1992; World Wild Fund (WWF) Norway.

Alaska	649,000	162
Russia	1,980,000	496
Canada	130,000	33
Greenland	57,700	14
Norway	380,000	95
Finland	201,000	50
Sweden	264,000	66
Iceland	288,000	72
Faroe Islands	47,700	12
	3,997,400	1000

Table Source: GRID-Arendal -- United Nations Environment Programme.

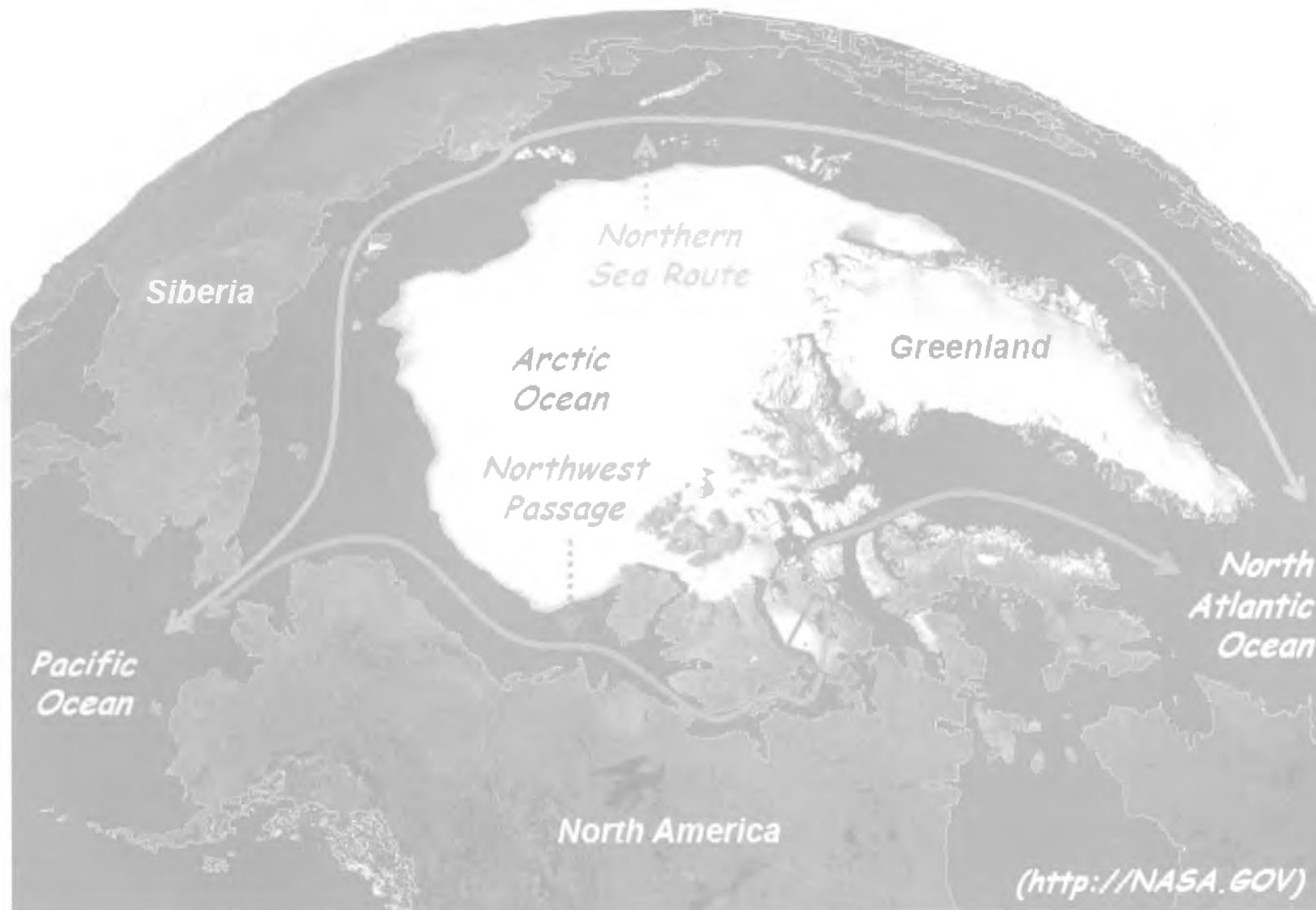
1

Arctic Population



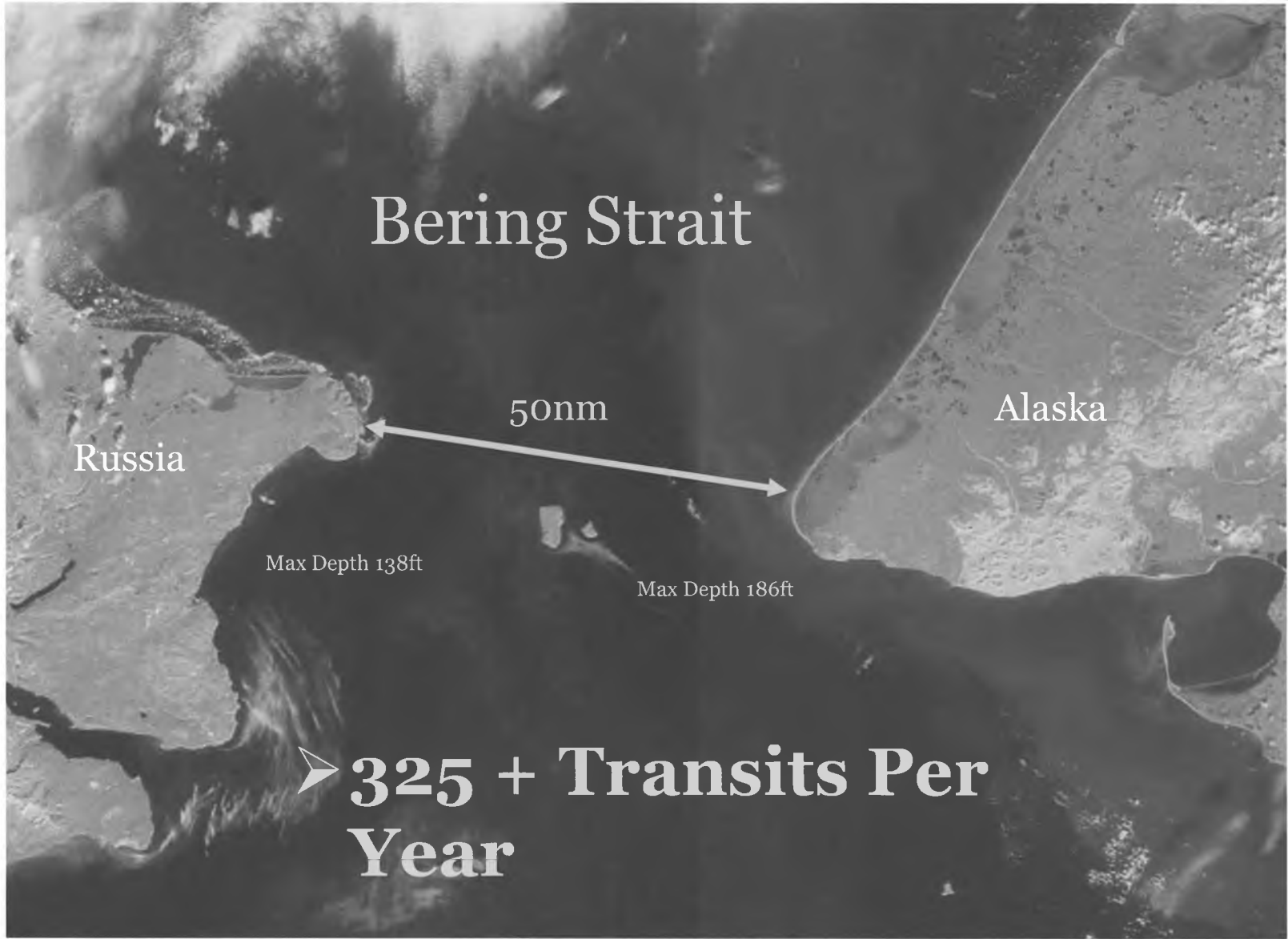
Source: GRID-Arendal --
United Nations
Environment Programme.

