
Southeast Alaska



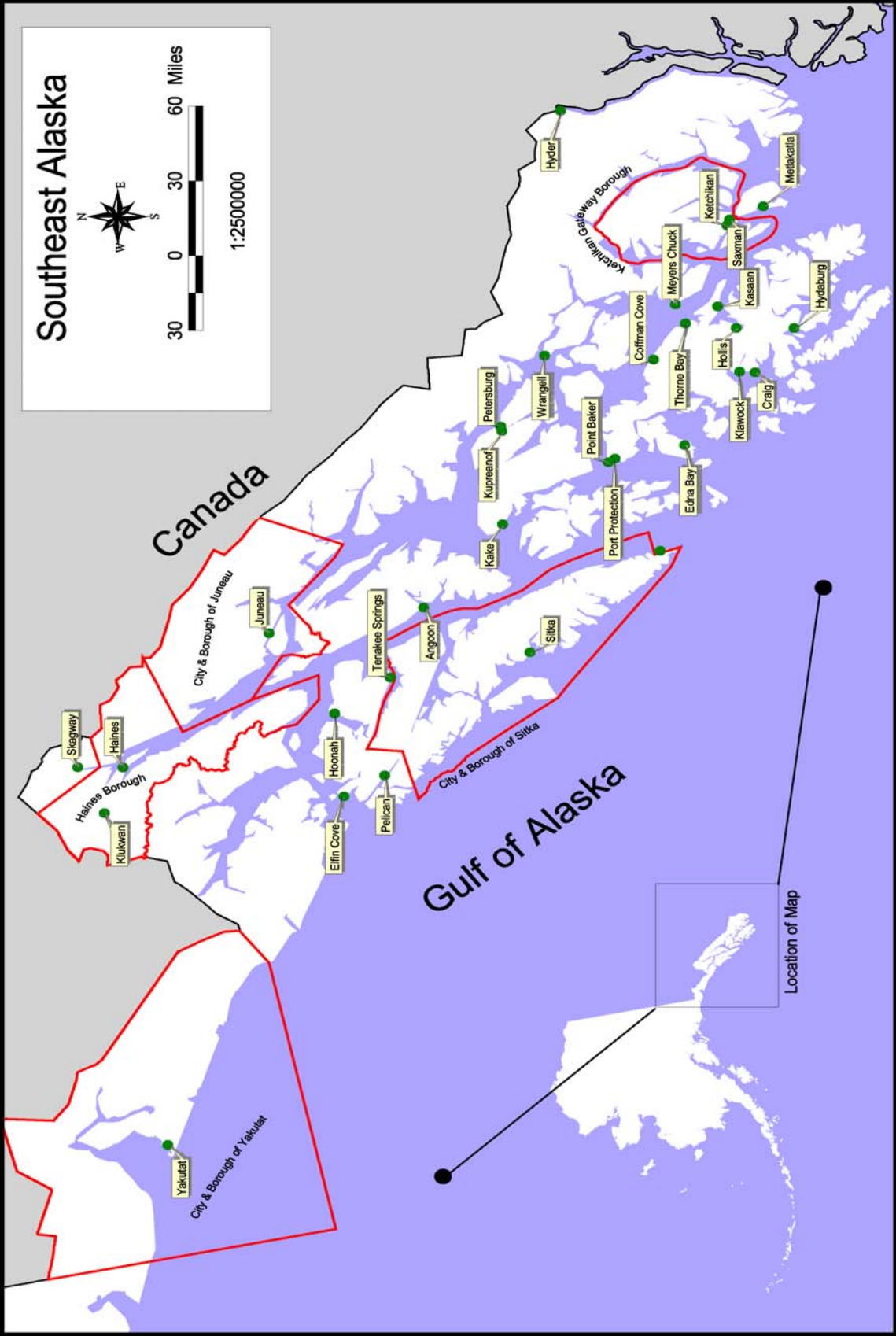
**COMPREHENSIVE
ECONOMIC DEVELOPMENT STRATEGY**

2008 Update

Prepared for
**United States Department of Commerce,
Economic Development Administration**

Prepared by Janet Mehl for
Southeast Conference and
Central Council Tlingit and Haida Indian Tribes of Alaska
Juneau, Alaska

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I. Introduction

The Comprehensive Economic Development Strategy (CEDS) report is the primary evaluation and planning document for Southeast Alaska's economy, offering a regional approach to economic evaluation, coordination and implementation for these unique and diverse communities. These 23 incorporated and 16 unincorporated communities contain the majority of the region's population. This document is the annual update to the *2006-2011 Strategy* report issued in June 2006. For more comprehensive and detailed information about Southeast Alaska, please refer to this 2006 five-year report and forecast, and/or the 2007 update.

The purpose of a CEDS is to initiate and sustain a local planning and implementation process to create jobs, foster stable and diversified economies, and to improve living conditions and quality of life. This CEDS has been prepared, in part, to meet a prerequisite for designation as a federal Economic Development District. This designation is necessary to qualify for U.S. Economic Development Administration (EDA) assistance under its public works, economic adjustment, and planning programs.

This year's CEDS update is a joint effort of Southeast Conference (SEC) and the Central Council Tlingit & Haida Indian Tribes of Alaska (CCTHITA). Both organizations received funding from the U.S. Economic Development Administration (USEDA) for the production of the publication. This CEDS document also serves as the foundation of both CCTHITA and SEC's economic development work plans.

The annual CEDS program, which includes this 2008 update, is in a transitional, growing process. Although the regional approach advocated with this report is still often most practical, some locales are still trying to achieve joint resolution of CEDS priorities within their own communities. In an attempt to move toward singular community projects priority lists, in 2007 CCTHITA and Southeast Conference undertook community outreach and training workshops as part of the CEDS development efforts. The establishment of CEDS committees in each community is necessary to achieve cooperation and collaboration on community projects. These training workshops, titled "Strategic Planning for Communities," are focused on community participation and cooperation, leadership skills, community analysis (SWOT analysis), project planning and management, and project collaboration and implementation. The combined efforts of the USED A, SEC and CCTHITA made this outreach and training available to communities as part of the overall economic strategy for the region.

Southeast Conference

Southeast Conference (SEC) is a nonprofit membership organization that advances the collective interests of the people, communities and businesses of Southeast Alaska. SEC is the Alaska Regional Development Organization (ARDOR) for Southeast Alaska; the U.S. Dept. of Agriculture (USDA) Resource Conservation and Development Council (RC&D) representing Southeast Alaska; and the Economic Development District designated by the U.S. Economic Development Administration (EDA). Southeast Conference is managed by a board of 13 directors (seven public, six private) and is funded primarily by legislative appropriations to the ARDOR, federal allocations to the RC&D, and membership fees.

Southeast Conference membership is open to entities that support its mission: to help develop strong economies, healthy communities, and a quality environment in Southeast Alaska. There are approximately 150 dues-paying members which include municipalities, state and federal agencies, businesses, tribal organizations, individuals, nonprofits and chambers of commerce.

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Fisheries	Julie Decker, chair
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Timber	J.C. Conley, chair
Tourism	Paul Axelson, chair
Transportation	Mike Korsmo, chair

Comprehensive Economic Development Strategy (CEDS) Review Process and Committee

The Southeast Conference Economic Development Committee is the committee of record for the Community Economic Development Strategy (CEDS). Committee membership includes representation from city, state and federal government agencies, business, organized labor, education, community organizations and tribal administrations.

The CEDS is prepared and reviewed by the SEC Economic Development Committee and the CCTHITA Business and Economic Development Dept. (see p. 6). It is also distributed to tribal and municipal governments, private businesses, Alaska Native Claims Settlement Act corporations, nonprofit organizations, and other stakeholder groups in Southeast Alaska communities for review and comment as part of the participatory process.

Acknowledgements

The following organizations contributed funding for the development and publication of this document:

- U.S. Economic Development Administration
- Southeast Conference
- Central Council of Tlingit & Haida Indian Tribes of Alaska

We wish to thank all of the communities in Southeast Alaska for a very productive year of planning and hard work.

Central Council Tlingit & Haida Indian Tribes of Alaska

The Central Council Tlingit and Haida Indian Tribes of Alaska (CCTHITA) is a federally recognized tribal government representing nearly 27,000 Tlingit and Haida Indians worldwide. The CCTHITA is a sovereign entity and has a government-to-government relationship with the United States. It was developed when the U.S. Congress passed the Jurisdictional Act of 1935, which authorized Tlingit and Haida nations to organize as one group in order to pursue land claims.

The CCTHITA's mission is "Preserving our sovereignty, enhancing our economic and cultural resources, and promoting self-sufficiency and self-governance for our citizens through collaboration, service and advocacy." CCTHITA is guided by an nine-member executive council.

2008-2010 CCTHITA EXECUTIVE COUNCIL

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Ralph Wolfe	Youth Representative	Juneau

Website: www.ccthita.org

Phone: (800) 344-1432 (toll-free); (907) 586-1432 (main line)

CCTHITA 2008 Business & Economic Development (BEDD) Dept.

The Tribe's economic development program operates under the direction of the Office of the President and consists of a manager and several full-time employees in Juneau:

Andrei Chakine	Manager
Marianne Jacobs	Administrative Assistant
Steve Wade	Economic Development Specialist
Laird Jones	Business Development Specialist
Carrie Sykes	Subsistence and Sustainable Development Coordinator
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CCTHITA Business & Economic Development Dept.

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The CCTHITA is comprised of 15 departments and more than 350 employees throughout Southeast Alaska who provide services to its nearly 27,000 enrolled members worldwide, but primarily to the 13,395 members who live in Southeast Alaska.

Of the 26,902 CCTHITA members worldwide, 13,395 live in Southeast Alaska; 1,567 in Anchorage; 4,143 in Seattle; and 665 in San Francisco. There are also 7,132 “non-community” members—those who live outside the communities registered in the 2007 Official Tribal Community Count. Total enrollment is broken down by community below:

CCTHITA MEMBERSHIP BY COMMUNITY

Southeast Alaska				Outside Southeast Alaska	
Angoon	442	Klawock	513	Anchorage	1,567
Craig	443	Klukwan	89	San Francisco	665
Haines	406	Metlakatla	353	Seattle	4,143
Hoonah	591	Pelican	25	Non-Community*	7,132
Hydaburg	302	Petersburg	433		
Juneau	5,425	Saxman	200		
Kake	547	Sitka	1,383	Grand Total	26,902**
Kasaan	30	Wrangell	546		
Ketchikan	1,361	Yakutat	306		
		Total in SE	13,395		

* These citizens currently are not registered to a specific community and therefore are placed in a “Non-Community” category.

** These numbers are for Central Council enrollment only and do not include tribal citizens registered or enrolled with other tribes such as Sitka Tribe of Alaska and do not include Alaska Natives/Native Americans registered with tribes elsewhere.

II. Southeast Alaska Overview

Introduction

Southeast Alaska presents a double-edged sword when it comes to successful living: Many of the conditions that make it such a natural paradise are the same ones that make it such a difficult place in which to work and survive year-round, day in and day out. Its vast, mountainous sea coast and more than 1,000 rugged, forested islands, which stretch more than 500 miles, leave most of its small communities largely roadless and isolated, accessible only by boat or small plane, and costly and difficult to develop and improve. Proposed developments in the region's spectacular wilderness, rich in natural resources, seem to keep environmental interest groups and developers in a perpetual revolving door of litigation.

Whether it's commercial fishing, subsistence harvesting, mining or logging, earning a living in Southeast Alaska often constitutes a lifestyle as well as a livelihood. So economic conditions and regulatory and management decisions often impact every aspect of its residents' lives. But as many of its people say, "Alaska gets in your blood"; its incredible natural environment, unconventional means for employment, unsurpassed recreation, and its diverse, adaptable and adventuresome people make it a place like no other to call home.

Business Climate

These are both very exciting and very challenging and uncertain times for Southeast Alaska and the state as a whole, as economic hardship and the largest development proposals and their implications in Alaska's history—and the nation's history—reach pivotal heights this year. As oil prices hit \$140 a barrel, the state's revenues are surging, which can directly benefit Southeast Alaska. Yet fuel and energy costs are reaching crisis levels for its residents and rippling out into every aspect of their lives. The region's population is declining, despite rapid population growth in some other areas of the state.

The state's oil wealth is only beginning to filter into the public sector. For the first time since 2003, state revenue sharing was reinstated into law in 2008, distributing a maximum of \$60 million a year to local governments over the next three years, according to the *Juneau Empire*. If fully funded—if the price of oil remains \$60 or more per barrel—unified city and borough governments would receive \$480,000, unified boroughs \$384,000, cities \$96,000, unincorporated communities in the unorganized borough \$32,000, and unincorporated communities in organized boroughs \$20,000.

National management plans for fisheries and timber industries have been revised recently and resource use substantially restricted for Southeast Alaska, increasing tension between various user groups. Mineral prices are escalating, prompting companies to want to increase exploration efforts, but environmental interests are determined to halt further development in an effort to protect Alaska's world-famous wilderness.

But there are many bright spots: Rural Southeast Alaska is getting regional fiber optic cable systems this year. Construction has begun on a regional power intertie system, to relieve many small communities of expensive diesel-generated power. Improved marine transportation and ports and harbors network plans are progressing to better connect communities. A regional solid waste disposal plan with a recycling component is being readied for implementation. Southeast Conference is at the forefront of many of these efforts.

Additional proposals across the state—such as development of Alaska’s natural-gas line(s), new major mines, and the Juneau Access Road connecting to the mainland—would directly and indirectly benefit Southeast Alaska with increased jobs and revenue.

Southeast Conference has polled business and government leaders in the region about economic development conditions in Southeast Alaska. Skyrocketing fuel, energy and transportation costs only exacerbate many of the issues mentioned in the survey. The most commonly cited impediments to business and overall economic development include (not listed in order of priority): high costs and lack of adequate, reliable transportation; high costs of energy and utilities; shortage of skilled workers; high costs of wages and benefits for employees; shortage of housing (especially seasonal); cumbersome and duplicate regulatory requirements, with seemingly conflicting state and federal regulations; shortage of land and high cost for development; high cost of living relative to low wages; and opposition to development by public or environmental groups.

Their responses regarding the greatest assets influencing business development in Southeast Alaska included (not listed in order of priority): good people willing to work together when needed, clean air and water, abundant resources and wilderness, and excellent recreational opportunities.

Government Structure

Parts of Southeast Alaska are organized into unincorporated villages, or cities and boroughs; cities and borough governments may exist either jointly or separately. Some areas remain in the Unorganized Borough—a borough is the equivalent of a county only covering a larger geographic area due to its relatively sparse population—and are organized within federal census areas. But communities in some locales are studying the pros and cons of organizing under borough rule and making structural changes.

In June 2007, voters approved dissolution of the City of Skagway and chose the incorporation of the first, first-class borough in Alaska. The Municipality of Skagway Borough was officially incorporated on June 25, 2007 and will be transitioning from city to borough status until 2009.

Wrangell-area voters approved to incorporate as a borough and officially became the City and Borough of Wrangell May 30, 2008. Voters determined that borough status would afford a greater amount of direct control over developments, activities and land-management decisions within its boundaries and would potentially make it eligible for larger annual revenues. The new Wrangell borough is comprised of approximately 3,465 acres and includes the communities of Meyers Chuck and Union Bay, and remote settlements of Farm Island, Thoms Place and Olive Cove. The state provides organizational funding to the new borough, spread out over three years.

The Ketchikan Gateway Borough annexed an additional 4,510 square miles into its borough in 2008.

Other areas, such as the Prince of Wales Island and outer Ketchikan area, and the Chatham/Hoonah/Glacier Bay area, are exploring and considering borough status. Sheinberg Associates of Juneau was commissioned to complete an economic study of two possible borough proposals, a Chatham-Glacier Bay borough or a Chatham/Hoonah/Glacier Bay borough, and in May 2007 published its findings and extensive comment offered at public hearings. The report, “Economic Feasibility Assessment: Glacier Bay Chatham Borough,” can be viewed on the state’s Dept. of

Commerce, Community and Economic Development website at www.commerce.ak.us/dca/pub/GlacierBayChathamBEF2007.pdf. It provides a good case study of advantages and disadvantages of borough formation and of the questions and concerns that residents will want answered. Although the Sheinberg study revealed significant financial and other advantages for borough formation, many small-community residents feared both the bureaucratic obligations and the loss of their autonomy, particularly if they were to join a larger community under a borough umbrella. They feared that a larger community, with differing goals and needs, may have more representation that would usurp their voice in decision-making and governing processes.

