Southeast Alaska 2020 Economic Plan

Southeast Conference's Comprehensive Economic Development Strategy 2016-2020

SOUTHEAST CONFERENCE

May 2016

Prepared by
Rain Coast Data

Southeast Alaska 2020 Economic Plan Introduction

Southeast Conference is a designated Economic Development District (EDD) through the US Economic Development Administration (EDA). As the region's EDD, Southeast Conference is responsible for developing a Comprehensive Economic Development Strategy (CEDS) for Southeast Alaska designed to identify regional priorities for economic and community development. This plan follows the new guidelines released by the US Economic Development Administration in February 2015. The CEDS is a <u>strategy-driven plan</u> developed by a diverse workgroup of local representatives from private, public, and nonprofit sectors. The following sections form the basis for the Southeast Conference CEDS:

The CEDS process began in March 2015 to ensure maximum input from the Southeast Conference membership. This process engaged community leaders, leveraged the involvement of the private sector, and developed a strategic blueprint for regional collaboration. More than 400 people representing small businesses, tribes, native organizations, municipalities, and nonprofits were involved in various elements of the planning process. The following timeline shows meetings that took place over the past year:

Southeast Alaska Comprehensive Economic Development Strategy Meeting Schedule

Month	Transportation	Energy	Timber	Maritime	Seafood	Tourism	Other CEDS
March 2015	●	●	●	●	●	●	●
August 2015	●		●	●			●
September 2015	●	●	●	●	●	●	●
October 2015	●						●
November 2015	●						
January 2016	●	●				●	●
February 2016			●	●			●
March 2016	●	●		●	●		●
April 2016							●

Southeast Alaska Strategic Plan Summary

Promote strong economies, healthy communities, and a quality environment in Southeast Alaska.

Transportation

★ **Priority** Minimize Impacts of Budget Cuts to AMHS and Develop Sustainable Operational Model.
Road Development.
Move Freight to and from Markets More Efficiently.
Ensure the Stability of Regional Transportation Services Outside of AMHS.

Energy

★ **Priority** Work with Federal and State Government to Promote Regional Energy Projects.
★ **Priority** Diesel Displacement.
Support Community Efforts to Create Sustainable Power Systems That Provide Affordable/Renewable Energy.
Complete Regional Hydrosite Evaluation for Southeast Alaska.

Maritime

Maritime Industrial Support

★ **Priority** Maritime Industrial Support Sector Talent Pipeline: Maritime Workforce Development Plan.
Continue to Grow the Regional Maritime Sector.
Increase Access to Capital for the Regional Maritime Industrial Support Sector.
Support Capital Investments in Expanded Marine Industry Support Infrastructure.
Harbor Improvements.
Examine Arctic Exploration Opportunities That the Region as a Whole Can Provide.

Seafood Industry

★ **Priority** Mariculture Development.
★ **Priority** Full Utilization and Ocean Product Development.
Increase Energy Efficiency and Reduce Energy Costs.
Regional Seafood Processing.
Seafood Markets.
Sea Otter Utilization and Sustainable Shellfish.
Maintain Stable Regulatory Regime.
Seafood Workforce Development.

Visitor Industry

★ **Priority** Market Southeast Alaska to Attract More Visitors.
Improve Access to Public Lands.
Increase Flexibility in Terms of Permit Use.
Increase Yacht and Small Cruise Ship Visitations.
Improve Communications Infrastructure.
Advocate for Funding to Maintain Existing Recreational Infrastructure.
Grow Cultural Tourism.

Timber Industry

★ **Priority** Provide an Adequate, Economic and Dependable Supply of Timber from the Tongass National Forest to Regional Timber Operators.
Stabilize the Regional Timber Industry.
Work with USFS to Direct Federal Contracts Toward Locally-Owned Businesses.
Support Small Scale Manufacturing of Wood Products in Southeast Alaska.
Continue Old Growth Harvests Until Young Growth Supply is Adequate.
Community-Based Workforce Development.
Update Young Growth Inventory.

Other Objectives

Housing: Support Housing Development.
Food Security: Increase Production, Accessibility, and Demand of Local Foods.
Communications: Improved Access to Telemedicine in Southeast Alaska.
Marketing: Market Southeast Alaska as a Region.
Solid Waste: Regional Solid Waste Disposal.
Education: Partner with University & K-12 to Meet Workforce Needs
Arts: Increase Recognition of Southeast Alaska's Thriving Arts Economy.
Mining: Minerals & Mining Workforce Development.
Research: Attract Science and Research Jobs to Southeast Alaska.
Cultural Wellness: Support Activities and Infrastructure That Promote Cultural Wellness
Healthcare: Meet Regional Needs.

Southeast Alaska Summary Background

This summary tells two stories about the regional economy: a positive tale of five-year trends, and a more sobering one-year analysis and future forecast.

Changes in Southeast Alaska: 2010 to 2014

REGIONAL POPULATION INCREASED BY 2,616 PEOPLE TO 74,280 (+4%)

LABOR FORCE INCREASED BY 1,500 JOBS TO 45,694 JOBS (+3%)

GOVERNMENT JOBS DECREASED BY 260 JOBS (-2%)

JOB EARNINGS INCREASED BY $275 MILLION TO $2.2 BILLION (+14%)

PASSENGER ARRIVALS VIA PLANE, FERRY & CRUISE SHIP INCREASED BY 138,400 (+8%)

Over the last five years we added 2,600 people and 1,500 jobs to our economy. Total workforce earnings increased by $275 million, with most of that coming from the private sector ($209 million). With the exception of government, nearly every sector flourished. New jobs and investments occurred in the areas of seafood, tourism, mining, construction, healthcare, maritime, and energy. Housing starts tripled.

After watching so many indicators fall from the early 1990s to the late 2000s, we became accustomed to an economy of decline, and this recent rise was nothing short of exhilarating. In the past five years, we have broken records, reaching all-time highs in population, workers, and total workforce earnings. But most of this expansion occurred at the start of this five-year period, and data from the last year especially indicates a contraction.

Between 2013 and 2014 there were few areas of growth, and many indicators trended slightly downwards. Jobs fell by 300, in the areas of government, construction, and health care. There were 34,000 fewer cruise and ferry visitors to the region. The value of seafood harvested in the region fell by $100 million. The price of gold fell by 10%. Early 2015 job reports show more losses on the way.

The most concerning signal is the long-term strength of our government, which accounts for more than a third of all workforce earnings in the region. The State projects a two-year deficit of $7.7 billion, and that our savings will be gone in four years. Clearly something will need to happen to address this, and because we are so dependent on the role that government plays in our economy, that something could create a significant downward drag on our economy.

Southeast Alaska Regional Overview

Southeast Alaska Land Ownership

Circle size = Number of Acres

16% — Other Federal Holdings make up nearly all the rest (mostly Glacier Bay)

3.4% — Alaska Native Organizations are the region's next largest land owner

2.5% — State of Alaska lands include those managed as part of the Mental Heath Trust

0.25% — Municipal Land Holdings

0.05% — Private land owners

The Region

The Southeast Alaska Panhandle extends 500 miles along the coast from Metlakatla to Yakutat, encompassing approximately 33,500 square miles of land and water. The saltwater shoreline of Southeast Alaska is approximately 18,500 miles. More than 1,000 islands make up 40 percent of the total land area. The region is home to 34 communities. The three largest communities—Juneau, Ketchikan, and Sitka—together are home to 75 percent of the regional population. Alaska Natives make up nearly a quarter (22%) of the region's population.

Land Ownership

Southeast Alaska's land ownership is dominated by the federal government, which manages 94 percent of the land base. Most of this (78%, 16.75 million acres) is the Tongass National Forest. The remaining federal lands are mostly in Glacier Bay National Park. The State manages 2.5 percent of the total land base (511,500 acres), including the Alaska Mental Health Trust Authority and University of Alaska lands. Boroughs and communities own 53,000 acres—a quarter of one percent of the entire regional land base. Alaska Native organizations, including village, urban, and regional corporations and the Annette Island Reservation own 3.4 percent (728,100 acres) of the land base. Other private land holdings account for 0.05 percent of the remaining land base. The lack of privately-owned land and land available for development is unique in Southeast Alaska and impedes the ability of the region to nurture the private sector. (See infographic on the left.)

Past Economic Trends

Beginning in the 1880s, the population of Southeast Alaska experienced a century of growth that intensified after statehood in 1959. From statehood into the 1990s, population and employment levels in Southeast more than doubled as the workforce expanded in the areas of mining, government, fishing, tourism, and timber. However, the later 1990s and early 2000s were difficult years for the Southeast Alaska people. At the beginning of the 1990s seafood and timber directly accounted for a fifth of the regional economy. Over that next decade pulp mills and sawmills in the region closed, laying off 3,200 workers. During the same period, the value of salmon declined, and catch values fell by two-thirds. Total Southeast Alaska wages hit bottom in 1997. It would be another ten years before the adverse economic consequences of timber industry losses worked their way through the regional economy. Population levels continued to decline through 2007. Between 2008 and 2012 the region staged an economic recovery, gaining people and jobs, but after peaking in 2012, the Southeast Alaska economy plateaued.

Five Years of Change: 2010 to 2014

The following table tracks key Southeast Alaska indicators over the past 5 years, along with associated changes.

Demographics	2010	2013	2014	Change 2010-14
Population [1]	71,664	74,310	74,280	4%/+2,616 people
65 to 79 year olds [2]	5,664	7,151	7,573	+34%
Regional Population Excluding Juneau [1]	40,389	41,318	41,252	+2%
K-12 School District Enrollment [3]	11,388	11,316	11,804	+4%
General Economic Conditions				
Total Labor Force (jobs, includes self-employed & USCG) [1,5,6]	44,195	46,015	45,694	3%/+1,500 jobs
Total Job Earnings (includes self-employment earnings & USCG) [1,5,6]	$1.9 billion	$2.1 billion	$2.2 billion	+14%
Total Private Sector Payroll [1,6]	$1.2 billion	$1.38 billion	$1.41 billion	+17%
Average Annual Wage [1]	$42,991	$46,508	$47,261	+10%
Annual Unemployment Rate [1]	7.9%	6.4%	7.1%	-0.8%
Top Economic Sectors	**2010**	**2013**	**2014**	**% Change**
Government	Public Sector: 35% of all employment earnings			
Total Government Employment [1, 5]	13,862	13,718	13,602	-2%/-260 jobs
Federal Employment [1, 5] (8% of all employment earnings)	2,134	2,195	2,110	-1%
USDA (Forest Service)	618	530	521	-16%
State Employment [1] (14% of all employment earnings)	5,571	5,516	5,504	-1%
City and Tribal Employment [1] (13% of all employment earnings)	6,164	6,007	5,988	-3%
Total Government Payroll (includes USCG) [1,5]	$696.7 M	$755.2 M	$765.8 M	+10%
Commercial Fishing & Seafood Industry	Key Industry: 12% of all employment earnings			
Total Seafood Employment (includes fishermen) [1, 6]	3,966	4,252	4,372	10%/+406 jobs
Total Seafood Employment Earnings [1, 6]	$209.5 million	$244.5 million	$259.0 million	+24%
Pounds of Seafood Processed [7]	206,848,075	299,897,994	230,311,924	+11%
Pounds Landed (commercial seafood pounds by SE residents) [8]	282,947,030	479,561,267	300,899,066	+6%
Estimated Gross Earnings (ex-vessel value of pounds landed) [8]	$274,415,143	$359,169,338	$267,007,473	-3%
Visitor Industry	Key Industry: 9% of all employment earnings			
Total Visitor Industry Employment [1, 6]	5,890	6,707	6,923	18%/+1,033 jobs
Total Visitor Industry Wages/Earnings [1, 6]	$158.1 million	$179.9 million	$188.5 million	+19%
Total Passenger Arrivals	1,718,330	1,867,306	1,856,708	+8%
• Cruise Passengers [10]	875,560	999,600	967,500	+11%
• Total Air Passenger Arrivals in Southeast [11]	591,234	613,269	646,560	+9%
• Total Southeast AMHS Passengers Arrivals [12]	251,503	254,437	242,648	-4%
Health Care Industry (public & private health)	Key Industry: 8% of all employment earnings			
Health Care Employment [1, 6]	3,294	3,391	3,323	1%
Health Care Wages [1, 6]	$158.1 million	$172.3 million	$174.5 million	10%
Maritime Economy (Includes employment from all industries)	Top Sector: 24% of Private Sector employment earnings			
Private Maritime plus USCG Employment [1,5,6]	5,907	6,697	6,768	15%/+861 jobs
Private Maritime plus USCG Wages [1,5,6]	$305.8 million	$379.7 million	$395.5 million	+29%
Other Selected Statistics	**2010**	**2013**	**2014**	**% Change**
Construction Employment [1, 6] (7% of all employment earnings)	2,107	2,268	2,168	3%/+61 jobs
Mining Employment [1] (5% of all employment earnings)	536	756	783	46%/+247 jobs
Price of Gold [15]	$1,225	$1,411	$1,266	+3%
Consumer Price Index for Anchorage [1]	195.144	212.381	215.805	+11%
Housing Starts: New Housing Permitted and/or Completed [4]	130	259	321	+147%
Total Megawatt Hours Sold in Southeast [13]	810,205	846,172	na	+4% 2010-2013
Total Business Licenses	7,474	8,438	9,418	+26%
Avg. Daily Volume ANS Oil Production (mbbls/day) [14]	FY10 644	FY14 531.1	FY15 497.4	-23%
Annual Average Domestic Crude WTI Oil Prices (in $/Barrel) [16]	$80	$98	$53 (2015 avg.)	-33%

Sources: [1]Alaska Department of Labor (ADOL); [2]ADOL Southeast Alaska Population by Age, 2010 to 2014; [3]Alaska Department of Education and Early Development; [4]Building Permits Survey, US Census; [5] US Coast Guard; [6] 2012 US Census Nonemployer (self-employment) Statistics; [7]ADF&G Seafood Production of Shorebased Plants in Southeast Alaska, 2000 through 2013; [8]ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information, 2012-2013; [9]Alaska Forest Association; [10]McDowell Group & Cruise Line Agencies of Alaska; [11]US Bureau of Transportation Statistics (RITA); [12]Alaska Marine Highway System; [13]Annual Electric Power Industry Report. U.S. Energy Information Administration; [14]Alaska Department of Revenue *Revenue Sources Book* ; [15]Kitco Metals Inc.; [13]EIA www.eia.gov/dnav/pet/pet_pri_spt_s1_d.htm

The Whole Economy
45,700 Jobs

A challenge in analyzing Southeast Alaska's economy is that our commercial fishing fleet and U.S. Coast Guard members are often omitted due to lack of data. Employment and wage data do not include self-employed individuals or their earnings, nor do they include active duty military. In Southeast Alaska these groups are significant, representing nearly 8,300 workers, or 18 percent of all regional employment.

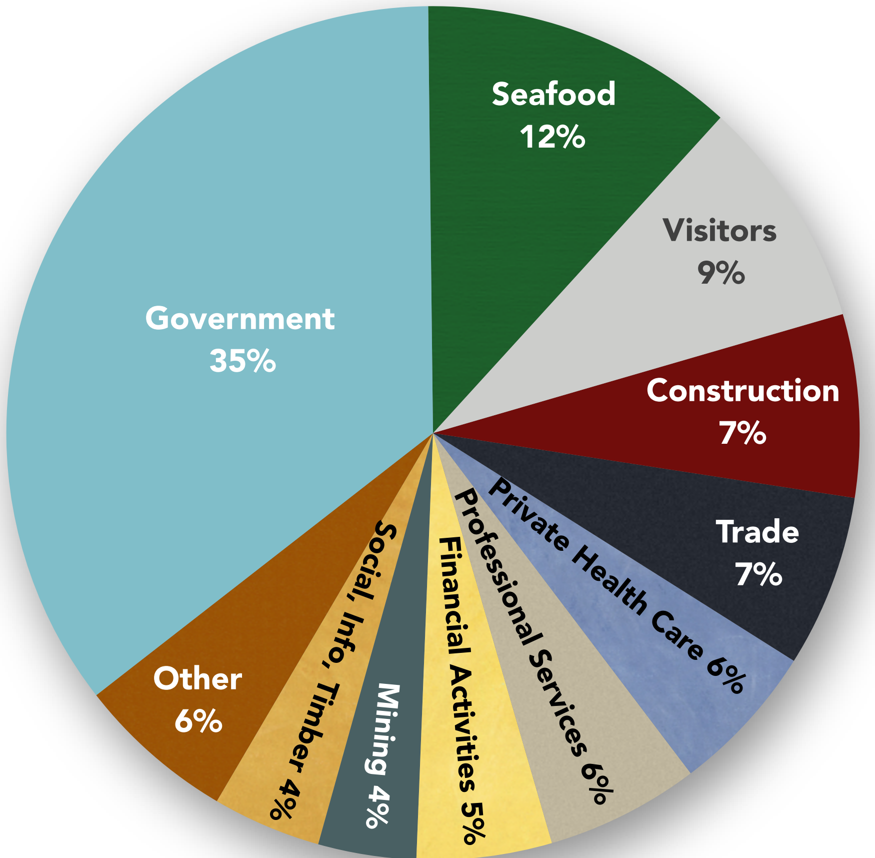
This publication includes self-employed individuals and Coast Guard personnel to get a better picture of the whole economy. Self-employment is measured using the US Census Nonemployer Statistics, which track self-employment earnings by using tax return data. Nonemployer Statistics lag by one year, so this publication uses 2013 self-employment data.