Arctic Sea Ice Extent 2005 Record Minimum



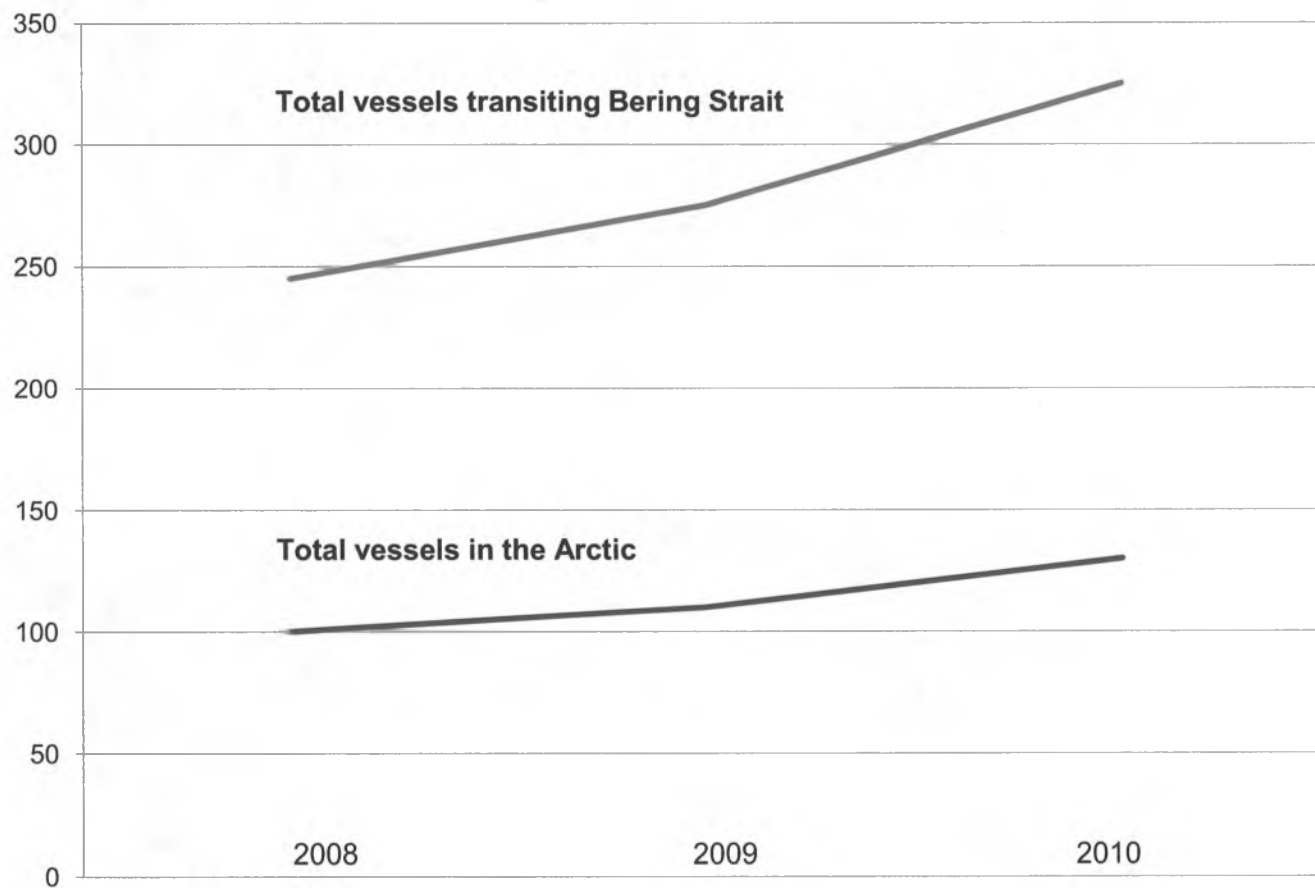


Alaska's Strait of Gibraltar





Increased Vessel Activity

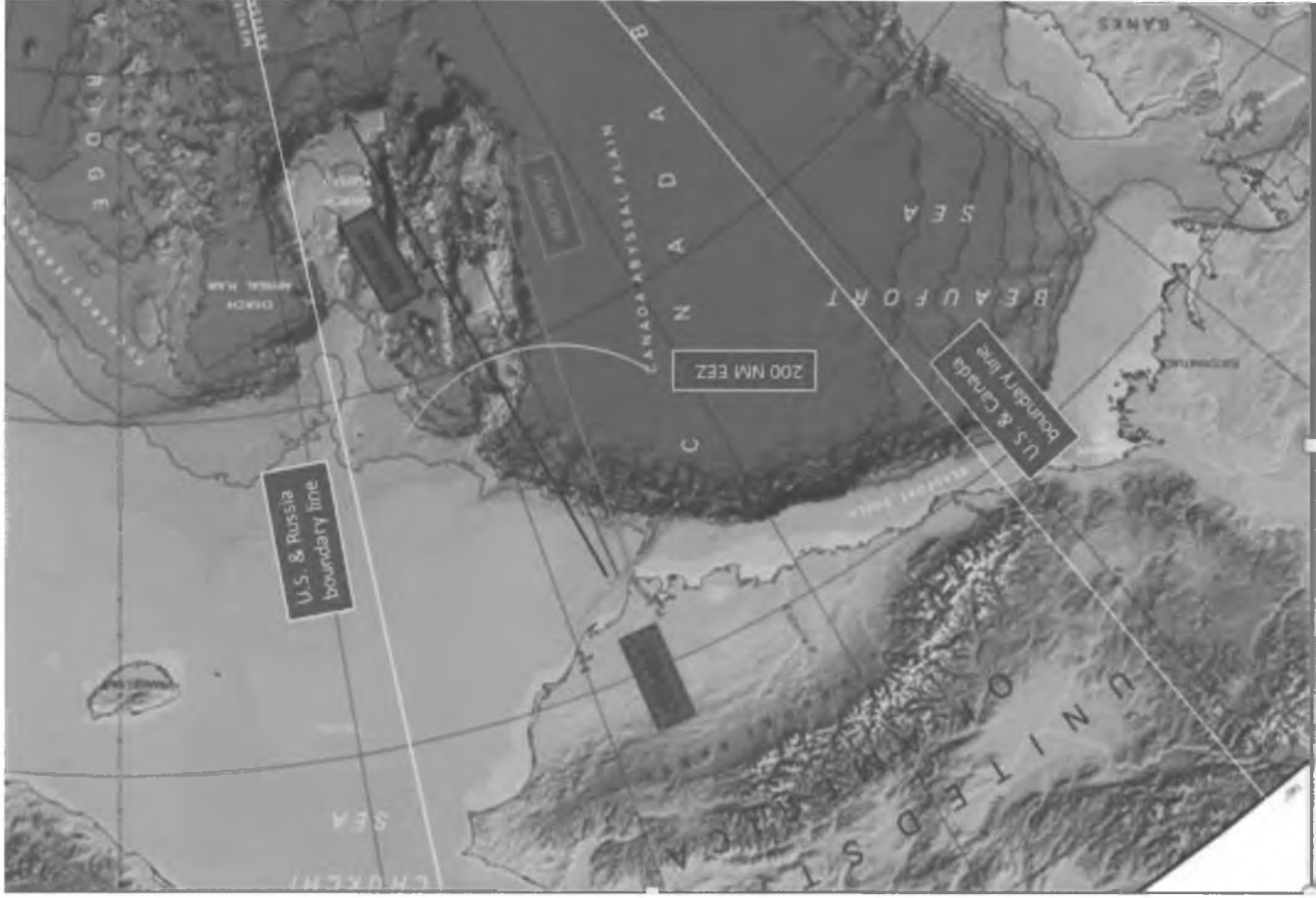


Extended Continental Shelf Claims Under UNCLOS

Under the United Nations Convention on the Law of the Sea (UNCLOS), coastal countries have resource control over an Exclusive Economic Zone (EEZ) from shoreline out to the edge of the continental shelf or 200 miles, whichever is farther.