Population

All eight census areas (CAs) in Southeast Alaska have shown steady declines in population since the year 2000, according to the Alaska Dept. of Labor and Workforce Development (ADLWD). The only area to gain any population in the region during that time was the Haines Borough, which gained 18 residents from 2006 to 2007, and had slight population losses during each of the other years. The Southeast region lost approximately 3,754 residents between 2000 and 2007—despite a net increase of 3,409 from 1990 to 2000—including three of the state’s largest communities: the City and Borough of Juneau (-406), City and Borough of Sitka (-195), and Ketchikan Gateway Borough (-899). The town with one of the greatest declines was Wrangell, which has lost 17.3 percent of its population since 2000, from 2,308 people in 2000 to 1,947 in 2007.

In 2007, about 69,328 people, or 10.2 percent of the state’s residents, lived in Southeast Alaska, with only about 4.5 percent of Alaska’s population living in its capital city of Juneau (30,305 people). From 2000 to 2007 the Panhandle’s population fell from 73,082 to 69,328, or 5.13 percent, while during the same period, the Municipality of Anchorage and the Matanuska-Susitna Borough areas combined increased by more than 44,274 people. From 2006 to 2007, the statewide population grew by 6,029, or 0.9 percent, while Southeast Alaska’s population declined by 1,077, or 1.6 percent.

The following table shows population gains or losses by community and region.

Population Declines in Southeast Alaska*

Census Area	July 2000	July 2006	July 2007 (est.)	Change (2006-2007)	Change (2000-2007)
Haines Borough	2,392	2,241	2,257	18	(-135)
Juneau Borough	30,711	30,650	30,305	(-506)	(-406)
Ketchikan Gateway Borough	14,059	13,174	13,160	(-41)	(-899)
POW / Outer Ketchikan CA	6,157	5,477	5,328	(-151)	(-829)
Sitka Borough	8,835	8,833	8,640	(-349)	(-195)
Skagway/Hoonah/ Angoon CA	3,436	3,016	3,001	(-15)	(-435)
Hoonah/Angoon CA	2,535	2,162	2,156	(-6)	(-418)
Skagway Municipality	837	854	845	(-9)	(-17)
Wrangell/ Petersburg CA	6,684	6,024	6,016	(-18)	(-668)
Yakutat Borough	808	634	621	(-15)	(-187)
Southeast Totals	73,082	70,053	69,328	(-1,077)	(-3,754)
Alaska Totals	626,931	670,958	676,987	+6,029	+50,056

* 2000 figures: U.S. Census Bureau; remainder: ADLWD

Median Age

According to the U.S. Census Bureau, the median age of residents in Alaska in 2005 was 33.9 years. More recent figures for 2007 for Alaska and its communities are available from the ADLWD. The ADLWD's figures show the statewide median age at 32.5 in the year 2006 as compared to 32.4 in 2000. Differing methodologies may account for slight differences between the U.S. Census Bureau and ADLWD statistics.

The median age in Southeast Alaska, however, is significantly older than the rest of the state's population, and is rising at a more rapid rate than in the rest of the state: According to ADLWD, Southeast Alaska's median age was 36.2 in 1999 and 39.7 in 2006 and continues to rise. More retirees are migrating into the region and younger adults are leaving the state to seek education and career opportunities, and to live in places where costs of living for raising families are lower and the variety and quality of opportunities for their children is greater. The downturn in the timber industry, which once supported up to 5,000 families in Southeast Alaska, has also contributed to the population decline.

The median age differences for 2006 vary from community to community within Southeast Alaska, but all are markedly higher than that of either the state or national median ages.

Median Age in Years of Population in Southeast Alaska by Community*

<u>Area</u>	<u>2006</u>	<u>2000</u>	<u>Increase</u>
Haines Borough	45.4	40.7	4.7
Juneau Borough	38.8	35.3	3.5
Ketchikan Gateway Borough	39.3	36.0	3.3
Prince of Wales/Outer Ketchikan CA**	39.8	34.7	5.1
Sitka Borough	39.1	35.2	3.9
Skagway/Hoonah/Angoon CA	43.6	37.8	5.8
Wrangell/Petersburg CA	42.2	37.2	5.0
Yakutat Borough	38.0	37.2	0.8

* Source: ADLWD, 2007; ** CA = census area

Overall, the region has the highest percentage of elders in the state, with nearly 12 percent of the population over age 65, according to the ADLWD. The region's steadily increasing median age has significant implications for the needs and opportunities of Southeast Alaska's people. Medical and social services sectors will support an increasing number of jobs to meet the needs of Southeast Alaska's aging population. The region may also need to provide additional incentives, job opportunities and training to attract younger people to enter and remain in its workforce.

Workforce and Labor Trends

The number of jobs in Southeast Alaska rose slightly in 2007 for the third straight year, up 0.5 percent from 2006, according to the Alaska Dept. of Labor and Workforce Development (ADLWD). The ADLWD estimates that the region will gain 200 more jobs in 2008, up another 0.5 percent, for a fourth consecutive year. The gains are small, but the consistent growth is encouraging.

Although job growth is noteworthy in light of Southeast's declining population, it is not entirely positive. An increasing number of Southeast Alaskans are working more than one job in order to meet living expenses and support families. They also are competing with a rising number of nonresident workers in the region's private sector (see below). Some full-time jobs may be replaced with part-time and/or seasonal positions, particularly in tourism, retail sales and service sectors.

Despite the slight growth in jobs in Southeast Alaska, unemployment rates are rising very slowly. The statewide unemployment rate has very slowly but steadily risen since April of 2007, from 6.0 percent to 7.0 percent in May 2008. In Southeast the unemployment rates vary widely from community to community and are somewhat misleading, as some residents choose a subsistence lifestyle, i.e., live off the land. Others have become discouraged and are no longer seeking work, and thus are not included in unemployment figures. Following is a comparison of employment and unemployment rates for Southeast Alaska communities for May 2007 and May 2008.

Labor Force by Borough and Census Area, Not Seasonally Adjusted*

	Labor Force		Unemployment		Rate (%)		Employment	
	5/08	5/07	5/08	5/07	5/08	5/07	5/08	5/07
Haines Borough	1,366	1,337	117	83	8.6	6.2	1,249	1,254
Juneau Borough	19,268	18,949	873	723	4.5	3.8	18,395	18,226
Ketchikan Gateway Borough	8,573	8,362	461	418	5.4	5.0	8,112	7,944
Prince of Wales-Outer Ketchikan CA**	2,245	2,205	315	279	14.0	12.7	1,930	1,926
Sitka Borough	4,912	4,759	284	186	5.8	3.9	4,628	4,573
Skagway/Hoonah/ Angoon CA	2,242	2,226	185	188	8.3	8.4	2,057	2,038
Wrangell/Petersburg	2,820	2,764	301	246	10.7	8.9	2,519	2,518
Yakutat Borough	326	326	20	18	6.1	5.5	306	308
Southeast Alaska	41,752	40,928	2,566	2,141	6.1	5.2	39,196	38,787

* Source: ADLWD ** CA = Census Area

The relative stability of government, upturn in fisheries, and growth in tourism and mining will also help promote stability and growth of retail trade and transportation. Retail trade is expected to add 100 jobs this year. More employment information forecast for 2008 by the ADLWD is shown on the following page.

Southeast Wage and Salary Employment Forecast for 2008*

	2007 mo. avg. ¹	2008 mo. avg.	change 07-08	% change 07-08
Total Nonfarm ²	37,050	37,250	200	0.5
Goods Producing ³	4,150	4,250	100	2.4
Services Providing ⁴	32,850	32,950	100	0.3
Natural Resources Mining	650	750	100	15.4
Construction	1,650	1,650	0	0
Manufacturing	1,850	1,850	0	0
Seafood Processing	1,500	1,500	0	0
Trade, Transportation, Utilities	7,600	7,750	150	2.0
Retail Trade	4,750	4,850	100	2.1
Information	600	600	0	0
Financial Activities	1,300	1,300	0	0
Professional and Business Services	1,400	1,350	-50	-3.6
Educational ⁵ and Health Services	3,800	3,850	50	1.3
Leisure and Hospitality	3,700	3,750	50	1.4
Other Services	1,150	1,150	0	0
Government	13,300	13,200	-100	-0.8
Federal ⁶	1,800	1,700	-100	-5.6
State ⁷	5,450	5,450	0	0
Local ⁸	6,050	6,050	0	0

* Source: Alaska Dept. Labor & Workforce Development

¹ Preliminary estimates

² Excludes self-employed workers, fishermen—see Fisheries section on p. 22 for industry information

³ Includes natural resources and mining, construction and manufacturing

⁴ Incl. all other sectors not listed as goods-producing sectors.

⁵ Private education only

⁶ Excludes uniformed military

⁷ Incl. the University of Alaska

⁸ Incl. public school system

Nonresident Workers

According to a report published in January 2008 by the ADLWD, the number of nonresident workers in Alaska is growing faster than the number of resident workers. The statewide average number of nonresident workers in Alaska in 2006 was 19.9 percent, up from 19.2 percent in 2005, the latest years for which figures are available. The percentage of nonresident workers in Southeast Alaska is much higher, however—35.2 percent on average in 2006—partially because the region relies heavily on seasonal industries such as fisheries, seafood and fisheries processing, and tourism and visitor-related services, and because the number of aging and seasonal, or partial-year, residents is increasing in parts of Southeast Alaska. Nonresident employment in Southeast Alaska increased 0.9 percent in 2006, from 34.3 percent in 2005. Some of these nonresident workers eventually do become residents, however.

The following chart shows the percentage of nonresident workers in the private sector by their place of work in 2006.

**Nonresident Private-Sector Workers by Place of Work,
Southeast Alaska 2006***

<u>Borough or Census Area</u>	<u>Percentage</u>
Haines Borough	41.6
Juneau Borough	22.6
Ketchikan Gateway Borough	31.6
POW / Outer Ketchikan CA	31.7
Sitka Borough	26.1
Skagway/Hoonah/Angoon CA	52.3
Wrangell/Petersburg CA	41.3
Yakutat Borough	34.1
Average for Southeast	35.2

* ADLWD, *Alaska Economic TRENDS*, May 2008

These numbers could be looked at two ways: That seasonal workers are bringing more money and commerce into the region during at least part of the year, or that money and commerce are leaving the region as the nonresident workforce does in the off-season. Several factors are contributing to the increasing number of nonresident workers in Southeast Alaska: 1) the expansion and diversification in the region's seasonal visitor industry; 2) out-migration of residents to live in other states but who continue to work in Alaska; and 3) the consolidation of Alaska's fisheries industry. But according to the ADLWD, there is a significant number of unemployed and underemployed Alaskan workers with skills for jobs that are filled by nonresidents, creating negative financial and social impacts for Alaska's people and economy, particularly in Southeast with its greater percentage of nonresident workers.

In 2006, \$1.53 billion was earned by nonresidents statewide, according to the U.S. Bureau of Economic Analysis (USBEA). The USBEA estimates that if this \$1.53 billion earned by nonresidents in Alaska were spent and re-spent within the state instead of taken out-of-state, it would generate an additional \$611.8 million to \$1.38 billion for Alaska—\$2.14 billion to \$2.91 billion instead of \$1.53 billion. In other words, Alaska loses \$1.07 billion to \$1.45 billion if nonresident earnings are spent outside the state. It is not known what the portion of this loss is for Southeast Alaska.

According to the Commercial Fisheries Entry Commission, the percentage of nonresident fisheries permit holders in Southeast has been slowly increasing in recent years, not because permits are being transferred or sold to nonresidents, but primarily because residents are leaving the state and continuing to return each season to fish.

The following table shows 2006 average annual wage earnings for Southeast Alaska's total workforce of 36,225 by borough or census area, subdivided by men and women, according to the ADLWD.

Workers and Wages by Place of Residence and Gender, Southeast Alaska 2006*

<u>Borough /Census Area</u>	<u>No. Men</u>	<u>No. Women</u>	<u>% Women</u>	<u>Men's Avg. Wage</u>	<u>Women's Avg. Wage</u>	<u>Women's Avg. Wage as % of Men's</u>
Haines Borough	547	572	51.1	\$27,691	\$17,867	64.5
Juneau Borough	8,474	8,582	50.3	\$35,359	\$27,951	79
Ketchikan Gateway Boro.	3,438	3,455	50.1	\$34,160	\$24,300	71.1
POW/Outer Ketchikan CA	1,276	1,124	46.8	\$25,906	\$19,019	73.4
Sitka Borough	1,972	2,244	53.2	\$31,860	\$25,009	78.5
Skagway/Hoonah/Angoon CA	771	736	48.8	\$24,093	\$17,477	72.5
Wrangell/Petersburg CA	1,285	1,389	51.9	\$27,740	\$19,110	68.9
Yakutat Borough	184	176	48.9	\$24,748	\$15,863	64.1
Southeast Alaska	17,947 men	18,278 women	50.14% avg.	28,945 avg.	\$20,829 avg.	71.5% avg.

* Source: ADLWD; 2006 is latest year for which figures are available.

Regional Infrastructure

Many of Southeast Alaska's aging or outdated infrastructure systems are getting much-needed developments and improvements this year, including its ports and harbors, and airports. (See the Construction section on p. 31).

Energy and Electrical Power

Many small, isolated communities in Southeast Alaska still rely on expensive diesel-generated power to meet their needs; fortunately this is changing. Several smaller hydroelectric projects are being developed around the region, reducing reliance on diesel to generate power.

For years Southeast Conference has made developing a long-term source of low-cost power one of its top priorities—developing a regional energy intertie, a series of hydroelectric facilities connected by a network of power transmission lines to serve most Southeast Alaska communities. SEC has been supporting and providing assistance for the efforts to develop this extensive project since 1997 and is seeing the success of its efforts with the implementation of portions of it, such as the Admiralty Island leg to the Greens Creek Mine from Juneau, which will extend on to Hoonah.

The next two priorities for the intertie network are the Kake to Petersburg segment and the Reynold's Creek link near Hydaburg, serving Prince of Wales Island. The plans are in place for these developments and some funding has been secured to begin construction.

The dire need for such a regional intertie system became apparent April 16, 2008 when avalanches damaged the Snettisham Hydroelectric Project located 40 miles south of Juneau—the main power source for Alaska's capital city. Five of the seven of the Snettisham's hydroelectric towers, as well as its transmission lines, were damaged or destroyed, forcing Alaska Electric Light and Power Company (AEL&P) to resort to diesel-powered turbines to supply 100 percent of Juneau's electricity.

Initially, Juneau was requiring from 55,000 to 70,000 gallons of diesel a day to meet its power needs. Since the city had had the luxury of inexpensive hydroelectricity for years, about 15 percent of its newer housing units are heated exclusively with electricity and many more are partially heated with electricity. Businesses and residents quickly reduced usage by about 35 percent, realizing how easily they could conserve energy. Juneau consumers initially were told that for at least three months electric costs would be increased from an average of 11 cents per kilowatt hour (kWh) to 52 cents per kWh, which would have brought financial hardship to many. But with good weather and diligent work, AEL&P managed to restore hydroelectric power to Juneau within six weeks. After just one month of high billing costs, AEL&P power bills were reduced to roughly 15 cents per kWh.

Juneau's energy crisis helped many people realize how easily they could reduce their energy consumption. It also helped people in the state's capital city finally realized what many of its neighboring rural communities have dealt with for years—electrical energy prices that are three to five times Juneau's rates. In Kake, for example, located between Sitka and Petersburg, electricity has cost 57 cents per kWh for years, and is expected to rise soon. Juneau's energy crisis also forced some municipalities to reexamine their energy sources and the need to consider or develop backup plans in case of economic disasters. A regional energy intertie system which distributes energy between load centers is one obvious solution.