There are important differences in how employment, self-employment, and active duty military data are measured, but combining these data sets with Alaska Department of Labor's Employment and Wage data provides a clear and accurate picture of the regional economy as a whole.

The chart to the right shows the Southeast Alaska regional economy as a whole based on all work-related earnings. The data table below provides a detailed breakout of employment and workforce earnings.

2014 Southeast Alaska Employment Earnings

Includes US Coast Guard Payroll & Self-Employment Earnings



2014 Southeast Alaska Employment Related Earnings

	Employment Related Earnings			Employment Numbers		
	Wages (2014)	Self Employment Earnings (2013)	Total Earnings	Annual Average Employment (2014)	Self-Employed (2013)	Total Employment
Government (includes Coast Guard)	$713,198,035	$52,624,442*	$765,822,477	12,972	658*	13,602
Seafood Industry	$76,576,188	$182,438,000	$259,014,188	2,030	2,342	4,372
Visitor Industry	$161,845,408	$26,668,000	$188,513,408	6,169	754	6,923
Construction Industry	$114,504,356	$34,736,000	$149,240,356	1,607	561	2,168
Trade: Retail and Wholesale	$120,045,588	$20,955,000	$141,000,588	4,100	536	4,636
Health Care Industry (private only)	$113,311,816	$10,270,000	$123,581,816	2,258	207	2,465
Professional and Business Services	$83,331,060	$42,361,000	$125,692,060	1,562	1,194	2,756
Financial Activities	$51,297,629	$60,269,000	$111,566,629	1,160	596	1,756
Mining Industry	$79,797,965	$48,000	$79,845,965	780	3	783
Warehousing, Utilities, & Non-Visitor Transport	$48,527,238	$11,764,000	$60,291,238	831	130	961
Social Services	$45,775,589	$3,024,000	$48,799,589	1,459	186	1,645
Information (publishing, broadcasting, telecomm.)	$20,179,224	$1,687,000	$21,866,224	481	56	537
Timber Industry	$15,168,283	$2,062,000	$17,230,283	277	51	328
Other	$53,945,542	$28,282,000	$82,227,542	1,761	973	2,762
Total	**$1,697,503,921**	**$477,188,442**	**$2,174,692,363**	**37,447**	**8,247**	**45,694**

Sources: Alaska Department of Labor 2014 Employment & Wage data; 2013 US Census Nonemployer (self-employment) Statistics; 2013 US Coast Guard employment & wage data. *These cells in Government refer to 2014 active duty Coast Guard personnel employment and wages, and not self-employment data.
Notes: Seafood Industry includes animal aquaculture, fishing & seafood product preparation (NAICS 1125,1141,3117) and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew that did not report income are excluded). **Visitor Industry** includes leisure & hospitality, and visitor transportation (air, water, scenic) (NAICS 71, 72, 481, 487, 483) **Timber** includes forestry and logging support activities for forestry, and wood product manufacturing (NAICS 113, 1153, 321).

Southeast Alaska Government

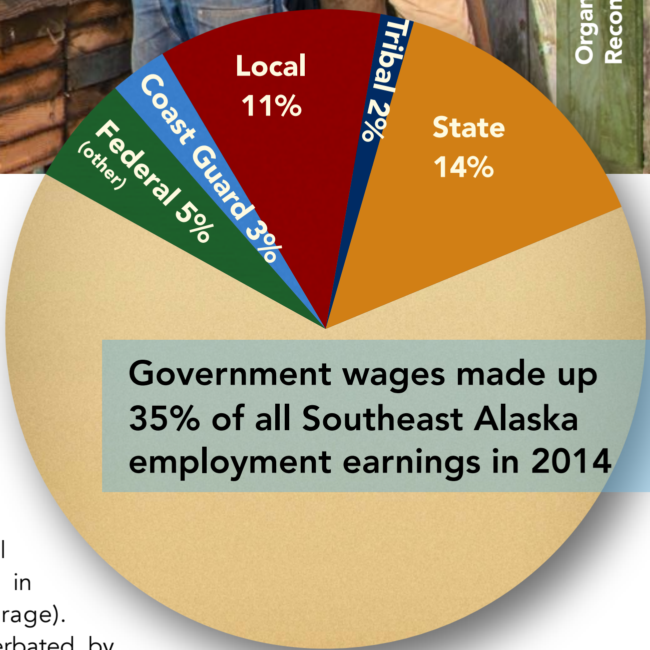
13,600 Jobs

Organized Village of Kake Cannery Reconstruction. Photo by Bethany Goodrich

Change in Southeast Government Jobs 2010-2014

5 year change in jobs: -270

- **State: -60**
- **Local/Tribal: -180**
- **Coast Guard: +250**
- **Federal (other): -280**

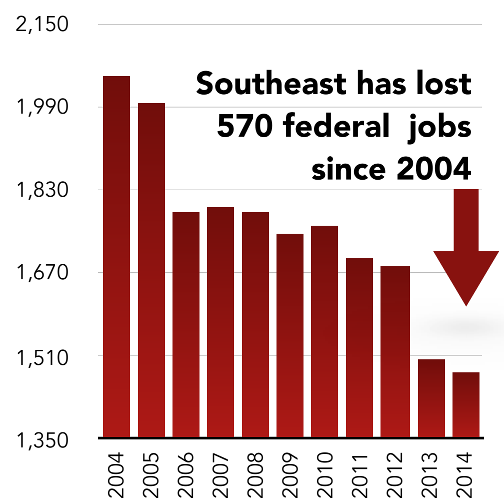


Government wages made up 35% of all Southeast Alaska employment earnings in 2014

Government wages made up 35% of all regional employment earnings ($766 million) and 30% of the region's jobs (13,600) in 2014, but this sector is on the decline. In the last five years job losses occurred in every area of government (state, federal, local, and tribal), with the exception of the US Coast Guard.

Federal Government Losses

Federal employment has fallen the most dramatically. Since 2004, federal jobs (excluding active service Coast Guard) fell by 28%, a loss of 570 jobs. Since the average federal government wage is $81,000, this results in a direct loss of $46 million in wages across the region annually. Federal spending declines are also impacting the region.



State Government Losses

Alaska is facing a significant shift in State government financing. Oil revenues historically provided the majority of State funding, accounting for 90 percent of the state's unrestricted revenues, but this is changing. Oil prices declined from an average of nearly $100 per barrel in 2014, to an average of $53 in 2015 (January to August average). These price decreases are exacerbated by falling oil production. Between FY10 and FY15, the average daily volume for Alaska North Slope oil production fell by 23% to 497.4 thousand barrels (33.7 thousand fewer barrels per day than last year).

Falling prices and production have translated into a $7.7 billion State deficit forecast for FY15 and FY16 (combined). Oil revenue can no longer independently support current levels of state government to which Alaskans have become accustomed, and there are only three to four years of savings remaining to preserve government services and key projects. In Southeast Alaska, where 14% of all direct wages come from the State, and many businesses provide the majority of their services to the State, there is much trepidation regarding the larger economic ramifications of upcoming employment and spending reductions.

Local Government Losses

Declining State revenue and federal budget cuts continue to translate into payment reductions to municipal and tribal government in the region. Communities across the region have cut 200 jobs in the past five years, and are struggling financially.

Outlook

An analysis of employment numbers for the first half of 2015 show further employment reductions for all levels of government, resulting in an additional loss of 160 jobs. Absent a rebound in oil prices or a massive restructuring of the State's fiscal regime, economists expect these losses to continue.

Southeast Maritime: 6,770 Jobs

Private and US Coast Guard Maritime Employment & Workforce Earnings

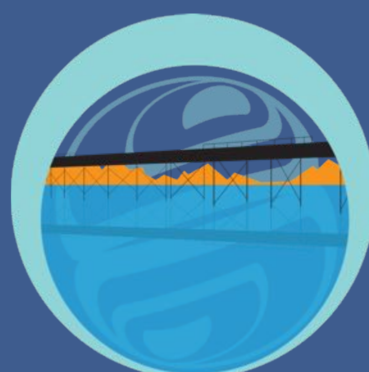
Fishing & Seafood Processing
Jobs: **4,372**
Wages: **$259.7 M**
Change in jobs 2010-14: **+7%**

Marine Tourism
Jobs: **914**
Wages: **$28.2 M**
Change in jobs 2010-14: **+19%**

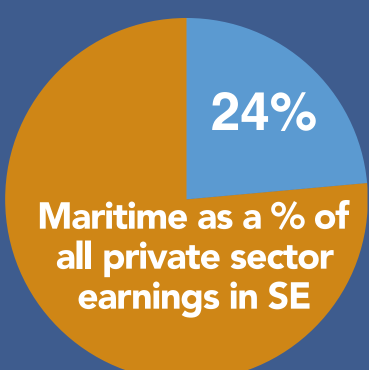
US Coast Guard
Jobs: **765** (Active Duty and Civilian)
Wages: **$63.3 M**
Change in jobs 2010-14: **+49%**

Marine Transportation
(Excluding Tourism)
Jobs: **399**
Wages: **$26.2M**
Change in jobs 2010-14: **0%**

Ship Building, Repair, Marinas
Jobs: **231**
Wages: **$12.3 M**
Change in jobs 2010-14: **-2%**



Marine Related Construction
Jobs: **67**
Wages: **$7.1 M**
Change in jobs 2010-14: **+131%**



Southeast Private & USCG Maritime Economy 2010-2014

- Total Jobs 2014: **6,770**
- Total Wages 2014: **$395 Million**
- 5 year change in jobs: **+860**
- 5 year change in jobs by percent: **+15%**
- 5 year change in earnings: **+$90 million**
- Change in earnings by percent: **+29%**

Seafood Industry
4,370 Jobs

It will be hard to beat 2013, our all time record year for seafood in Southeast Alaska. The total Southeast Alaska seafood harvest in 2014 was 301 million pounds, a 37% decrease from the year before, with a total value to fishermen of $267 million.

The Seafood Industry is a Key Economic Driver

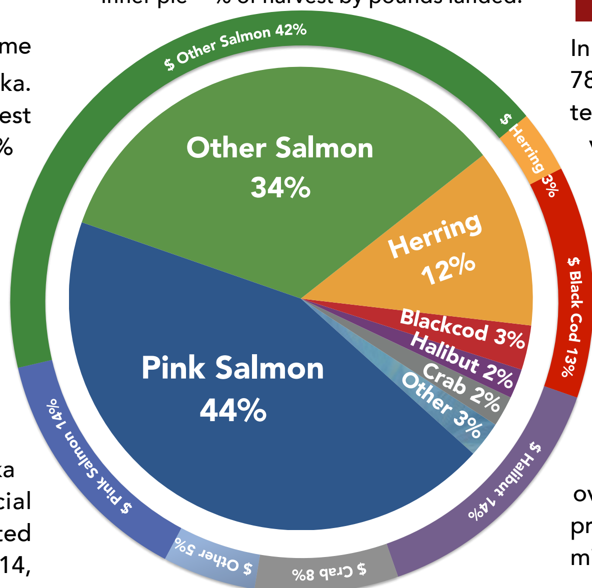
Seafood harvests have been a critical part of the Southeast Alaska economy for thousands of years, and it was over Southeast Alaska salmon that statehood itself was fought. The Southeast Alaska seafood industry (including commercial fishermen & seafood processors) generated 4,370 average annual regional jobs in 2014, making up **12% of all regional employment earnings** and **10% of all jobs**.

Those working in our region's seafood industry earned $259 million last year, which represents a 24% ($49.5 million) increase since 2010. Nonresident commercial fishermen & crew members are excluded from these figures.

The majority of the statewide catch of Chinook, coho, chum, shrimp, and the dive fisheries occurs in Southeast Alaska, along with approximately a third of all crab. In 2014, 9 out of 10 Alaska Chinook salmon harvested came out of Southeast Alaska waters.

Seafood Landed in SE Alaska by Species, 2014

Outer ring = % of harvest by dollar value.
Inner pie = % of harvest by pounds landed.



Regional Seafood Facts 2010-2014

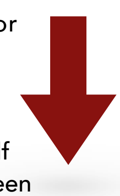
- In the past 5 years, **1.7 billion pounds of seafood** were harvested from Southeast Alaska waters (mostly salmon) with a catch value to fishermen of **$1.5 billion.**
- More than a **third of all Alaska salmon** was caught in Southeast Alaska, along with **77% of all Alaska King Salmon**.
- Seafood earnings increased by **24%**, a **$49.5 million** rise.

In 2014, the five salmon species represented 78% of the overall regional seafood catch in terms of volume—yet only 56% of total ex-vessel value ($150 million). Halibut and black cod—while just five percent of total pounds landed—accounted for 27% of total catch value in 2014. (See pie chart).

Seafood Processing

In 2014, shore-based seafood facilities in Southeast Alaska processed 230 million pounds of seafood, with a wholesale value of $507 million, a 23% decrease in seafood pounds processed over 2013. State shared fisheries taxes for processing activity in FY14 generated $5.4 million for regional communities.

Seafood Industry Outlook



The preseason forecast for 2015 predicted 58 million pink salmon and 71 million salmon altogether. As of August 2015, only about half of these harvest levels had been realized, bringing the catch solidly below expectations.

Regardless of the final 2015 count, expect the volume of the 2016 seafood harvest to be below 2015 levels. The two-year pink salmon life cycle, which spikes in odd-numbered years, will drive the regional harvest down in 2016.

Visitor Industry

Southeast Alaska Cruise Passengers 2000-2016

Visitors have been coming to Southeast Alaska since John Muir wrote about the region in the 1870s.

There were 1.9 million air, ferry and cruise passenger arrivals to the region in 2014, an 8% increase over five years ago. Airline passenger traffic was up 5%, while ferry passenger traffic was down. Between 2010 and 2015, cruise passenger traffic to the region increased by nearly 14%. This includes a slight decline in 2014 when 138,000 fewer cruise ship tourists came to the region.

Key Economic Driver

The visitor industry is one of the region's largest private-sector employers in terms of jobs, accounting for 15% (6,920) of all regional jobs and 22% of all private-sector jobs. In the past five years visitor industry earnings grew by 19%. Those working in the visitor industry earned $188.5 million—which is nine percent of all employment income earned in Southeast Alaska in 2014. In this analysis, the visitor industry includes leisure and hospitality businesses, along with air, water & scenic transportation companies.

According to the McDowell Group, one-third of all Alaska visitor spending occurs in Southeast, where visitors spent $591 million in 2014 (excluding transportation to and from Alaska). The total economic impact of the visitor industry to the region was $1.1 billion in 2014.

Cruise Ship Traffic

In 2015, 999,600 cruise ship passengers are estimated to have visited the region, making 482 voyages on 31 cruise ships. This year Yakutat welcomed its first cruise ship ever, with more visits planned in 2016. The Haines Borough decreased docking fees by half for the 2017-2019 seasons to attract more ships.

Increased Jet Service

Airline passenger arrivals in Southeast Alaska peaked in 2007. However, the number of passengers deplaning in the first seven months of 2015 is ahead of the first seven months of 2007, meaning 2015 is currently on track to see the most airline passengers ever.

In addition to Alaska Airlines, a second jet service entered the Southeast Alaska market. Delta Airlines began summer flight services between Juneau and Seattle in 2014 for the first time since 1996. In 2015, the airline added service to Sitka and Ketchikan and made Juneau's service year-round.

Since "transportation costs" was recently identified as the number one weakness of the regional economy (see page 15), decreased travel costs and increased air service are expected to benefit the region.

