



Community Economic
Development Strategy
CEDS



2011 Five Year CEDS Regional Project - Action Initiative

Title or Name of the Project: Marine Industry Technology and Workforce Development

Motivation:

Southeast Alaska's long term decline in population and school enrollments is well documented and projected to continue to at least 2034 (Alaska Dept. of Labor Research and Analysis, Economic Trends, December 2010 Population Projections: 2010 to 2034). A decline in opportunity for growth in the regions basic and priority industries has accompanied the population decline. The maritime industries sector, so far an unrecognized industry sector in Alaska, offers employment and economic development opportunities that can mitigate conditions that have produced declines in economic and employment growth.

Alaska's marine industry sector is not recognized as an industry sector in either state, regional, or local planning or resource allocation initiatives. Where subsectors of Alaska's Marine Industry Sector are tracked, most appear to have high non-resident employment rates and relatively few Alaska owned businesses. Marine and Maritime Industry Sectors cut across (cross sector) nearly all of Alaska's industry sectors suggesting opportunities for value adding growth in existing and new marine industry businesses located in the state. The 2009 study titled, "The role of Maritime Clusters to enhance the strength and development in European maritime sectors," by the European Commission's Directorate - General for Maritime Affairs and Fisheries provides good starting point for assessment of Alaska's Marine Industry Sector.

The Puget Sound region of Washington State produces goods and services for Alaska which generate over 90,000 jobs and \$2.9 billion in labor earnings in that area, although it is 700 miles from the nearest port of Alaska, 1,600 miles from the Rail belt, its major market, and 1,900 miles from Unalaska, a large source of new materials. Enhancements to the efficiency and capacity of Alaska's maritime industry sector can result in net positive economic gains which are shared by the wide array of industries reliant upon marine transportation (such as forest products businesses). Enhancements can also generate environmental and social benefits for rural communities which suffer from socioeconomic disparity, and depend upon high environmental quality to support subsistence activities. Such cross-cutting benefits will support the responsible development of Alaska's economy, and increase America's overall economic competitiveness.

In addition to enhancing existing businesses activities, the health and capacity of Alaska's Maritime Industry Cluster is vital to supporting emerging opportunities, such as development in the Arctic, and anticipated emergence of arctic trade routes (the Arctic Circle and the Northwest Passage) as navigable waterways. As an example, enhancing Alaska's port/harbor capacity to accommodate marine vessels operating in the region can allow rural businesses to capitalize on fuel savings associated with increased economies of scale. Fuel savings also result in decreased greenhouse gas emissions, which supports the high environmental quality needed to ensure continuation of subsistence activities, which play vital economic and cultural roles in rural communities b Robert A. Chase, Glenn Pascall, "Jobs Today - Jobs Tomorrow: The Puget



Community Economic
Development Strategy
CEDS



2011 Five Year CEDS Regional Project - Action Initiative

Sound-Alaska Partnership”, Prepared for Tacoma-Pierce Co. Chamber of Commerce and Greater Seattle Chamber of Commerce.

Objective:

Enhance the efficiency and capacity of Alaska's Maritime Industry Cluster, which will support a wide array of existing and emerging economic activity dependent upon marine transportation; reduce environmental impacts; and provide social benefits which increase the livability of rural communities. Reverse the long term trend of declining population, business closures, and school enrollments.

Obstacles: *What are some of the principle obstacles to implementing the Project and how can they be overcome? (I.e. what help will we need?)*

Obstacle: Marine Industry Sector is not defined in Alaska.

Help Needed: This initiative will identify the existing Marine Industry Cluster in Southeast Alaska.

Obstacle: Southeast Alaska marine industry vendor and subcontractor base has contracted over the last 15 years of regional economic decline as has population and school enrollment.

Help Needed: An effective marine industry development strategy that will link existing and existing marine enterprises and new marine investments with effective workforce investment system programs that will lead to a stable, globally competitive workforce producing marine services and products regional available facilities and businesses.