Larger communities such as Juneau, Ketchikan and Sitka that have developed hydroelectric power are reaching or at times exceeding their hydroelectric generation capacity, increasing the need for supplemental diesel-generated power. Prior to its avalanche crisis, Juneau had already exceeded its hydroelectric capacity and relied on diesel generation for about 15 percent of its power.

Alaska Power & Telephone Co. is working on several hydro projects and a connecting Southeast network around the region. AP&T's new South Fork "run-of-river" hydro project on Prince of Wales Island decreased diesel consumption by 43 percent in 2007. Working with the Inside Passage Electric Power System cooperative, AP&T provided power to customers up the Chilkat Valley from Haines to the Canadian Border. AP&T's Kasidaya Creek hydro project near Skagway should be completed this summer and will supplement the Goat Lake facility serving Skagway and Haines. The firm is assisting Gustavus Electric Co. construct its Falls Creek hydro project, which should be completed this year. AP&T also is working on connecting projects on Prince of Wales Island and surrounding areas. The Thayer Lake hydroelectric project is also underway for Angoon.

The Four Dam Pool is constructing the intertie from Tyee Lake, which provides hydroelectric power to Wrangell and Petersburg, to Swan Lake, which services Ketchikan. This intertie will allow Ketchikan interruptible additional electricity from Tyee if there is excess power available. But building conversions from oil to electricity by residents and government agencies is rapidly reducing the excess energy Tyee had available for so long.

These developments are crucial for attracting business development and residents to rural Southeast Alaska.

Gasoline and diesel fuel cost more in Alaska than almost anywhere else in the nation, even though Alaska produces 16 percent of the nation's oil, which had reached \$140 a barrel in mid June. Those in small, remote communities are hardest hit. In Kake, for example, in mid May, the cost of gasoline was \$5.08 a gallon, and diesel #1 and #2 were \$5.50 and \$5.64, respectively, and still rapidly rising. In Juneau in mid June, gasoline had risen to \$4.25 per gallon.

There are energy success stories, however, that demonstrate the initiative and innovation Southeast Alaskans are willing to take to better their situations. In April 2008 Craig became the first town in Alaska to successfully use wood waste as heating fuel for its community pool and elementary and middle schools. By using first wood chips and later hog fuel—bark, sawdust and waste wood from sawmill operations—instead of diesel to fire boilers, the community expects to save \$120,000 per year, more if fuel prices continue to rise. The community pool alone has multiple heating systems. But wood chips and hog fuel are plentiful and if additional entities implemented wood-waste heating operations, it could help local sawmills reduce the cost of wood waste disposal.

Craig found federal and state funding sources for its \$1.5 million project, and contributed approximately \$90,000 in local money. Other communities are now investigating similar plans, and Craig is offering to share its experience with this pilot program.

Other communities such as Yakutat are investigating the development of tidal energy generation.

Transportation

Costly and inefficient transportation for people and products is one of the greatest business and social impediments to Southeast Alaska. Marine transportation will likely remain a priority for coastal Alaska, particularly in the small, isolated communities of Southeast that lie nestled among its 1,000 islands. The Alaska Marine Highway System (AMHS), part of the state Dept. of Transportation and Public Facilities (DOT&PF), is heavily relied upon for the transport of people, vehicles and time-sensitive freight such as perishable food. Extensive efforts are being made to provide more convenient, more reliable, and more affordable ferry service throughout the region, by the AMHS, Inter-Island Ferry Authority, and private operators.

Approximately 70 percent of non-cruise travelers arrive in Southeast Alaska by jet air service, according to a 2007 McDowell Group study. The number of jet visitors to the region increased about 2 percent in 2007, despite climbing airfares. Construction will begin this summer on the Juneau International Airport's \$50 million terminal renovation, which will accommodate more air traffic and enhance Juneau's position as the transportation hub of Southeast Alaska. Sitka has received \$450,000 in federal grants for improvements to its airport.

Some commuter airlines, which also are vital for transportation between communities, are feeling the impact of escalating airfares.

The number of both visitors and vehicles arriving in the region via the Alaska Highway and the AMHS (state ferries) increased last year, according to the AMHS Annual Traffic Volume Report for 2007. Some AMHS ferry travelers were prohibited from making trips to and from Bellingham, Wash., when the M/V *Columbia*, the AMHS's largest ship, was unexpectedly taken out of service in July for two months. No AMHS vessel was available during that time to replace the *Columbia* for weekly runs to and from Bellingham. Last year was the first that the AMHS had reduced Bellingham

runs from twice a week to once weekly, although Prince Rupert round-trip departures were increased from once to twice a week.

Despite the temporary loss of the *Columbia*, the AMHS in Southeast transported 77,000 vehicles in 2007, the highest number since 2000, and a 7.5 percent increase from 2006. AMHS passenger service in the region rose to 249,310 last year, nearly 5 percent higher than the previous year and the highest since 2002. It is not surprisingly that ferry traffic is highest in Juneau, Ketchikan, Haines and Skagway. The ferry system is used extensively by seasonal tourists; see the Tourism section later in this report for specifics about visitor use.

In June 2007 a new 2,500 “long” ton drydock was delivered to the Ketchikan Shipyard. Civil work continues in the summer of 2008 to complete marine dredging and to install facilities that will allow the new drydock to lift, transfer and launch 250-foot ships to and from land-level repair berths. Berth 1, the first of several proposed land-level ship repair berths, was completed in June 2008. In late 2007 site work was conducted to grade and level the undeveloped portions of the shipyard, and a 4,800 sq. ft. steel fabrication building was installed to accommodate construction of the *M/V Susitna*. The *M/V Susitna*, formerly E-Craft, is a \$50 million Office on Naval Research (ONR) Science and Technology project to construct a marine expeditionary vessel prototype that will be the world’s first ice-strengthened, twin-hulled ship of advanced design for use in the global war on terrorism. The *M/V Susitna* will be operated as a passenger vehicle ferry connecting Anchorage to Port Mackenzie in the Mat-Su Borough, commencing service in 2010.

The Ketchikan Shipyard is operated by Alaska Ship & Drydock, Inc. (ASD) under agreement with the Alaska Industrial Development and Export Authority. The 2007-08 construction activities are the first phases of a shipyard development plan that, at build-out, will enable the shipyard to support 300 to 350 jobs. To support the shipyard workforce expansion and improvement, ASD is implementing a National Shipbuilding Research Program industry skills standards and model training program to develop a stable, multi-skilled shipbuilding workforce.

The AMHS has already prepared its ferry schedule for the 2008-09 fall, winter and spring, enabling travelers to plan trips well in advance. Public input from Sitka and Tenakee Springs resulted in improved service for those two communities. The AMHS strives to accommodate travel for community special events and for team travel requested by schools. It is also developing additional service options for tourists (see Tourism section on p. 25).

Southeast Conference has long been working with the AMHS and ADOT&PF to enhance and ensure a sustainable, stable ferry system. SEC has urged the ADOT&PF to make ports and harbors development a priority in its 2030 Long-Range Transportation Plan for Southeast, adding more ports and harbors improvement and expansion plans.

Another step toward keeping the Alaska Marine Highway System on stable footing was taken in early 2008 when state legislators changed the Marine Transportation Advisory Board from a body created by executive order to become part of state law. The current nine-person board will be expanded to 11 members.

The community of Haines learned firsthand what it’s like to be threatened by a sudden loss of marine transportation service, when Klukwan, Inc. announced in April that it lacked the startup costs to operate its multi-trip daily fast-ferry service between Skagway and Haines. Haines business owners and tourism operators panicked temporarily because the town relies on about 60 percent of its seasonal tourism trade arriving off cruise ships in Skagway and making day trips to Haines via the Klukwan, Inc. catamarans. But Four Seasons Marine, of Juneau and Sitka, which owned the vessels that had been leased to Klukwan, Inc., partnered with a couple of Haines tour operators to form a

company to offer service between the two communities “as long as it remains profitable,” according to a Four Seasons Marine spokesperson quoted by the Haines *Chilkat Valley News*.

In 2007 the Inter-Island Ferry Authority (IFA) expanded service for the southern Panhandle, with more scheduled runs between Hollis on Prince of Wales Island and Ketchikan. In 2006 the IFA began offering a new “northern route” from Coffman Cove to Wrangell and South Mitkof Island, which connects with a 25-mile shuttle by road to Petersburg.

Proposed major road route expansion has divided public opinion. The Southeast Alaska Transportation Plan (SATP) proposed by the Alaska Dept. of Transportation and Public Facilities (DOT&PF) has consisted of three primary elements:

- 1) The Juneau Access Road, along the east side of Lynn Canal to a new ferry terminal at the Katzechin Flats across from Haines, with ferry shuttle service to Haines and Skagway;
- 2) A road connecting Ketchikan to the Cassiar Highway in British Columbia; and
- 3) A road across Baranof Island to Sitka.

This SATP is now being reviewed again, however, and will likely be revised. The environmental impact statement for the Juneau Access Road was completed but the proposed project remains tied up in litigation. As fuel and construction costs surge, and as controversy and court litigation continue over the issue, enthusiasm for the Juneau road has waned, even among Alaska’s governor and some legislators who previously were in favor of the project. In mid June, however, the U.S. Army Corps of Engineers issued a fill permit for the proposed road that allows the ADOT&PF to place 1.7 million cubic yards of fill into wetlands and deep water. At least some of the mountain rock that is blasted will go into the Lynn Canal fjord.

A road across Baranof Island would enhance business opportunities for some small communities and enable residents from neighboring communities to reach Sitka more readily for hospital and medical services. But the proposed road to Sitka still lacks enough public support to advance a plan.

The SATP also endorses expanded fast-ferry service between communities, but current AMHS fast-ferry (catamaran) service is particularly costly in terms of both fuel and maintenance. Additional “day boat” routes similar to those offered by the IFA are being studied to improve interconnections between neighboring communities in other areas of Southeast, particularly northern Lynn Canal (Haines, Skagway, Juneau). Current considerations include vessels that are versatile, more efficient and could connect with possible future road routes. Improvement or expansion of the region’s ports and harbors infrastructure is critical to this development. For more information about ports and harbors development, see the Construction section on p. 31.

Communications

Great progress is being made to improve communications capabilities in Southeast Alaska. This summer GCI plans to construct a fiber optic cable system in the region that will directly serve Ketchikan, Wrangell, Petersburg, Angoon, Sitka and Juneau. This will greatly expand business development opportunities, particularly for Angoon, which, at this writing, is one of several small communities that still depends largely on unreliable dial-up internet service. Since there are few available lines for these small communities, connecting to the server can take hours.

Alaska Power & Telephone Co. is installing a private network of towers for new internet service that will serve the entire region from Skagway to Seattle. The southern and northern most

sections were brought online in 2007: Ketchikan to High Mountain, Kasaan, Thorne Bay, Hollis and Burnett Peak into Wrangell. In 2008 AP&T will partner with GCI to bring service to Wrangell and Petersburg; then AP&T will connect the line to Juneau. Additional sites are planned for completion this year.

A six-mile line connected Lutak Inlet residents with AP&T's energy grid and telecommunications network at Haines in October 2007. Construction progress was delayed temporarily when Chilkoot River brown bears smashed four fiberglass pedestals and a major fiber splice box.

These modern digital, fiber and wireless communications services will bring business capabilities, telemedicine, distance education, and buying opportunities to Alaska's rural communities and help reduce their isolation from the rest of the world. Many communities now enjoy Wi-Fi and/or DSL service: Ketchikan, Craig, Petersburg, Wrangell, Skagway, Haines and Kake.

Refuse Collection and Disposal

Southeast Conference is actively working to create an authority for a comprehensive regional solid waste disposal program that includes a recycling component. This year SEC will lead the functions of this committee until an independent entity is operating. Many landfills in Southeast Alaska are at capacity and much of the region's solid waste is transported by barge to Oregon and Washington. Some private operators in Juneau are beginning to offer individual recycling pickup services.

Factors Impacting Southeast Alaska's Economy

The isolated geography, rugged terrain, limited and costly transportation, and expensive housing and construction costs create challenges for Southeast Alaska. Gasoline and diesel fuel cost more in Alaska than almost anywhere else in the nation, even though Alaska produces 16 percent of the nation's oil, which had reached \$140 a barrel in mid June. Those in small, remote communities are hardest hit with the greatest price hikes. In Kake in mid May, for example, the cost of gasoline was \$5.08 a gallon, and diesel #1 and #2 were \$5.50 and \$5.64, respectively, and still rapidly rising. In Juneau in mid June, gasoline had risen to \$4.41 per gallon.

There are energy success stories, however, that demonstrate the initiative and innovation Southeast Alaskans are willing to take to better their situations. In April 2008 Craig became the first town in Alaska to successfully use wood waste as heating fuel for its community pool and elementary and middle schools. By using first wood chips and later hog fuel—bark, sawdust and waste wood from sawmill operations—instead of diesel to fire boilers, the community expects to save \$120,000 per year, more if fuel prices continue to rise. The community pool alone requires seven boilers. But wood chips and hog fuel are plentiful and if additional entities implemented wood-waste heating operations, it could help local sawmills reduce the cost of wood waste disposal.

Craig secured federal and state funding sources for its \$1.5 million project, and contributed approximately \$90,000 in local money. Other communities are now investigating similar plans, and Craig is offering to share its experience with this pilot program.

Cost of Living

Southeast Alaska's already-high costs of living are rapidly escalating as fuel costs do. Housing rental rates in Juneau are higher than anywhere else in the state and higher than most cities in the nation, except for San Francisco, New York City and a few others. Healthcare costs are also very high in the region. The region's lowest housing rental rates—nearly half of Juneau's rates—are in the Wrangell-Petersburg census area.

Rental comparisons among towns are somewhat difficult to make because some communities tend to include a greater or lesser portion of the utilities with the rent. According to the ADLWD, median rental rates including utilities for a two-bedroom apartment in 2006 were \$1,081 per month in Juneau and \$740 a month in the Wrangell-Petersburg area. The same rate given for Sitka was \$1,068 per month. Utility and/or rental rates may have risen in those areas since 2006.

Emergency, Health and Social Services

The number of jobs in health and social services in Southeast continued to increase in 2007, according to the ADLWD, but the growth rate slowed and service providers are in high demand. Some communities and providers are consolidating services in order to achieve economies of scale and diversify offerings, such as the new medical partnership formed by the city of Craig, PeaceHealth and Ketchikan General Hospital on Prince of Wales Island. This agreement will take effect when the City of Craig completes the new state-of-the-art medical clinic.

Medical services needs are sometimes met by medical mobile units which travel to various communities on a rotating basis, offering medical, dental and optic services.

Getting, maintaining and manning equipment for emergency fire and ambulance services is a common problem for Southeast's small, isolated communities that have little tax base and few, if any, emergency services employees or adequately trained volunteers. The temporary end to the state's revenue-sharing program in 2003 eliminated funding for emergency equipment and other vital services, which are particularly crucial in small, isolated communities with few or no medical services available.

Some communities have found innovative ways to meet these needs, however. Naukati Bay, an unincorporated community of 175 residents on Prince of Wales Island, sought ways to fund ambulance and other community services. It developed an oyster spat (baby "seed" oysters) marketing program, selling oyster spat to other Southeast communities and to central Alaska. During the last several years the program's profits have been used as matching funds to receive grants for community needs, such as a community building to house medical equipment and an ambulance donated by the City and Borough of Juneau.

The Southeast Alaska Regional Health Consortium (SEARHC) has expanded its services, opening clinics in Klukwan and Klawock. It is one of the largest employers in Southeast, with nearly 1,000 employees serving 1,800 persons in the region, primarily Native Alaskans.

Due to high self-employment and seasonal job rates and to high cost-of-living factors, many Alaskans lack health insurance. A bill offering comprehensive healthcare for all Alaskans was introduced into the Legislature last year, but no action was taken on it.

Schools and Education

The majority of Southeast Alaska's 18 school districts have experienced significant declines in enrollment in recent years, as parents with children leave the region to seek more reliable, better-paying jobs in areas with lower costs of living. Rebuilding or remodeling schools in the region is particularly difficult with small and declining enrollments, remote locations and expensive construction costs. A few schools in the region have been forced to close and/or consolidate with others.