Visitor Outlook

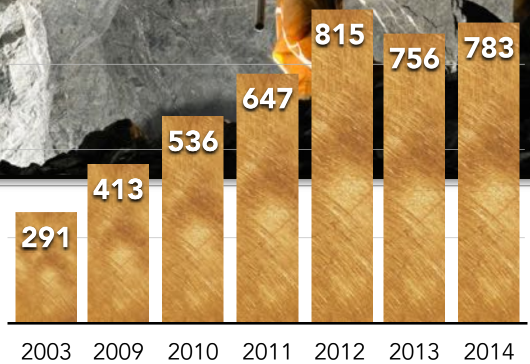
The visitor industry has the strongest outlook of all Southeast Alaska industries. It tends to follow national and international tourism trends, which are projected to grow around 4% annually through 2020.

Airline passenger arrivals are likely to hit a new record in 2015 or 2016. We also anticipate a new cruise passenger record by 2018. Southeast Alaska is continuing to see bigger ships, so while the number of voyages is likely to remain the same, expect the number of cruise passengers to the region to rise by two percent per year. Along with increased visitors, the number of jobs and related income in this sector will continue to improve.

Mining Industry

783 Jobs


Photo Credit: Kensington Mine



SOUTHEAST ALASKA
MINING EMPLOYMENT 2003-2014

JOBS UP 4% IN 2014

Mining has been a part of the regional economy since gold was first discovered here in the 1860s. In 2014, there were 783 annual average mining jobs in Southeast Alaska, with a payroll of $80 million. The status of mining has changed significantly over the last dozen years. After rising for eleven consecutive years, in 2013 global metal prices and regional mining employment began trending downwards.

The two large mines operating in the region account for nearly all of mining employment. In August of 2015, Greens Creek employed 415 full-time permanent employees, while Kensington had a staff of 328. Projects such as the Greens Creek tailings expansion account for additional jobs (30 in the example of the tailings expansion). With an average annual wage of $102,000, mining jobs pay the highest wages in the region of any sector, two and a half times the average private sector wage.

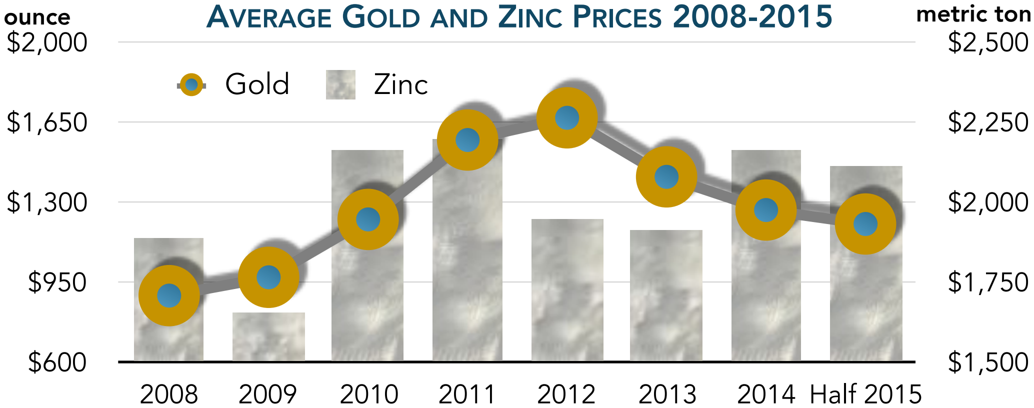
Despite decreasing metal prices, production has been up. Kensington increased its production by nearly 50% over the past two years to 117,823 ounces of gold in 2014. Greens Creek's mill operated at an average of 2,236 tons per day in 2014—the highest daily average since the mine began operations in 1989—producing 1.4 million tons of zinc, 7.8 million ounces of silver, and 58,753 ounces of gold.

Southeast Alaska's mining industry rises and falls based on mineral prices. After reaching nearly $1,800 per ounce in Fall 2012, gold fell to $1,120 in August 2015. Zinc, another mineral heavily mined in Southeast Alaska, now appears to be on a long-term gradual downward trend after seeing some gains in 2014.

The decrease in gold and silver prices is linked to the national economic recovery as investors turn away from so called "safe-haven" precious metal investments. The decline in zinc and rare earth elements are due to decreasing demand in China, as the growth of that economy has slowed substantially.

In 2014 and 2015 mining operations employment was relatively flat, while exploration was on the decline. In a time of low commodities prices, finding investors and financing for exploration becomes increasingly difficult. The exception to this is the copper-rich Palmer Project near Haines. Constantine Metal Resources has partnered with the Japanese based Dowa to increase that exploration program. Rare earth elements exploration at Bokan Mountain and the Niblack Project (both located on Prince of Wales Island) have slowed. Rare earth element prices reached a peak in mid-2011 before declining an average of 81% into 2014.

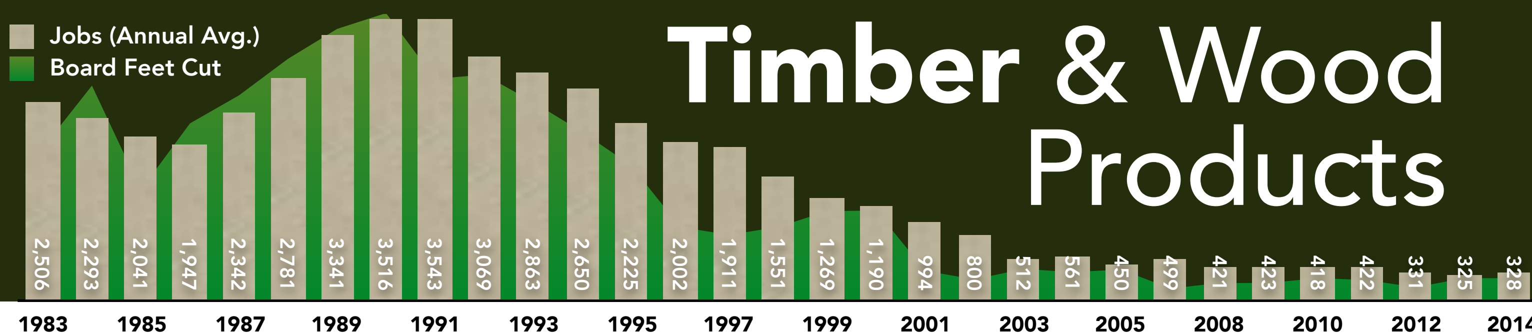
AVERAGE GOLD AND ZINC PRICES 2008-2015

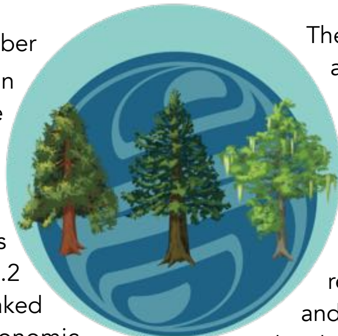


MINING OUTLOOK

Demand in China is expected to continue to decrease, which could mean metal prices will continue to trend downward. The region's mines are working to maintain current employment and production levels, as they also prepare for gradual declines in mineral values. The immediate outlook is for minimal job losses.

Timber & Wood Products





Despite the fact that the timber industry saw a 22% reduction in employment in the last five years, this sector was one of the few to add jobs in 2014, growing by one percent to 328 jobs. Timber workforce earnings also increased a notch to $17.2 million. In 1991, timber jobs peaked at 3,543 jobs. Once the economic backbone of the region, Southeast Alaska lost 3,200 direct industry jobs in the 1990s. In 2014 dollars, those jobs would have paid the equivalent of $257 million in annual direct wages. Today's Southeast Alaska timber industry is even smaller than it was in the early 1900s. It is also a very different timber industry than the one the so-called "timber wars" were fought over.

The number of board feet harvested annually has fallen by 96% from peak levels in the 1990s. All of the large mills are gone.

Today, most of the regional timber jobs are divided between two organizations: Sealaska, the regional Alaska Native Corporation, and Viking Lumber on Prince of Wales Island—the last remaining mid-sized sawmill in the region (see profiles). Alcan Forest Products is another key employer. Looking forward, a decision is expected in 2016 on Roadless Rule litigation. Should the State and regional advocates prevail, more suitable timber lands would become available for harvesting, and forest related employment would rise.

Spotlight on Sealaska

Sealaska is the top wood industry employer in the region. According to Sealaska, a total of 200 Southeast jobs were tied to their timber activities in 2015, many of which were on the verge of being lost without a land conveyance that occurred earlier this year. After a decade of efforts, $10 million in costs, and 200 stakeholder meetings, the final Sealaska land entitlement was transferred in 2015. Sealaska invests $1.5 million per year on silviculture activities in the region. Sealaska's management objective is that its logging, road maintenance, monitoring, and tree thinning activities will produce stable employment and economic activity in rural Southeast over the long-term.

Spotlight on Viking Lumber

"We cut the lumber into some really neat products," explains Kirk Dahlstrom, whose family owns Viking Lumber, describing everything from doors to biofuel bricks to pianos. "The finest concert pianos in the world are made from our forests. We supply the sounding board, keys, and knees." Sitka Spruce is the most desired wood in the world for making high-end pianos, and Viking Lumber is the largest piano stock producer in the United States. Viking's Sitka Spruce is made into 40,000 Steinway, Yamaha, and Kawai pianos. Every Kawai Piano made in the last 15 years was made from Viking lumber. Viking, with an associated workforce of nearly 100, is the longest continuously operating sawmill in Southeast Alaska. It produces 85% of all sawlogs in the region. To remain in business, Viking will need to prevail in the Big Thorne litigation currently before the 9th Circuit. Twenty intervenors have joined the U.S. Forest Service and the State defense of this timber sale against environmental groups. A final decision is expected by Spring 2016. The sale would create a decade's worth of cutting, milling, trucking, and barging jobs.

Southeast Jobs Associated With Viking Lumber

Primary Uses of Viking's Lumber

5 million board feet of Viking's Sitka Spruce is made into 40,000 Steinway, Yamaha, and Kawai pianos a year. The other primary use of Viking Spruce is Japanese Shoji Screens.

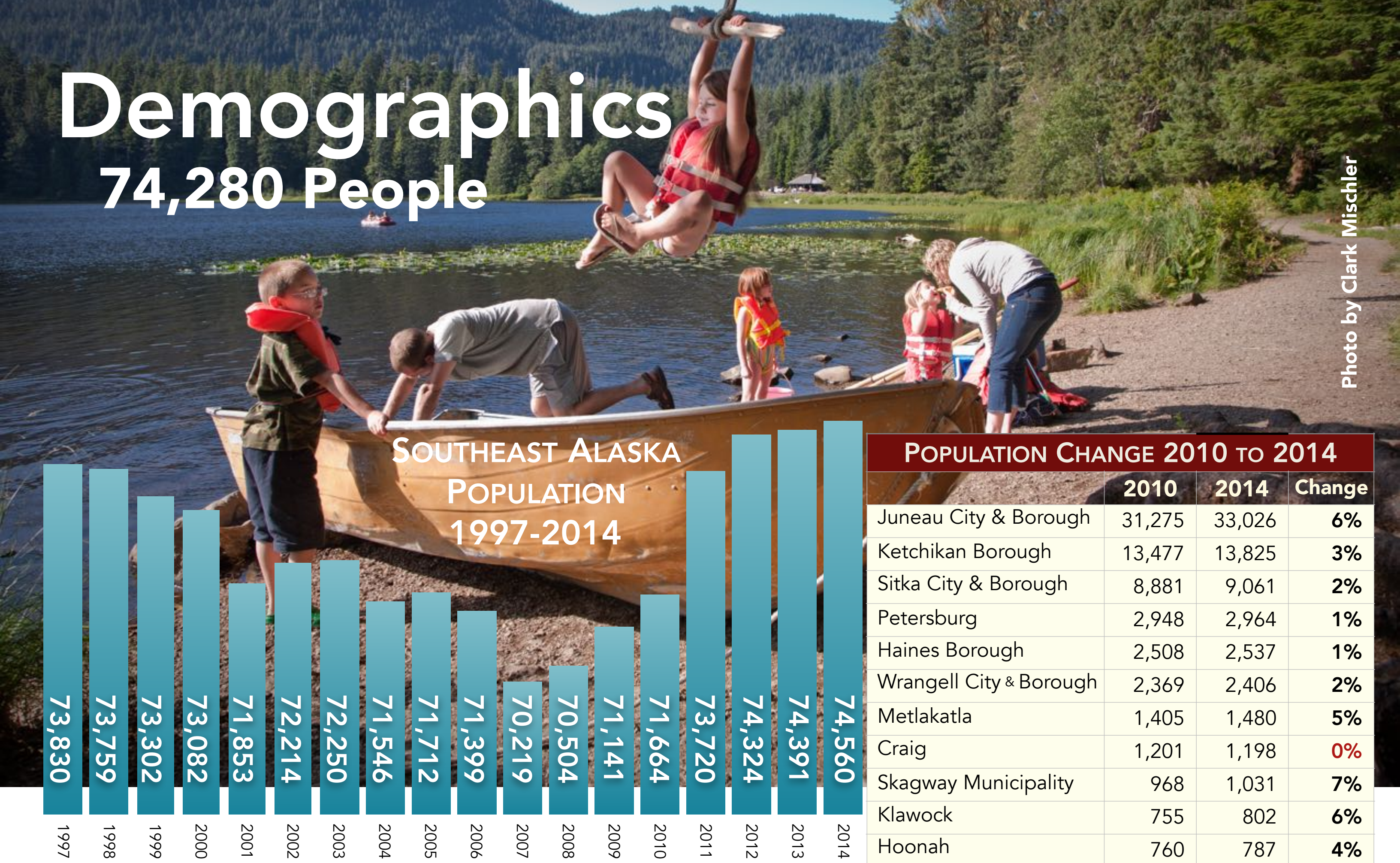
6 million board feet per year of Western Red Cedar is sent to 40 states. The high grade lumber is primarily used to remodel Cape Cod style homes. The rest is used for building gazebos, decks, and fences in Texas and Colorado.

5 million board feet per year of high end Hemlock goes into vertical grain panel doors, window frames, and moldings, mostly in Washington and Oregon.

Trees by graphic illustrator Averyl Veliz.

Demographics

74,280 People



Southeast Alaska saw a population increase of 4,350 people in the region between 2007 and 2014, leading to a new population record.

Five Years of Shifting Trends

The number of people in their 40s shrank by 1,300 in the past five years, and we ended up with 500 fewer teenagers. But the most pronounced 5-year shift was the continued explosion of baby boomers into their older years. Those aged 65 to 80 grew by 34% (1,900 people). By 2017, the Alaska Department of Labor projects that a quarter of our population will 60 or older.

Some communities have seen marked change as well. Significant population growth (of 12% or higher) was experienced by some of our smaller communities, including Kake, Thorne Bay, Gustavus, Kasaan, Port Protection, and Whale Pass—adding a combined 250 people to these communities over the past five years.

Among communities with over 1,000 residents, Juneau grew the most, adding 1,750 new people to its ranks, a growth of six percent.

Most of these new residents came from outside Alaska, and not from neighboring communities. The number of people moving within Southeast has steadily declined through the past 15 years. More newcomers to communities in the region are also new permanent dividend fund applicants.

Places with double-digit percentage population losses included Hollis, Klukwan, Pelican, Port Alexander, and Elfin Cove.

Population Outlook

Alaska Department of Labor projects an additional increase of less than one percent by 2017 (580 new people), but with the public sector continuing to shed jobs, any upward population trends appear unlikely.