Obstacle: Municipal, State, and Federal procurement rules and policies often do not provide competitive advantage for SE Alaska's regional marine industries.

Help Needed: Evaluate and implement municipal and state HUB Zone contracting programs.

Obstacle: Legislative and local government do not understand value of maritime industry sector investments.

Help Needed: Education of and eventual advocacy from the listed entities in column 2 will lead to more effective strategic funding decisions.

Obstacle: Increase public / government awareness of the cross-cutting role the maritime industry cluster plays in Alaska's economy.

Help Needed: Develop and publicize industry sector map.

Obstacle: Reduce redundancies in planning efforts and overcapitalization of marine industry infrastructure.

Help Needed: Develop policies and criteria to make policy and project selections and recommendations.

Outcomes/ Results:

Task 1 – Availability of an interactive Industry Sector map identifying regional service and product providers with gap analysis leading to new investment opportunities.



Community Economic
Development Strategy
CEDS



2011 Five Year CEDS Regional Project - Action Initiative

Task 2 – Availability of a public access document center identifying development opportunities and policy or planning initiatives that impact the regional maritime industries.

Task 3 – Inventory of regional needs for expansion and improvement of regional maritime industry.

Task 4 – Pilot a regional workforce development system supporting the maritime industries and develop recommendations for economic and workforce development stakeholders (AWIB).

Task 5 – Develop guidelines and criteria for selection of infrastructure, product, service, policy, or planning initiatives and recommendations for a statewide maritime policy.

Leadership:

Doug Ward, Alaska Ship & Drydock, Inc., 3801, Tongass Ave., Ketchikan AK 99901, Tel: 907 228-5302, email: dward@akship.com

Deborah Hayden, Grow Ketchikan, 11011 Victorson Court, Ketchikan, AK 99901, Tel: 907 254-5300, email: dh@swiftventure.com

Jason Custer, City of Saxman, Route 2, Box 1 – Saxman, Ketchikan, AK 99901 Tel: (907) 225-4166 x13: jasonryancuster@gmail.com

Patricia Phillips; Tel: (907)735-2240; pacific@hughes.net

Action Plan and Implantation:

1. Map the businesses and physical assets that comprise the Southeast Alaska Maritime Industry Cluster. Develop electronic and physical platforms which maritime industry cluster members can utilize to exchange best practices, coordinate funding requests, ensure transparent flow of information, and collaborate in promotional advocacy efforts. Included in this effort would be Identification of existing and potential stakeholders for advocacy, funding, and implementation of action items. This deliverable can be used to identify gaps in regional maritime service, products, or infrastructure requirements and to prevent over capitalization or undesirable employment and opportunity relocation within the region.

Key People: Identify long term regional program management entity with adequate resources and contacts to sustain operation for regional benefit. Southeast Conference, Resources Needed: Funding and staff to research and produce a relational cluster map delineating cluster sectors, subsectors, and businesses.

Timeline: 1-18 months to get through the gap analysis

2. Identify regional, state, national, and international trade, resource, or energy a) development initiatives and opportunities in which Southeast Alaska Maritime Industries can provide value added services or products (modernization of Bering Sea Ground fish fleets through recent revisions to the American Fisheries Act is an



Community Economic
Development Strategy
CEDS



2011 Five Year CEDS Regional Project - Action Initiative

example) and b) planning and/or assessment efforts that impact Southeast Alaska Maritime Industry sector and insert value propositions for utilization of regional maritime businesses and assets

Resources Needed: Funding for staff to interview marine businesses and agencies to identify initiatives, opportunities, or assessments to be analyzed and develop SE Regional input

Timeline: 2-3 Months

3. Using the Southeast Alaska Marine Industry Cluster as the driver for new investment, create a marine and maritime infrastructure plan that would leverage public investment, public and private investments with effective private partnerships to accelerate expansion of Southeast Alaska ports, harbors, marine vessels and industrial support capacity to increase regional participation in development of Alaska's resource and energy projects. See Task 5 for development of criteria