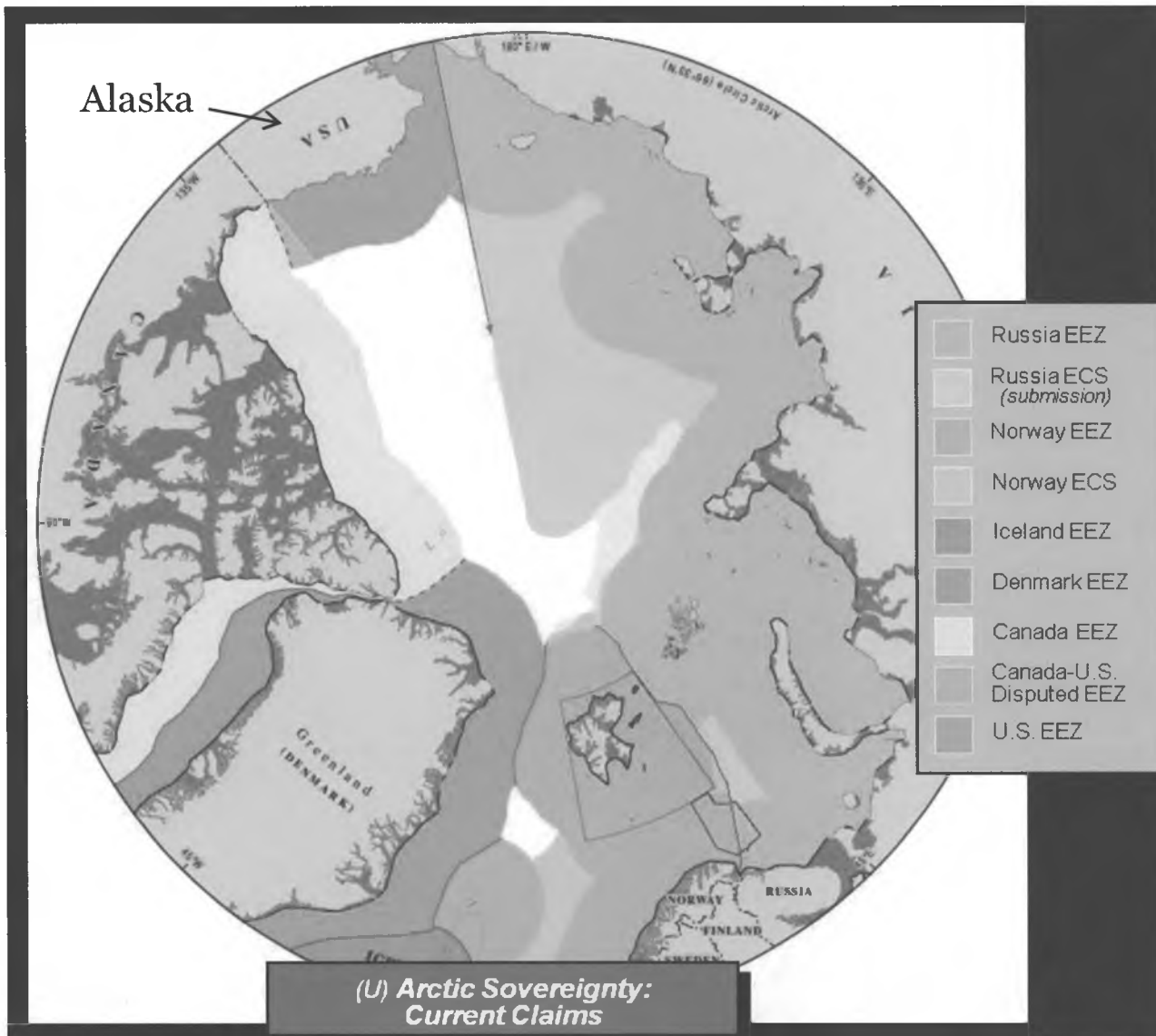


Potential Extended Continental Shelf Claim

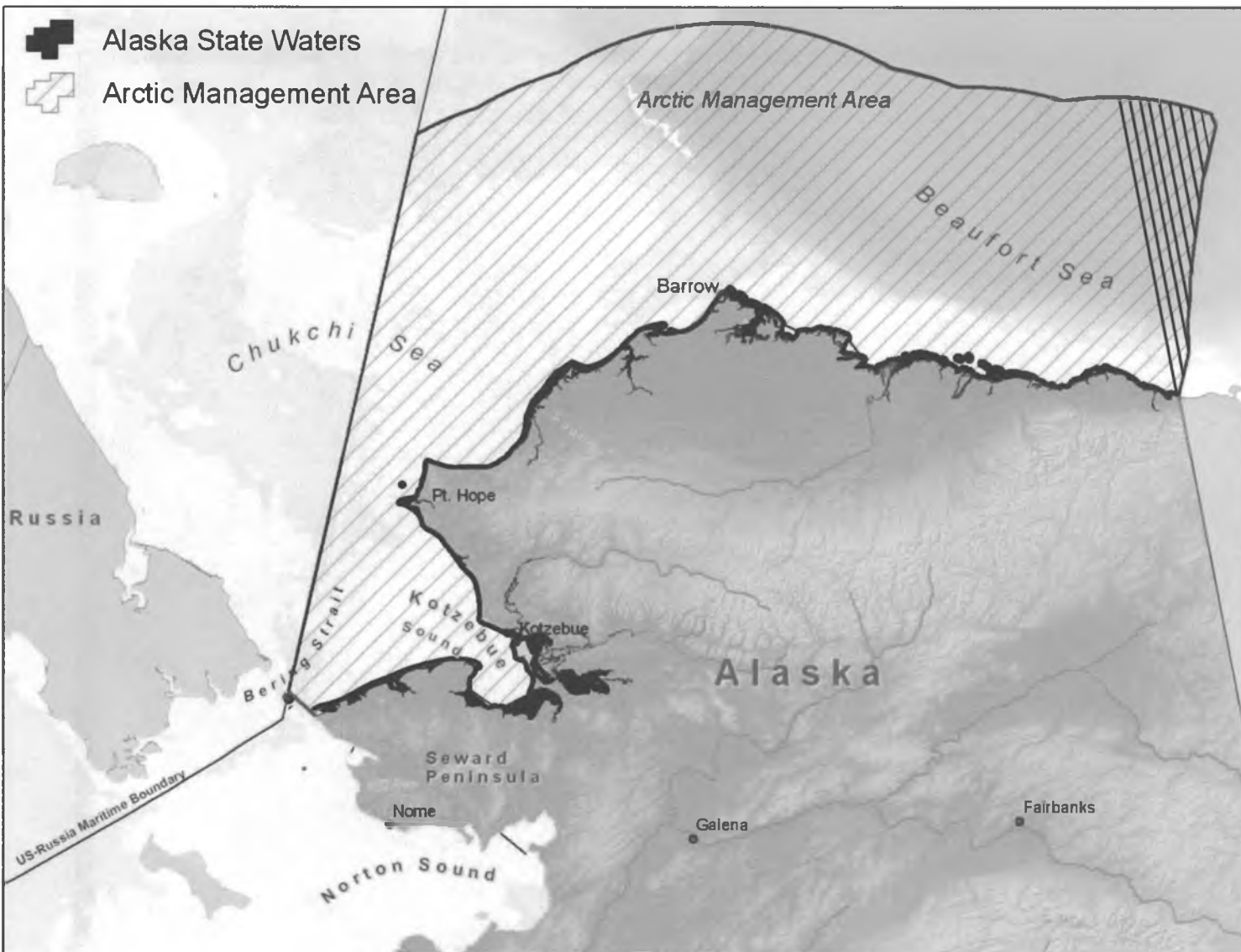




Remaining White Space¹



Note: The United States can make an Extended Continental Shelf Claim north of the U.S. EEZ when UNCLOS is ratified by the U.S. Senate.



Cross-hatched regions is claimed by both Canada and the United States.



For House Economic Development, Trade and Tourism
Committee – 2.22.11

THANK YOU!



Arctic Caucus members of PNWER

Airfare (Return)

- \$1227 for a flight from Anchorage to Whitehorse
- \$1239 for a flight from Anchorage to Yellowknife
- (Yet, it is only \$1119 from Anchorage to Istanbul)

Driving Distances

- Anchorage to Whitehorse is 706 miles by road
- It's 990 miles from Anchorage to Inuvik
- It's 2227 miles from Anchorage to Yellowknife
- Skagway to Whitehorse: 107 miles

Canada and Alaska:
Partners for Growth

A competitive advantage in a challenging World

Canada 

Canadians and Americans share common challenges

- Global financial challenges
- The emergence of powerful economic competitors such as China and India
- The need to stimulate economic growth and promote job creation
- The need to maintain security

But we also share mechanisms that can help us respond to these challenges...

- Both countries are highly industrialized, well established democracies
- Both are leading members of numerous important economic and political organizations, including the G8, APEC and NATO
- Both are partners in a North American Free Trade Agreement that has nurtured one of the largest and most complex economic partnership in the world

And we have an established relationship upon which we can build...

- Canada is by far the largest buyer of US goods: over USD \$204 Billion in 2009.
- More than 8 million U.S. jobs are supported by trade with Canada (2009)
- More than 16,000 company locations in the U.S. are Canadian owned: they employ 557,000 Americans (2009)
- For every \$1 worth of goods China buys from the U.S., Canada buys almost \$3 (\$2.94).

Canada's Role in AK's Economy

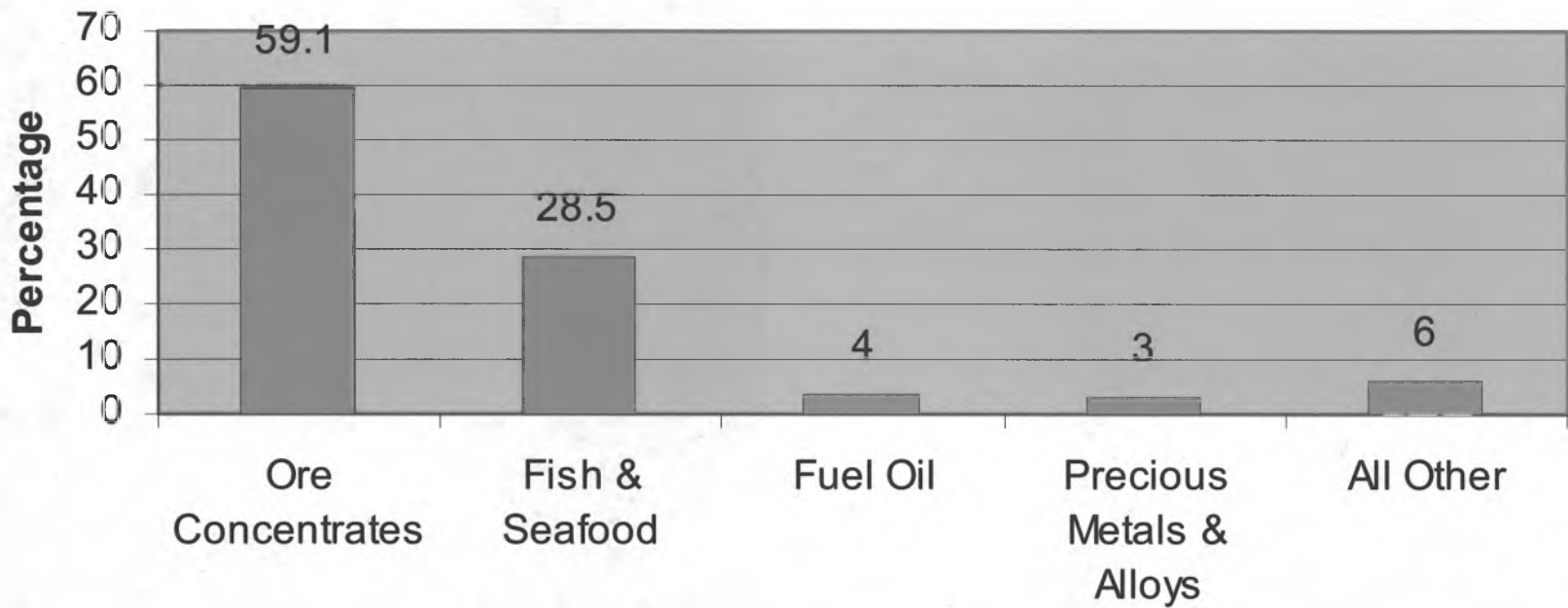
- **Jobs: 3,500+** across AK in 2008
 - \$255 million in payroll annually
 - Indirect & direct employment
 - 8,500 jobs resulting in \$430 million payroll
- **Trade: \$866 million** in Canada-related trade in 2009
 - **24,000** Alaska jobs depend on the Canada-Alaska trade relationship

Canada's Role in AK's Economy

- **Economic Influence:**
 - Oil & gas, mining, retail, transportation & tourism
- **Trade:** Alaska's fourth largest export market
 - Canada imports \$314 million in products and resources from Alaska (2009)
 - The overall value of Canada and Alaska's bilateral trade is \$866 million (2009 data)

Trade Between Neighbors

Alaska's Exports to Canada, 2009



Keystone of AK's Mining Sector

- Mining exploration & development
 - Over \$4 Billion invested since 1980
 - 38 Canadian mining companies operated in AK in 2008



Teck Cominco/Red Dog Mine



Teck Cominco/Red Dog Mine

Keystone of AK's Mining Sector

- **Mining: development & exploration**
 - 2008 - Canadian mining companies directly employed 1,700 Alaskans
 - Average Alaska mining salary is \$87,000
 - Environmental responsibility
 - 3 mines in production, continuing exploration

Keystone of AK's Mining Sector

- **Red Dog Mine – 550 year-round workers**
 - generates \$52 million in total wages annually
 - Addition of the *Aqqaluk* area adds another 20 years to the life of the mine
- **Fort Knox – Largest gold mine in AK**
 - average annual employment – More than 500 people
- **Niblack – Polymetallic deposit on Prince of Wales Island**
 - CBR Gold Corp. & Hunter Dickson :\$15 million in exploration & development over the next three years
- **Future potential**
 - Donlin Creek- advanced exploration project

Canada Strengthens AK's Economy

■ Seafood

- Over \$86 million AK seafood exported to Canada in 2010

■ Manufacturing

- Capitol Glass Northerm Windows

■ Retail

- Alaska Commercial Company in rural AK
 - An average of 975 employees and an annual payroll of just under \$21 million (2010 data)
 - One of the largest private sector employers in rural AK

Canada Strengthens AK's Economy

- **Visitor Industry**
 - 103,000 Canadian visitors spent over \$75 million in summer 2009
 - Of AK's 878 thousand cruise passengers in 2010, virtually all passed through Canada at some point in their journey



Canada Strengthens AK's Economy

TransAlaska Routes

★ Capital

△ Border Crossing

— Main Line Ferry Routes

— CN AquaTrain

— Road System





Canada 

Northern Development

- Canada's Northern Strategy identifies Northern Economic Development as one of its Four Pillars
- Canada is committed to creating a dynamic and sustainable Northern economy
 - Can nor – Economic Development Agency for the North
 - Oil and Gas and mining

Arctic Foreign Policy

- The US is Canada's premier partner in the Arctic
- Arctic Foreign Policy: prioritises action to support and advance international trade relationships that favour northern development

Canada U.S. Relationship

- Canada's and the United States' shared history demonstrates we can do great things which serve our mutual interest, when we work together. That is crucial as we are engaged in emerging from this crisis better, stronger and more prosperous.
- Beyond the Border: Canada US shared vision for perimeter security and economic competitiveness

Canada Strengthens AK's Economy

For more information, visit us on the web:

www.anchorage.gc.ca

Canada 



PNWER's Arctic Caucus Leadership Forum

Barrow, Alaska, U.S.

1-3 December 2010

Introductions

As part of PNWER, the Arctic Caucus formed in 2009 as an informal group of legislators, government officials, business and nonprofit leaders committed to the responsible development of North America's Arctic.

The Caucus provides a forum within PNWER for the Arctic jurisdictions of Alaska, Yukon and the Northwest Territories to share information, discuss issues of mutual concern, identify areas of concern, identify areas for collaboration, which may include working with other jurisdictions, and providing Arctic-relevant input to PNWER working groups.

Welcome to Barrow

Barrow's hospitality and the significant amount of assistance given by the North Slope Borough through three days of the Arctic Caucus Leadership Forum in Barrow should be recognized from the beginning. From the opening night reception, the tour of Barrow and Point Barrow, the community reception that featured traditional dancing and rides to and from the airport, the warmth and receptiveness with which PNWER was received is well-appreciated and deserves to be highlighted in this proceedings.

Setting the stage – Arctic Policy 101

Summary of three presentations:

- Colonel Todd Balfe, Deputy Commander, Alaska NORAD Region
- Giles Norman, Canadian International Centre for the Arctic Region
- Consul General, Phil Chicola, US Consulate General, Vancouver, BC

An important feature of this first Arctic Caucus Leadership Forum was to impart on attendees basic and compelling information about Alaska, the Yukon Territory and the Northwest Territories, as well as their relationship to and with the Arctic as a whole. Important throughout was how integrated Canada and the United States are. That integration provides good guidance to PNWER and provides a model of cooperation for the Arctic Caucus.