But communities still strive to prioritize and improve education facilities and activities for their children: In 2007, Juneau completed and opened its second high school, the \$60 million, 166,000 sq. ft. Thunder Mountain High School. Haines students spent this past academic year in a new \$17.5 million elementary and middle school and a renovated high school building. The Haines school enrollment is predicted to decrease by 10 percent for the 2008-09 school year.

In March Gov. Sarah Palin signed into law one of the largest rewrites of the state's education funding system in a decade. The new law raises the base allocation by \$100 per student and is expected to add \$180 million to school districts statewide over the next five years.

The University of Alaska Southeast (UAS) awarded a record number of degrees to graduates this May—348, including 50 to Alaska Natives, also a record number. UAS awarded 246 degrees in May of 2007.

The Sheldon Jackson College in Sitka, a private college that operated for 100 years and offered associate and bachelor's degrees in a variety of fields, was forced to close in 2007 due to financial difficulties.

III. Economic Sectors of Southeast Alaska

Government Employment

Government is the largest employer in Southeast Alaska, according to ADLWD, accounting for 36 percent of the region's jobs in 2007. Juneau has most of the region's government jobs—56 percent. Government employment in Southeast Alaska fell by 200 positions in 2007, however, about 100 jobs each in state and federal government. The ADLWD forecasts an additional loss of 100 federal government jobs in the region this year. State government jobs also may continue to fall in 2008, as individual positions in Juneau continue to be moved to Anchorage or the Mat-Su Borough, a situation known as “capitol creep.” Little change is forecast this year for local government, which includes the public school system.

Fisheries

The commercial fisheries sector is one of a handful of Southeast Alaska's main economic drivers. The industry has rebounded well after its slump in 2002, and salmon prices have increased significantly this year over last. Alaska's global market share for salmon has decreased to about 20 percent, but worldwide demand has increased, according to the Alaska Seafood Marketing Institute (ASMI). The harvest guideline for Sitka Sound herring seiners will be a record-high 13,796 tons, an increase from last year's 11,904 tons. Oyster growing and dive fisheries in southern Southeast are well established and expanding.

But Southeast Alaska's commercial salmon and halibut fisheries are at a critical turning point. Southeast's salmon and halibut fishermen were dealt some tough blows in 2008, as total allowable catches were severely reduced: king salmon (chinook) nearly in half—by 48 percent—and halibut by 28 percent, following last year's 20 percent halibut cut. Tension is building between commercial long-liners and charter operators over the halibut Catch Sharing Plan, in which charter operators will enter the Individual Fish Quota (IFQ) system with the halibut fleet. Recent long-term legislative revisions may result in declining salmon and halibut quotas in Southeast Alaska for some years to come.

Alaska's fisheries management has become increasingly complex. The federal Magnuson-Stevens Fisheries Conservation and Management Act was revised in 2006 and for the first time makes it illegal to overfish a fishery. The amended Magnuson-Stevens Act gave fisheries regulatory agencies five years in which to revise management practices and bring policies in force to comply with this revision. The Pacific Salmon Treaty Act, which determines how migrating salmon stocks are allocated and managed between Canada and the United States, underwent its 10-year revision this year and will now require Southeast Alaska fishermen to reduce their king salmon harvest by 15 percent over the next 10 years.

Coupled with skyrocketing fuel prices, lower catch limits may force more commercial fishermen in Southeast either to change vocations or to find second jobs or supplemental income. Fewer young people are entering the business, and the commercial fishing fleet has been “graying” for some time. Higher expenses, sharply reduced fisheries quotas, increasingly complex state and federal regulation, and higher entry costs are discouraging young Southeast Alaskans from becoming commercial fishermen. In addition, the IFQ system tends to consolidate the industry, often away from small, isolated communities. One option for keeping IFQs in a small community (less than 1,500 residents) is to establish a Community Quota Entity (CQE), in which a nonprofit organization buys IFQs for lease to community residents.

Decreasing fisheries allotments make CQEs particularly risky, however, as funds may become “trapped” in declining assets. Suppose, for example, that a CQE buys 10,000 pounds of halibut IFQs at the current average rate of \$20 per share, or \$20,000. The next year, if the halibut quota allotment is cut 20 percent, fishable shares total only 8,000 IFQs (allowable pounds). If the allotment is cut another 28 percent the following year—as it was in Southeast Alaska—fishable IFQs are reduced to 5,760 pounds. Yet the purchase price remains \$20,000. The McDowell Group, Inc. has completed an excellent study of this “trapped assets” situation and of the resulting privatization and consolidation of commercial fisheries away from small communities caused by the IFQ system. Part of this work can be reviewed online at the firm’s website, www.mcdowellgroup.net.

King Salmon

The 48 percent cut in total annual king salmon (chinook) harvest from 2007’s share will severely affect Southeast seiners, gillnetters, power and hand trollers, charter fishing boats and lodge operators, sport fishers, tourism and related services, and retail sales. The spring gillnetting fishery for Taku River king salmon, which was reopened in 2005 for the first time in 30 years and which allowed fishermen to extend their money-making season, was shut down completely this season. Troll seasons have been shortened with more restrictions added.

The upside is that prices for commercially caught Alaska kings have increased significantly—especially with this year’s shutdown of the Oregon-California commercial chinook (king) fishery, and very limited king fishing in Washington state.

Several factors led to the sharp curtailment of Southeast Alaska’s king salmon harvest, in addition to the legislative revisions already cited. In recent years spawning king returns in some areas of the region have fallen below levels that state biologists had predicted or have deemed healthy. Catch rates in some areas have exceeded predictions or desired levels. Bycatch of salmon by trawlers is difficult to monitor and measure but the amount of bycatch—which is dumped overboard and wasted—is predicted to be large. There are no bycatch limits in effect for the Gulf of Alaska, a fact which remains largely unknown to the public.

Daily and annual catch limits for kings were reduced for residents and nonresidents, and size limits were further restricted. After July 15, Southeast anglers are not allowed to keep any king salmon less than 48 inches (which weighs approximately 50 pounds or more). Very few kings that size are caught that late in the season. Many charter boat and lodge operators are already feeling the pinch, as these restrictions were publicized in advance. Fortunately, “liberalized” regulations for kings will be in effect in some terminal hatchery areas for limited times, allowing for increased daily and annual catch limits and shorter minimum length limits, since hatchery fish are not considered part of the “Treaty fish agreement.”

Halibut

The halibut quota for 2008 for Area 2C (Southeast Alaska, excluding Yakutat) was reduced 28 percent from last year, from 8.51 million pounds to 6.21 million pounds, after having already been reduced 20 percent in 2006. The allotment for Area 3A, which begins at Cape Spencer and includes Yakutat, the Gulf of Alaska, and Homer, the state’s “halibut capital, was reduced nearly 9 percent, from 26.2 million pounds to 24.2 million pounds, while halibut quotas for western Alaska were increased slightly.

Again, there are several reasons for this reduction, including the revised Magnuson-Stevens Act, catch rates in recent years that are exceeding what biologists deem to be sustainable and healthy, and increased competition between commercial halibut long-liners and guided sportfishing for halibut on charter boats. Another important contributing factor is that recent state and federal

studies have shown that halibut migrate much greater distances than was previously thought. State and federal biologists now realize that many halibut previously believed to be spawned and grown in Southeast waters actually migrate into the area from the Gulf of Alaska's Area 3A.

The Alaska Dept. of Fish and Game attempted to reduce the daily limit for charter-guided sport fishers to one halibut per day in Southeast Alaska only (Area 2C), which was to take effect June 1, 2008. Since this effort was publicized several months before the fact, it caused many tourists to cancel upcoming reservations with the region's fishing lodges and charter boats, many of whom changed destinations to Southcentral Alaska or British Columbia, where halibut limits will remain two fish per day for nonresident guided fishermen. This created a big economic loss for the region's sportfishing charter boats and lodge operators—which number approximately 1,300 in Southeast. Some of them documented their losses, organized together and filed for a restraining order to prevent the one-fish limit. Three weeks later a decision was made granting the order, allowing the two-fishing limit to stand; one of the two halibut must be less than 32 inches long. The final decision over the one- or two-fish limit will be rendered later this year. Unfortunately, some economic damage has already been done, not only to the sportfishing industry directly, but indirectly to retailers, travel and transportation companies, and other tourism-related businesses.

Details of the commercial Catch Sharing Plan dividing halibut IFQs between charter operators and commercial long-liners are scheduled to be decided in October 2008. Charter IFQ holders will be allowed to purchase additional IFQs from long-liners and vice versa.

Salmon Overall

In 2007, commercial fishermen harvested 212 million salmon in Alaska. This year's salmon catch is predicted to be 137 million fish, due primarily to a big drop in pink salmon returns in Southeast Alaska and Prince William Sound. But it has bolstered last year's pink salmon prices of 17 cents per pound, when the 143 million pink salmon harvest was the third highest on record, to 28 cents per pound so far this year. The USDA has recently created another market for pink salmon—as part of federal food aid programs overseas—which should also improve prices for pinks. Last year it sold 300 tons of pink salmon in one-pound cans to be distributed to developing nations.

As of July, ex-vessel salmon prices had already risen a good deal over last year's prices, with sockeye (reds) bringing \$1.75 a pound, up from 90 cents a pound last year, and chums (dogs) fetching 60 cents a pound, over last year's 38 cents a pound.

In 2007, there were 474 salmon drift gillnet permit owners for Southeast, 363 residents and 111 nonresidents. Some 387 permits were active, with average gross earnings of \$37,455, down from \$55,817 in 2006. The average permit price for a Southeast salmon drift gillnet permit was \$55,900, up from \$38,900 in 2006 and just \$21,800 in 2004, according to the CFEC. Some commercial fishermen have multiple permits and are involved in more than one fishery in the same area; others have commercial fishing permits in other regions of the state, such as Bristol Bay.

The Alaska Legislature is taking notice of the industry's increased need and efforts to deliver top-quality product to market. Alaska salmon processors will continue to get tax breaks on fish-processing equipment purchases until Dec. 31, 2011, under a three-year extension of the Salmon Product Development Tax Credit law that was signed in March 2008. This will enable more salmon processing to remain in-state, rather than being shipped overseas or to the Lower 48, and allow for better quality control and enhancement of Alaska's image of a top-quality seafood producer.

Shellfish Fisheries

Oyster growing and dive fisheries in southern Southeast are well established and expanding. Naukati Bay's successful oyster spat program is described in the Emergency, Health and Social Services section on p. 20.

Salmon Seiner Buy-Back Program

The State is conducting a "buy back" program for Southeast salmon purse seine permits this year. Basically, there are too many seine boats with too many expenses after too few fish; as a result, many Southeast salmon seiners have not bothered to fish their permits in recent years. Of the 415 salmon purse seine permit holders for Southeast in 2007, according to Alaska's Commercial Fisheries Entry Commission (CFEC), 198 of those were Alaskan residents and 217 were nonresidents. Of those 415 permit holders, only 237 permits were active—little more than half were fished, 121 resident and 116 nonresident, with an average permit price of \$59,700. The average gross earnings for Southeast salmon seiners in 2007 was \$162,453, up from \$119,722 in 2006.

In April the State began the first phase of its Southeast salmon seiner buy-back program in which those permit holders bid on a buy-back price for which to retire their permits, using \$2.9 million from the Pacific Coast Salmon Recovery Fund, according to a May 2008 issue of *Pacific Fishing* magazine, a business publication for commercial fishermen. A second phase of the fleet trimming is expected to begin later this year.

Tourism

Many experts predict that Southeast Alaska's strong, growing tourism industry will plateau this year, due to the national economic recession and rising gasoline and travel costs. But the declining value of U.S. currency relative to the Canadian dollar, the euro and Japanese yen may work in Alaska's favor, attracting more international visitors and perhaps some domestic travelers who might otherwise have traveled to international destinations. Many in Alaska's visitor industry are hopeful that the state's "wild, exotic appeal" will continue to attract large numbers of both domestic and international travelers.

More than 1.7 million people visited Alaska in 2007 and spent more than \$1.5 billion in the state, according to the Alaska Travel Industry Association. Numbers of independent travelers arriving in Southeast Alaska via the Alaska Highway, the Alaska Marine Highway System (state ferries) and jet air service all increased in 2007, and the number of cruise ship visitors continued to grow. Larger vessels are carrying more people to the region's ports via the majestic Inside Passage, during a season that has expanded from April to October each year. Downtown Juneau had hosted as many as 15,000 cruise ship visitors in a single day during some days in May 2008.

Cruise ship passengers accounted for slightly more than 1 million of Alaska's 2007 visitors, up from 922,449 in 2006. The cruise ship industry brought \$1.35 billion into the state's economy in 2007, and directly and indirectly supported 14,500 jobs, according to a 2008 McDowell Group economic study. More than half of these cruise visitors and their expenditures came to Southeast Alaska and generated 7,000 equivalent full-time jobs, more than in any other region of the state. The industry generated an estimated \$100 million for Alaska's state and local governments, with about half going to state and half to local governments.

The most frequented Southeast cruise ports are near capacity for cruise visitors, unless more dock facilities and infrastructure can be built to accommodate them—a controversial subject in many

communities. One exception, however, is Ketchikan, which this year is making ready a fourth berth for dockings. Hoonah became a port of call for major cruise ships in 2005, with community residents choosing to limit its dockings of large cruise ships to one a day. Although it will continue to adhere to this limit, the number of cruise ships scheduled in Hoonah this year will increase to 63.

The majority of visitors leaving the state of Alaska between May 1 and September 30 exited via air, according to the Alaska Dept. of Commerce, Community and Economic Development's *Alaska Visitor Statistics Program V*, an ongoing study compiled by the McDowell Group. More than 200,000 of Alaska's one-way cruise ship passengers exit the state by air, accounting for the discrepancy between cruise, air and total numbers of visitors. This visitor research series of reports can be viewed online at the ADCED's website, Office of Economic Development division. Seasonal visitor air traffic increased nearly 2 percent between 2006 and 2007.

Accommodations, shopping, and tour and recreation businesses continue to grow and diversify offerings in order to attract more visitors for both business and pleasure. These include activities such as winter and spring basketball championships and other sporting events, world-renown heli-skiing near Haines and Juneau, the world's largest zip-line ride in Hoonah, and even tours for locals. "Juneau Day" offers Juneau visitors and residents a one-day round-trip to Hoonah for \$89 for sightseeing, tours and shopping. Juneau Days are offered on the last Saturday of the month during the months of May through August.

Sportfishing is a huge attraction for visitors to Southeast Alaska. But fishing charter boat and lodge operators report that the increased restrictions on Southeast halibut and salmon fishing caused many clients to cancel this year's reservations costing many of them thousands of dollars each in lost revenue (see Fishing section on p. 22). According to 2006 and 2007 visitor studies conducted for the ADCED, sportfishing is the third most popular activity among non-cruise visitors to Southeast Alaska (51 percent); wildlife viewing is second (55 percent). Whale watching, wildlife viewing and sightseeing are regular bonuses experienced during guided fishing adventures.

Approximately 25 percent of Southeast non-cruise visitors purchase a multi-day package; among package purchasers, sportfishing was the leading package type (63 percent). These numbers do not include cruise passengers, who also enjoy guided fishing trips off the ships.

Many sport fishermen are foregoing the Panhandle and heading instead to Southcentral Alaska or British Columbia, where halibut limits will remain two fish per day for nonresident guided sport fishermen. Hopefully some vacationers who are passionate about both fishing and Southeast Alaska will continue to return. Many Canadians, particularly from the Yukon and British Columbia, visit Southeast several times every year for fishing and other activities, and may continue to do so as long as exchange rates remain favorable. The reciprocal "resident" fishing license prices between the Yukon and Alaska have increased repeat short-term visits from Yukoners.

Weddings bring surprising numbers of out-of-state visitors to Southeast Alaska, similar to couples choosing Hawaii as a glamorous wedding site. Last summer Juneau helicopter operators transported as many as six or seven nonresident couples *per day* to glaciers, mountaintops and other spectacular settings to exchange wedding vows. Southeast charter boats also host wedding ceremonies. Haines and Skagway host a significant number of weddings each year for both Canadians and Americans. Family, friends and relatives often travel to Alaska and combine wedding celebration activities with mini vacations, spending on accommodations, restaurants, bars, tours and recreation, and local travel.