Population Change 2010 to 2014

	2010	2014	Change
Juneau City & Borough	31,275	33,026	6%
Ketchikan Borough	13,477	13,825	3%
Sitka City & Borough	8,881	9,061	2%
Petersburg	2,948	2,964	1%
Haines Borough	2,508	2,537	1%
Wrangell City & Borough	2,369	2,406	2%
Metlakatla	1,405	1,480	5%
Craig	1,201	1,198	0%
Skagway Municipality	968	1,031	7%
Klawock	755	802	6%
Hoonah	760	787	4%
Yakutat City & Borough	662	631	-5%
Kake	557	626	12%
Thorne Bay	471	530	13%
Gustavus	442	516	17%
Saxman	411	419	2%
Angoon	459	416	-9%
Hydaburg	376	405	8%
Coffman Cove	176	174	-1%
Tenakee Springs	131	128	-2%
Naukati Bay	113	121	7%
Hollis	112	94	-16%
Hyder	87	91	5%
Klukwan	95	84	-12%
Pelican	88	75	-15%
Kasaan	49	75	53%
Port Protection	48	56	17%
Edna Bay	42	46	10%
Port Alexander	52	45	-13%
Whale Pass	31	39	26%
Kupreanof	27	25	-7%
Game Creek	18	18	0%
Elfin Cove	20	16	-20%
Point Baker	15	13	-13%
Total	71,664	74,560	+4%

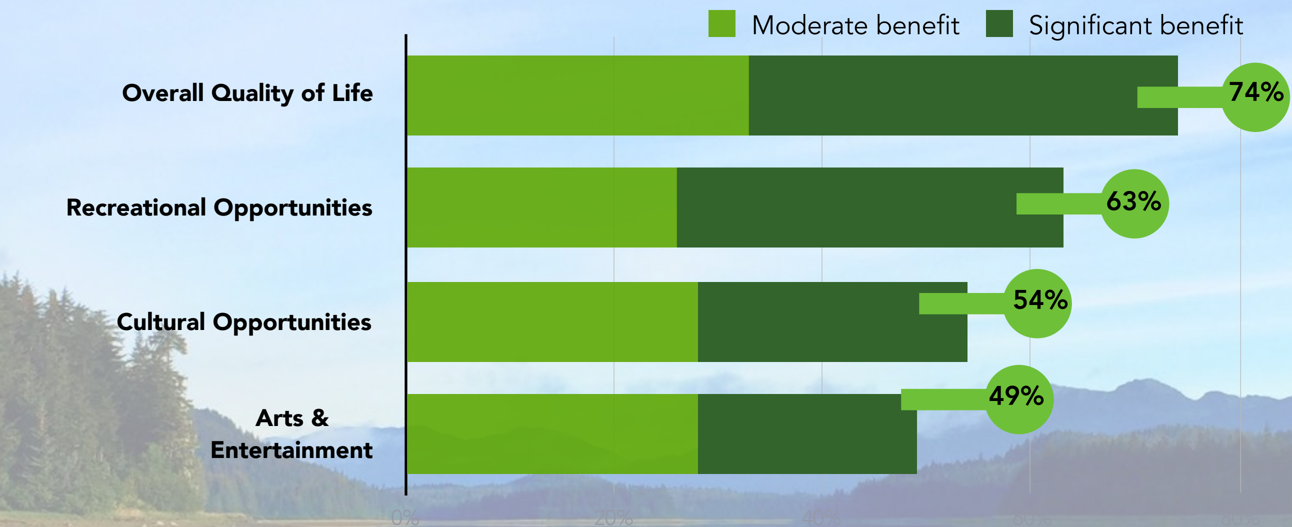
To see the full version of the Southeast Alaska by the Numbers see Appendix I.

Business Climate Survey Results

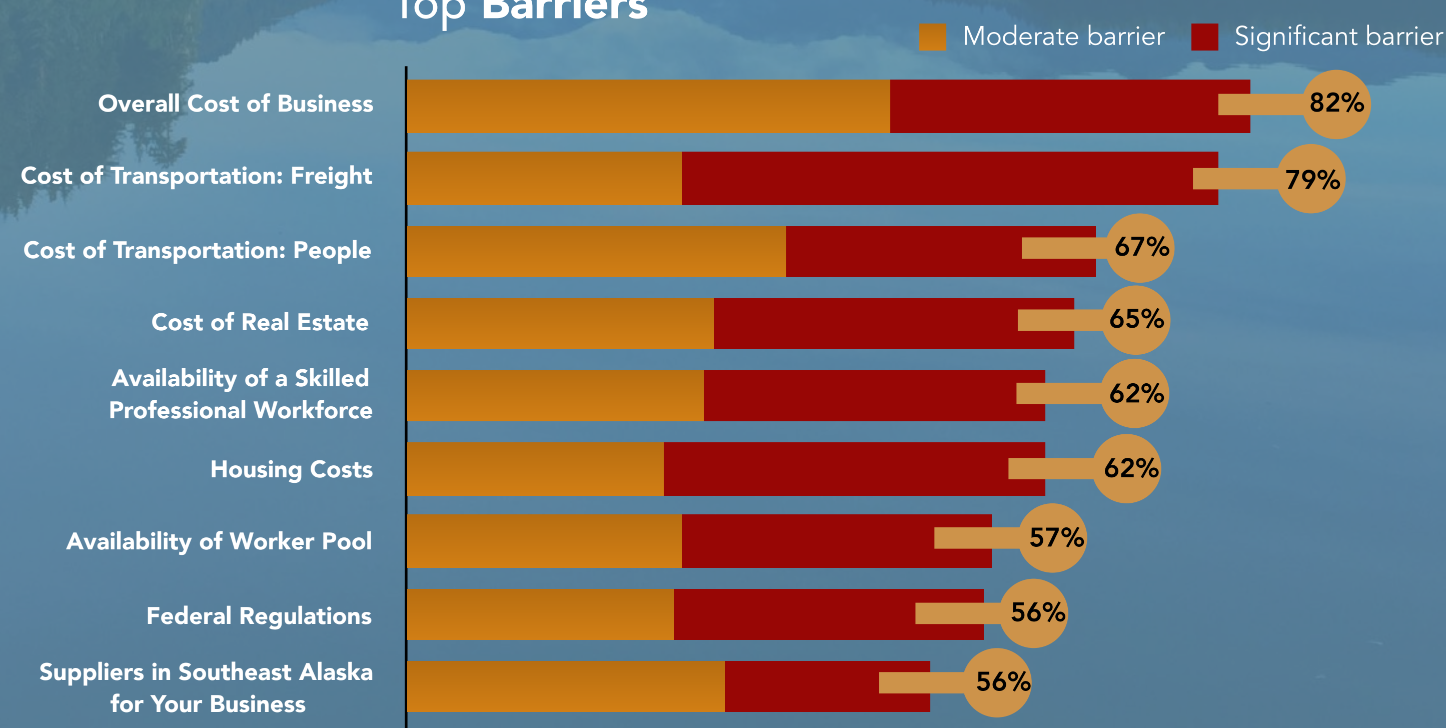
How Significant Are These Elements to Operating Your Business in Southeast Alaska?

In the spring of 2015, 416 Southeast Alaska business owners and top managers from 29 communities in the region responded to the Southeast Alaska Business Climate Survey, answering 45 questions about their experience operating businesses in Southeast Alaska. We asked business owners and operators about the top barriers and benefits to having their businesses in Southeast Alaska. The overall quality of life and recreational opportunities stood out as elements that provided overall advantages. The top two categories of barriers centered around business costs (overall, freight, transportation, real estate, and housing), and the lack of qualified candidates available for hire.

Top **Benefits**



Top **Barriers**



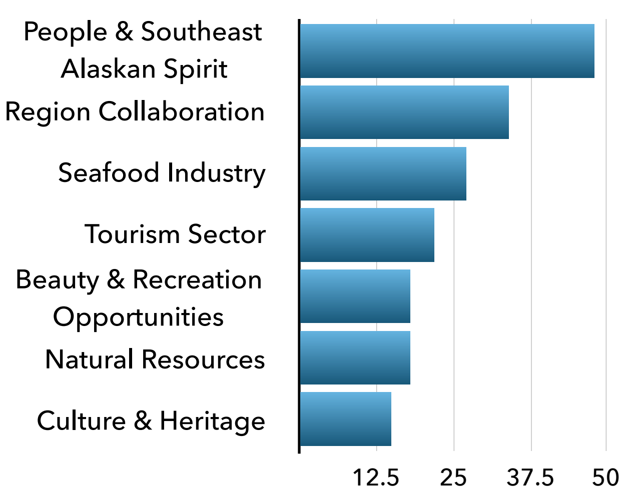
To see the full results of the Southeast Alaska Business Climate Survey analysis see Appendix II.

Southeast Alaska SWOT Analysis: Strengths, Weaknesses, Opportunities & Threats

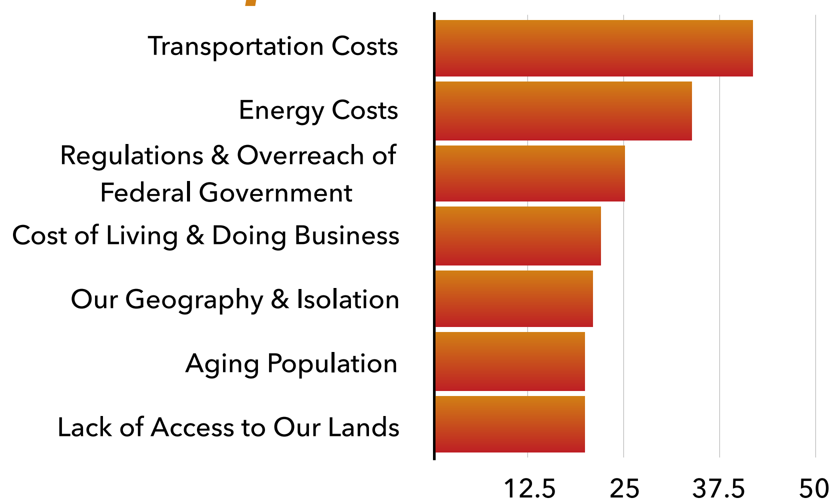
At Southeast Conference's March 2015 Mid Session Summit, 180 people representing small businesses, tribes, native corporations, municipalities and community organizations generated nearly **1,200 individual written comments** that became part of this analysis.

- Top Strength: Our people and our Southeast Alaskan spirit
- Top Weakness: Transportation costs
- Top Opportunity: Seafood & product development
- Top Threat: Federal government regulations and overreach

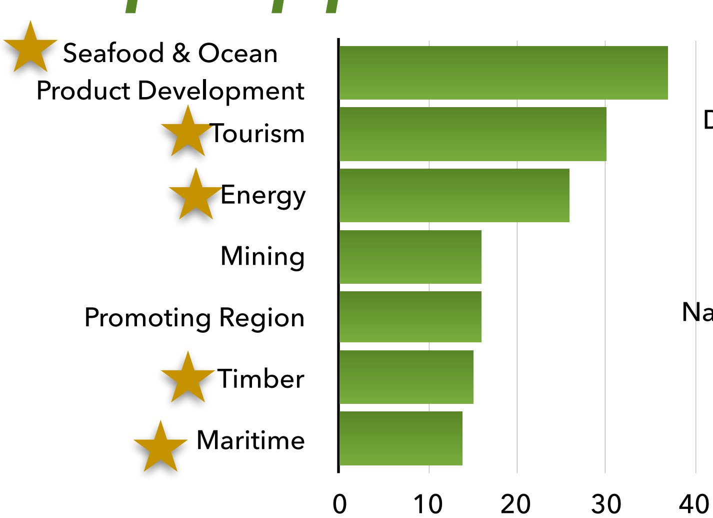
Top Strengths



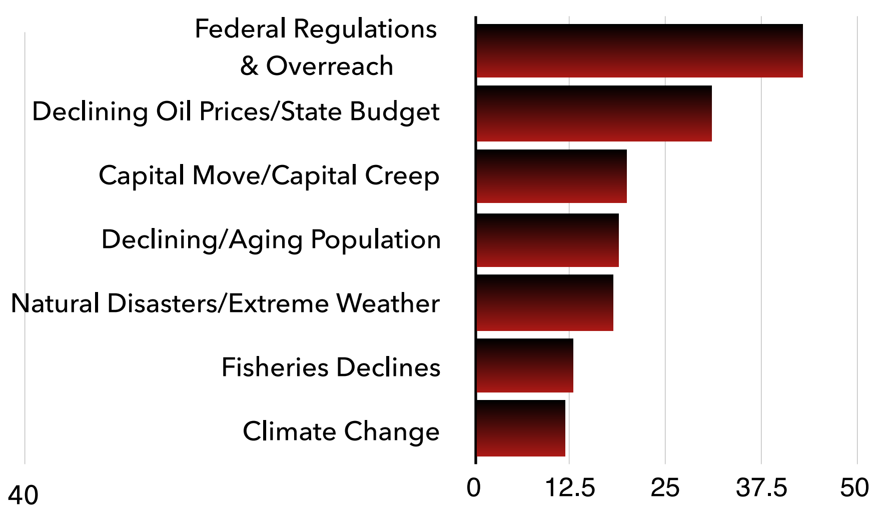
Top Weaknesses



Top Opportunities



Top Threats



Industry specific SWOT analyses for each of Southeast Alaska's key economic sectors are in the Strategic Direction Plan (pages 17-26). To see the full Southeast Alaska SWOT analysis see Appendix III. ★ A star signifies that a priority objective was developed to address this "top opportunity." Objectives were developed to address the two remaining opportunities.

Southeast Alaska Resiliency Mapping
Weatherizing for the Economic Storm

During the economic planning process, one of the top threats to the Southeast Alaska economy materialized. Oil, which once accounted for 90% of the state's unrestricted revenues, dropped from $127 a barrel in February of 2012 to just $27 per barrel January of 2016, leaving the state with a $4 billion budget gap. The current economic outlook from this situation ranges from worrisome to devastating. Nearly all members surveyed (99%) said they are concerned how this will impact the regional economy, with 84% saying they are "significantly concerned" or have "maximum concern." In order to understand how our community and business leaders plan to ensure the economic resilience of their businesses, industries, and communities, Southeast Conference asked the membership to define a collective vision for resilience. **Economic resilience is the ability to withstand and recover quickly from a disruption to the economic base.** More than 200 Southeast Conference members from 23 communities and 24 sectors across the region participated, explaining what they **plan to do or need in order to keep their businesses and communities economically stable**.

1. **Reduce private business expenses.** The most frequent response was from business leaders preparing to reduce their expenses in order to remain viable through an economic downturn. Businesses are planning on cutting costs, reducing employees, delaying investments, reassessing operations, refocusing resources on core businesses functions, and increasing savings.

2. **Increase long term economic development planning.** The second key strategy regional leaders intend to employ is to increase economic development through long-term strategies, collaboration, and support of local businesses. The development of the CEDs was specifically mentioned as an important resource.

3. **Reduce government spending & services.** The next most frequent response was to reduce the size of both state and municipal government through budget cuts, service reduction, reduced spending, and employee cuts.

4. **Implement taxes.** The fourth area of change Southeast Conference members think is needed to address the fiscal situation is an increase in taxes, specifically implementation of an income tax.

5. **Maintain ferry services.** In the face of impending cuts, members noted that a strong ferry-focused transportation system is critical. A ferry-focused transportation priority objective is responsive to this.

6. **Increase communication with government officials.** Provide cost-saving ideas and support public officials as they make tough decisions on how to balance the budget. Southeast Conference provides members with a vehicle to increase their outreach to public officials.

7. **Restructure PFD to address fiscal needs.** A good fiscal strategy includes tapping the dividend fund for public purposes.

Through this economic plan, Southeast Conference is responding to the state fiscal situation by undertaking efforts to broaden the economic base of the region, improve the overall business climate, support the development of industries that build on the region's unique assets and competitive strengths, and grow a more resilient workforce.

To see the full results of the Southeast Alaska Resiliency Mapping analysis see Appendix IV.

Southeast Alaska Strategic Direction Action Plan

Southeast Conference Vision Statement: *Promote strong economies, healthy communities, and a quality environment in Southeast Alaska.*

Transportation

Transportation Goal Statement:

- ***Support a consistent, reliable regional transportation system that enables predictable, financially sustainable, efficient transportation for a prosperous regional economy and access to medical care and cultural events.***

Strengths

- *We are experienced with integrated multimodal transportation and partnerships.*
- *We have an emerging shipyard and skilled workforce.*

Weaknesses

- *High transportation costs and aging infrastructure.*
- *Small populations spread out across long geographic distances.*

Opportunities

- *Depoliticize transportation (funding and regulatory) while developing collaboration and partnerships.*
- *Develop new vessel classes for the Alaska Marine Highway System.*

Threats

- *State budget crisis.*
- *Demographics: population losses, loss of political power, economic center moving away from region.*

Transportation Priority Objectives

★ Priority Objective #1: Minimize Impacts of Budget Cuts to AMHS, and Develop a Sustainable, Long-term Operational Model for AMHS

The Alaska Marine Highway System is at a critical juncture. To weather this storm of low oil prices, declining oil production and budget pressure it will need a carefully thought-out strategy that will provide essential transportation services to coastal communities. Since its first port of call, the Alaska Marine Highway has provided access to rural communities and generated substantial economic growth and improved quality of life for Alaskans. It has become a vital socio-economic engine even more now than when it was conceived half a century ago. Southeast Conference is actively taking steps to update the system into a responsive and predictable marine highway that will transcend political and administration shifts, a system that will partner with communities and have shared responsibility and accountability for the success of that system. This transportation corridor for Alaska operates in an environment with market, political and operational challenges unlike anywhere else in the world. Its service mandate is broad; its markets are small and diverse. Success over the long-term will require a carefully crafted combination of management, operations and funding strategies. Elements of this objective include:

- Design a new strategic operating plan for AMHS
- Lower State's general fund subsidy percentage
- Fleet Renewal Plan
- Empowerment of the Marine Transportation Advisory Board
- AMHS Value Outreach

Other Transportation Objectives:

Objective #2: Road Development

Expand use of the existing road network. The region has the same transportation options that were available in the late '60s, and roads are difficult and costly to build in the region. Several roads in the region are not being used in an intermodal fashion, and other roads are under utilized. We need to improve utilization of existing road systems while maximizing use of ferries.