Sponsored by:





Security, of course, is a primary area of interest for the region and between the two countries and the effective integration of processes, polices and communication is important to remember. This has been done through NORAD where business is conducted efficiently to protect and secure.

Of particular importance, and something for the Arctic Caucus to remember, is the Arctic policy of both countries to protect and demonstrate sovereignty, In this, it was interesting to hear a reference to “empowering” sovereignty – cooperation between the two countries has meant empowering mutually dependent and interconnected societies.



Successfully communicating and sharing critical data ensures leveraged security on both sides of the border. When thinking beyond defense, search and rescue becomes a primary focus, which is supported by both the U.S. and Canada Coast Guards. Responding to life threatening situations in the Arctic precludes borders; search and rescue operations are conducted with that in mind. It is a necessary response to saving lives. The Arctic Caucus heard this expressed by members of the community as well.

That said, those attending heard that the region needs to expand cooperation and its ability to respond to crisis in Arctic waters. PNWER could advocate for increasing Arctic SAR exercises and building northern communities’ capacity to respond.

This report must stress – given the number of times iterated – the underlying theme of the importance of relationships in accomplishing goals in the Arctic. Developing capacity and demonstrating capability is best illustrated by expanding the existing spheres of cooperation.

In this, cooperative was described in terms of the *practical* (i.e. military) component rather than the *political* (i.e. diplomacy and sovereignty) component. Here the Arctic Caucus can leverage the military relationship to achieve political, environmental and economic development goals. That military relationship extends to search and rescue operations across borders.

One Area of Interest (**AOI**) for PNWER’s Arctic Caucus could be increased Arctic surveillance consisting of environmental research and vessel tracking. A current of lack of surveillance infrastructure results in lack of critical data flowing to decision makers.

It is interesting to think of the region’s sensitivity to location. In Canada, an established piece of the nation’s identity is northern. The same can not be said for much of the United States. The



average American does not identify the U.S. as an Arctic nation. This could be another area to address by the Arctic Caucus – providing responsible education and outreach to those in and outside the region in the interest of better developing an understanding of the challenges and the opportunities facing Alaska, the Yukon and the Northwest Territories.

In the United States, Arctic policy has been developed in a bipartisan manner, and includes the following key points:

- Post cold war security and defense;
- Environmentally sustainable natural resource management;
- Involvement of indigenous peoples;
- Enhancement of science and research capability;
- Strengthening partnerships; and,
- Protecting the environmental.

The U.S. also prioritizes strategic governance, which has meant that the U.N. Convention on the Law of the Sea (UNCLOS) has been endorsed by the presidency but continues to wait to be ratified by Congress. This is a major challenge to Arctic diplomacy though activities continue to proceed under customary policies.



For instance, Arctic nations continue to map their Outer Continental Shelf limits and Exclusive Economic Zones. The establishment of a multi-national Hydrographic Commission continues to move forward. Both promote responsible natural resource management and define boundaries and jurisdictions, which is important to the United States.

The U.S. prioritizes addressing Arctic issues through the Arctic Council and will work to strengthen the Council.

An **AOI** for the Arctic Caucus could be to advocate for Cabinet-level participation by the U.S. in the Arctic Council, providing some guidance at a national level and elevating the work within our region.

Canada's Arctic Policy is very similar to that of the United States, including:

- Exercising sovereignty
- Environmental protection
- Local benefit



As was mentioned, the Arctic is part of Canada's national identity, unlike in the U.S. That has meant a more significant focus on Canada's northern region and priorities, with critical investment in community infrastructure to benefit economic development. Power and transportation infrastructure issues remain key to economic development and are possible arenas for collaboration.

It is important here to highlight the role of First Nations in Canada's Arctic policy and the strong partnership that exists with first Native Alaskan communities. In identifying challenges and opportunities, Canada's indigenous peoples have a crucial seat at the table.

The Beaufort Sea boundary dispute remains a challenge, though the Prime Minister has identified this as one priority to be addressed in the near future.

The group heard that over-the-top passages in the Arctic focused on the Northern Sea Route and less on the Northwest Passage. The Bering Strait will remain a chokepoint and important, at least, for Alaska.

One recurring theme was the need to connect science and policy, and to promote space for that dialogue to take place.



A number of other takeaways include:

- Canada's youth have been involved in a Model Arctic Council; and have also served as ambassadors at Northern-focused conferences.
- The Conference of Arctic Parliamentarians is considered a very important platform for lawmakers to participate in.
- The Alaska State Legislature has previously passed resolutions in support of UNCLOS.
- In regards to cultural heritage and social challenges, the Arctic Council's SDWG focus is on the human dimension and a good platform for addressing these issues.

There is a need for the identification of resources and research to supplement existing knowledge within the PNWER Arctic Caucus. Possible online resources include the International Polar Year (IPY), the Institute of the North, the Northern Forum, the University of the Arctic (UArctic), Arcticnet, and the Northern Waters Task Force.

Two final recommendations came during this session. The first supports addressing and mitigating tension between local users and industry/shipping. An integrated oceans management system (found in Canada and Norway) is an ecosystems-based approach to management. Here, nothing is looked at in isolation and local communities are involved as part of the plan.



Perhaps one of the greatest functions that PNWER's Arctic Caucus could play is in providing a pan-Northern approach to federal government, which has been successful in Canada. By sharing knowledge, interests and best practices, the three jurisdictions are able to articulate a coordinated approach to economic development in the North.

Northern Waters Task Force – Sidebar

The PNWER Arctic Caucus Leadership Forum leveraged its session by coordinating closely with the State of Alaska's Northern Waters Task Force (NWTf), which was able to hold a public hearing during the event.

The Northern Waters Task Force was created in response to increased activity off of Alaska's coast – marine shipping, fisheries, transportation – and works to define Alaska's role relative to these issues.

The community hearing in Barrow brought to light many issues facing the community, northern lands and waters, and challenges shared with neighbors.

The main thrust of many of the comments made during the NWTf hearing was that cultural, social and environmental issues need to be included in decision-making and a balanced approach taken, likened to that of the SDWG and the human dimension. The state has an opportunity to include local decision making and input in its approach to coastal zone management.

One concern highlighted during testimony was that of resource development in the Arctic and the state's ability to respond to oil spills without adequate existing technology nor critical infrastructure.

The region does have an asset in the amount of research conducted from Barrow's NARL facility. Research here has had a significant impact on ecosystem management in the area, including whaling.

Another asset of the region is found in Ilisagvik College, whose mission is to meet the resource needs of local employers while maintaining cultural heritage. Of concern was respect for traditional and local knowledge.

When considering Arctic issues, the NWTf heard that lawmakers should look outside state/federal jurisdictions to the resources they have in the people closest to the land.

For many, it came back to the value systems driving governance decisions. Citizens in Barrow were left wondering what to hold onto?



Afternoon Session – PNWER

- *Larry Hartig, Commissioner, Department of Environmental Conservation (Alaska)*
- *The Honourable Jim Kenyon, Minister of Economic Development (Yukon)*
- *David Ramsay, MLA (Northwest Territories)*
- *Ray Prins, MLA (Alberta)*

PNWER's Arctic Caucus is responding to the increased attention paid to the Arctic and within Alaska. Open water has meant new interest in energy, mineral development, military activity and social/cultural/environmental protection.

While there are multilateral and bilateral agreements in place to protect the environment or secure borders, as well as increasing community input, it is important to provide a regional voice. Adapting to change is a huge component and reverberates throughout the challenges the region faces.

Alaska, the Yukon Territory and the Northwest Territories have similarities in population density, distance between communities, and infrastructure needs that make sense when speaking with one voice. There are common interests and common opportunities in the region – energy costs, climate change, non-renewable resource base, adventure travel, infrastructure, transportation linkages – that allow for synergistic development.

In Canada, devolution has been important for the northern territories and highlights local control and input. First Nations in Canada have mostly settled their lands claims and now act as foreign governments given their sovereignty. The level of consultation goes well beyond that of the south of Canada.

At the same time, Canada has invested in infrastructure that gets minerals out – i.e. a zinc mine ten times larger than Red Dog is being developed in Yukon, with investment in and shipping planned to Asia (a target market).



Currently, NWT is going through the process of devolution with Canada's federal government that includes the transfer of funding and government positions. This process is accomplished while working in concert with aboriginal partners and with federal government with a plan to give a portion of the new revenue to the Territories' First Nations.

We can also think about other PNWER locations as "gateway jurisdictions." Alberta, B.C., and Washington serve to support northern neighbors, with a specific interest in energy and transportation – and transportation of energy – as well as strengthening economic connectivity.



Within northern jurisdictions, one of the priorities is seen to be supporting communities that are off the road by offering business incentives (local labor), resource development (training), community revenue sharing, and increased connectivity. In regards to this PNWER could conduct an infrastructure gap assessment – what’s there vs. what could be put there.

Transportation

- *Admiral Thomas Barrett, Deputy Federal Coordinator*
- *Bruce Harland, VP Crowley*
- *Captain Ed Page, Marine Exchange of Alaska*

One challenge that is particularly difficult is convincing federal policy makers of the need for rural infrastructure investment given limited populations. The ability to make a compelling return on investment justification is important in this regard.

A lack of infrastructure inhibits economic development opportunities and the quality of life for communities. For many issues northerners need to focus on prevention rather than response – this is especially true when considering environmental disasters such as an oil spill. One component of prevention is knowledge of what’s out there – i.e. marine vehicle tracking system in place off coast of Alaska.

Invest in infrastructure. The bottom line is that there is an incredible amount of research out there supporting the fact that infrastructure investment results in economic growth, energy efficiency, productivity, public health, and emergency response.

A gap analysis of telecommunications networks between Canada and Alaska indicates areas of opportunity for connection and survivability. Collaboration could improve network diversity and opens up other economic opportunities.

We should address objectives – vibrant communities with sustained heritage; healthy and better connected communities; adequate emergency, prevention and response capabilities. In this, there is a need to better anticipate needs and desires of northern peoples and economy (communicating a shared vision). One way to accomplish this is to develop private-public partnerships – that include indigenous participation – so that projects are able to compete nationally.

Connectivity in the North is driven by distance, geography, cost, and population. Data is sent south to population centers where it’s redistributed back to consumers. Could we make the Alaska Highway an information superhighway?



Takeaways and final day's discussions

Work must be done to develop the role of the Arctic Caucus in feeding issues into established PNWER working groups and informing the work of the Annual Summit.



Communication is going to be integral to Arctic Caucus success – and time should be given to a private/public sector panel discussion at Summit highlighting interest and sharing.

We have to be careful that jurisdictions involved in Arctic Caucus process don't replace other activities within PNWER. An integrated approach to this will be appropriate.