Some types of visitors have greater economic impact than others. Recreational vehicle (RV) travelers, for example, in Southeast make up a relatively small number of total visitors but they often

stay for extended periods of time, sometimes several months, and thus make considerable expenditures in the region for food, camp sites and services, tours and recreation, gifts and area travel. Although the AMHS Annual Traffic Volume Report contains an inventory by length of vehicles it transported, the report does not differentiate vehicle types, so it is difficult to tell how many are RVs. Some tourism operators fear that this year's high gas prices will keep many RV vacationers at home. But others reason that for people with enough money to buy big RVs, fuel costs may not be an issue.

Northern Southeast Alaska in particular has developed tourism plans with the Yukon and British Columbia to promote traveling the "Golden Circle Route." Many Europeans travel to Alaska via nonstop flights from Germany to Whitehorse, Yukon Territory, where RVs are readily available for rent and groups often travel in caravans. The community of Hyder, Alaska is also working with Stewart, British Columbia to increase tourism between the two countries, having formed the Hyder-Stewart International Chamber of Commerce. Prince Rupert, British Columbia, an AMHS port of call with connection to a good road network, also is working with Southeast Alaska to increase traffic flow between the two nations. Prince Rupert made substantial infrastructure improvements to its port in 2007-08. Wrangell, Petersburg and Prince of Wales Island communities have created a partnership called Alaska's Rainforest Islands to promote travel between these three Islands via the Inter-Island Ferry Authority.

The Alaska Marine Highway System (AMHS) has already finalized input for its ferry schedule for the 2008-09 fall, winter and spring, enabling travelers to plan trips well in advance. The AMHS is increasing efforts to accommodate independent vacationers this year by offering a new service option at a discounted price—a See Alaska Pass for \$160 that enables visitors the chance to stop and visit up to three ports between Prince Rupert and Haines or Skagway. Using the pass, a person can visit one port and then catch another ferry out to the next port, setting his own travel pace. The AMHS is also offering round-trip service from Juneau to Pelican again this summer, every other Tuesday for \$70 per adult. This encourages visitors to see Glacier Bay and the boardwalk village of Pelican in a one-day whale-watching and sightseeing excursion.

While tourism is one of Southeast Alaska's strongest industries, some small communities in the region do not support any significant visitor activity. Many of these locales, however, are now exploring tourism development plans in order to create jobs and income in the face of declining timber and fisheries industries. Some options include wilderness and eco tours, Native Alaskan arts, lore and culture, locally harvested and prepared food, sport-fishing and kayaking trips. Opportunities for job training and for partnering with other operators, marketing agents and Native organizations are being explored in many communities. The CEDS process and the "Strategic Planning for Communities" workshops and other training offered by the Central Council of Tlingit and Haida Indian Tribes of Alaska and Southeast Conference offer a method to help these communities plan, develop, train for, and implement tourism and other economic opportunities. The ADCED offers a "Developing Tourism in Rural Alaska" program and other assistance.

Mining

Mining in Southeast Alaska has become increasingly controversial as mineral prices soar and environmentalists seek protection for the state's water, wildlife and fisheries, and scenic wilderness through the court system. Gold prices reached \$1,000 an ounce in March 2008, after being valued at less than \$400 an ounce in 2003, and silver prices exceeded \$20 per ounce this spring. In mid June, gold was worth about \$900 an ounce and silver more than \$17 an ounce.

Owner Coeur Alaska's efforts to begin production this year at the Kensington gold mine 45 miles north of Juneau near Berners Bay have been delayed as developers, regulatory agencies and environmentalists strive to reach agreement as to the method of the mine's waste tailings disposal. At this writing they are working on a paste tailings plan instead of a dry tailings facility, but more review is required before the permitting can be completed. In May 2008 the U.S. Forest Service (USFS) announced that it will prepare an Environmental Assessment—less extensive than a complete Environmental Impact Statement—which may allow permitting to be completed late in 2008. Most stakeholders, including the USFS, support the technical soundness of the paste tailings plan.

Coeur Alaska, part of the Idaho-based Coeur d'Alene Mine Corp., now expects production at the Kensington Mine to begin in 2009. The life of the mine is estimated to be about 10 years, based on gold mineral reserves of approximately 1.35 million ounces. The site supported 390 full-time construction jobs in 2007, and once in operation the mine will support 200 full-time production employees and another 170 indirect jobs, according to a McDowell Group study. The Kensington will be one of the largest private employers and one of the largest taxpayers in the City and Borough of Juneau, employing workers from throughout Southeast Alaska. It is estimated that the Kensington Mine will pay \$16 million a year in its payroll, with the average job paying nearly \$80,000 a year—lower than the average pay for a Greens Creek Mine job, but higher than the state mining-wage average.

The Vancouver-based Niblack Mining Corp. is involved in advanced-stage surface and underground exploration for developing three mines on southern Prince of Wales Island: the Niblack Project, the Ruby Tuesday Property and the Cayenne Property. All three contain gold, silver, copper and zinc. It is unknown yet how many jobs these mines will provide. If mineral prices remain high, additional exploration by other companies is likely to occur.

In April 2008, Hecla Mining Company acquired 100 percent ownership of the Kennecott Greens Creek Mine on Admiralty Island near Juneau, the largest silver mine in North America based on annual production. Also headquartered in Coeur d'Alene, Idaho, Hecla had previously held a 29.7 percent interest in the Greens Creek Mine for the past two decades. It is not known yet how Hecla's full ownership may affect jobs or production. In 2007, the Greens Creek Mine employed 325 people from throughout Southeast Alaska and produced 8,168,000 ounces of silver, 62,784 ounces of gold, 50,938 tons of zinc, and 18,046 tons of lead. The Greens Creek Mine is the largest property tax payer in Juneau.

Some Southeast Alaska communities are encouraging the use of their ports and rivers by Canadian mining companies. In October 2007, the Skagway Ore Terminal resumed operation for the first time in 10 years, generating jobs and revenue, when ore concentrate from Minto Explorations' copper and gold mine at Minto, Yukon Territory, was loaded onto a Russian ship for transport. The Alaska Industrial Development and Export Authority, owner of the Skagway Ore Terminal, executed a seven-year agreement with Sherwood Copper Corp., of which Minto Explorations is a subsidiary, and is negotiating with other potential users of the facility.

Bravo Venture Group, Inc. received the final mining permits in June 2008 for its Woewodski Island Project southwest of Petersburg. The Vancouver-based firm began drilling activity on its Brushy Creek and East Lake prospects, which contain gold, silver, lead and zinc.

The proposed Tulsequah Chief mine, owned by Vancouver-based Redfern Resources Ltd., is located about 45 miles northeast of Juneau in British Columbia, on the Tulsequah River, a tributary of the Taku River. Redfern is barging supplies to the multi-metal mine through Alaska on the Taku River and has hired employees in both Alaska and Canada for summer barge, support and work crews. It is not yet known how many Alaskan jobs this project provides. Redfern had proposed using an

Amphitrac vehicle in late fall, winter and early spring to transport its hoverbarge over ice and land, but fishermen and Taku users feared the Amphitrac would harm fish and wildlife habitat. State of Alaska permitting for the Amphitrac was suspended until Redfern provided additional information. Redfern no longer needs permits to operate conventional barges during summer, which it is doing from June to mid-October.

Mining development proposals in other areas of the state, such as the huge Pebble Project near Bristol Bay in Southwest Alaska, hold great interest for many Southeast Alaskans, for many reasons. The proposed Pebble Project includes construction of the world's largest dam, and potential operational disasters there could devastate some of the state's most famous and lucrative salmon fisheries. A significant number of Southeast Alaskans own and fish Bristol Bay commercial salmon permits, and many Alaskans, whether or not they fish there, fear that disasters or damage to Bristol Bay fisheries would also destroy the international marketing image of Alaska's unpolluted, wild, healthy salmon and seafood, virtually destroying one of the state's greatest industries. But if it were developed, the Pebble mine would inject a wealth of jobs and revenue into the state's economy, attracting workers from Southeast.

Timber

Timber issues in the 16.9-million-acre Tongass National Forest in Southeast Alaska remain contentious. On Feb. 15, 2008, the USFS published for public comment its Record of Decision and Final Environmental Impact Statement for the 10-year update of the Tongass Land Use Management Plan (TLMP). It supported 267 million board feet (mmbf) of timber harvest on lands which, according to some groups, consisted of low-value timber requiring high costs for extraction. Thus, the actual number of board feet harvest in recent years has been a fraction of this amount. Old-growth timber was given added protection, and a three-phase step-up process was developed to gradually increase timber harvest according to demand. The first phase allows harvest from among a total of 567,000 acres of the forest's 5.7 million forested acres.

Fourteen appeals to the new plan were filed, including one by Southeast Conference (SEC) with the Ketchikan Gateway Borough, the cities of Ketchikan, Wrangell, Craig and Coffman Cove, and the Juneau and Ketchikan chambers of commerce. The Alaska Forest Association, headquartered in Ketchikan, supported SEC's appeal but filed its own. The appeal position filed by Southeast Conference, et al., was that the USFS had given too much weight to environmental concerns and did not understand well enough what the timber industry needed in order to harvest economically, thereby failing to fulfill its obligation to sustain a viable timber industry. SEC's appeal stated that only 2 percent of the Tongass has been logged in the past 100 years and that the new plan called for harvesting about 600,000 acres, less than 2 percent, in the next 100 years. It asked for average cost and average value timberlands with sufficient timber available to allow mills to operate at normal capacity. The appeal also stated that litigation from environmental groups could prevent the harvest level from ever progressing past Phase 1. Thus, harvest would be less than what would meet demand.

CCTHITA also filed an appeal to the TLMP on the basis of: inadequate protections of Alaska Native sacred sites; inadequate protections of intact watersheds for wildlife and fish habitats; provision of sufficient forest resources to support a sustainable level of economic activity in related industries; failure to promote and fund forest and riparian restoration activities; and a lack of a plan for slow and controlled transition from old growth to second growth in limited areas.

Other appeals filed claimed that the new plan allowed too much timber harvest, particularly from old-growth forest, without adequate protection to fish and wildlife habitat. Tongass USFS officials must address all of the appeals by July 14 and then send them to USFS Chief Gail Kimbell, according to the *Juneau Empire*. Ms. Kimbell must decide by Nov. 11, 2008 which, if any, of the appeal points are valid.

Developing an inventory of the second-growth timber is being explored to determine when and where such timber will be commercial and available, so that a plan to transition to a second-growth timber economy can be made.

Meanwhile, spruce beetles and other destructive species are killing trees in parts of the Tongass and throughout other areas of Alaska. In the past 25 years, the Alaska Division of Forestry estimates that more than 2 *billion* board feet of spruce trees have been killed by spruce beetles statewide. These dry, dead trees can be seen peppering the mountainsides in parts of northern Southeast Alaska.

There are approximately 20 sawmills, most of which are very small, operating in Southeast Alaska. Viking Lumber on Prince of Wales Island, however, is the largest private employer on the island. The Wrangell sawmill can employ up to 200 persons when it can receive enough timber to operate at full capacity. Sealaska Corp., the regional Alaska Native corporation, is the largest private landowner in the Tongass and accounts for approximately two-thirds of the region's timber activities.

During the past several years Tongass timber harvests have been just a fraction of the allowable sale quantity (ASQ) of 267 mmbf—averaging less than 50 mmbf since 2001. Southeast also lacks the diversity in its processing facilities to allow for a more economical use of its harvest. Timber operators cite the instability of the industry as the greatest obstacle to receiving business loans. Veneer mills, for example, use smaller logs than those typically used by sawmills. The Ketchikan Veneer Mill started production and weekly shipments in September 2007, employing 35 people, but was forced to suspend operations indefinitely in March 2008 due to no supply of logs.

Many local areas are pursuing small-scale harvest to meet local and regional needs, and are seeking ways to increase value-added opportunities, rather than shipping raw logs out of the region.

One bright spot in the industry is that a small portion of wood waste is now successfully being used for fuel in the region. Hopefully this will expand to help sawmills so they can avoid paying expensive costs to dispose of wood waste. See the Energy section on p. 16 to learn about Craig's pilot wood-fired boiler system, which is successfully using wood chips and hog fuel instead of diesel to fire community boilers for heat.

Arts, Alaska Native Arts and Culture

A disproportionately high number of artists, authors and photographers call Southeast Alaska home, inspired by its natural beauty and cultural lore and lifestyles. Many are of regional, national and world renown in a variety of media. Native Alaskan artwork, dance, song, storytelling and culture are also a very vibrant part of the region's social and economic well-being. All of these art forms are extremely important to the region, both directly and indirectly. They add to the area's mystique and allure, attracting visitors, and then generate revenue for shop owners and businesses. According to the ADCED's *Alaska Visitor Statistics Program V* study, shopping was the number-one activity among non-cruise visitors to the Southeast region (65 percent). Among cruise visitors, these figures are likely even higher.

The biannual Celebration festival to celebrate Southeast Alaska Native cultures, founded by the Sealaska Heritage Institute in 1982, attracts thousands of visitors to Juneau every other year to celebrate Tlingit, Haida and Tsimshian Native culture. Celebration 2008, held June 5-7, attracted a record number of visitors—nearly 7,000—to share Native exhibits and workshops in dancing, arts, ceremonies, food, language and song exhibits and workshops. “Celebration,” held during even-numbered years, serves to encourage Native Alaskans to revitalize their cultures and pass on traditions, and the incredible energy felt in Juneau is palpable.

The Chilkat Indian Village's new Jilkaat Kwaan Cultural Heritage Center in Klukwan will support cultural tourism, creating employment and income for tribal members and stimulating business investment by tour operators in Haines and Klukwan. It will also provide a venue for dozens of regional Native artists to sell their work.

Construction

Construction has slowed in Southeast Alaska, but the region's economy is not nearly so dependent on construction and the housing market as are most other areas of the nation. So the impact of the national construction and housing crash is comparatively mild in Southeast Alaska. Alaska is second only to Montana as states in the nation least effected by the housing slump, according to the U.S. Bureau of Economic Analysis.

Most current construction projects in the region are public infrastructure projects. Research centers for Alaska's fisheries are being built near Juneau and Ketchikan.

In August 2007, NOAA Fisheries Services turned over full operations of the new \$51 million, state-of-the-art Ted Stevens Marine Research Institute (TSMRI) at Lena Point to the Alaska Fisheries Science Center. Opening the new 69,000 sq. ft. campus near Juneau was the culmination of a 15-year effort to create Alaska's largest fisheries research facility. According to the NOAA news release announcing its opening, the center is a “catalyst for the growth of Alaskan fisheries research necessary to meet the expanding information needs of the NMFS ecosystem approach to management and the recently re-authorized Magnuson-Stevens Act.” Its laboratories, funded by a \$1.25 million grant from NMFS, are larger, safer and provide greatly expanded scientific capabilities for 84 scientists plus staff.

Right next to the TSMRI, the University of Alaska Fairbanks has begun construction of a \$26.5 million sister teaching and research facility, which is scheduled to be completed in fall 2008. The new 30,600 sq. ft. School of Fisheries and Ocean Sciences Juneau (SFOSJ) center will serve 13 faculty, 10 research assistants and 45 students.

Port and Harbor Improvements

Upgrading and expanding ports and harbors is especially crucial for transportation and business development in Southeast Alaska. Several major projects are currently in the works toward that end, as reported in *Alaska Business Monthly* magazine.

Two major port projects are underway for Hoonah: state ferry terminal improvements and the new Industrial Marine Project with boat haul-out facility. The \$3.5 million ferry terminal project is set to go out for bid in spring 2009. Hoonah's new boat-lift facility, a \$2 million to \$3 million project, will allow haul-out of vessels up to 220 tons for servicing, according to the City of Hoonah's published bid notice. The first of that project's three phases was completed last year and the second went out for bid this June.