Develop new roads and expanded access. This includes "roads to resources" that will provide access to resources that are important for economic development. Continue and complete design on access corridor.

Objective #3: Move freight to and from markets more efficiently.

Freight barges are critical to the regional economy, supplying the region with 90 to 95% of its freight. Determine best way to move perishables to and from markets in Southeast Alaska. Includes moving fish to markets outside Alaska more quickly, and moving perishable groceries to regional stores. Reduce the cost of transporting goods into, out of and within the region. In the Southeast Alaska Business Climate Survey, four out of five respondents identified the cost of freight as a barrier or a significant barrier to their business operations, and prices are increasing. Work with the transportation industry to find creative ways to reduce the costs for the transportation of goods, especially for less-than-container loads. Explore freight forwarding at the international border.

Objective #4: Ensure the stability of the existing regional transportation services outside of AMHS.

Support transportation services in the region. Water and air transportation are vital to the lives of most residents and to commerce between communities in and beyond the region. Only three communities (Haines, Skagway and Hyder) are directly connected to highways outside of the region. Alaska and Delta Airlines provide jet service to the region, and many smaller airlines provide connectivity and passenger service between the communities. The Inter-Island Ferry Authority is a public ferry system that provides daily service between Prince of Wales Island and Ketchikan. These transportation networks are an economic engine for the region, generating jobs, commerce, and tourism - while also increasing community wellbeing.

Note: Detailed steps and evaluation framework for priority objectives are at the end of this section.

Energy

Energy Goal Statement:

- *To create long term energy security, support energy infrastructure development, and promote efficient use of existing energy-related resources within Southeast Alaska.*

Strengths

- *Hydro, biomass and renewable energy resources.*
- *Technical expertise for biomass and other energy resource development.*
- *Funding opportunities for renewable and other energy.*

Weaknesses

- *We are diesel dependent in many of our rural communities.*
- *Funding opportunities for renewable and other energy.*
- *There is a low economy of scale and lack of economic industry, and limited inter-connectivity of communities and energy resources.*

Opportunities

- *Tongass land management amendments to support energy development.*
- *Develop resources in close proximity to our loads.*
- *Regulatory reform (RCA, FERC, EPA, etc.)*
- *Partnering with other industry groups, come together and show unified positions.*

Threats

- *Changing and increased regulations and Federal land use restrictions (Roadless Rule, etc.)*
- *Permitting obstacles (long permitting time and bureaucratic process; increased litigation).*
- *Limited financing options (especially for projects with a long payback period).*

★ Priority Objective #1: Work with federal and state government to promote regional energy projects.

During these times of fiscal austerity, educate and communicate with the federal government regarding the value and importance of regional energy projects, especially small community-based projects. There are a number of projects that help meet renewable energy goals of the state and federal agencies. Partner with federal agencies to advocate for renewable energy development and advance energy technologies in order to promote economic development and jobs to contribute to a resilient tax base.

Work with the federal government to increase investments. Support efforts to set aside the Roadless Rule as a barrier to renewable energy development. Increase access to renewable resources within the Tongass National Forest. Identify federal regulations that hamper energy development. Reduce barriers to increase new investments in energy.

★ Priority Objective #2: Diesel displacement.

The majority of energy costs paid by residents goes toward space heat. Opportunities abound for alternative energy heat to displace diesel, especially biomass. Educate people regarding energy use. Provide diesel displacement through improved incremental delivery of conservation and efficiency measures to businesses and residences in order to reduce energy costs. There are many opportunities for energy efficiency in generation, transmission and demand-side management. Facilitate technical expertise for utilities and educate consumers regarding energy use.

Other Energy Objectives:

Objective #3: Support community efforts that create sustainable power systems that provide affordable/renewable energy.

Objective #4: Complete a Regional Hydrosite Evaluation for Southeast Alaska.

Build upon the existing work to catalog critical information necessary to determine the highest value hydropower projects to meet the growing needs of our region.

Note: Detailed steps and evaluation framework for priority objectives are at the end of this section.

Maritime

Maritime includes all jobs directly tied to the ocean. In this plan, we focus on two elements of this sector: Marine Industrial Support & Seafood.

Maritime Industrial Support Sector

Goal Statement:

- ***Support the industry-led efforts to enhance the capacity of Alaska's maritime economy; create a comprehensive, robust maritime support services sector that will meet current and growing demands of the businesses within the Alaska maritime economy; and continue to promote the understanding of the values of the maritime sector within Alaska.***

Strengths

- *We are a maritime region. Our shoreline is approximately 18,500 miles and we have over 1,000 islands.*
- *We have many location-based opportunities, access to our fishing fleet, and are in close proximity to the ocean's resources.*
- *The maritime sector represents Southeast Alaska's largest private sector employer.*

Weaknesses

- *We do not have a large, highly-trained maritime workforce. Our workforce is greying and often lacks industrial skills.*
- *We lack a mature, durable industrial base and supply chain. Distance from the existent supply chain makes ship building and repair more costly, and repairs take longer due to the slower speed of shipping to Alaska.*
- *The combination of elevated labor and shipping costs often places Alaska at a competitive disadvantage with service providers in other regions.*

Opportunities

- *Because current demand outpaces supply, Alaska and our region have the opportunity to capture much of the burgeoning stateside/local demand for maritime support services.*
- *We can increase the number of federal maritime jobs in our region for marine researchers, members of the United States Coast Guard, etc.*
- *We have a workforce ready to be trained.*
- *We are already developing niche and specialized markets in shipbuilding and repair.*

Threats

- *Our state is facing economic decline; less investment in human and physical infrastructure is a reality.*
- *Outside competition is growing.*
- *State management and enforcement of fisheries and maritime resources is decreasing; this includes reductions to publicly owned maritime transportation assets due to fiscal deficit.*

Marine Industry Support Sector Priority Objective

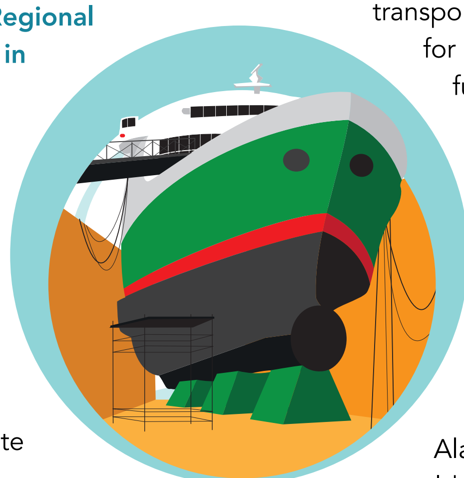
★ Priority Objective #1 Implement the Alaska Maritime Workforce Development Plan and Create a Maritime Industrial Support Sector Talent Pipeline

Support implementation of the Alaska Maritime Workforce Development Plan through focusing on the Southeast Alaska elements of that plan. Establish an innovative regional public-private-philanthropic "Workforce Investment System" to develop local capacity to meet the needs for the growing Maritime Industry Support Sector. Utilize a coordinated workforce development approach to create a standard of achievement. Develop a delivery system with industry-trained technical advisors located throughout the region.

Other Marine Industry Support Sector Objectives

Objective #2 Continue to Grow Regional Maritime Sector with an Increase in Maritime Industrial Employment Opportunities.

Advocate for policies that lead to more homeporting of vessels in Southeast Alaska. Market Southeast Alaska as a base for offshore oil and gas support vessels, as well as to fishing boats that work in the region each summer but do not stay here. Create marketing information regarding homeporting information for commercial fleets. Develop sector specific information for those looking for a place to homeport. About 95% of maritime businesses that operate in Southeast Alaska are based out of state in Puget Sound. Make Southeast Alaska a desirable place for these boats to stay. Examine Arctic exploration opportunities that the region as a whole can provide (considering the fact that Shell transported their rig all the way to the Port of Seattle). What infrastructure and expertise is needed in the region to be able to provide those needs?



Objective #3 Increase Access to Capital for the Regional Maritime Industrial Support Sector.

Financing can be difficult, especially for fishermen with older vessels. Work with banks to put finance packages in place to allow fishermen to be successful. Allow fishermen to service their debt and get older boats serviced/financed so that we can take care of our aging fleet.

Objective #4: Support Capital Investments in New/Expanded Marine Industry Support Infrastructure Throughout the Region

Existing infrastructure varies from non-existent to outdated. Investment in expanded infrastructure will make sector more efficient and better able to work on modern vessels.

Objective #5: Regional Vessel Repair.

Increase vessel repairs and maintenance completed within the region, which reduces economic leakage.

Objective #6: Harbor Improvements.

Improve local harbors so that they can meet transportation needs. Continue to advocate for port and harbor infrastructure funding opportunities. Port and harbor infrastructure needs are numerous and vary from aging facilities to inadequate capacity to communities with little or no port and harbor infrastructure.

Objective #7: Examine Arctic exploration opportunities that the region as a whole can provide.

Alaska is an "Arctic" state, and the world is looking to the arctic as a developing opportunity. What is it that Southeast has now, what is needed, and how can we provide those needs as a region?

Note: Detailed steps and evaluation framework for priority objectives are at the end of this section.

Seafood & Ocean Products Industry

Goal Statement:

- ***Create jobs and wealth by advocating for a well-managed, sustainable and resilient seafood sector, and develop higher-value ocean products that reach more markets.***

Strengths

- *We have a pristine environment.*
- *Alaska's harvest of seafood is more than 50% of the harvest of seafood in the United States in both value and poundage. Southeast Alaska's fishery harvest is approximately 20% of the statewide total economic value.*
- *There is seasonal diversity according to species.*
- *Fisheries are sustainable and well managed, including ASMI's sustainability certification program.*
- *We have a well-established and successful marketing organization (Alaska Seafood Marketing Institute), which has built worldwide recognition of the Alaska Seafood brand.*
- *Seafood is an economic driver for coastal communities, both large and small.*
- *Successful, large-scale salmon enhancement program.*

Weaknesses

- *Workforce – local workforce is aging and much of our temporary workforce is non-local.*
- *Decreasing state budget, which impacts fisheries management.*
- *Lacking state leadership to develop mariculture industry.*
- *Diesel-dependent fleet.*
- *Ocean warming/acidification.*
- *Lack of recognition of potential positive economic impact from enhancement of wild shellfish.*
- *Under-utilization of the whole fish, although this is trending down in recent years.*
- *Lack of recognition of the maritime sector as a whole (including seafood harvesters, seafood processors, marine support services, research/managers).*
- *Access to ice and other supplies.*
- *Access to repair and maintenance during fishing season.*
- *Lack of diversification of markets for seafood products, especially roe products at this time.*

Opportunities

- *Develop mariculture industry, including enhancement, farming and restoration of shellfish and aquatic plants.*
- *100% utilization of resource (including fish waste).*
- *Develop new products: pet food, pharmaceuticals, nutraceuticals and health food products.*
- *Reduce reliance on diesel for fishing vessels & fish plants.*
- *Supporting implementation of the Alaska Maritime Workforce Development Plan in Southeast.*
- *Increase vessel repairs and maintenance completed within the region, which reduces economic leakage.*
- *Develop markets for otter products.*

Threats

- *Marine mammals: Sea otters, whales, orcas, etc.*
- *Negative perception of hatchery fish.*
- *Regulatory oversight / federal regulations.*
- *"Not in my backyard" public sentiments which impede development of aquatic farms.*
- *Reduced access to the resource by reallocation, federal overreach, ballot initiatives, and lack of research/management funds.*
- *Sustainability certification programs which either require changes in management or do not certify certain fisheries/regions.*
- *Climate change and ocean acidification.*
- *Ecological threats (downstream effects of mining in British Columbia).*
- *State budget cuts*

Seafood Priority Objective

★ Priority Objective #1: Mariculture Development.

Support the development of the mariculture industry, including production enhancement, aquatic farming and restoration of invertebrates and aquatic plants. Support the Governor's Alaska Mariculture Task Force. Increase shellfish production and the number of species from aquatic farms. Increase number of mariculture operations. Financially stabilize OceansAlaska to increase seed production, quality and species. Support increased capacity for shellfish safety testing in the SE region.

★ Objective 2: Full Resource Utilization & Ocean Product Development.

Increase total revenue from existing commercial fisheries in the region by developing new, higher value products and markets from parts of the fish that are currently either thrown away or that go to lower relative value markets. Work with seafood processors to develop new products and identify businesses or entrepreneurs not currently in the seafood industry who can contribute to this effort. Collaboration with private, state, federal and university researchers needs to be encouraged to identify and accelerate opportunities for commercialization of improved or new products. Support the development of new specialty products that utilize 100% of harvested seafood resources in order to create value-added products with the same resource, reduce discharge into waterways, and provide additional economic benefits to local economies.

Other Seafood Objectives:

Objective 3: Increase Energy Efficiency and Reduce Energy Costs.

Support programs that aim to increase energy efficiency of vessels and processing plants. Reduction of reliance on diesel for both boats and processing plants. Move commercial fishing fleet away from diesel dependency using concepts such as diesel/electric hybrid vessels, hydrogen, or other energy alternatives. Find alternatives to reduce use of diesel for fish plants and cold storage facilities that could include increased energy efficiency or hydropower.

Objective 4: Regional Seafood Processing.

Support continued and increased processing / manufacturing within region. Increase the number of firms producing high-value products. Increase value-added activities in the region and to improve product quality. Support development of necessary infrastructure for these activities. Update processing plants and update/ improve transportation routes to get products to market. Make it cheaper, faster, and fresher.

Objective 5: Seafood Markets.

Support ASMI's work to market Alaska Seafood. Support the expansion of markets both domestically and worldwide. Support integration of industry's efforts to develop new products and ASMI's efforts to develop new markets. Support diversification of roe markets.

Objective 6: Sea Otter Utilization & Sustainable Shellfish.

Support development of new products and markets for otter products. Support sea otter garment making businesses and strategies for increasing value of these products.

Objective 7: Maintain Stable Regulatory Regime.