Proposed Arctic Caucus Action Items (December 2010)

Type= S-Substantive, A-Administrative, C-Communicative (Letter Writing)

Type	Action Item	Team Lead	Initial Team Members
A	Map out sub-national and regional actors so that it is relevant and non-duplicative (identify niches).	Nils Andreassen	Ian, Carl
C	Advocate for cabinet-level (US) participation in the Arctic Council	Senator McGuire	Mike Pawlowski
A	Convene in May/June in Northwest Territories prior to the annual meeting, which will take place in Portland.	David Ramsay	Linda Ecklund
C	Promote a pan-Northern approach to federal governments. (Including Legislative concurrent resolution)	Rep. Herron	David Ramsay, Min. Kenyon
S	Provide a platform for connecting science and policy in order to meet its mission of economic development. Suggest to University Presidents		Ian



	round Table		
S	Explore means to support the expansion of the Marine Exchange of Alaska's AIS System in Alaska as well as Northwest Territories (NWT), Yukon and BC. Support current efforts to increase Search and Rescue response capacity and infrastructure on both sides of the border including joint training/excersises	Capt. Page	Mike Pawlowski, Jackie Jacobson, Carl Burgess
S	Promote federal support of the Alaska/Canada highway and Shakwak funding.	Mike Pawlowski	Min. Kenyon
S	Support Broadband infrastructure development Interconnectivity (Wide Area Network)	Don Pumphrey	Krag Johnsen (GCI), Mike Pawlowski
S	(Support Development of Northern University in Canada) Invite Yukon College, Ilisagvik, Aurora Colleges to University Presidents' Round table	Andrea	PNWER Secretariat, Kevin Cook
C	Communicate proceedings and conclusions of Northern Waters task Force to regional members.	Mike Pawlowski	
A	Have Arctic Caucus keynote panel at the Summit	Mike Pawlowski	
	Suggest content to the Legislative Energy Horizon's Institute and Transportation Institute on issues in the north.	David	
	Identified Issue : <ul style="list-style-type: none"> ● Gas Pipeline development (Reshare Pipeline study) ● UNCLOS ● Transmission/Local Energy Development ● Joint Tourism/Marketing ● Training/Workforce Development ● Support development of youth exchange programs (Ian) ● Conduct an infrastructure gap analysis and provide a justification for investment in cross-border infrastructure. 		



**Draft #8
Terms of Reference
for the
PNWER Arctic Caucus**

November 30, 2010

Background

First proposed in concept by Senator McGuire in October 2009, the PNWER Arctic Caucus was formed in November 2009 as an informal group of legislators, government officials, business and non-profit leaders committed to the responsible development of North America's Arctic. The Arctic Caucus's first open meeting was held at the July 2010 Annual PNWER meeting in Calgary, Alberta. The next meeting of the Arctic Caucus is planned for December 1-3, 2010 in Barrow, Alaska.

Purpose

The purpose of the Arctic Caucus is to provide a forum within PNWER for the arctic jurisdictions of Alaska, Yukon and NWT to share information, discuss issues of mutual concern, identify areas for collaboration, which may include working with other jurisdictions, and providing arctic-relevant input to PNWER working groups.

Expected Outcomes

- Share information, strengthening PNWER's capacity to engage at national level on arctic issues.
- Support each other in achieving mutual goals.
- When appropriate, provide support to other jurisdictions to help them achieve their individual goals.
- Provide a unified arctic voice to direct PNWER's convening and advocacy capacity to advance cooperation on arctic issues.
- Review the work of other PNWER working groups in order to provide and accommodate the arctic perspectives and positions.
- Increase attention to arctic issues within PNWER in general, increased reflection of the arctic position within the work of PNWER working groups, including the provision of Arctic policy/positions and interests for visits to our national capitals.
- Provide input and suggestions into topics and speakers for Summits/Forums.
- Identify areas regarding opportunities for mutual economic development in the Arctic.



Composition

The Arctic Caucus will be made up of PNWER public and private sector members from Alaska, NWT and Yukon. Other PNWER jurisdictions are encouraged to participate and to provide their input according to their interest issues affecting the Arctic.

The Caucus will be chaired on an annual rotation by one of the three core members. Core members will be responsible for setting the agenda and determining the interests and direction of the group.

Process

- The AC should compile an annual summary to be tabled at the Annual PNWER meeting.
- The AC would meet at least once a year as a group within the PNWER context (summer or winter meeting) and conduct most of its work through “virtual” means.
- The AC is free to call additional meetings in one of the member jurisdictions.
- The AC Chair would devote a larger portion of his/her time to meeting organization and project organization, if applicable.
- PNWER will provide Secretariat support to the group.

Timetable

Goals for Year One

- Develop a Terms of Reference for the group
 - Identify areas of common interests
 - Isolate priorities
 - Develop action items
 - Table a summary at summer meeting
-



Processes	Issues
Indigenous and local input	Energy
Partnerships and collaboration	Research
Cross-border infrastructure	Telecommunications
Involvement of youth	Transportation
Pan-Arctic voice	Security

Questions for Consideration by PNWER's Arctic Caucus	
	How does PNWER's Arctic Caucus respond to concerns for local input and sharing? What mechanisms can be put in place to ensure an open "table" and access to it?
	How does timing impact our decisions? What is our urgency index? How can PNWER's Arctic Caucus be proactive and strategic in its approach, while also being responsive?
	What could PNWER contribute to the Canada and U.S. chairmanships of the Arctic Council?
	How do issues highlighted by the Arctic Caucus contribute to the overall mission of economic development in the PNWER?



Denis Stevens

Consul General

Consulate General of Canada, Seattle

Denis Stevens joined the Department of Foreign Affairs and International Trade in 1996, where he served as policy adviser to the minister of foreign affairs, deputy director in the Human Rights Division and director of policy in the Secretariat on War-Affected Children. Mr. Stevens has, since 2001, served in management positions at the departments of Justice, Indian and Northern Affairs, Public Safety, and at the Privy Council Office. Since 2007, he has been the director general of intergovernmental relations and public outreach at Foreign Affairs and International Trade Canada. He is married to Geneviève Chanteloup, and they have two daughters. Mr. Stevens succeeds Peter Lloyd.

ALASKA

- ✦ 20,400 jobs in the Last Frontier depend on the Canada–Alaska trade relationship, which is valued at \$866 million
- ✦ More than 8 million U.S. jobs depend on Canada–U.S. trade
- ✦ Total Canada–U.S. merchandise trade: \$392 billion
- ✦ Canada is the top export destination for 34 states
- ✦ 28 Canadian-owned companies employ 2,826 people in 71 locations in Alaska

In 2009, Canada was Alaska's fourth largest export market following Japan, China, and South Korea. Canada purchased 10 percent of the state's worldwide goods, worth \$314 million, thanks to significant Canadian investment in the state's mining sector. Overall, bilateral trade between Alaska and Canada was valued at \$866 million. Metals remained Alaska's largest export sector to Canada, generating \$189 million in 2009, with Canadian companies playing a dominant role in the state's mining industry. Ore exports, notably zinc from the Canadian Red Dog mine, topped the category. Alaska also imported \$52 million in machinery, its fourth largest import sector from Canada, keeping its resource sector moving.

Alaska Native businesses continue to reach across the border. The Alaska Native regional corporation NANA chose the Canadian mining company Teck to build and operate **Red Dog**, one of the world's largest zinc mines, located in northwest Alaska. Under the agreement with NANA, the mine has hired more than 1,000 NANA shareholders since 1989, and it employs 550 year-round workers. Red Dog provided \$921 million in benefits to the rural regional economy, such as wages, payments in lieu of taxes, and direct royalty payments to NANA from 1989 to 2009. Payroll alone amounted to nearly \$52 million in an area with few economic opportunities. In May 2009, Teck announced the development of Red Dog's next mine area (Aqqaluk), which will add another 20 years to the mine's life, with the promise of continued economic opportunities,



Red Dog Mine

jobs, and exports beneficial to Alaska and Canada.

Cross-border trade with Alaska has given rise to important and lifesaving innovation. In rural Alaska, where fire damage can reach \$70 million annually and where fire-related deaths are still 300 percent higher than the national average, Canadian technology plays a crucial lifesaving role. Since the late 1990s, Alaska Village Initiative's **Project Code Red** has provided micro rural firefighting kits to more than 100 villages. Key pieces in those kits are sourced from Canada, including \$1 million in specialized containers from Big Dog Containers Inc., from British Columbia, and \$415,000 in portable pumps from Quebec-based C.E.T. Fire Pumps Mfg. The state fire marshal's office has recognized Project Code Red as one of the most effective and efficient programs for reducing the loss of life due to fires in rural Alaska.

November 2010

Alaska–Canada facts

Foreign export markets

% foreign-bound goods
sold to Canada..... 10%

Jobs

20,400 jobs in Alaska
depend on trade with Canada

Top Canadian-owned businesses in Alaska

Teck Alaska Inc
Alaska Commerical Co
Kinross Gold Corp
Kanaway Seafood Inc
Atco Frontec Services Inc

Merchandise trade

AK exports to Canada..... \$314 million
AK imports from Canada..... \$552 million
Bilateral trade..... \$866 million

Top exports

Fish & seafood..... \$86 million
Fuel oil..... \$12 million
Precious metals & alloys..... \$9 million
Crude wood materials..... \$4 million
Drilling machinery & drill bits..... \$1 million
Aircraft parts, except engines..... \$1 million
Automobiles..... \$1 million
Aircraft engines & parts..... \$1 million
Electric generators & motors..... \$1 million
Aircraft..... \$1 million

Top imports

Petroleum & coal products..... \$125 million
Copper in ores..... \$111 million
Prefabricated buildings
& structures..... \$20 million
Mining machinery..... \$20 million
Metal fabricated
basic products..... \$15 million
Steel castings & forgings..... \$13 million
Engines & turbines..... \$10 million
Aircraft engines & parts..... \$10 million
Fertilizers..... \$10 million
Motor vehicle parts,
except engines..... \$7 million

Tourism account

Canadian visits to Alaska..... 103,000
\$ spent..... \$75 million
Alaskan visits to Canada..... 76,000
\$ spent..... \$35 million

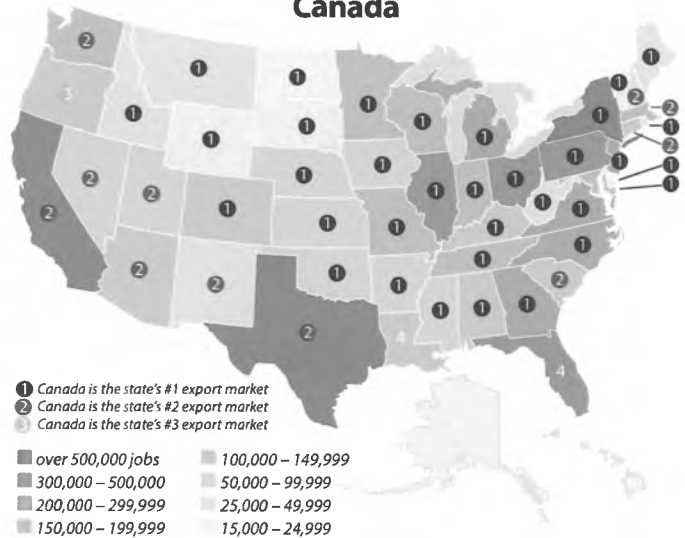
United States–Canada: working together to create jobs

The United States and Canada share a deep and unique relationship, which supports our mutual prosperity and millions of jobs in both countries. Building on our strong economic partnership, we continue to find new and innovative ways to stimulate our highly integrated economies, thereby ensuring the long-term competitiveness of our respective and shared supply chains.

