

# 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:**

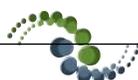
Increase farebox recovery rate. Monetize vessel and shore-side assets and opportunities. Optimize fleet configuration. Change the paradigm of how to move people and freight across the state, internationally, and to the Lower 48. Timeline - first year and ongoing.

**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

- 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

## 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:

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

Branding Southeast promotions as the Northwest Coast Native Arts capitol promoting arts training, visitor education and procurement of arts.

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, MOMMYPOPPINS. Sealaska Heritage Institute.

## 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