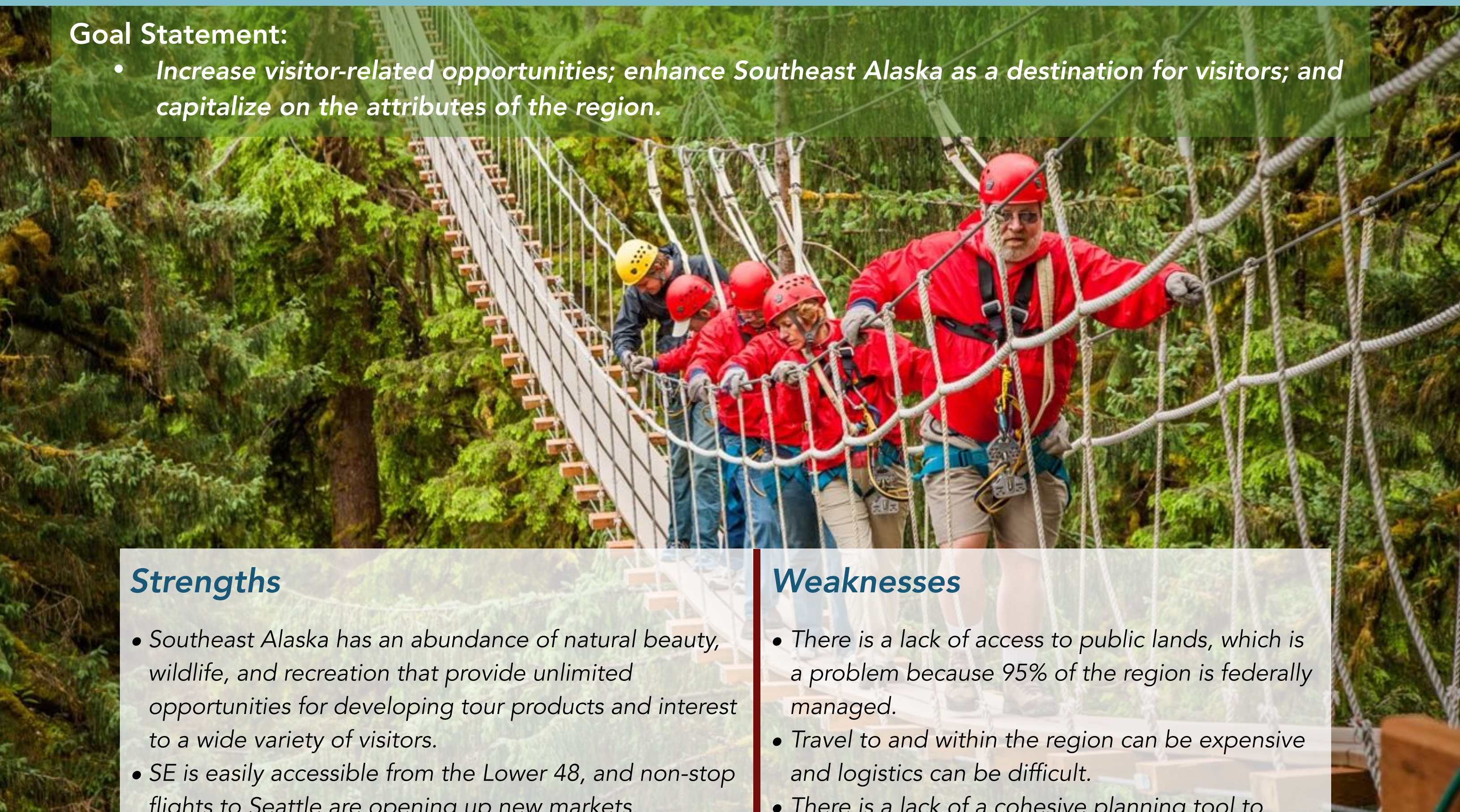
Support state regulatory stability. Protect commercial fisheries by advocating for stable regulatory regimes at state and federal levels and educating policy makers. Retain access to resources.

Objective 8: Seafood Workforce Development.

Engage in workforce development efforts to attract young Southeast Alaskans to participate in the seafood economy. The absence of young Southeast Alaskan fishermen is compounded by the rise in nonresident permit ownership in local fisheries.

Note: Detailed steps and evaluation framework for priority objectives are at the end of this section.

Visitor Industry



Goal Statement:

- ***Increase visitor-related opportunities; enhance Southeast Alaska as a destination for visitors; and capitalize on the attributes of the region.***

Strengths

- *Southeast Alaska has an abundance of natural beauty, wildlife, and recreation that provide unlimited opportunities for developing tour products and interest to a wide variety of visitors.*
- *SE is easily accessible from the Lower 48, and non-stop flights to Seattle are opening up new markets.*
- *The Alaska brand for tourism is strong.*
- *There is great entrepreneurialism and spirit in the industry.*
- *Southeast Alaska people, history, and culture are great draws.*
- *Cruise passengers want to return to SE and spend more time.*

Weaknesses

- *There is a lack of access to public lands, which is a problem because 95% of the region is federally managed.*
- *Travel to and within the region can be expensive and logistics can be difficult.*
- *There is a lack of a cohesive planning tool to allow people to put together their own trips.*
- *Our visitor industry season is short.*
- *Communications: Lack of internet and cell phone presence.*

Opportunities

- *Increase independent travelers.*
- *Increase length of tourism season.*
- *Increase percentage of returning visitors.*
- *Diversify visitor activities.*
- *Increase access to outlying communities.*
- *Develop more infrastructure, providing access and ecotourism opportunities, trails, and wildlife viewing.*
- *Target Alaska residents for "stay-cations."*
- *Develop more ecotourism products. Examples include scuba diving, surfing, glacier surfing, etc.*
- *Wildlife viewing. Explore opportunities to make our world class whales and bear viewing more accessible to independent travelers.*

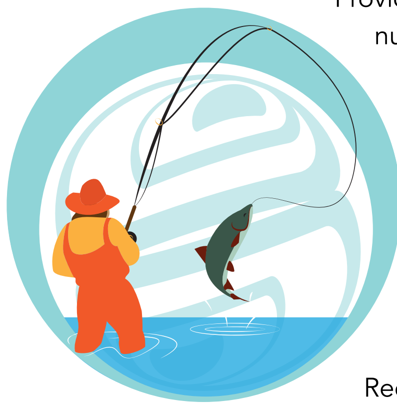
Threats

- *Federal/state regulations and reducing visitor access to land-based excursions and sports fishing opportunities.*
- *Underfunded local infrastructure, i.e. communications, transportation, water usage, waste water treatment, etc.*
- *Reductions in ferry service.*
- *Federal permitting, onerous federal regulations and compliance.*
- *Reduced funding to maintain existing recreation programs at state and federal levels.*

Visitor Industry Priority Objective

★ Priority Objective #1 Market Southeast Alaska to Attract More Visitors

A collaborative regional visitor marketing effort to provide more marketing opportunities, improve brand awareness, strengthen the marketing reach, widen regional coverage of information, and leverage limited resources. Enhance current activities throughout SE Alaska and create new ones that would draw interest from families with children to travel around SE Alaska.



Other Visitor Industry Objectives

Objective #2 Improve Access to Public Lands.

Provide more recreational opportunities, including developing more trails, increasing the number of permits available, providing more outfitter guide days, and development of new wildlife viewing options on federal lands. Work to change how federal land access and permitting works in Southeast Alaska. Support visitor industry permitting and development opportunities. Increase guided access to public lands by 20%. Protect our current resources and maintain infrastructure.

Objective #3 Increase Flexibility in Terms of Permit Use.

Permits are hard to obtain, and are non-transferrable – making it hard to expand, sell, or maintain business. For example, if a location has 12 permits per day but can't use a day due to weather, that permit is lost. Because not all permits are used, the number of permits available for the next year get cut. The demand is there but providers don't get access.

Objective #4 Increase Yacht and Small Cruise Ship Visitations.

Support the re-emergence of small cruise ships and yachts. Maintain port calls for providers like Un-Cruise Alaska Cruises and Alaska Dream Cruises. Provide yacht services in region. Track yachting numbers.

Objective #5 Improve Communications Infrastructure.

Improve broadband and cellphone access in region.

Objective #6 Advocate for Funding to Maintain Existing Recreational Infrastructure

Recreational opportunities were cited in the Business Climate Survey as the #2 benefit to businesses who own and operate their businesses in the region. It is the reason people choose to live in Southeast, and the reason that tourists come to the area. The Forest Service is actively cutting funds to Tongass recreation programs resulting in campground, trail, and public cabin closures. Work collaboratively to reverse this trend.

Objective #7 Grow Cultural Tourism Opportunities.

Southeast Alaska has a rich and vibrant Alaska Native culture that traces its roots back 10,000 years. The visitor industry is incorporating some of this culture and history into its products, but in many ways cultural tourism is underdeveloped. In the regional business climate survey, when asked about benefits to their businesses, those in the visitor industry were less likely to recognize culture as a benefit to their industry than five other sectors. Support efforts to grow cultural tourism.

Note: Detailed steps and evaluation framework for priority objectives are at the end of this section.

Timber Industry

Goal Statement:

- ***Increase the timber industry workforce, increase economic timber supply levels and infrastructure.***

Strengths

- *We have abundant, high-quality wood resources in our region*
- *We are continuing to develop markets for our wood. For example, Red Cedar is preferred but was previously an undesired species. Now there is a strong demand for it.*
- *Sitka spruce has a strong established market*
- *Our industry provides year-round family jobs and wages*
- *Timber is a renewable resource*
- *International markets: We are in high demand in Asian markets (as well as domestic)*
- *Our industry contributes to rural communities and rural economies*
- *We have cross-industry infrastructure in place*
- *Activity in our industry takes place outside urban centers*
- *There is good marine access to our timber resources*
- *Carbon Sequestration in wood*

Weaknesses

- *There is much government ownership of the regional land-base (95%)*
- *There are too many federal government regulations imposed upon our wood products industry*
- *Transportation costs of the wood is high*
- *The Tongass has become the poster child in the US for outside to use as a fundraising mechanism*
- *Our trained, high-quality workforce is aging/in-decline while the new workforce does not appear to have the same work ethic or interest in physical work*
- *We are losing our infrastructure*
- *Power costs are high*
- *The remote locations of our industry mean that the overall costs of doing business are high*
- *Logging has become a socially unacceptable business to be in.*

Opportunities

- *Showcase use of local woods*
- *Create a small cottage industry*
- *There is a great deal of opportunity for growth in the regional timber industry*
- *Increasing private and/or state land ownership would create many new opportunities*
- *Develop more niche markets*
- *The regional wood products industry is one of our few with primary production, meaning that the economic impact is much larger. By growing this industry we could replace budget gaps with timber jobs*
- *Biomass/carbon*
- *Use growth of the timber industry to stabilize decline of rural communities*
- *Open more mills*

Threats

- *Conservation groups*
- *Environmental litigation on every timber sale*
- *Politics*
- *Disease/aging trees*
- *Endangered Species Act*
- *Insects, invasive plants*
- *High capital costs*
- *Insufficient workforce*
- *USFS bureaucracy*

Timber Priority Objective:

★ **Priority Objective #1: Provide an adequate, economic and dependable supply of timber from the Tongass National Forest to regional timber operators.**

To be economically successful local mills must be provided an opportunity to accumulate a supply of purchased but unharvested economic timber (i.e. volume under contract) equal to approximately three years of timber consumption. This allows the industry ample time to plan an orderly and systematic harvest schedule that meets all timing restrictions and permit requirements. Second, it allows the industry to better manage its financial resources and to secure financing on the basis of longer term timber supply (banks don't want to provide loans without multi-year plans in place). Third, it allows time for the necessary infrastructure to be maintained. Finally, an ample timber supply gives the industry more opportunity to sustain itself through market cycles. Support management, research, and legal efforts to assure access to adequate, consistent, and economic timber supply on federal and state forest lands.

Other timber industry objectives:

Objective #2 Stabilize the regional timber industry.

Increase and stabilize volume of timber sold and harvested to increase timber related employment in the region. Timber jobs in Southeast Alaska have been in decline since passage of the Tongass Timber Reform Act of 1990. There were approximately 4,200 timber jobs then, and there are 325 now. Increase volume of mmbf sold and harvested, and current number of jobs.

Objective #3 Work with USFS to direct federal contracts toward locally-owned businesses.

USFS spends millions each year on activities such as forest restoration contracts. However, the economic benefits of this spending is by and large awarded to outside firms from Oregon and Washington. There are several changes that can be made to help direct these contracts to local firms. USFS needs to break larger jobs into several smaller ones and work on bonding requirements, as small operators are not able to meet the federal minimum financial requirements.

Objective # 4 Support small scale manufacturing of wood products in Southeast Alaska.

There are many smaller manufacturing efforts in the regional forest. Continue to enable small business to produce wood products using Tongass wood by providing small sales, extending harvest schedules, allowing harvest of dead/down trees on road corridors, reducing bonding requirements, etc.

Objective #5 Continue old growth harvests until young growth supply is adequate.

Significant timber harvest did not occur on the Tongass until the 1960s. Since much of that harvest was along beach fringe and streams (and will not be available for young growth harvests), it will be at least another 30 to 50 years before later cuts have matured to the point where the Tongass can reasonably transition to a young growth timber industry. In the interim, allow economic old growth timber to be harvested in a volume sufficient to meet market demand for an integrated timber industry.

Objective #6 Community-Based Workforce Development.

Support workforce development in the local population for timber industry centered occupations. As the industry has contracted, it has become more difficult to attract outside skilled labor to work in the regional timber industry. However, this barrier provides an opportunity to recruit and train local candidates for these positions.

Objective # 7 Update young growth inventory.

Advocate for a thorough analysis of harvestable, economic young growth inventory at the stand level to more accurately predict the young growth supply of economic timber. Until those involved with the regional timber industry have a firm handle on the usable economic inventory, and the age of the inventory and how far along it is to the culmination of harvest, it is hard to predict an economic supply. The 2010 Economic Analysis of Southeast Alaska demonstrates that young growth timber that meets the necessary requirements and is capable of economic harvest is limited to 30-50 mmbf per year.

Note: Detailed steps and evaluation framework for priority objectives are at the end of this section.

Other Objectives

Objectives outside the six sectors of focus:

Housing Objective: Support development of housing.

Throughout Southeast Alaska there is evidence of concern about the lack of affordability and choice in housing. Lack of housing and the high cost is a deterrent to economic growth in several communities - most notably Skagway, Sitka, Juneau, and Yakutat - which have difficulty finding housing to attract or retain employees. Access to housing touches almost every aspect of a community's well-being and affects all of its members. Communities with housing choices that meet the full range of their needs - including the needs of low and moderate income citizens - are more liveable, more economically competitive and resilient. Southeast Conference supports the development of new housing stock, targeted housing for an aging population, and an increase in the diversity of housing choices in the region. This includes fair market housing options for homeownership and private market rental, subsidized rentals through rental assistance or vouchers, public housing, and housing for seniors, veterans, the homeless, and other special needs populations.

Food Security Objective: Increase supply, accessibility, and demand of local foods.

Highlight economic importance and opportunities for localizing the Southeast food system. Conduct assessment that illustrates economic opportunity in local production, processing, and distribution of foods, including cultivated (vegetables, fruits) and wild (berries, fish, etc.) foods for household, community and commercial market outlets. Create infrastructure to support local food producers and processors. Build local capacity to harvest wild foods. Increase number and variety of market outlets for local food producers. Identify regional agricultural land and steps to make it available for use. Provide regional and local opportunities for networking, education, and skill development related to local food production, processing, and entrepreneurship.

Communications Objective: Improved access to telemedicine in Southeast Alaska.

Enhance the existing system of physical and mental health telemedicine services by providing broader coverage to include small and rural communities in Southeast. Provide for expanded training opportunities for first responder/EMS staff and volunteers. The system will result in improved first responder/EMS care provided, improved triage, and improved outcomes for patients. There is a need for installation and improvement of internet services to rural communities that meet the standards for telemedicine and distance education.

Marketing Objective: Market Southeast Alaska as a region for product development.

Developing marketing material to market Southeast Alaska as a whole. The goals will be to attract residents to the region as an incredible place to live and work; promote our regionally-manufactured local products (art, seafood, beer, wood, ships, etc.); promote our region as a visitor destination; and promote our culture and history.

Solid Waste Objective: Regional solid waste disposal.

The Southeast Alaska Solid Waste Authority (SEASWA) was developed through the joint efforts of Southeast Conference and Southeast Alaskan legislators. Cooperative solid waste benefits our regional communities. Continue reducing the municipal solid waste stream in Southeast Alaska by enhanced recycling, scrap metal collection, waste reutilization and shared facilities and services. Continue to reach out to more communities in Southeast Alaska. For many years, members of Southeast Conference and others in Southeast Alaska studied the issue of consolidating solid waste disposal, recycling and scrap metal efforts across the region. Economies of scale and regional benefits are achieved by cooperation between communities, consolidation of waste streams, and standardized contractual agreement.

Education Objective: Partner with University of Alaska Southeast and K-12 school districts to build career pathways and meet employer needs for a skilled workforce.

Quality education and workforce training is critical to the development of a strong economy. The business climate survey identified that the insufficient pool of skilled employees with professional and technical degrees and credentials is a top barrier to economic development in the region. This barrier is expected to grow as the region's population ages. Workforce development and support of career and technical education are included throughout this plan in the fisheries/ maritime, mining, seafood, timber, and research sections. The healthcare industry is also growing and needs skilled local-trained employees. Support continued development of K-12 and post-secondary education opportunities and pathways in the region.

Arts Objective: Increase the recognition of Southeast Alaska's thriving arts economy.

The arts have played a meaningful role in the economy of our region for thousands of years. The totems, canoes, masks, regalia, and architecture of Tlingit, Haida and Tsimshian are as much a reflection of our area's culture, ancestry, and collective histories as they are works of art. It is this rich art heritage that sets Southeast Alaska art and artists apart from other art communities. Altogether artist, arts organization, and audience spending in Southeast Alaska total approximately $60 million annually. In the Southeast Alaska Business Climate Survey, 49% of all business leaders said that arts in the region acts as a a benefit or significant benefits to their businesses. Support efforts by community arts organizations to make Southeast Alaska a Northwest Coast art capital of the world.