Successful relationships always require constant attention and cooperation. It's crucial our countries work together to secure recovery from the current economic downturn. By successfully negotiating an agreement on government procurement, we will keep doors open for Americans and Canadians alike to create wealth and ensure our joint prosperity and security.

With over \$1 million worth of goods and services crossing our border every minute of every day, challenges are bound to emerge. Over the years our two countries have faced — and resolved — challenges of varying degree. Commerce remains critical to both countries, so we must continue to nurture this vital relationship for the benefit of citizens on both sides of our 5,500 mile border. Canadians are committed to working closely with our American neighbors to build on our tremendous record of cooperation — and to doing so as we've always done in the past: as partners, allies, and friends.

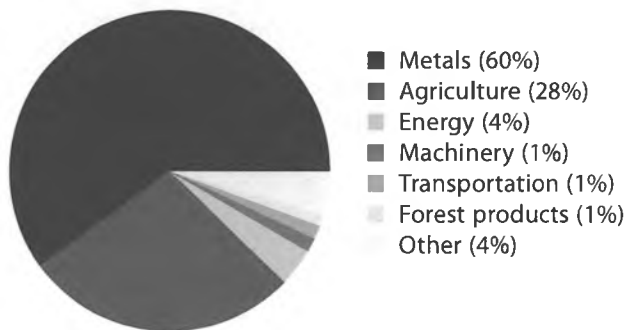
Canada is the biggest customer for 34 states; over 8 million U.S. jobs depend on trade with Canada



Our relationship is about people too

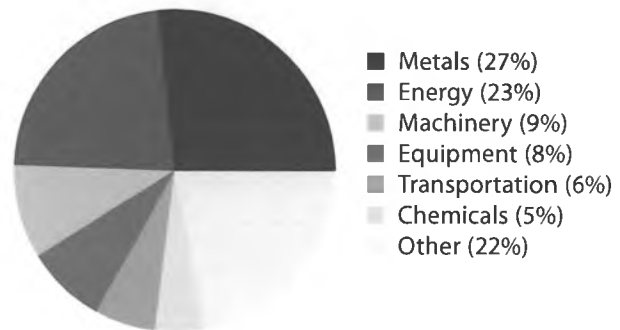
Cross-border travel is not only the key to our prosperity — it links our communities and strengthens our families. In 2009, Canadians made more than 103,000 visits to the Last Frontier, contributing over \$75 million in tourism directly to local coffers. Why do they come? To share memories at café tables, ideas at conference tables, and meals around dinner tables.

Alaska's goods exports to Canada, 2009



Total Alaska exports: \$314 million

Alaska's goods imports from Canada, 2009



Total Alaska imports: \$552 million

For more information on Canada's trade relationship with Alaska, please contact:

Consulate of Canada

310 K Street, Suite 220 • Anchorage, AK 99501
 Phone: (907) 264-6734 • Fax: (907) 264-6713
www.anchorage.gc.ca

Job numbers are based on 2008 data from a 2010 study commissioned by the Embassy of Canada. All other figures are based on 2009 data in U.S. dollars.
 World Institute for Strategic Economic Research (WISER): Canada's export ranking (February 28, 2010). Statistics Canada: trade (February 2010 release), tourism (May 2010 release).
 Dun & Bradstreet: Canadian-owned companies and employment (August 2010 release). Figures are converted at the rate of US\$1.00=CA\$1.1420. Figures may not add up due to rounding.
 Produced by the Embassy of Canada in Washington, D.C.

About the Northern Forum

The Northern Forum is a non-profit, international organization composed of sub-national or regional governments from eight northern countries.

Northern regions share characteristics that set them apart from other areas of the world. These include:

- economies based upon the extraction of natural resources;
- lack of internal capital resources;
- limited infrastructural development;
- harsh climates and vulnerable ecosystems;
- diverse and relatively strong indigenous cultures; and
- sparse populations.

Such complex factors create unique challenges for regional Governors and other executives. From throughout the North, the Northern Forum brings these leaders together to address common political, environmental and economic issues.

In today's world, where climate change and globalization create new challenges for the Northern regions of the world, the ability of the Northern Forum to bring together these regions and find new partners at the international level, such as the UNDP and the UNEP and networks of regions around the globe, opens new horizons for its members.



The idea of creating an organization of northern regional governments was raised in 1974 by the government of Hokkaido, Japan, during the first of a series of international conferences on northern issues. The Northern Forum developed from a Northern Regions Conference held in 1990 in Anchorage, Alaska, attended by more than 600 delegates from 10 countries. The Forum was formally established in November 1991.




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Memorandum

TO: Representative Bob Herron
FROM: Chuck Burnham, Legislative Analyst 
DATE: March 14, 2011
RE: Relationships Between Alaska and the Northwest and Yukon Territories
LRS Report 11.179

You asked for information on the relationship between Alaska and the Northwest and Yukon Territories of Canada. Specifically, you asked for examples of intergovernmental, economic, and social cooperation between this state and the Canadian territories.

The United States Department of State begins its description of the nation's relations with Canada as follows:

The relationship between the United States and Canada is the closest and most extensive in the world. It is reflected in the staggering volume of bilateral trade—the equivalent of \$1.6 billion a day in goods—as well as in people-to-people contact. About 300,000 people cross the border every day.

The uniquely high degree of friendship, cooperation, and interdependence between the two countries extends to the relationship between Alaska and the Northwest and Yukon Territories of Canada. The timeframe in which we compiled this report did not allow for a comprehensive review of the innumerable affiliations these areas share in governmental, economic, and social spheres. Below we discuss a number of these relationships to provide an indication of their importance to the people who share this region of North America.

Bilateral Agreements Between the U.S. and Canada Directly Impacting Alaska

As you might expect, the number and scope of bilateral agreements between the U.S. and Canada is impressive. At least 278 such agreements were in force in 2010. This doesn't even take into consideration the many important multilateral agreements on which the countries cooperate, such as the North American Free Trade Agreement and the North Atlantic Treaty Organization. Obviously, all international agreements entered into by the U.S. federal government are binding on all states; however, our cursory review of bilateral accords between the U.S. and Canada identified some 34 that appear to most directly impact Alaska's relationships with its territorial neighbors, and Canada as a whole. We list those agreements, and the dates on which they were put into force, in the table that immediately follows the text of this report. As you can see, these treaties and agreements date back to 1873, just six years after the Alaska Purchase, and cover a wide array of topics including, for example, boundary issues, cooperation in arctic issues, fisheries management and enforcement, security, transportation, pipeline routes, and trade.¹

State and Territorial Intergovernmental Relationships

In addition to the bilateral accords entered into by the U.S. and Canadian federal governments, Alaska and the respective governments of the Northwest and Yukon Territories, either directly or through local government, educational institutions, and other public and private organizations, have numerous cooperative agreements and share membership in several policy and development organizations. We briefly enumerate a number of those relationships below. This list is but a sample of such relationships.

¹ We compiled this list by reviewing only the titles of bilateral agreements listed under the Canada section of the document "Treaties in Force: A List of Treaties and Other International Agreements of the United States in Force on January 1, 2010," United States Department of State, Office of the Legal Adviser, Treaty Affairs Staff, pp. 36-46, <http://www.state.gov/documents/organization/143863.pdf>. We did not review multilateral agreements. Further, there may be additional bilateral agreements that directly apply to Alaska that we did not identify using this methodology, or that went into force after the publication of our source document.

Alaska-Yukon Accord—The government of the Yukon Territory, International Relations Branch, leads its website with the following:

Relations with the State of Alaska: We share cultures, history, geography and climate. Our residents routinely cross the border to conduct business, to visit family and friends, to shop for goods and services, and for recreation. The Alaska and Yukon governments work in partnership wherever possible to develop our economies, to protect the environment, and to provide efficient public services.

In 2008, Governor Palin signed an accord with Yukon Premier Dennis Fentie expressing the two governments' intention to cooperate in the areas of tourism, transportation, trade and commerce, resource development, climate change, wildlife management, economic development and infrastructure. We include a copy of that accord, which remains in effect through February 2012, as Attachment A.

The Arctic Council—is a high level intergovernmental forum in which Alaska and the western territories of Canada participate that seeks to provide a forum for “promoting cooperation, coordination and interaction among the Arctic States, with the involvement of the Arctic Indigenous communities and other Arctic inhabitants on common Arctic issues, in particular issues of sustainable development and environmental protection in the Arctic.” In addition to arctic nations, the Council includes several organizations representing the indigenous peoples of the far north. Working groups of the Council include the following:

- ◆ Arctic Contaminants Action Program (ACAP)
- ◆ Arctic Monitoring and Assessment Programme (AMAP)
- ◆ Conservation of Arctic Flora and Fauna (CAFF)
- ◆ Emergency Prevention, Preparedness and Response (EPPR)
- ◆ Protection of the Arctic Marine Environment (PAME)
- ◆ Sustainable Development Working Group (SDWG)

More information on the Council is available at <http://arctic-council.org/>.

University of the Arctic—is a cooperative network of over 120 institutes of higher education, including campuses in Alaska and the western Canadian territories. Members share resources, facilities, and expertise to build post-secondary education programs that are relevant and accessible to northern students. According to its website, the University seeks to accomplish the following:

- ◆ Empower the residents of the Circumpolar North, by building human capital through higher education;
- ◆ Reduce barriers to higher education in the North in order to provide increased opportunities for northerners;
- ◆ Develop initiatives in partnership with our community, and particularly with indigenous peoples, that are responsive to their needs and support their aspirations;
- ◆ Create shared knowledge and provide for quality discussion on contemporary issues related to the Circumpolar North;
- ◆ Build a shared regional identity, while valuing inclusiveness and respect for diversity across the region; and
- ◆ Strengthen the Circumpolar North's Role in the World by increasing knowledge about Arctic issues.

More information on the University can be found online at <http://www.uarctic.org/ThemeFront.aspx?m=6>.

Northern Forum—is a non-profit, composed of sub-national or regional governments from eight northern countries. The forum seeks to address issues common to these members in areas of climate change and other environmental issues, sustainable development, society and culture, and services for area businesses. More information on the Forum can be accessed at <http://www.northernforum.org/>.

Pacific Northwest Economic Region (PNWER)—members include five states (Alaska, Idaho, Montana, Oregon, and Washington), three provinces (Alberta, British Columbia, and Saskatchewan), and the Northwest and Yukon Territories, in addition to private-sector organization from those areas. The PNWER lists its mission and goals as follows:

- ◆ To increase the economic well-being and quality of life for all citizens of the region;
- ◆ To coordinate provincial and state policies throughout the region; to identify and promote “models of success;” and to serve as a conduit to exchange information;
- ◆ Promote greater regional collaboration;
- ◆ Enhance the competitiveness of the region in both domestic and international markets;
- ◆ Leverage regional influence in Ottawa and Washington D.C.; and
- ◆ Achieve continued economic growth while maintaining the region’s natural.