Three new dolphins are being built in the small boat harbor in Haines. Western Dock & Bridge of Ketchikan is the contractor for the \$2.14 million project. Additional harbor work will be

advertised for bids this summer. The state will also replace its portion of the Lutak dock at the ferry terminal at Haines.

A \$3 million system designed to reduce wave action into Skagway's small boat harbor entrance will make it safer. It is scheduled for construction in 2009.

Construction is underway on Juneau's Auke Bay Loading Facility, a \$7 million marine-loading facility to support fishermen. Other major projects approved for construction include a new \$20 million causeway for Gustavus and a new \$6.5 million ferry terminal at Annette Bay for Metlakatla.

Conclusion

Despite these times of economic uncertainty and hardship for Southeast Alaska, exciting progress is being made that will enhance business development and social stability for the region. Development of region-wide hydroelectric and telecommunications systems will bring business capabilities, telemedicine, distance education and buying opportunities to Alaska's rural communities at lower prices. These advancements will help reduce the communities' sense of isolation and encourage current residents to remain while attracting new residents. The region's ports and harbors are getting substantial upgrades and ferry service is expanding, improving transportation services throughout the region. The state's healthy revenue coffers may bring further developments for Southeast Alaska. Many of Southeast's industries remain stable or continue to grow, which, coupled with its spectacular natural resources, make it an incredible place to live.

IV. Goals, Objectives and Strategies

This vision statement reflects the values identified by the Comprehensive Economic Development Strategy (CEDS) committee members and is a touchstone by which the efficacy of goals and objectives is measured.

Southeast Alaska is a strong and diverse region where educational and economic opportunities are available and consistent with the values and needs of its residents. Economic development efforts focus on meeting the long-term needs of the region, maximizing regional self-reliance and self-determination, and promoting sustainable development. There is a strong bond of common purpose throughout the region; but at the same time, local needs and priorities are recognized and supported. The region draws strength from its cultural diversity and recognizes and celebrates the qualities each member contributes. Conflicts among disparate groups or interests are resolved in an atmosphere of respect.

GOAL I COMMUNITY DEVELOPMENT - Initiate activities and assist communities, boroughs and other organizations in efforts to improve the region as a good place to live and work.

The communities in Southeast are as diverse as in any other part of Alaska. With populations ranging from 30,000 to fewer than 20, there is considerable variation in their economic condition, their aspirations and in the resources available to meet identified development and social needs. In the last decade a majority of communities in the region have experienced a decline in their overall well being. This decline results primarily from changes in the natural resource-based industries that have traditionally sustained the region's economy. Compounding this problem are continuing decreases in state revenue sharing and the state legislature's imposition of unfunded mandates on communities throughout the state. These circumstances most severely impact the region's rural communities that, in general, have a limited local tax base and fewer opportunities for economic diversification.

Whether urban or rural, Southeast's communities have many needs in common if they are to build strong local economies, ensure a desirable quality of life for their citizens, and enhance their ability to direct their own futures. Paramount among these common needs are: transportation infrastructure to provide efficient movement of people and goods within and beyond the region, communications infrastructure to provide immediate access to information and to the worldwide marketplace, and energy infrastructure to lower manufacturing costs and the cost of living and conducting business throughout the region. This infrastructure is also necessary for quality of life considerations. Along with public safety and health care, affordable housing, educational opportunities and recreation, it makes our communities desirable places to live, raise families and spend retirement years.

Another important component of community development is maximizing the ability of local residents and organizations to actively engage in planning and managing the affairs of their community. Southeast Alaska's cultural diversity lends strength to this effort, bringing both traditional knowledge and contemporary scholarship to bear on issues of local and regional concern. History demonstrates that problems are most effectively resolved when solutions are derived and implemented at the local level. The physical isolation of most Southeast communities creates both a need and a desire for self-sufficiency and self-determination. It is our intent that through this

Comprehensive Economic Development Strategy, the community development needs of the region can better be identified and met.

OBJECTIVE 1 Infrastructure Development - Support the development, maintenance and improvement of public infrastructure necessary for economic development and enhancing the quality of life in the region.

Strategy

- I.1.A.** Advocate for ferry, port and harbor, road, marine and air transportation systems enhancements as requested by the region's communities.
- I.1.B.** Prohibit substantive amendments to the Southeast Alaska Transportation Plan without the concurrence of the affected communities.
- I.1.C.** Encourage more community and private sector participation in the operation and maintenance of public facilities and transportation services.
- I.1.D.** Encourage the establishment of local and regional authorities to develop and operate transportation facilities and services.
- I.1.E.** Support the Statewide Long-Range Transportation Plan and assist in implementing that plan in Southeast Alaska.
- I.1.F.** Promote inclusion of Yakutat in the Southeast Alaska Transportation Plan.
- I.1.G.** Advocate for full exploration of all potential highway corridors for linking Southeast with the mainland highway system.
- I.1.H.** Support implementation of a formal collaborative process for air transportation planning throughout the region.
- I.1.I.** Encourage the establishment of increased airfreight services to small communities in the region.
- I.1.J.** Advocate the level of road construction and maintenance necessary in the Tongass National Forest to support a viable forest products industry, meet identified tourism and recreation needs, and provide access to subsistence resources.
- I.1.K.** Further develop enhanced telemedicine capabilities in the region.
- I.1.L.** Advocate full implementation of the Southeast Alaska Intertie Plan, incorporating connecting with B.C. Hydro, if appropriate.
- I.1.M.** Support the study and implementation of alternative energy sources, including tidal power, where appropriate, throughout the region.
- I.1.N.** Promote development of infrastructure needed to improve recreational opportunities and support tourism industry development, especially in smaller communities.
- I.1.O.** Examine the energy requirements to support mining activity, especially in remote locations.
- I.1.P.** Support programs and projects that contribute to the development of an adequate supply of affordable housing throughout the region.
- I.1.Q.** Support the extension of fiber optic service, or other appropriate communications technology, to as many communities in the region as possible.
- I.1.R.** Support a systematic approach to providing and maintaining critical infrastructure in small communities.

OBJECTIVE 2 **Quality of Life Improvements** - Support efforts to develop, maintain and enhance health care, education, public safety, and necessary community services and facilities throughout the region.

Strategy

- I.2.A.** Support development of more elder-care facilities and services in the region, particularly in rural communities.
- I.2.B.** Further develop enhanced telemedicine capabilities in the region.
- I.2.C.** Encourage partnering among healthcare providers to better maximize service delivery and achieve economies of scale.
- I.2.D.** Encourage new models of healthcare delivery that harness private, state, local and federal government, and tribal resources to create a comprehensive and integrated system of care that meets the challenge of delivering health care to the region.
- I.2.E.** Advocate tobacco settlement dollars to be reinvested in local health care and education.
- I.2.F.** Recognize and strengthen the critical linkage between healthcare access and transportation planning.
- I.2.G.** Support efforts that ensure a local voice in the development and management of community healthcare facilities.
- I.2.H.** Support programs to train local people to work in all aspects of the healthcare industry.
- I.2.I.** Support programs and projects that contribute to the development of an adequate supply of affordable housing throughout the region.
- I.2.J.** Support a systematic approach to providing and maintaining critical infrastructure in small communities.
- I.2.K.** Support the continued subsidy of essential air service to Petersburg, Wrangell and Sitka.

OBJECTIVE 3 **Capacity Building** – Help local governments and community organizations develop leadership skills and the ability to successfully carry out economic and community development activities.

Strategy

- I.3.A.** Recognize the opportunities and strengths engendered by the region’s diverse cultures and populations.
- I.3.B.** Examine the potential for “New Pioneers” type programs.
- I.3.C.** Support the achievement of community goals through cooperative partnerships among regional, state and federal agencies.
- I.3.D.** Support efforts that ensure a local voice in the development and management of community healthcare facilities.
- I.3.E.** Encourage more community and private sector participation in the operation and maintenance of public facilities and transportation services.
- I.3.F.** Encourage the establishment of local and regional authorities to develop and operate transportation facilities and services.

GOAL II ECONOMIC DEVELOPMENT - Provide support and assist in planning and implementing local and regional economic development projects and initiatives.

The economy of Southeast is best typified as one in transition. The region's traditional leading industries—timber, mining, commercial fishing, and government—continue to be major contributors but are all declining in their overall impact. Since 1997, the service sector of the economy has seen the fastest growth, supplemented by the construction and retail sectors. While total employment numbers have remained relatively stable, high-paying jobs in resource extraction, manufacturing and government are being exchanged for lower-paying jobs in the tourism, retail trade and service sectors. Unlike natural resource-based activity, growth in these new sectors is largely concentrated in the region's population centers, and often severely impacts rural communities. These changes in the region's economy have been unsettling. The dramatic decline in the timber industry, in particular, has had a ripple effect throughout the region. The loss of more than 1,700 direct timber industry jobs between 1990 and 1998 has resulted in significant population losses in many Southeast communities. This, in turn, has often meant declining school populations, a shrinking tax base, reduced purchasing power and increased social and economic pressures on local governments and community organizations.

The challenge for the region is to reorient its resource-based industries to address changing political, economic and market realities. In part, this involves putting the necessary infrastructure in place to help the region's products and services compete effectively in the marketplace. This requires not only efficient and reliable transportation, but cost-efficient energy and state-of-the-art communications capability. Further, efforts must be made to ensure a political and regulatory environment that is conducive to economic growth while responsive to quality-of-life issues. It requires coordinated planning between industry and educational institutions to ensure a well-trained workforce ready to step into new job opportunities.

It is time to examine new opportunities and models for marketing Southeast's products, and transportation systems to get them there. An important part of meeting this challenge is reaching consensus on the region's economic development priorities and framing a plan to achieve them. It is our intent that this Comprehensive Economic Development Strategy is part of the ongoing process to identify those development needs and bring focus to the planning and development efforts of persons and organizations throughout the region.

OBJECTIVE 1 Tourism Development - Initiate activities and support efforts to promote responsible development of tourism in the region's economy.

Strategy

- II.1.A.** Advocate a regional strategy to work in concert with the cruise-ship industry to maximize benefits to the region's communities and businesses and insure against intra-regional competition for cruise-ship industry visitation.
- II.1.B.** Continue the role of Southeast Conference as a facilitator in communications between the region's communities and the cruise industry.
- II.1.C.** Advocate a regional approach to taxation and regulatory issues associated with the visitor industry.
- II.1.D.** Explore opportunities to promote dispersal of high visitor concentrations by developing hub and satellite programs with outlying communities.

- II.1.E.** Promote development of infrastructure needed to improve recreational opportunities and support tourism industry development, especially in smaller communities.
- II.1.F.** Promote return visits by cruise-ship passengers as independent travelers.
- II.1.G.** Examine the structure and goals of the Southeast Alaska Tourism Association to insure opportunities for participation and benefit by small, outlying communities.
- II.1.H.** Support the development of appropriate scale cruise programs to small communities.
- II.1.I.** Encourage marketing efforts that promote small group, small community visitation and the use of local guides and service providers.
- II.1.J.** Encourage partnering between small village corporations and larger Native or tourism industry corporations to foster tourism development in appropriate locations.
- II.1.K.** Support programs to train residents for seasonal and year-round jobs in the visitor industry.
- II.1.L.** Insure that State-supported tourism marketing programs provide appropriate representation of all regions of the state and all segments of the industry.
- II.1.M.** Encourage point-to-point travel on the AMHS to increase visitation

OBJECTIVE 2 **Timber Development** - Initiate activities and support efforts to promote responsible development of the timber sector of the region's economy.

Strategy

- II.2.A.** Achieve certainty in the Tongass Land Management Plan to allow the timber industry to restructure itself and implement strategies for long-term stability.
- II.2.B.** Urge the USFS to offer an amount not less than the full allowable sale quantity (ASQ) at each annual Tongass timber offering.
- II.2.C.** Support efforts that halt further erosion of timber industry jobs in the region.
- II.2.D.** Advocate the level of road construction and maintenance necessary in the Tongass to support a viable forest products industry, meet identified tourism and recreation needs, and provide access to subsistence resources.
- II.2.E.** Encourage increased small and micro timber sales in support of value-added processing in the region.
- II.2.F.** Support efforts to halt the spread of beetle infestations into Southeast forests.
- II.2.G.** Support efforts to develop alternative wood products-based industries on Prince of Wales Island and throughout the region.
- II.2.H.** Support development of a demonstration sustainable forest plan on private or public land.

OBJECTIVE 3 **Fisheries Development** - Initiate activities and support efforts to promote responsible development of the fisheries sector of the region's economy.

Strategy

- II.3.A.** Support efforts to equitably settle conflicts and allocation disputes among developing fisheries and resource user groups.
- II.3.B.** Support regimes that strengthen the role of local advisory boards and maximize local participation in fisheries resource management decisions.

- II.3.C.** Examine the feasibility of regional transportation and marketing cooperatives for fisheries products.
- II.3.D.** Establish nonprofit community organizations to purchase halibut and black cod quotas and hold them in trust for “rent” by local residents.
- II.3.E.** Insure that any fishery permit “buy back” program targets nonresident permits to the benefit of resident fishermen.
- II.3.F.** Support the full analysis of Community Trust Quotas by the North Pacific Fisheries Management Council.
- II.3.G.** Monitor government agency review of permit requirements for the use of “whole fish” and the disposal of fish waste.
- II.3.H.** Examine the feasibility of “live fish” marketing and other value-added opportunities.
- II.3.I.** Support continued assessment and development of the Southeast dive fishery.
- II.3.J.** Support efforts of dive fishers and shellfish growers to improve PSP testing protocols and establish a regional test lab for shellfish.
- II.3.K.** Support projects that use fish waste in the manufacture of value-added products.
- II.3.L.** Advocate continuing education programs for fishermen on proper handling, packaging and transport of fish to meet market standards.
- II.3.M.** Support implementation of fisheries management policies based on sustainability.
- II.3.N.** Support and promote the Marine Stewardship Council’s certification of Alaska salmon as a “Sustainable Fishery.”
- II.3.O.** Support access to the Commercial Fisheries Revolving Loan Fund for direct marketing programs.
- II.3.P.** Support efforts by fishermen to directly access the market for their fishery products.
- II.3.Q.** Encourage and support regional identity marketing strategies, using successful models such as “Copper River Reds,” to promote the region’s unique qualities.
- II.3.R.** Establish product standards that qualify products to participate in regional marketing programs.
- II.3.S.** Investigate the use of regional fish brokers and online auction houses for product outlets.
- II.3.T.** Support designation of wild Alaska seafood as “organic” by USDA.
- II.3.U.** Examine tax incentives for processors doing value-added processing in state.
- II.3.V.** Support development of technology that increases opportunities for value-added processing.
- II.3.W.** Support the development of shellfish mariculture, including construction of shellfish nurseries and training for growers.
- II.3.X.** Support the development of improved transportation of fish products to market.

OBJECTIVE 4 Minerals Development - Initiate activities and support efforts to promote responsible development and permitting of the minerals sector of the region’s economy.

Strategy

- II.4.A.** Examine the potential and implications of establishing “mining districts” and/or some other land designation in Alaska that allows for fast track development of mining projects.

- II.4.B. Support continued geophysical mapping of the region’s mineral resources.
- II.4.C. Support continued identification and development of other mining products in the region such as marble, aggregate and strategic minerals.
- II.4.D. Support use of the Coeur Alaska model of working with stakeholder groups prior to completion of a project’s design.
- II.4.E. Support continued study of the potential for sub-marine tailings disposal.
- II.4.F. Support continued transshipment of Canadian-sourced ore through Southeast ports.
- II.4.G. Examine the energy requirements to support mining activity, especially in the region’s remote locations.

OBJECTIVE 5 Business and Industrial Development - Initiate activities and support efforts aimed at business retention and expansion, development of new enterprises, and ensuring the availability of appropriate technical assistance and financial resources.