Mining Objective: Minerals and mining workforce development.

Promote mineral and other resource development activities that increase regional wealth, are responsibly managed, and account for the greatest long-term benefit to the region. Mining has been a part of the regional economy since the 1860s. In 2014, there were 783 annual average mining jobs in Southeast Alaska. With an average annual wage of $102,000, mining jobs pay the highest wages in the region of any sector. In a time of low commodities prices, finding investors and financing for exploration becomes increasingly difficult.

Research Objective: Attract science and research jobs to Southeast Alaska.

Science and innovation create critical commerce that can contribute to the economic health of our region. Southeast Alaska has a robust array of research facilities relative to its population including the federal research labs (NOAA/NMFS, USFS RD) state labs (UAF SFOS, UAS, ADFG) and nonprofit/ private labs. Bring more fisheries science and management jobs to the region. Move the NOAA "Alaska Fisheries Science Center" jobs from Seattle to Alaska. Bring the UAF fisheries jobs to Southeast Alaska.

Cultural Wellness Objective: Support development of activities and infrastructure that promote cultural wellness.

"Cultural opportunities" was recognized as a top benefit for regional business operators in the business climate survey - 54% of business leader respondents said that Southeast's cultural opportunities are beneficial to their business. Support efforts to construct buildings that will house and promote Southeast Alaska culture and provide opportunities for education, economic development, social services, or cultural gatherings. Support efforts to expand cultural growth and wellness.

Healthcare Objective: Meet the medical needs of the region.

Southeast Alaska's healthcare industry is one of our largest sectors. Yet the regional healthcare industry is shrinking in spite of the fact that the health care needs in our region have been growing as our population ages. Healthcare industry officials responding to the business climate survey were among the most pessimistic about the future. Work with medical providers to maintain and expand regional health care workforce and services.

Action Plan Part II: Priority Objective Descriptions & Evaluation Framework

Priority Objective #1:

Minimize Impacts of Expected Budget Cuts to AMHS Over the Next 5 Years, and Develop a Sustainable, Long-term Operational Model for AMHS

Project Description:

The Alaska Marine Highway System is at a critical juncture. To weather this storm of low oil prices, declining oil production and budget pressure it will need a carefully thought out strategy that will provide essential transportation services to coastal communities. Since its first port of call, the Alaska Marine Highway has provided substantial economic growth and improved quality of life for Alaskans. It has become a vital socio-economic engine even more now than when it was conceived half a century ago. Southeast Conference is actively taking steps to update the system into a responsive and predictable marine highway that will transcend political and administration shifts, a system that will partner with communities and have shared responsibility and accountability for the success of that system. This transportation corridor for Alaska operates in an environment with market, political and operational challenges unlike anywhere else in the world. Its service mandate is broad, its markets are small and diverse. Success over the long term will require a carefully crafted combination of management, operations and funding strategies. Any new system will take significant time to develop and fully implement.

Outline of steps required for project to be completed.

Design a new strategic operating plan for AMHS. Engage technical expertise to assist with drafting an operational plan with a differing form of governance to provide a better model moving forward. Review the overall system. Understand what happens with less general funds and what assets have federal funding with a payback requirement. Review budget scenarios. Define community needs and requirements to determine what constitutes basic essential service (information regarding frequency of service and capacity). Work to change the funding cycle and provide forward funding to eliminate uncertainty. Better understand what level of service is necessary for economic development, including frequency of service, capacity, and connectivity within the region. Use scenarios to envision how the system will look in 20 years. Recognize public process and extensive outreach as part of plan development. Timeline - Plan developed 8 months from commencement.

Lower state's general fund subsidy percentage: Increase farebox recovery rate. Monetize vessel and shore-side assets and opportunities. Optimize fleet configuration. Change the paradigm of how to move people and freight across the state, internationally, and to the Lower 48. Timeline - first year and ongoing.

Fleet Renewal Plan – Develop plan to replace aging vessels, such as the Tustumena. Having a viable fleet renewal plan is central to the viability of marine transportation. 20-year plan. Timeline - first year and ongoing.

Empowerment of the Marine Transportation Advisory Board. Originally created in 2003, the Marine Transportation Advisory Board (MTAB) consists of 12 members appointed by the Governor. It issues reports and recommendations, and reviews the strategic plan for the Alaska Marine Highway System (AMHS). However, because of the advisory nature of the board, MTAB's input has not become an integral part of AMHS planning. Timeline – 1.5 years

AMHS Value Outreach – Use communication tools to better communicate the value of the ferry system to the public as well as to lawmakers. Communication tools include publications, letters, meetings with lawmakers, news stories, Facebook and website development. Timeline - first year and ongoing.

People/Organizations responsible for completing these steps

Southeast Conference, AMHS, Central Council, other ARDORS, Coastal Alaska communities, AML, state administration and legislature.

Cost Estimates

$200K - $250K

Southeast Conference, AMHS, Central Council, Coastal Alaska communities, Administration and Legislature.

Evaluation Measures

- Southeast Conference meetings on AMHS transportation
- Letters of support draft operation and governance plan
- AMHS Farebox Recovery %, subsidy %, revenues raised outside of farebox
- New plan developed
- Ongoing capital program that extends the life of the current fleet while replacing vessels as they become obsolete.
- AMHS ridership

Key Project Contact

Who will be the project champion moving this project forward?

Name: Shelly Wright

Title: Executive Director

Organization: Southeast Conference

Priority Objective #2:

Work with federal and state government to promote regional energy projects.

Project Description:

During these times of fiscal austerity, educate and communicate with the federal government regarding the value and importance of regional energy projects, especially small, community-based projects. There are a number of projects that help meet renewable energy goals of state and federal agencies. Partner with federal agencies to advocate for renewable energy development and advanced energy technologies – to promote economic development and jobs that support a resilient tax base.

Outline of steps required for project to be completed.

SEC energy committee and coordinator will collaborate with federal and state agencies and project proponents to regularly communicate and advocate for project support. Specific advocacy includes: permitting (and re-permitting) of energy infrastructure projects, energy efficiency outreach, and energy audits. Energy coordinator will engage telephonically and electronically to maintain progress. Regional outreach to implement SE IRP, especially biomass and energy efficiency objectives.

Timeline: 2016 to 2020 - Conduct 2-4 energy committee meetings annually. 2016-2017 – Conduct energy efficiency outreach throughout region with site visits for energy audits. Assist with state efforts to identify biomass feasibility in Hoonah and Kake. Participate in biomass greenhouse handbook development.

Step 1: Work with the federal government to increase investments in the region. Timeline – ongoing.

Step 2: Support Efforts to Set Aside the Roadless Rule as a Barrier to Renewable Energy Development. Access to geothermal leases is prohibited by the Roadless Rule. Language in the Roadless Rule preamble indicates that access to new hydro projects is not allowed. There are 9.6 million acres of IRAs in the Tongass. The Roadless Rule is a significant barrier to renewable energy development in Southeast Alaska. Timeline – now through 2017.

Step 3: Increase access to renewable resources within the Tongass National Forest. A Renewable Energy Resource Plan, including a Renewable Energy Resource Development Land Use Designation (LUD), should be added to the Forest Plan to promote and support all forms of public and private renewable energy development (including geothermal) and related transmission lines within the Tongass. The current Transportation and Utility System (TUS) LUD should be amended to change the criteria to allow the TUS LUD to apply to hydropower projects and other renewable energy projects within TUS Avoidance Areas and to allow for public and private hydropower development in all LUDs. A great local example of the importance of access to renewable energy - when the Greens Creek Mine was connected to hydropower, it displaced 4.6 million gallons of diesel use annually. Timeline – now through January 2017.

Step 4: Identify federal regulations that hamper energy development and bring these to the attention of Sen. Lisa Murkowski (R-Alaska), the U.S. Senate Energy and Natural Resources Committee, and the Alaska Congressional Delegation.

Step 5: Reduce barriers to increase new investments in energy. Given the lack of state grant money available, new investments are critical. Work to create a business climate that will promote new opportunities for funding new projects and initiatives

People/Organizations responsible for completing these steps

Southeast Conference Energy committee, partnerships, US Forest Service, utilities, IPPs

Cost Estimates

$200,000

Southeast Conference, US Forest Service, utilities, IPPs

Evaluation Measures

- Number of projects in development
- Biomass greenhouse handbook developed.
- Development of a renewable energy land use designation.
- Federal dollars invested in region for energy.
- Number of Southeast Alaska energy meetings

Key Project Contact

Name: Robert Venables

Title: Southeast Alaska Energy Coordinator

Organization: Southeast Conference

Priority Objective #3:

Diesel Displacement

Project Description:

The majority of energy consumption and costs paid by most businesses and residences goes toward space heat. Opportunities abound for alternative energy heat to displace diesel, especially biomass. Educate people regarding energy use. Provide diesel displacement through improved incremental delivery of conservation and efficiency measures to businesses and residences in order to reduce energy costs. There are many opportunities for energy efficiency in generation, transmission and demand-side management. Facilitate technical expertise for utilities and educate consumers regarding energy use. Efficiency and conservation efforts should include the direct delivery of small measures like faucet aerators, shower heads, LED light bulbs, and programmable thermostats. Work with utilities and the state to identify standard cost effectiveness testing methods for conservation and efficiency measures to demonstrate which programs provide the greatest value. Measure the value of programs using the cost-testing methods (a standardized cost-testing method will help demonstrate which efforts generate the best results), and share the results between utilities and communities. Note: Anyone performing an audit should have whomever is responsible for building maintenance with them anytime they are in the building because a number of measures can be completed just while walking through, such as control issues or similar on-the-spot fixes.

Outline of steps required for project to be completed.

Provide diesel displacement through improved incremental delivery and efficiency measures to businesses and residences in order to reduce energy costs. Timeline - Year one and ongoing.

Facilitate technical outreach and expertise for utilities and efficient uses of energy. Timeline - Year one and ongoing.

Promote energy audits throughout the region.
Timeline - 2016 to 2017.

Organizations responsible for completing these steps

Southeast Conference Energy committee, partnerships, US Forest Service, housing authorities, state government, AEA, USDA Rural Development

Cost Estimates

How much will this cost, and who will pay these costs?

- $150,000
- Southeast Conference, US Forest Service, housing authorities, state government, AEA, and USDA Rural Development

Evaluation Measures

- Installed BTU capacity for renewables.
- Number of biomass and heat pump projects - especially in space heating and domestic hot water heating.
- Number of efficiency initiatives for utilities and consumers.
- Number of energy audits.
- Cost testing of programs.

Key Project Contact

Name: Alec Mesdag
Title: Director of Energy Services, AEL&P

Priority Objective #4:

Marine Industrial Support Sector Talent Pipeline: *Implement the Alaska Maritime Workforce Development Plan in Southeast Alaska. Upgrade talent pipeline and incumbent workforce skills supporting the Southeast Alaska Marine Industrial Support Sector.*

Project Description:

Southeast Alaska resident workforce lacks awareness of and entry level skills required to fill openings that exist in the regional Marine Industrial Support (MIS) sector. Regional MIS employers are reporting successful outcomes in recruiting and training residents on the job for MIS job openings.

Successful outcomes and findings include:

- Residents are attracted to career opportunities offering family supporting wages and stable, year-round employment.
- Motivated to learn and master new skills
- Are tolerant of living in Southeast Alaska's physical and social environments.
- Are advancing into supervisory and leadership positions.

Southeast Alaska's MIS Sector talent pipeline draws from regional school districts, community and university campuses, tribal colleges and organizations, job centers, and career awareness activities.

Southeast Alaska's MIS Sector infrastructure exists in nearly every community in the region. Regional MIS capabilities range from small boat to mid-size ship building, repair, maintenance, and conversion projects. A number of communities have installed new MIS infrastructure, including boat and ship haul out facilities; land level, open and enclosed boat and ship repair, and new ship building production facilities.

Development of the installed MIS infrastructure has occurred over the last 15 years, yet the regional MIS sector is confronted with significant competitive disadvantages preventing full utilization of installed capacity. Those disadvantages include absence of a knowledgeable and skilled MIS workforce and diverse subcontractor and vendor industrial supply base.

The purpose of this project is to build on regional MIS sector workforce investment and development practices that are emerging in response to unmet demand for knowledgeable, skilled and qualified MIS workers. Development of an effective MIS sector talent pipeline and incumbent worker skill upgrade practices will improve the competitiveness of existing MIS businesses and provide new MIS vendors and contractors the talent required to be successful.

In May 2014, the University of Alaska (UA) published the Alaska Maritime Workforce Development Plan, followed in September 2014 by the Alaska Department of Commerce's publication of the report titled, "Trends and Opportunities in the Alaska Marine Industrial Support Sector (Alaska MIS Sector report)." The Alaska MIS report provides baseline sector information about the supply and demand for MIS sector services in the region. The Alaska Maritime Workforce Plan identifies the MIS Sector's need for a multi-skilled workforce and the

To read the full Alaska Maritime Workforce Plan see Appendix V.

family supporting wages that can be earned in this sector.

In late 2014, Congress passed the Workforce Innovation and Opportunity Act (WIOA), a long awaited and much need reauthorization of the 1998 Workforce Investment Act (WIA). Key features of WIOA include recognition that successful workforce development initiatives are industry (demand) driven. Prior to WIOA, federal workforce investment funds were largely directed to investments on the supply side of workforce development.

Following publication of the Alaska Maritime Workforce Plan, a small group of industry advisors engaged in development of the plan formed Maritime Works (MWs) to create an employer driven organization to direct implementation of the plan. MWs is funded by private, public and foundation funding, and is following the National Fund framework for creating flexible and patient workforce investment pools.

MWs has engaged a National Fund for Workforce Solutions (National Fund) Technical Coach for guidance in pooling private, public, and philanthropic investments for workforce initiatives to establish employment and career advancement as the outcomes of training and education. The National Fund framework for industry-driven funding collaboratives was identified as a proven method for making informed, data-driven workforce investment decisions.

Building on top of existing civic infrastructure, MWs recently affiliated with the Alaska Process Industry Careers Consortium (APICC), an industry-funded organization with 17 years of success in providing Alaska's Oil and Gas sector with qualified, resident employees. APICC will provide MWs with organizational support services, avoiding the expense of creating a new, siloed organization. Alaska's Maritime and Energy sectors have many cross cutting occupations and skills.

It is worth noting that representatives from Southeast Alaska's MIS Sector have driven the efforts and initiatives described above. The following steps are now being recommended to create a talent pipeline in Southeast Alaska for bridging the school-to-work gap and upgrading the knowledge, skills, and abilities of the regional incumbent workforce. A safe, stable, and productive workforce will increase the competitiveness of regional MIS Sector employers, increasing the volume of contracts and creating new demand for MIS services.

Outline of steps required for project to be completed.

Improve MIS Talent Pipeline - Continuous improvement over the 5-year planning horizon

- Improve school to work employment outcomes
- Expand Marine Industrial Pre-Apprentice Program
  Develop presentation on Marine Industrial Pre-Apprentice Program
- NCCER Career Pathways
- Present to school administrators and school boards
- Coordinate school activities to facilitate visits to local employers
- Increase performance of NCCER practical demonstrations in the workplace
- Increase use of NCCER curriculum in regional school systems
- NCCER courses; Core, Marine Industry Fundamentals, Welding, Electrical, Fundamentals of Crew Leadership
- Increase MIS career awareness for high school students
- Expand employer participation in ADOTPF Marine and Construction Career Day
  - Managed by ADOTPF Civil Rights Office
  - MIS employer participation in 6 regional career day events
  - Develop Marine Industrial Registered Apprenticeship Program
  - Build on NCCER and industrial career pathways

Upgrade skills in regional adult and incumbent workforces

- Expand use of Adult Alaska Construction Academy in Southeast Alaska
- Establish communication and coordination with regional Alaska construction academies
  - Ketchikan – MIS businesses
  - Juneau SE Alaska Regional Resource Center (SERRC), Jake Mason SERRC
- Advise UAS on MIS industry needs:
  - UAS - Ketchikan – Priscilla Schulte and Wendy Miles
  - UAS – KTN Regional Maritime Career and Training Center
  - UAS - Juneau (Pete Traxler)
  - UAS – Sitka

Increase number of entry level employment openings by

- Advancing entry level incumbent workers to mid and journey level production skills
- Advancing mid to journey level production workers to supervisory and management positions
- Increase funding for MIS Sector Career and Technical Education

Support MIS enabling policy and legislation - Continuous activities over 5-year planning horizon

- Increase funding for MIS CT&E
- Coordinate efforts between SEAMIC , KMIC, and Maritime Works to create regional funding collaboratives
- Develop a communication plan to identify and distribute notices of funding availability.
- Support for the US Maritime and Energy Workforce Technical Training Enhancement Act (S. 2053/H.R. 2923), introduced by Sen. David Vitter (R-LA) and Rep. Gene Green (D-TX).
- Participate in Cross Industry skills identification with Business Education Compact

People/Organizations responsible for completing these steps

Employers, UAS, Chambers of Commerce, KMIC, school boards and school administrators, regional High Schools and ADOTPF Civil Rights Office, SEAMIC, construction academies, Maritime Works, Southeast Conference

Cost Estimates

How much will this cost, and who will pay these costs?