More information on PNWER is available online at <http://www.pnwer.org/Home.aspx>.

Shared Borders: Traffic and Commerce

There are four U.S. Customs stations on highways between Alaska and Canada. We provide data on traffic volumes and applicable modes of transportation for 2009 in Table 1. As you can see, three of these border crossings are actually between Alaska and the province of British Columbia (B.C.); however, much of the traffic on the Haines and Klondike (Skagway) highways simply crosses the narrow western-most portion of B.C. that the highways traverse en route to or from destinations in the Yukon or to their respective junctions with the Alaska, or Alaska-Canada (“AlCan”), highway at the Yukon communities of Haines Junction and Whitehorse. Each of these roads connects with the Canadian highway system from which several communities in the Northwest and Yukon Territories can be accessed.

Table 1: Border Crossings Between Alaska and Canada, 2009

Traffic Mode	Alcan	Haines	Ketchikan (Hyder)	Skagway	Total
Trucks	5,416	892	2	3,174	9,484
Loaded Truck Containers	6,382	451	226	0	7,059
Empty Truck Containers	127	874	43	0	1,044
Trains	0	0	0	318	318
Train Passengers	0	0	0	64,751	64,751
Buses	389	43	12	10,571	11,015
Bus Passengers	8,139	371	300	161,255	170,065
Personal Vehicles	46,945	15,524	3,745	31,618	97,832
Personal Vehicle Passengers	91,555	32,036	7,010	74,903	205,504
Pedestrians	64	596	1,893	283	2,836
Total Vehicles	158,953	50,191	11,338	346,590	567,072
Source: U.S. Department of Transportation, Research and Innovative Technology Administration, Bureau of Transportation Statistics, Border Crossing/Entry database, http://www.bts.gov/programs/international/transborder/TBDR_BC/TBDR_BCQ.html .					

The Canadian Consulate in Anchorage published data for 2008 that succinctly encapsulates the economic importance to Alaska of interaction with its neighbors. Highlights of those data are as follows:

Canadian firms directly accounting for approximately 3,500 jobs and \$255 million in payroll annually. Including direct and indirect impacts, Canadian economic activity resulted in more than 8,500 jobs and \$430 million in payroll in Alaska in 2008.

Canada is Alaska's third largest export market. In 2008, products and services worth \$370 million were exported to Canada.

Canada's economic influence on Alaska is diverse and far reaching, touching economic sectors from mining, to energy, to the visitor industry.

By the Numbers

- ◆ \$1.2 billion: Total Canada-related trade value;
- ◆ \$370 million: Alaska's exports to Canada;
- ◆ \$441 million: Alaska's imports from Canada;
- ◆ \$398 million: Alaska's exports by Canadian mining companies, 2008 (excluding their mineral commodity exports to Canada);
- ◆ #3: Rank of Canada among Alaska's export markets;
- ◆ \$3.9 billion: Total investment in mining exploration and development by Canadian companies, 1981-2008;
- ◆ 70%: Canada's approximate share of total mining industry exploration and development expenditures, 1981-2008;
- ◆ \$91 million+: Estimated spending in Alaska by 116,000 Canadian visitors, summer 2008.²

We include a document prepared by the Canadian Consulate in Anchorage that provides additional details on Canada's economic impacts in Alaska as Attachment B.

Social and Cultural Ties

The indigenous peoples of the areas that are now Alaska and the western territories of Canada have engaged in trade and cultural exchanges for millennia. As the information above suggests, that interaction continues among the region's residents today. It is difficult to enumerate all of the myriad ways in which these activities take place. The area's schools and sports organizations compete against one another; hunters, fishermen, outdoor enthusiasts cross borders to enjoy the extensive opportunities that the region offer; shoppers and travelers take advantage of the varied options available across the border; indigenous people and others participate in cultural exchanges, music festivals, shared holiday celebrations, and numerous other activities. Put simply, the relationship between Alaska and our territorial neighbors is, overall, the state's closest and most important. To be sure, that relationship is far more extensive than those we share with most of the other U.S. states.

We hope this is helpful. If you have questions or need additional information, please let us know.

² This information is published online at http://www.canadainternational.gc.ca/anchorage/offices-bureaux/canada_alaska.aspx?lang=eng.

Treaties and Agreements Between the United States of America and Canada that Most Directly Impact Alaska	
Treaty / Agreement	Date Entered into Force
Protocol of a Conference Respecting the Northwest Water Boundary	March 10, 1873
Acceptance of the report of the commissioners to complete the award under the convention of January 24, 1903, respecting the boundary line between Alaska and the British North American possessions	March 25, 1905
Convention providing for the surveying and marking to upon the ground of the 141st degree of west longitude where said meridian forms the boundary line between Alaska and the British possessions in North America.	August 16, 1906
Treaty concerning the Canadian international boundary	April 11, 1908
Treaty relating to the boundary waters and questions arising along the boundary between the U.S. and Canada	May 5, 1910
Treaty in regard to the boundary between the U.S. and Canada	July 17, 1925
Agreement providing for the construction of a military highway to Alaska	March 18, 1942
Agreement relating to the southern terminus of the Alaska Highway	May 9, 1942
Agreement relating to the construction of flight strips along the Alaska Highway	September 10, 1942
Agreement relating to the construction of the Haines-Champagne section of the Alaska highway	December 7, 1942
Agreement relating to access to the Alaska Highway	April 10, 1943
Agreement relating to the designation of the highway from Dawson Creek, British Columbia, to Fairbanks, Alaska, as the "Alaska Highway"	July 19, 1943
Agreement providing for cooperative efforts to be directed toward sanitary control of the shellfish industry	April 30, 1948
Agreement Relating to Cooperation Between the U.S. and Canada in Air Search and Rescue Operations Along the Common Boundary	January 31, 1949
Convention for the extension to halibut fishing vessels of port privileges on the Pacific Coasts of the U.S. and Canada	July 13, 1950
Convention for the preservation of the halibut fishery of the Northern Pacific Ocean and Bering Sea	October 28, 1953
Agreement relating to tariff duty on certain fish and fish products	July 24, 1955
Agreement relating to the winter maintenance of the Haines Road	June 23, 1967
Agreement concerning cooperation in the detection and suppression of forest fires along the boundary between the Yukon Territory and Alaska with memorandum of agreement	June 1, 1971
Search and rescue agreement, with attachment	October 25, 1974

Treaties and Agreements that Most Directly Impact Alaska Between the United States of America and Canada (continued)	
Treaty / Agreement	Date Entered into Force
Memorandum of understanding on the monitoring of food, beverage and sanitary services provided on common carriers operating between the U.S. and Canada	September 8, 1975
Agreement relating to cooperation in reconstruction of Canadian portions of the Alaska Highway	February 11, 1977
Agreement concerning transit pipelines	October 1, 1977
Agreement on principles applicable to a northern natural gas pipeline, with annexes	July 24, 1978
Treaty concerning Pacific salmon, with annexes and memorandum of understanding	March 18, 1985
Agreement on cooperation in comprehensive civil emergency planning and management, with annex	April 28, 1986
Agreement concerning the transboundary movement of hazardous waste	November 8, 1986
Agreement on the conservation of the Porcupine Caribou Herd, with annex	July 17, 1987
Agreement on Arctic Cooperation	January 11, 1988
Free-trade agreement, with exchanges of letters	January 1, 1989
Agreement on fisheries enforcement	December 16, 1991
Agreement on the establishment of a mediation procedure regarding the Pacific Salmon Treaty	September 11, 1995
Agreement concerning softwood lumber, with annexes	October 12, 2006
Agreement on Pacific Hake/Whiting	June 25, 2008
<p>Notes and Source: Agreements between the federal governments of the United States of America and Canada are binding on all states. This table shows the bilateral treaties and agreements between those countries, among the approximately 278 such accords currently in force, that appear to most directly impact Alaska. We compiled this list by reviewing only the titles of bilateral agreements listed under the Canada section of the document "Treaties in Force: A List of Treaties and Other International Agreements of the United States in Force on January 1, 2010," United States Department of State, Office of the Legal Adviser, Treaty Affairs Staff, pp. 36-46, http://www.state.gov/documents/organization/143863.pdf. We did not review multilateral agreements. Further, there may be additional bilateral agreements that directly apply to Alaska that we did not identify using this methodology, or that went into force after the publication of our source document.</p>	

Attachment A

“Alaska-Yukon Intergovernmental Relations Accord” between the government of Yukon as represented by the Premier and the State of Alaska as represented by the Governor, February 29, 2008

**ALASKA-YUKON INTERGOVERNMENTAL
RELATIONS ACCORD**

**BETWEEN
THE GOVERNMENT OF YUKON
AS REPRESENTED BY
THE PREMIER**

AND

**THE STATE OF ALASKA
AS REPRESENTED BY
THE GOVERNOR**

WHEREAS, the citizens of Yukon and Alaska share many ties including an extensive common border and aboriginal kinship ties; and

WHEREAS, the citizens of Yukon and Alaska have a long-standing relationship of friendship and trust; and

WHEREAS, the citizens of Yukon and Alaska have mutual concerns and interests about issues around the environment, economic development, and human development; and

WHEREAS, the Yukon government and the state of Alaska have existing valuable cooperative agreements in the areas of tourism, transportation, and resource management; and

WHEREAS, the Yukon Legislative Assembly and the Alaska State Legislature have a tradition of legislative exchanges; and

WHEREAS, the North American Free Trade Agreement provides for enhanced trade relations between Canada and the United States; and

WHEREAS, there are opportunities to be explored to enhance the relationship between the two governments, to resolve issues and to develop opportunities for their respective regions;

THEREFORE, the governments of Yukon and Alaska have agreed to the Alaska-Yukon Intergovernmental Relations Accord as outlined below.

INTENT

The intent of this Accord is to promote cooperation leading to concrete benefits for citizens of both jurisdictions on matters of joint concern and mutual interest, to share information and promote understanding, to enhance the relationship between the two jurisdictions, and to identify areas where there can be enhanced formal and informal cooperation.

Without unnecessarily limiting the areas of cooperation, the governments intend to cooperate in areas such as:

- tourism
- transportation
- trade and commerce
- resource development
- climate change
- wildlife management
- economic development and infrastructure

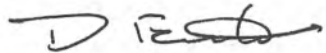
This Accord is not a legally binding agreement and it does not create a right or cause of action enforceable by third parties. It is only a definite expression and record of the purpose and intention of the Parties, to which each honorably pledge themselves.