Strategy

- II.5.A. Encourage increased airfreight services to small communities.
- II.5.B. Support the extension of fiber optic service, or other appropriate communications technology, to as many communities in the region as possible.
- II.5.C. Encourage the regionalization and privatization of appropriate public services.
- II.5.D. Advocate responsible legislation that removes barriers to economic development.
- II.5.E. Advocate for more aggressive implementation of the Community Reinvestment Act in the region.
- II.5.F. Examine opportunities for mutually beneficial, cross-border business and industrial development with Southeast Alaska’s Yukon and British Columbia neighbors.
- II.5.G. Support the development of international trade zones in appropriate locations in the region.
- II.5.H. Examine ways to increase access to private capital for business and economic development.
- II.5.I. Advocate programs to support and stimulate growth of local businesses, keeping local dollars circulating in the region.
- II.5.J. Examine the need and appropriate locations for small business incubators in the region.
- II.5.K. Support development of a one-stop clearinghouse for information on business and economic development resources.
- II.5.L. Advocate increased State assistance for market analysis and development of Alaska products.

OBJECTIVE 6 Human Resource Development - Initiate activities and support efforts to ensure a skilled workforce comprised of local residents is available for employment throughout the region.

Strategy

- II.6.A. Recognize the opportunities and strengths engendered by the region’s diverse cultures and populations.
- II.6.B. Support development of more vocational education facilities and training programs consistent with existing and anticipated job opportunities in the region.

- II.6.C.** Support programs to encourage students, skilled workers and professional Alaskans to return to the region to invest their talents in its development.
- II.6.D.** Continue efforts to fund scholarships for students at the University of Alaska Southeast.
- II.6.E.** Support programs to train local residents to work in all aspects of the healthcare and tourism industries.

OBJECTIVE 7 **Regional Marketing** – Support efforts to increase economic opportunity and market access through coordinated and cooperative marketing of the region’s product’s and services.

Strategy

- II.7.A.** Establish a database of industrial, manufacturing and transportation capacity as a regional marketing tool.
- II.7.B.** Insure coordination between AMHS scheduling and marketing and regional transportation authorities.
- II.7.C.** Encourage point-to-point travel on the AMHS to increase visitation and economic benefit to each community.
- II.7.D.** Examine successful models for the establishment of marketing cooperatives that may be appropriate for Southeast products and/or services.
- II.7.E.** Examine possible changes to ASMI regulations to allow direct promotion of regional products or regional tie-ins to ASMI marketing efforts.
- II.7.F.** Advocate increased State assistance for market analysis and development for Alaska products.

GOAL III **ENVIRONMENTAL ENHANCEMENT** - Provide support and assist communities, boroughs and other organizations in efforts to sustain and improve the quality of the region’s natural environment.

The Southeast economy is fundamentally tied to natural resources and a quality environment. The region is blessed with abundant fresh water, unspoiled marine ecosystems, plentiful timber, fish and wildlife and wilderness resources that are the envy of much of the world. Throughout the last century, new communities have been established in the region. Most of these communities have come into being as the result of the exploitation of natural resources. Cannery sites, gold strikes and lumber camps have grown into many of the region’s established communities. As the fishing, timber and mining industries expanded, people were drawn to the area for job opportunities and for the quality of life its abundance afforded. With this growth, tidelands and uplands have been developed for ports and harbors, airports, housing, commercial enterprises and manufacturing sites. And as we did a hundred years ago, we continue to harvest trees, extract minerals, catch and process fish.

Now other industries are part of the economy as well. Government, transportation, tourism, construction, communications, health and medical services and others all contribute to a more diversified economy. All of this economic activity and the population it supports have impacts on the natural environment. In some instances, these impacts can seriously compromise the quality of the environment or pose health and safety risks to the region’s inhabitants.

Contemporary thinking recognizes the interconnection between strong economies and a quality environment. Development planning now takes a more comprehensive view of a proposed activity, assessing its environmental impacts and including those factors in the cost/benefit equation. For example, when development occurs on prime wetland habitat where salmon spawn and fry grow to smolts, it must be considered that as a consequence fewer fish may be available for harvest by commercial fishers and by recreational and subsistence users. This does not mean that beneficial development should not or cannot occur. Rather, it suggests that better decisions can be made after considering the full range of costs and benefits that a project entails. We believe this CEDS is mindful of this approach and is consistent with our mission to support strong economies, healthy communities and a quality environment.

OBJECTIVE 1 Environmental Quality - Initiate activities and support efforts to appropriately handle solid waste and hazardous materials disposal, to insure a safe water supply and guard against threats to the region's natural assets.

Strategy

- III.1.A.** Encourage a comprehensive, regional approach to solid waste management that includes recycling.
- III.1.B.** Insure adequate safeguards to protect water quality and fisheries habitat throughout the region.
- III.1.C.** Support efforts to halt the spread of insect infestations in Southeast forests.
- III.1.D.** Support watershed planning efforts in which the stakeholders within a watershed are involved in the development, wise use and conservation of natural resources and the restoration of habitat.
- III.1.E.** Help advance a carbon sequestration process that uses protocols meeting Alaska Dept. of Environmental Conservation (DEC), USEPA and USDA standards. Encourage participation by private landowners, industry and businesses in the region.
- III.1.F.** Support federal and state financial and technical assistance for maintaining and improving the water and sewer facilities in the region's communities.
- III.1.G.** Encourage agencies, communities and marine and land-based industries to participate in programs that reduce the amount and impact of discharge of sewage, gray water and other waste into the marine environment.
- III.1.H.** Work with the DEC and Southeast's communities to continue implementation of the Household Hazardous Waste Collection program.
- III.1.I.** Encourage communities, private landowners and other groups to develop local and sub-regional conservation districts as a tool to implement conservation programs on private lands.
- III.1.J.** Urge the USFS to expeditiously facilitate the cleanup of KPC encumbered lands on Prince of Wales Island and release them to the affected communities.
- III.1.K.** Support efforts to assess and schedule cleanup of abandoned hazardous waste sites that are detrimental to the region's natural environment.

GOAL IV ORGANIZATIONAL DEVELOPMENT - Expand and strengthen the organization's ability to advance the economic, social and environmental interests of the region's people, communities and businesses.

The changes occurring in Southeast constitute both challenges and opportunities. In many instances, the old ways of doing business are over and we must find new ways of using our abundant resources to build sustainable economies and to maintain a high quality of life for our residents. One way to meet this challenge is developing mechanisms for achieving regional consensus and a shared vision for the future.

Southeast Conference and Central Council Tlingit and Haida Indian Tribes of Alaska (CCTHITA) are uniquely positioned to play important roles in this effort. Both have region-wide constituencies and a mandate to work for the betterment of the communities, economies and the natural environment of Southeast. To effectively meet this challenge, both must take leadership roles in identifying, articulating and advancing local and regional development goals. This can first be done by continuing and expanding this initial effort to produce a Comprehensive Economic Development Strategy (CEDS) for Southeast Alaska. Second, our organizations can proactively work to increase communication and cooperation among the communities and other economic stakeholders in the region. Both can play significant roles in gathering and disseminating pertinent information and in creating forums for the exchange of ideas and resolution of problems. And, finally, we can be strong, effective advocates for the economic, social and environmental interests of the region at the local, state and federal levels. The CEDS clearly identifies issues and strategies to enhance the region's well being. It is a "road map" for achieving local and regional goals and aspirations. Southeast Conference and CCTHITA can now use this valuable tool to help chart a new course for the region.

OBJECTIVE 1 Regional Planning - Initiate and support efforts to unite the region and advance the economic development goals of its communities and organizations through a coordinated, regional planning process.

Strategy

- IV.1.A.** Institutionalize a sustainable process for continuing the production and implementation of the Southeast Alaska Comprehensive Economic Development Strategy.

OBJECTIVE 2 Communication - Expand and strengthen communication and cooperation among communities, boroughs, tribes and other organizations in order to build consensus and advance the economic, social and environmental interests of the region.

- IV.2.A.** Develop a mechanism to disseminate updated information about an organization, its programs and projects, and other matters to members and to the public at large.
- IV.2.B.** Sponsor or participate in conferences, workshops or meetings designed to inform the region's people, businesses and communities about matters of social, political or economic importance.

OBJECTIVE 3 **Governmental Affairs** - Initiate activities and support efforts to advance the economic, social and environmental interests of the region at local, state and federal government levels.

Strategy

- IV.3.A.** Prohibit substantial amendments to the Southeast Alaska Transportation Plan without the concurrence of affected communities.
- IV.3.B.** Resist continued emphasis on AMHS achieving economic self-sufficiency, a condition not required of other state transportation corridors.
- IV.3.C.** Support the Statewide Long-Range Transportation Plan and assist in implementing that plan in Southeast Alaska.
- IV.3.D.** Support implementation of a formal, collaborative process for air transportation planning throughout the region.
- IV.3.E.** Advocate that tobacco settlement dollars be reinvested into local health care and education programs.
- IV.3.F.** Support efforts to equitably settle conflicts and allocation disputes among developing fisheries and resource user groups.
- IV.3.G.** Support regimes that strengthen the role of local advisory boards and maximize local participation in fishery resource management decisions.
- IV.3.H.** Establish community nonprofit organizations to purchase limited entry permits and hold them in trust for “rent” by local residents.
- IV.3.I.** Insure that any fishery permit “buy back” programs target nonresident permits to the benefit of resident fishermen.
- IV.3.J.** Support the full analysis of Community Trust Quotas by the North Pacific Fisheries Management Council.
- IV.3.K.** Monitor government agency review of permit requirements for the use of “whole fish” and the disposal of fish waste.
- IV.3.L.** Support implementation of fishery management policies based on sustainability.
- IV.3.M.** Support access to the Commercial Fisheries Revolving Loan Fund for direct marketing programs.
- IV.3.N.** Support USDA designation of wild Alaska seafood as “organic.”
- IV.3.O.** Examine tax incentives for processors doing value-added processing in state.
- IV.3.P.** Achieve certainty in the Tongass Land Management Plan to allow the industry to restructure itself and implement strategies for long-term stability.
- IV.3.Q.** Urge the USFS to offer an amount not less than the full allowable sale quantity (ASQ) at each annual Tongass timber offering.
- IV.3.R.** Urge the USFS to expeditiously facilitate the cleanup of KPC encumbered lands on Prince of Wales Island and release them to the affected communities.
- IV.3.S.** Support establishment of a Region 11 in Alaska for the USEPA, USFWS, USFS, BLM and other federal agencies with significant management and regulatory responsibilities in the state.
- IV.3.T.** Examine possible changes to ASMI regulations to allow direct promotion of regional products or regional tie-ins to ASMI marketing efforts.
- IV.3.U.** Advocate increased State assistance for market analysis and development of Alaska products.

- IV.3.V.** Support a systematic approach to providing and maintaining critical infrastructure in small communities.
- IV.3.W.** Encourage regulatory agencies to maintain personnel within the regions they regulate.
- IV.3.X.** Encourage the Alaska Mental Health Trust to move ahead with implementation of its plans for the development of trust lands.
- IV.3.Y.** Urge state and federal agencies to strive for consistency and simplicity in the design and administration of grant programs.
- IV.3.Z.** Advocate the elimination of State-mandated, local tax exemptions and other unfunded mandates.
- IV.3.AA.** Encourage state policies that are more supportive of economic development.
- IV.3.BB.** Advocate responsible legislation that removes barriers to economic development.
- IV.3.CC.** Support the achievement of community goals through cooperative partnerships among regional, state and federal agencies.
- IV.3.DD.** Encourage support for the continued subsidy of essential air service to Petersburg, Wrangell and Sitka.
- IV.3.EE.** Encourage incorporation of traditional knowledge with science in resource management.
- IV.3.FF.** Advocate a regional approach to taxation and regulatory issues associated with the visitor industry.
- IV.3.GG.** Insure that State-supported tourism marketing programs provide appropriate representation of all regions of the state and all segments of the industry.

Performance Evaluation

Performance evaluation is an important component of the economic development process. Most simply, it gauges the organization's effectiveness in meeting its goals. To be effective, performance evaluation should be conducted on an ongoing basis and the results used to adjust or redirect organizational efforts.

This Comprehensive Economic Development Strategy (CEDS) identifies four primary goals that give overall direction to the economic development efforts of Southeast Conference and Central Council Tlingit and Haida Indian Tribes of Alaska (CCTHITA). Under each goal are a number of objectives that articulate specific types of activity that support CEDS goals. Finally, the CEDS identifies a menu of strategies that may be employed to achieve each objective. The annual Work Plans of Southeast Conference and CCTHITA will identify the specific activities to be undertaken and the performance measure(s) by which their success will be evaluated. Although the CEDS is the guiding document for both organizations, each is individually responsible for preparing an annual Work Plan and evaluating and reporting their progress in carrying out specified activities.

Southeast Conference, as a federal Economic Development District, will prepare its annual report and performance evaluation consistent with the requirements of the USEDA. Organization staff will prepare an annual report that includes reporting and quantifying its progress toward achieving CEDS goals and will consider the extent to which the annual Work Plan is consistent with identified CEDS goals and objectives, and the extent to which the organization is meeting the performance measures specified in the annual Work Plan.

V. Fiscal Year 2008-09 Work Plan

Mission

Southeast Conference is a private membership organization that works to advance the collective interests of the people, communities and businesses of Southeast Alaska. It is the Alaska Regional Development Organization (ARDOR), Federal Economic Development District (EDD), and USDA Resource Conservation and Development (RC&D) Council for the region. The Conference's mission is to help develop strong economies, healthy communities and a quality environment in Southeast Alaska.

GOAL 1

Community Development

- Infrastructure Development
- Quality of Life Improvements
- Capacity Building

GOAL 2

Economic Development

- Tourism
- Timber
- Fisheries
- Minerals
- Business and Industrial Development

GOAL 3

Environmental Assistance

- Environmental Quality

GOAL 4

Organizational Development

- Communications
- Development Planning
- Efficiency and Effectiveness

GOALS, OBJECTIVES AND TASKS

For a complete understanding of the Goals, Objectives and Tasks included in this work plan, it should be read in the context of the *Comprehensive Economic Development Strategy* that was adopted by the Conference Board on Sept. 21, 2000, with CEDS updates completed in FY02, FY03, FY04 and FY05. A five-year revision (FY2006-2011) was done in FY06 with updates in FY07 and FY08.

GOAL 1 - COMMUNITY DEVELOPMENT

Support and assist communities, boroughs and other organizations in efforts to improve the region as a good place to live and work.

Objective 1 - Infrastructure Development - Southeast Conference will undertake, advocate, support and assist in development, maintenance and enhancement of public infrastructure throughout the region.

In pursuit of this objective, during FY 08 Southeast Conference will:

Task 1 - Continue to monitor and support implementation of the Southeast Alaska Transportation Plan, including participation in DOT process, and provide committee member and formal SEC feedback to DOT.

Assigned to: Transportation Committee / Staff
Performance Period: 7/1/07- 6/30/08
Performance Measure: Periodic meetings with tangible results such as resolutions, policy decisions or action items.

Task 2 - Work with the Marine Transportation Advisory Board to improve service and schedules and to reduce the need for General Fund support for the Alaska Marine Highway System.

Assigned to: Transportation Committee / Executive Director
Performance Period: 7/1/07- 6/30/08
Performance Measure: Meetings attended with tangible results such as resolutions, policy decisions or action items; participation on the Board.

Task 3 - Implement the *Southeast Alaska Electrical Intertie Plan*. Maintain the Energy Coordinator position and focus on completion of Swan-Tyee and the Juneau/Hoonah, Kake/Petersburg and other segments under development; support and assist Kwaan Electric Transmission Intertie Cooperative (KWETICO) in its role as owner of specific Intertie segments; coordinate and assist SE Alaska communities with the development of hydro and other energy projects; assist in developing a strategy for obtaining funds needed to construct the Intertie project and fund other energy projects in SE communities; explore improved fiber optic connections in SE Alaska in conjunction with the Intertie project. Coordinate with Energy Committee members in providing technical assistance and project review for energy projects in smaller SE communities.

Assigned to: Energy Committee / Energy Coordinator

- Task 4 -** Performance Period: 7/1/07- 6/30/08
Performance Measure Progress of work on first two intertie legs.
Participate with communities, agencies and other groups expanding plans for regional maritime infrastructure projects.
- Assigned to: Economic Dev. Committee / Executive Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure Meetings attended with tangible results such as resolutions, policy decisions or action items; information provided, and status of program.