Total $2,795,000

1) Improve MIS Talent Pipeline

$10,000 per year over 5 years totals $50,000

Who: Employers, Chambers of Commerce, KMIC, school boards and school administrators Employers, regional High Schools, and ADOTPF Civil Rights Office

2) Upgrade skills in regional adult and incumbent workforces - $260,000

Who: MIS employers

3) Increase funding for MIS Sector Career and Technical Education - $2.5 million

Who: Regional and state MIS employers

Evaluation Measures

- Annual enrollments (Construction Academy enrollment in MIS Pre-Apprentice Program, UAS MIS program enrollments, AkCA Enrollments, high school pre-apprentice program enrollment)
- UAS Certificates and degrees completed
- Federal Registration of Apprenticeship
- Number of endorsement completed in SE Alaska
- Graduates finding employment in MIS
- Registration for Maritime Career Day event
- Marine Industrial Pre-Apprentice program
- UAS MIS program job placements
- Success stories from MIS employers

Key Project Contact

Name: Doug Ward

Title: Shipyard development director

Organization: Vigor Alaska

Priority Objective #5:

Alaska Mariculture Initiative

Project Description:

Grow a $1 billion industry in 30 years

Outline of steps required for project to be completed

1) **Support an economic analysis of successful mariculture industries** in other regions, how they relate to Alaska, and the impact of a fully developed mariculture industry in Alaska 2016-17

2) **Support and participate in a strategic planning process** inclusive of a broad spectrum of stakeholders and agencies (including coastal communities, industry, the State of Alaska, federal agencies, and interested conservation groups) with the directive to create a coordinated, deliberate and solutions-oriented plan to developing the industry 2016-2018

Examples of issues to be addressed:

- Legal authority to enable invertebrate enhancement and restoration

- Stabilize funding for shellfish hatcheries through existing loan funds
- Adjust Mariculture Revolving Loan Fund for increased utilization by farmers
- Long-term funding mechanisms (e.g. salmon enhancement public/private model)

3) Help to engage federal agencies and private investors with interest and resources to help (e.g. CODEL, NOAA, USDA, EDA, NPRB, Native corporations, CDQ groups, Rasmuson Foundation, seafood processors, etc.) 2016-2020

Support integration of development efforts with national initiatives and strategies, such as:

USDA Investment Strategy in support of rural communities in Southeast Alaska 2011-2013
National Shellfish Initiative (NOAA)
National Strategic Plan for Federal Aquaculture Research (2014-2019)

4) Support increased capacity for shellfish safety testing in the SE region.

People/Organizations responsible for completing these steps

Southeast Conference, Alaska Fisheries Development Foundation, Alaska Shellfish Growers Association, OceansAlaska, SE AK municipalities, State of Alaska through Governor's Mariculture Task Force.

Cost Estimates

How much will this cost, and who will pay these costs?

$500,000

AFDF is currently working under a $200,000 NOAA grant; private interests have donated approximately $20,000 additional funds; EDA is interested in an approximately $45,000 grant for economics; private industry may contribute additional matching funds; other interested funders may include: Rasmuson Foundation, USDA, NOAA, AIDEA, Alaska Growth Capital, and Alaska Dept. of Commerce loan funds.

Evaluation Measures

- Number of stakeholders involved in planning process
- Annual aquatic farm production (value, poundage and species)
- Annual shellfish hatchery production (value, quantity and species)
- Number of businesses working either in aquatic farms or enhanced fisheries (non-salmon)
- Number of employees working either in aquatic farms or enhanced fisheries (non-salmon)
- Number of loan sources available for farmers, hatcheries, etc.
- Number of research projects funded for mariculture
- Completed economic analysis
- Completed strategic plan
- Number of action items completed which were identified in the strategic plan

Key Project Contact

Name: Julie Decker
Title: Executive Director
Organization: Alaska Fisheries Development Foundation

Priority Objective #6:

Full Seafood Resource Utilization & Ocean By-Product Development.

Project Description:

350 million pounds of seafood are harvested in Southeast Alaska each year, but most of that product leaves the region with only primary processing (heading, gutting, and freezing) and the secondary processing is conducted in other states or countries. Additionally, a portion (5-40% depending upon the species) of the harvested resource is not utilized and instead is disposed of as waste in local waters. The objective of this initiative is to increase total revenue from existing commercial fisheries in the region by developing new, higher value products and markets from parts of the fish that are currently either thrown away or that go to lower relative value markets. In some cases this means working with seafood processors to develop new products, but we also need to identify businesses or entrepreneurs not currently in the seafood industry who can contribute to this effort. Collaboration with private, state, federal and

university researchers needs to be encouraged to identify and accelerate opportunities for commercialization of improved or new products. Support the development of new specialty products that utilize 100% of harvested seafood resources in order to create value-added products with the same resource, reduce discharge into waterways, and provide additional economic benefits to local economies. Examples include pet food, clothing and accessories, pharmaceuticals, nutraceuticals and health food products. Support growth of new businesses to develop these new products.

Outline of steps required for project to be completed

Support identification of raw materials available for product development

Work with seafood processors and entrepreneurs to develop new seafood products by connecting them with other necessary expertise (ongoing 2016-2020)

Support development of incentives to increase secondary processing in the region (ongoing 2016-2020)

Support "proof of concept" for new products by connecting businesses and entrepreneurs with resources

Work to get current processors to "think outside the can" through events like the annual Innovation Summit with a portion of the event targeted to new ocean products (ongoing 2016-2020) and in local events/festivals that celebrate the seafood industry in the region.

Encourage and promote value-added products made from Alaska seafood by hosting an annual competition for new products (ongoing 2016-2020)

Learn from other regions and countries through research and visits.

People/Organizations responsible for completing these steps

Julie Decker, Alaska Fisheries Development Foundation.

Brian Holst, Juneau Economic Development Council.

Southeast Conference.

Cost Estimates

How much will this cost, and who will pay these costs?

$17,000

Costs (direct and in kind) will be paid by AFDF, JEDC, SEC and State of Alaska activities.

Evaluation Measures

- Total pounds of seafood processed (explore tracking total pounds of seafood waste reported through DEC)
- Count of Shorebased seafood processors
- Business licenses for seafood products
- Number of new products entered into the Alaska Symphony of Seafood each year
- Number of attendees & presenters at the annual Innovation Summit
- Number of firms with expanded product offerings each year
- Number of R&D collaborations between private sector and a research entity
- Commercialization: Number of new markets reached

Key Project Contact

Name: Julie Decker & Brian Holst

Title: Executive Director

Organization: Alaska Fisheries Development Foundation and the Juneau Economic Development Council

Priority Objective #7:

Market Southeast Alaska to Attract More Visitors

Project Description:

A collaborative regional visitor marketing effort to provide more marketing opportunities, improve brand awareness, strengthen the marketing reach, widen regional coverage of information, and leverage limited resources. Enhance current activities throughout SE Alaska and create new ones that would draw interest from families with children to travel around SE Alaska.

Outline of steps required for project to be completed

Market Southeast Alaska through Travel Juneau, Visit Ketchikan and the Southeast Alaska Tourism Council

Market region at trade shows, in publications, online etc. – annually

Tourism Departments work with local entities to identify 100 or more top attractions for families with children

SATC Tasks:

- Modify SATC pricing structure for membership – Spring 2016
- Develop business advertising opportunities – Spring 2016
- Modify SATC website to accommodate small communities and advertisers – Spring 2016
- Solicit additional communities and businesses to participate in SATC - 2016 and 2017

People/Organizations responsible for completing these steps

Southeast Alaska Tourism Council (SATC) has a strong foundation for regional marketing and is willing to improve and build on the regional collaborative effort. Southeast Conference. Travel Juneau.The Ketchikan Convention and Visitors Bureau. Haines Tourism. Carol Tuynman, Alaska Arts Confluence. Tresham Gregg, Haines Assembly.

Cost Estimates

How much will this cost, and who will pay these costs?

$15,000

- Marketing Partner - $5000 (communities and key transportation)
- Associate Community Member - $600 (communities)
- Industry Affiliates (non-members – Advertisers) banners/narratives) – Beginning at $150
- Alaska Arts Confluence $5K for project coordination; monthly press releases statewide/ national/international print and digital media through launch; paid for by advertising commissions; local coordinator/ad sales person supported by local directory ads, tourism department
- MOMMYPOPPINS–In kind donation of press trip write-ups and launch on MP (estimated value: $6,000)

Evaluation Measures

- Number of new members to join SATC
- Number of website advertisers SATC
- Website impressions, Advertising impressions SATC
- Number of passenger arrivals to each SE Alaska community
- Number of AMHS riders in Southeast Alaska
- Number of conventions held in Juneau and Ketchikan

Key Project Contact

Name: Carol Rushmore Southeast Alaska Tourism Council Board Member

Priority Objective #8:

Provide an adequate, economic and dependable supply of timber from the Tongass National Forest to regional timber operators.

Project Description:

To be economically successful, local mills must be provided an opportunity to accumulate a supply of purchased but unharvested economic timber (i.e. volume under contract) equal to approximately three years of timber consumption. This allows the industry ample time to plan an orderly and systematic harvest schedule that meets all timing restrictions and permit requirements. Second, it allows the industry to better manage its financial resources and to secure financing on the basis of longer-term timber supply (banks don't want to provide loans without multi year plans in place). Third, it allows time for the necessary infrastructure to be maintained. Finally, an ample timber supply gives the industry more opportunity to sustain itself through market cycles. Support management, research, and legal efforts to assure access to adequate, consistent, and economic timber supply on federal and state forest lands.

Outline of steps required for project to be completed.

Step 1- Hire a regional timber coordinator (year 1), engage the state, advocate for funding of state timber programs (earnings should go back to division rather than general fund), work with FS to maintain current timber supply.

Step 2 - Continue to support state litigation to set aside the "Roadless Rule". The 2001 Roadless Rule sets aside 9.6 million acres of the Tongass from timber harvest and road access to other resources. The state, joined by the timber industry, the Southeast Conference, the Ketchikan Gateway Borough, the City of Craig, the City and Borough of Wrangell, the City of Ketchikan and 15 other timber supportive entities, is currently litigating the application of the Roadless Rule to the Tongass. Continue to support this litigation.

Step 3 - Support Tongass 2 million acre state forest land transfer. Pursue state ownership and/or management authority of two million acres of National Forest System lands in the Tongass to support an integrated timber industry in Southeast Alaska. The State of Alaska has the ability to select up to five million acres of federal land under the Alaska Statehood Act. Encourage the state to pursue a transfer of two million acres as timber lands, or as an alternative, the state negotiate to directly purchase timberlands from the federal government. These lands would be for economic development and would support a timber industry in Southeast Alaska.

Step 4 - Support Mental Health Trust land exchange with USFS. Work toward the successful completion of Alaska Mental Health Trust's administrative land exchange with the USFS. The Agreement to Initiate (ATI) to begin the exchange was signed June 30, 2015. The exchange of Trust Lands (18,066 acres) is adjacent to five SE communities. The exchange will be value-for-value based on appraised value. There also has been 20,920 acres of USFS lands on Revillagigedo and Prince of Wales identified for the exchange. The process will take another three to five years to complete and will provide additional timber to aid in transitioning the industry.

Step 5 - Support the Sealaska five-year harvest plan. In response to the Sealaska land exchange that occurred earlier this year, Sealaska has developed a long term, economically sustainable timber harvest plan of 45 million mmbf. The plan maximizes economic benefits to rural communities, along with the duration of economic activity.

People/Organizations responsible for completing these steps

AFA, Southeast Conference, Viking Lumber, Sealaska, ALCAN

Cost Estimates

How much will this cost, and who will pay these costs?

$500,000 – Southeast Conference, AFA

Evaluation Measures

- Number of years of timber supply
- Scope of timber supply
- Total timber jobs

Key Project Contact

Name: Bryce Dahlstrom
Title: President
Organization: Viking Timber

Economic Plan Steering Committee

Public Officials
- Jan Hill Haines Borough Mayor
- Patricia Phillips City of Pelican Mayor
- Ken Skafelsted City of Hoonah Mayor
- Dennis Watson City of Craig Mayor

Community Leaders
- Carol Rushmore City and Borough of Wrangell Economic Development Manager
- Clarence Clark State of Alaska Forester
- Norm Carson Pelican Chamber of Commerce
- Craig Dahl Chamber of Juneau Chief Executive Officer
- Garry White Sitka Economic Development Association ED
- Clay Koplin Cordova Electric Cooperative Chief Executive Officer
- Brian Holst Juneau Economic Development Council Chief Executive Officer
- Juliene Miles Skagway Development Corporation Executive
- Glen Thompson Ketchikan Gateway Borough Assembly Member
- Liz Cabrera Petersburg Economic Development Executive
- Misty Fitzpatrick City of Coffman Cove Clerk

Representatives of Workforce Development Boards
- Doug Ward Alaska Investment Workforce Board Director

Representatives of Institutions of Higher Education
- Rick Caulfield University of Alaska Southeast Chancellor
- Sheryl Weinberg Southeast Regional Resource Center
- University of Alaska Southeast
- Regional Tech-Prep Coordinator

Labor Groups
- Shannon Adamson Masters Mates and Pilots Union
- Corey Baxter IUOE 302

Tribal Representatives
- Gary Williams Kake Tribal Executive
- Bob Starbard Hoonah Indian Association Tribal Administrator
- Brian Kleinhenz Sealaska Natural Resources Manager
- Bert Adams Yakutat Tribe Council
- Richard Peterson Central Council Tlingit & Haida Indian Tribes of Alaska President
- Myrna Gardner Central Council Tlingit & Haida Indian Tribes of Alaska Economic Development
- William Ware Central Council Tlingit & Haida Indian Tribes of Alaska Transportation Director

Private Individuals & Companies
- Dave Kensinger Chelan Produce Owner
- Gordy Wrobel Ocean Market Gardens Owner
- Chelsea Goucher Alaska Marine Lines Marketing
- Merrill Sanford Former Juneau Mayor
- Bryce Dahlstrom Viking Lumber Vice President
- Sylvia Lange Reluctant Fisherman Owner
- Tim McLeod Alaska Electric & Power President
- Nolan Steiner Avista Director of Strategic Planning
- Tom Sullivan Northrim Bank President
- Joe Jacobsen Huna Totem Business Development
- Sheila Kleinschmidt First Bank Community Relations
- Carol Denton
- Tyler Maurer Alaska Marine Lines Business Development
- KC Hostetler Alaska Airlines Community Relations
- Mike Satre Hecla Greens Creek Mine Community Relations
- Julie Decker Alaska Fisheries Development Foundation Development Director

Appendices

Available at www.seconference.org/strategy

Appendix I

Southeast Alaska by the Numbers 2015

Appendix II

Southeast Alaska Business Climate Survey Analysis 2015

Appendix III

Analysis of Southeast Alaska's
Strengths, Weaknesses, Opportunities & Threats 2015

Appendix IV

Southeast Alaska Resilience Mapping
Weatherizing for the Economic Storm 2016

Appendix V

Alaska Maritime Workforce Plan

Appendix VI

Alaska Mining Workforce Development Plan

Appendix VII

Southeast Conference Board of Directors Resolutions

Appendix VIII

Southeast Conference Board of Directors and Membership Roster

Reference Materials

Sitka Economic Development Association Strategic Plan 2016
Juneau Economic Development Plan 2015
The Maritime Economy of Southeast Alaska 2015
Southeast Alaska Food System Assessment

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This publication was prepared by Rain Cost Data