COORDINATION AND IMPLEMENTATION

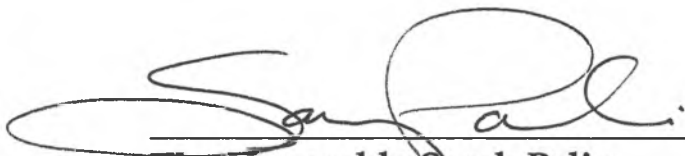
The Premier and the Governor will continue to appoint officials to serve as principal contacts for the expeditious sharing of information about mutual interests and will encourage their respective governments to work together on matters of joint concern, including through working groups designed to address specific issues.

This Accord shall be in effect from its date of signature for a period of four (4) years and may be reviewed and amended by the consent of both governments.

This Accord is signed on this 29th day of February,
2008.



The Honorable Dennis Fentie
Premier
Government of Yukon



The Honorable Sarah Palin
Governor
State of Alaska

Attachment B

"Canada's Impact on Alaska," Consulate of Canada in Anchorage, accessed online on March 14, 2011, http://www.canadainternational.gc.ca/anchorage/offices-bureaux/canada_alaska.aspx?lang=eng.



[Home](#) > [Consulate of Canada in Anchorage](#) > [Events, Resources and Publications](#)

Shared Commerce, Investment, and Partnerships

Canada's Impact on Alaska

Canada plays a significant role in Alaska's economy,

directly accounting for approximately 3,500 jobs and \$255 million in payroll annually.

Including direct and indirect impacts, **Canadian economic activity** resulted in more than 8,500 jobs and \$430 million in payroll in Alaska in 2008.

Canada is Alaska's third largest export market. In 2008, products and services worth \$370 million were exported to Canada.

Canada's economic influence on Alaska is diverse and far reaching, touching economic sectors from mining, to energy, to the visitor industry.

By the Numbers

\$1.2 billion: Total Canada-related trade value, 2008

\$370 million: Alaska's exports to Canada, 2008

\$441 million: Alaska's imports from Canada, 2008

\$398 million: Alaska's exports by Canadian mining companies, 2008 (excluding their mineral commodity exports to Canada)

#3: Rank of Canada among Alaska's export markets, 2008

\$3.9 billion: Total investment in mining exploration and development by Canadian companies, 1981-2008

70%: Canada's approximate share of total mining industry exploration and development expenditures, 1981-2008

\$91 million+: Estimated spending in Alaska by 116,000 Canadian visitors, summer 2008

The Alaska and Canadian mining industries have been linked since the Gold Rush days of 1898. Today, mining represents the most significant economic connection between Alaska and Canada.

Investing in Alaska

Between 1981 and 2008, Canadian companies spent \$3.9 billion on mineral exploration and development in Alaska. In 2008 alone, 38 Canadian Companies spent a total of \$163 million on exploration in Alaska. An additional \$304 million was spent on development. Canadian companies account for approximately 70 percent of exploration and development expenditures in Alaska's mineral industry.

Providing good jobs for Alaskans

In 2008, Canadian mining companies employed approximately 1,700 Alaskans. Mining industry workers in Alaska earned an average of \$87,000 per year in 2008, nearly double the statewide average annual wage.

Alaska's largest gold mine, the Fort Knox Mine near Fairbanks, is owned by Toronto-based Kinross Gold. The mine employs more than 450 people, it generates \$45 million in wages and benefits annually, and is the second-largest private sector employer in the Fairbanks North Star Borough.

Red Dog Mine, located in Northwest Alaska, is the world's largest producer of zinc concentrates. Owned and operated by Teck Resources, a Canadian company, Red Dog Mine employs 485 year-round workers and generates \$49 million in total wages annually. Red Dog is the largest employer in the Northwest Arctic Borough in terms of annual payroll, and second-largest in terms of employment.

Anglo American and Vancouver, B.C.-based Northern Dynasty Minerals have created the Pebble Partnership, which is assessing the potential for developing the Pebble gold and copper project in southwestern Alaska. Between 2001 and 2008, Pebble Partnership invested more than \$350 million on engineering, exploration and environmental studies. If developed, the project may create more than 1,000 production jobs.

Alberta-based CBR Gold Corporation and Vancouver-based Hunter Dickinson have recently formed a joint venture to develop the Niblack polymetallic deposit on Prince of Wales Island. They expect to spend at least \$15 million on exploration and development over the next three years.

Partnering with Alaska Native corporations

In partnership with Alaska Native Claims Settlement Act (ANCSA) corporations, Canadian exploration and mining companies create employment, income, and business opportunities for thousands of Alaska Natives.

Between 1982 and 2008, Teck Resources paid \$412 million in royalties to NANA, of which approximately 70 percent was redistributed to all Alaska Native corporations.

Two Canadian companies, NovaGold and Barrick Gold Corporation, are partners in the Donlin Creek gold project in Western Alaska. The property is under lease from Calista Corporation and Kuskokwim Corporation. In 2008, 86 percent of its 210 jobs were held by Calista shareholders or their descendants.

Supporting local governments and services

Canadian-owned mines are major sources of revenue for local governments in Alaska. Fort Knox paid \$2.8 million in property taxes to the Fairbanks North Star Borough in 2008, making Kinross the largest property tax payer in the Borough. Teck Resource's Red Dog Mine is the single largest source of revenue for the Northwest Arctic Borough, with a payment in lieu of taxes of \$11 million in 2008.

Canadian-owned mines also help support public services. Because Fort Knox is a very large purchaser of electric power (\$39 million in 2008), other consumers of power in the Fairbanks area enjoy lower rates.

Oil and gas

A variety of Canadian companies are operating in Alaska's oil and gas industry, exploring and providing oilfield services.

Exploration

Petro-Canada holds a net land position in the Alaska Foothills of approximately 1.7 million acres. The company also has a net acreage in the NPR-A of nearly 700,000 acres. Total investment in lease sales and exploration activities in Alaska through the end of 2008 is estimated to be \$250 million.

FEX L.P. (a subsidiary of Calgary-based Talisman Energy Inc.) leases approximately 1.2 million acres in the NPR-A, which it operates on behalf of partner Petro-Canada. The company estimates capital spending of \$100 million for their recent seismic data gathering and drilling activity.

Providing technological expertise

Oilfield service companies like Nordic-Calista Services provide a wide range of services such as engineering, construction management, and fabrication.

Pipeline development

The potential natural gas pipeline from Alaska to Alberta would ship Alaska's gas to the North American market, delivering clean energy while providing jobs and contracting opportunities in both countries.

Transportation

Canadian transportation companies are represented in Alaska from the North Slope to Southeast.

Building connections

Northern Transportation Company Limited (NTCL), a NorTerra Inc. company, provides on-demand shipping up the Mackenzie River to coastal villages and Alaska's North Slope oilfield. NTCL has hauled drilling rigs and oilfield modules north, along with dry cargo and fuel.

To the south, CN AquaTrain provides a marine/rail link from Prince Rupert, B.C. to Whittier, Alaska via ocean tug. The AquaTrain ships materials that support Alaska's mining, oil and gas, and construction industries including lumber, specialty chemicals, machinery, and equipment.

The Skagway Ore Terminal ships mineral concentrates from northern Canada, creating up to ten jobs in Skagway plus trucking jobs. This year-round operation enhances employment in a community otherwise heavily dependent on the summer visitor industry. All Skagway residents benefit from the enhanced road maintenance to Whitehorse.

Canadian-owned White Pass operates three docks in Skagway, the main port for moving products to and from the Yukon.

Manufacturing

Cold-weather know-how

Capitol Glass Northern Windows, whose parent company is based in Whitehorse, has been manufacturing and distributing window products in Alaska since 1989. The company has a staff of 42 and an annual business volume of nearly \$8.5 million.

Seafood

Approximately \$85 million worth of Alaska seafood was exported to Canada in 2008. One of the state's larger processing firms, Alaska General Seafoods, is the US affiliate for Canadian Fishing Company. It operates processing plants in Ketchikan and Naknek and support facilities in Egegik. Peak employment is estimated at approximately 600 workers.

Retail

Employing rural Alaskans

The North West Company International (NWC) owns and operates 34 retail outlets across rural Alaska operating under the banner name Alaska Commercial Company. The stores serve populations of 400 to 9,000 located in communities from the North Slope through the Aleutians, and into the Southeast region. Since 1993, NWC has spent more than \$60 million building and renovating stores throughout the state. The company added two stores in early 2009 and plans to add five additional stores over the next five years. With more than 900 employees and an annual payroll of \$21.8 million, NWC is one of the largest private sector employers in rural Alaska.

Visitor industry

The Alaska and Canada visitor industries are inextricably linked, primarily because of two travel markets: cruise passengers and highway travelers.

Canadians traveling to Alaska also provide a boost to the economy. Regional visitors in the Yukon and B.C. make frequent, short trips for business, recreation, festivals, and events. In total, 116,000 Canadian visitors spent an estimated \$91 million in summer 2008.

Cruise ship

Of Alaska's 1,033,000 cruise passengers in 2008, virtually all passed through Canada at some point on their journey. Nearly half of all cruise passengers begin or end their cruise in Vancouver. Many passengers also call in Victoria or Prince Rupert on their way to or from Alaska.

Cruise passengers also visit Canada by taking day tours into the Yukon from Skagway, by taking overnight tours through the Yukon on land tour packages, and by purchasing overnight tour packages to Vancouver, Victoria, and the Canadian Rockies.

In 2007, the Alaska cruise industry accounted for \$565 million in total payroll and an annual equivalent of 14,500 Alaskan jobs. Canadian ports and tours facilitate and strengthen this significant industry.

Highway

Nearly all of Alaska's highway visitors pass through Canada. For many visitors, the Yukon and B.C. are essential elements of their trip. Between October 2007 and September 2008, approximately 348,000 people crossed an Alaska/Canada highway border.

Railroad

The White Pass & Yukon Route Railway is the most prominent Canadian-owned company in Alaska's visitor industry. In 2008, the railway carried a record 438,000 passengers from Skagway into Canada. Nearly 800,000 cruise passengers transit its docks in Skagway every year. The company employs 175 seasonal workers and 19 year-round employees.

Trade between neighbors

Canada's trade relationship with Alaska is vital to Alaska's economy. With \$370 million in exports in 2008, Canada is ranked as Alaska's third largest export market.

Metal commodities (zinc, lead, and gold) dominate Alaska's exports to Canada, representing 58 percent of total 2008 exports (or \$215 million). Other export categories include unprocessed fish (17 percent or \$63 million), processed seafood (9% or \$33 million), and petroleum (8% or \$30 million).

Alaska imported \$441 million worth of Canadian products in 2008, for a combined trade impact of \$810 million. The largest import was refined petroleum (\$83 million), followed by mining/oil/gas field machinery (\$19 million).

Want to know more?

For further information, please contact the Consulate of Canada, Anchorage.

Tel: 907.264.6734

E-mail: ancor@international.gc.ca

website: www.anchorage.gc.ca

This handout was prepared for the Consulate of Canada by McDowell Group, Inc. ©2009. Sources for the data in this brochure include the Alaska Department of Labor and Workforce Development, Alaska Department of Commerce, Community & Economic Development, Statistics Canada, US International Trade Administration, Alaska Industrial Development and Export Authority, and private businesses.

Date Modified: 2010-07-19