Objective 2 - Quality of Life Improvements - Support and assist communities, boroughs and other local organizations in efforts to develop, maintain and enhance health care, education, safety and community services throughout Southeast Alaska.

In pursuit of this objective, during FY 08 Southeast Conference will:

- Task 1 -** Maintain a Southeast Conference Scholarship committee and provide scholarships for students at University of Alaska Southeast.
- Assigned to: Board of Directors / Executive Director
Performance Period: 7/1/07- 6/30/08
Performance Measure Number & amount of scholarships provided.
- Task 2 -** Build the scholarship endowment fund.
- Assigned to: Board of Directors / Executive Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure Increase annual proceeds to endowment through auctions and other income sources.
- Task 3 -** Examine ways to increase, improve and support existing health care infrastructure and programs in Southeast Alaska, including grant assistance.
- Assigned to: Health & Social Services Comm. / Exec. Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure Participation in health care events, organizations; meetings held with tangible results such as resolutions, policy decisions or action items.
- Task 4 -** Assist Southeast Alaska Emergency Planning organizations to coordinate emergency response to natural and man-caused emergencies and disasters among communities in Southeast Alaska, including the establishment of emergency evacuation routes and tsunami warning siren systems.
- Assigned to: RC&D Coordinator
Performance Period: 7/1/07 - 6/30/08
Performance Measure Continued planning effort to create committee.
- Task 5 -** Assist communities in SE Alaska with improvement of community fire protection services, using a variety of local, regional and national resources. Emphasis will be on community education to prevent fires and on firefighter training to enhance structure fire suppression.
- Assigned to: RC&D Coordinator

Task 6 - Performance Period: 7/1/07 - 6/30/08
 Performance Measure Procure funding for the project.
 Assist communities in the planning, development and maintenance of bike paths, walking trails, recreational facilities such as track and field, and other facilities to promote physical fitness activities and improved health.

Assigned to: RC&D Coordinator
 Performance Period: 7/1/07 - 6/30/08
 Performance Measure Assist with grant applications to fund projects and with community and planning meetings on Prince of Wales Island and other locations.

Task 7 - Assist communities in the planning, development and maintenance of shooting ranges to promote recreation, firearm safety, and youth instruction in responsible firearms ownership.

Assigned to: RC&D Coordinator
 Performance Period: 7/1/07 - 6/30/08
 Performance Measure Assist with grant applications to fund projects and with community and planning meetings on Prince of Wales Island and other locations.

Objective 3 - Capacity Building - Southeast Conference will engage, support and assist communities in developing leaders and organizations to perform local and regional economic and community development activities.

In pursuit of this objective, during FY 08 Southeast Conference will:

Task 1 - Provide communities, businesses and organizations advice, consulting assistance and facilitation services in strategic planning, project management and economic renewal.

Assigned to: Executive Director / RC&D Coordinator
 Performance Period: 7/1/07 - 6/30/08
 Performance Measure Number of entities served.

Task 2 - Support the Southeast Alaska Conference of Mayors in their efforts for the betterment of the region; facilitate and provide administrative support as needed.

Assigned to: Board of Directors / Executive Director
 Performance Period: 7/1/07 - 6/30/08
 Performance Measure Meetings attended with tangible results such as resolutions, policy decisions or action items; other facilitative functions.

Task 3 - Support the Southeast Alaska Legislative Caucus in its effort to support legislation that shares the goals of the Conference; facilitate and provide support as needed.

Assigned to: Board of Directors / Executive Director
 Performance Period: 7/1/07 - 6/30/08
 Performance Measure Supported legislation passed. Meetings attended with tangible results such as resolutions, policy decisions or action items; other functions.

Task 4 – Support the Southeast Alaska Conference of Chambers in its efforts to support each other and work for the betterment of the region; facilitate and provide administrative support at SEC mid-session summits and at annual SEC meetings.

Assigned to: Board of Directors / Executive Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Meetings attended with tangible results such as resolutions, policy decisions or action items; other facilitative functions.

Task 5 – Support and assist Native organizations such as the Central Council of Tlingit and Haida Indian Tribes of Alaska in its efforts for the betterment of the region.

Assigned to: Board of Directors / Executive Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Communities assisted with tangible economic development results.

GOAL 2 - ECONOMIC DEVELOPMENT - Support and assist in planning and execution of local and regional economic development efforts and projects.

Objective 1 - Tourism Development - Southeast Conference will encourage and assist in responsible development in the tourism sector of Southeast Alaska's economy.

In pursuit of this objective, during FY 08 Southeast Conference will:

Task 1 - Maintain Tourism Committee to address a broad array of tourism issues. Support community leaders and representatives of the tourism industry to help promote the tourism potential of the region.

Assigned to: Tourism Committee / Executive Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Meetings held with tangible results such as resolutions, policy decision or action items; progress made on projects, problems and issues.

Objective 2 - Timber Development - Southeast Conference will encourage and assist in responsible development in the timber segment of Southeast Alaska's economy.

In pursuit of this objective, during FY 08 Southeast Conference will:

Task 1 - Continue to participate in efforts to establish a predictable, reliable timber supply from federal lands sufficient to sustain the region's timber economy and communities. Work with mayors, U.S. Forest Service and Governor's Office to stay informed on Tongass Land Management Plan changes, other land-use management changes and court decisions.

Assigned to: Timber Committee / Executive Director / Timber Coordinator
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Communications with mayors, efforts to track federal regulations, and advocate for responsible,

sustainable forest industry. Informational brochures distributed; public speaking events completed.

Task 2 - Work with Timber Coordinator and staff to focus on timber impacted communities. Advocate for long-term, economic timber supply for an integrated forest products industry. Coordinate with planners to revise and update the Tongass Land Management Plan. Facilitate timber task force in pursuit of its short, mid-term and long-term objectives.

Assigned to:	Timber Committee / Executive Director / Timber Coordinator
Performance Period:	7/1/07 - 6/30/08
Performance Measure	Meetings held with tangible results such as resolutions, policy decisions or action items; work produced.

Task 3 - Assist Southeast Alaska educational institutions in the development of a vocational-technical curriculum based on the manufacture of forest products such as modular/kit homes using locally produced wood products to the maximum extent possible. The project will teach local young adults a skill in the building trades, will enhance the local timber industry, and will make low-cost products available to Southeast Alaska communities.

Assigned to:	RC&D Coordinator
Performance Period:	7/1/07 - 6/30/08
Performance Measure	Assist with grant applications to fund projects and with community and planning meetings.

Objective 3 - Fisheries Development - Southeast Conference will encourage and assist in responsible development in the fisheries sector of Southeast Alaska's economy.

In pursuit of this objective, during FY 08 Southeast Conference will:

Task 1 - Work with Southeast Alaska communities interested in developing the aquaculture industry, including shellfish nursery operation, shellfish farms, PSP testing and marketing/shipping of product.

Assigned to:	Fisheries Committee / Executive Director / RC&D Coordinator
Performance Period:	7/1/07 - 6/30/08
Performance Measure	Assist with grant applications to fund projects and with community and planning meetings on Prince of Wales Island and other locations.

Task 2 - Assist communities and hatchery groups with salmon enhancement projects.

Assigned to:	Fisheries Committee / Executive Director / RC&D Coordinator
Performance Period:	7/1/07 - 6/30/08
Performance Measure	Funding applications, assisting with project planning; work with POW Hatchery Association and other groups.

Task 3 - Work with Southeast Alaska communities and the Alaska Seafood Marketing Institute (ASMI) in developing salmon markets where there is a potential to increase the volume of fish delivered by the fishing industry.

Assigned to: Fisheries Committee / Executive Director / RC&D Coordinator
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Meetings held with industry representatives and ASMI with tangible results.

Task 4 - Work with Southeast Alaska communities, businesses and air carriers to continue development of a program to provide air transportation capacity of fresh Alaska fish to travel to markets outside the region.

Assigned to: Fisheries Committee / Executive Director / RC&D Coordinator
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Volume or weight of fish transported.

Objective 4 - Minerals Development - Southeast Conference will encourage and assist in responsible development in the mining sector of Southeast Alaska's economy.

In pursuit of this objective, during FY 08 Southeast Conference will:

Task 1 - Work with economic development organizations and member mineral organizations to support minerals development in Southeast Alaska.

Assigned to: Economic Development Committee / Executive Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Assistance provided.

Objective 5 - Business and Industrial Development - SEC will assist in promoting the continuation of existing businesses and development of new enterprises and will aid in ensuring that financial resources needed for community and economic development are available.

In pursuit of this objective, during FY 08 Southeast Conference will:

Task 1 - Coordinate with the economic development organizations in recruiting new businesses into the region.

Assigned to: Executive Director / RC&D Coordinator
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Specific coordination efforts.

Task 2 - Support utilization of the Juneau Economic Development Council's regional Revolving Loan Fund to ensure organizations throughout the region are aware of it and participate in it if they find it to their benefit.

Assigned to: Economic Development Committee / Executive Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Referrals made.

Task 3 - Support potential new businesses in Southeast Alaska by maintaining the business opportunity guide (economic inventory) that describes available infrastructure, transportation, labor pool, natural resources, facilities and other factors influencing business development. Work with EDA or other sources for grant funds to maintain and update the inventory project.

Assigned to: Economic Development Committee / Executive Director / RC&D Coordinator
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Update the economic inventory.

GOAL 3 - ENVIRONMENTAL ASSISTANCE - Support and assist communities, boroughs and other organizations in efforts to sustain and improve the quality of the region's environment.

Objective 1- Environmental Quality - Southeast Conference will encourage and assist in responsible and balanced local and regional resource development and conservation efforts.

In pursuit of this objective, during FY 08 Southeast Conference will:

Task 1 - SEC set an objective in March 2007 to pursue development of a regional solid waste authority. As FY07 drew to a close, cities were invited to participate and to designate representatives for a steering committee. In FY 08, SEC will lead creation of this committee and host its functions until an independent entity is formed, supported and operating.

Assigned to: Environment Committee / Executive Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Steering Committee formed and operating.

Task 2 - Assist communities with the development of recycling and composting programs. Look for funding opportunities.

Assigned to: Environment Committee / RC&D Coordinator
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Grants funding and programs established; programs maintained.

Task 3 - Work with Prince William Sound Economic Development Council (PWSEDC), state agencies and communities to continue delivery of the Household Hazardous Waste Collection program. Look for funding opportunities.

Assigned to: Environment Committee / Executive Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Collection program completed; plans developed for subsequent year. Secure new funding.

Task 4 - Work with communities, school districts, educators, private consultants, and federal and state agencies to explore the possibility of utilizing timber industry wood waste for heating and other energy uses, including biomass projects.

Assigned to: Environment Comm. / Exec. Director / RC&D
Coordinator
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Determine feasibility of projects and prepare
planning documents.

Task 5 - Work with communities, school districts, educators, private consultants, and state and federal agencies (such as USDA RACs) to eradicate invasive plants that threaten to displace native vegetation.

Assigned to: RC&D Coordinator
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Determine feasibility of project and prepare
planning documents.

GOAL 4 - ORGANIZATIONAL DEVELOPMENT - Expand and strengthen the Conference's ability to advance the economic, social and environmental interests of Southeast Alaska's people, communities and businesses.

Objective 1 - Communications - Southeast Conference will increase communication among its members, non-member people, communities and businesses in the region, and local, state and federal agencies with respect to economic, social and environmental conditions, events, and possibilities in Southeast Alaska.

In pursuit of this objective, during FY 08 Southeast Conference will:

Task 1 - Provide the Conference's Board of Directors and standing committees information about local, state and federal government activities that may affect the region's communities or businesses, particularly while the Alaska Legislature is in session.

Assigned to: Executive Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Reports and other communications, as needed.

Task 2 - Maintain the Southeast Conference website and issue newsletters and other information about economic development, community development conditions, events and possibilities in Southeast Alaska.

Assigned to: Executive Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Website maintenance and newsletters distributed.

Task 3 - Publish an annual report fulfilling the requirements of the RC&D Area Plan and the ARDOR program.

Assigned to: Executive Director / RC&D Coordinator
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Committee and subcommittee meetings attended;
annual report published.

Task 4 - Develop website links and other features to assist in attracting business development in the region.

Assigned to: Executive Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Web links established.

Task 5 - Hold a membership mid-session summit.

Assigned to: Board of Directors / Executive Director
Performance Period: 3/08
Performance Measure: One meeting held.

Task 6 - Hold a membership conference and an annual meeting.

Assigned to: Board of Directors / Executive Director
Performance Period: 9/08
Performance Measure: One annual meeting held.

Objective 2 - Development Planning - Southeast Conference will prepare, maintain and execute a single integrated regional development strategy, work plan and budget that satisfies requirements set by the Conference's board of directors, the Alaska Regional Economic Development Program, the USDA's Resource Conservation and Development Program, and the EDA's Economic Development Program.

In pursuit of this objective, during FY 08 Southeast Conference will:

Task 1 - Participate in the activities of potential or established regional and national community development, economic development, and resource conservation and development organizations and associations.

Assigned to: Board / Executive Director / RC&D Coordinator
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Conferences and meetings held with tangible results such as resolutions, policy decisions or action items.

Task 2 - Prepare the FY 2008 Comprehensive Economic Development Strategy (CEDS) annual report update in cooperation with the Central Council of Tlingit & Haida Indian Tribes of Alaska.

Assigned to: Economic Development Committee / Executive Director / RC&D Coordinator
Performance Period: 7/1/07 - 6/30/08
Performance Measure: 2005 CEDS document updated.

Task 3 - Seek grant funding for community planning team to assist in CEDS community project development and implementation.

Assigned to: Executive Director
Performance Period: 7/1/07 - 6/30/08
Performance Measure: Working with communities, businesses and funding agencies.

Task 4 - Provide outreach and technical assistance to communities and groups on a regular basis.

Assigned to: RC&D Coordinator
 Performance Period: 7/1/07 - 6/30/08
 Performance Measure: Visits, meetings and speaking engagements with tangible results such as resolutions, policy decisions or action items with city assemblies and other community organizations.

Objective 3 - Efficiency and Effectiveness - Southeast Conference will strengthen and streamline its organization and operations to minimize overhead and maximize service to members and to the region.

In pursuit of this objective, during FY 08 Southeast Conference will:

- Task 1 -** Keep board of directors informed of day-to-day efforts, activities and accomplishments.
- Assigned to: Executive Director
 Performance Period: 7/1/07 - 6/30/08
 Performance Measure: Emails, phone calls, newsletters distributed.
- Task 2 -** Integrate accounting program for nonprofit corporations.
- Assigned to: Executive Director
 Performance Period: 7/1/07 - 6/30/08
 Performance Measure: Purchase new accounting program; export existing information to new program.
- Task 3 -** Budget, track and administer grants (Intertie, Timber, etc.)
- Assigned to: Executive Director / Committee Chairs / Board of Directors
 Performance Period: 7/1/07 - 6/30/08
 Performance Measure: Timely and accurate reports to funding agencies.
- Task 4 -** Recruit new members and develop recruiting tools. Retain existing members.
- Assigned to: Board of Directors / Executive Director
 Performance Period: 7/1/07 - 6/30/08
 Performance Measure: Membership increased.
- Task 5 -** Develop recurring revenue sources.
- Assigned to: Board of Directors / Executive Director
 Performance Period: 7/1/07 - 6/30/08
 Performance Measure: Reduce reliance on grant funds for routine operations.
- Task 6 -** Evaluate SEC staff members' performances.
- Assigned to: Board of Directors
 Performance Period: 7/1/07 - 6/30/08
 Performance Measure: Regular annual evaluation completed 6/30/08.

Task 7 - Keep board of directors informed of activities (administration, grants and RC&D) on a regular basis.

Assigned to: Executive Director / RC&D Coordinator / Timber Coordinator / Energy Coordinator

Performance Period: 7/1/07 - 6/30/08

Performance Measure: Written and oral reports to SEC / RC&D / Board on weekly or biweekly basis.

VI. Southeast Alaska Community Projects Lists for 2008-09

The following section of community projects lists for individual Southeast Alaska communities is a working document of needs, project status, estimated costs and potential funding sources. It is revised as projects progress, costs and status change, and new project needs are identified.