Resources Needed: Funding for staff to collect project information from local, regional, and state sources and test drive scoring system from Task 5

Timeline: 3-6 months

This pilot project could be incorporated in the Alaska Workforce Investment Boards (AWIBS) role to advise the Governor on regional workforce investments

4. Workforce Investment System - Pilot a regional, industry led collaborative funding partnership around the Marine Industry Sector using the National Fund for Workforce Solutions (NFWS) model for linking Economic and Workforce Development initiatives. Develop performance measures in economic and workforce development that are related to increased productivity, competitiveness, prosperity, and competence for new human and physical investments. The five strategic approaches guide how the NFW sites develop their regional approach:

- a) Create regional funding collaborative
- b) Organize workforce partnerships
- c) Develop strategies for specific industry sectors
- d) Build career pathways
- e) Align local workforce programs

Resources Needed: Funding for staff to support a regional conference with representatives of National Fund for Workforce Development (NFWD). Travel and expenses for NFWD staff. Set up effective video conferencing for region

Timeline: 4-2 months for conference followed by 2 months for recommendations to regional economic development organizations and AWIB



Community Economic
Development Strategy
CEDS



2011 Five Year CEDS Regional Project - Action Initiative

5. Incorporate the findings, outcomes, and products of this initiative to support creation of a statewide Maritime Policy. Develop rational criteria for investment and policy decisions based on guidelines that support competitiveness and attraction of new investment as priority goals.

Resources Needed: Funding for staff research and develop regional criteria for project and policy selection and implementation

Timeline: A - 2 months early in project and 2 month to develop policy after test driving Tasks 1-4

Key People for all tasks: **Local;** Marine businesses, Chambers of Commerce and economic and workforce development institutions, School Boards, Universities, Technical Centers, tribal governments, and municipalities. **Regional;** Marine businesses, economic and workforce development organizations (SE Conference, Central Council of the Tlingit and Haida Indian Tribes of Alaska (Central Council)), University and Technical centers, and foundation funders. **State:** Marine businesses, trade and business organizations, **Governor's** Office and regional legislators, state Chambers of Commerce and Economic and Workforce Development Organizations, Alaska Native Corporations, and foundation funders. **National:** Marine, resource, or energy business operating in Alaska, Alaska Congressional Delegation, economic and workforce development organizations, trade and business organizations, federal funding agencies concerned with economic and workforce development and marine and maritime issues, foundation funders and other regional examples of best practices for cultivating regional industry clusters focusing on maritime. **International;** international businesses with a maritime component and working in Alaska's resource or energy industry sectors, Universities and other maritime regions that have developed best practices for marine or related industry cluster development.

Performance Measures:

These are not meant to be the only performance measures for the CEDS. Most Planning organizations developing a CEDS will benefit from developing additional quantitative and qualitative measures that will allow them to evaluate progress toward achieving the goals identified as important in their regions.



Community Economic
Development Strategy

CEDS



2011 Five Year CEDS Regional Project - Action Initiative

Funding:

Task 1 - Asset Mapping & Gap Analysis	\$200,000	Federal or State programmatic or appropriations; seek local, foundation or industry match.
Task 2 - Identify opportunities and policy/ planning efforts impacting the regional maritime industries. Post on interactive website.	\$75,000	Federal or State programmatic or appropriations; seek local, foundation or industry match.
Task 3 - Identify projects and programs to accelerate expansion of regional maritime industries - test drive criteria.	\$50,000	Federal or State programmatic or appropriations; seek local, foundation or industry match.
Task 4 - Regional workforce investment system supporting maritime industries; could include other industry sector.	\$125,000	Federal or State programmatic or appropriations; seek local, foundation or industry match.
Task 5 - Recommendations and advocacy for State of Alaska Maritime Policy - selection criteria	\$30,000	State, Local, tribal governments, local businesses industry match in training, Foundations.