



Getting to 2022 Short-Term Southeast Alaska Resilience Plan

Southeast Conference is working in various ways to support the regional economy. In addition to the development of a five-year economic plan for growth and resilience in the region, Southeast Conference is concurrently crafting a short-term resilience plan to immediately shore up the regional economy, protect it from additional decline, and provide a caretaking role for our institutions to ensure the fundamentals of our economy will be in place by 2022, once the COVID-19 healthcare crisis has passed.

Resiliency – What is needed now, to get through to '22?

by Executive Director Robert Venables

The recent announcement by Transport Canada prohibiting cruise vessels in Canadian waters until February 28, 2022 was another devastating blow to Southeast Alaska which was already reeling from multiple devastating blows to its economy. First, is the health emergency caused by the Covid-19 pandemic and the negative impacts on nearly every economic sector. Second, the economic disaster declared on behalf of the tourism industry, compounded by (thirdly) the economic disaster declared for fisheries in Southeast. Fourth, came the natural disaster during the December 2020 storms that caused damage throughout the region but was catastrophic in Haines. The recent announcement by Transport Canada is the 5th significant blow to the Southeast economy, in the past year, that threatens the 2021 season and dashes the hopes of a quick economic recovery from the nightmare of 2020.

A plan. It all starts with a plan. In addition to creating the 2025 Comprehensive Economic Development Strategy for the region, Southeast Conference is drafting a short-term resilience plan with actions and partnerships that will continue to help stabilize the regional economy, protect it from further decline and create strategies and actions, along with identifying needed technical expertise, that will help reinvigorate the Southeast Alaska economy and where necessary, reinvent how business is conducted and commerce takes place. This first draft of the resilience plan has been compiled from extensive interviews and committee deliberations. It is a living document that needs your input and will be reviewed and updated on a regular basis. Plans are critical for so many facets of the region's economic recovery. Southeast Conference worked to have most of the region declared an Opportunity Zone. But it will be nearly impossible to see significant long-term investments until the State has a long-term fiscal plan. It will be increasingly difficult to convince the Canadians to allow large cruise ships to their ports and through their waters unless the CDC articulates a plan and works with the industry to identify safety protocols for cruise operations, to keep passengers and communities healthy (changes to federal regulations, such as a temporary waiver to the Passenger Vessel Services Act of 1886, would be another strategy that would allow cruise ships to sail between U.S. ports without stopping in Canada). The Alaska Marine Highway System will never regain its place as an essential and viable transportation system

without a long-range plan that is part of an integrated regional transportation plan. Updating the 2004 SATP (almost updated in 2014) must be a priority so that a sustainable ferry system that partners with the private sector can provide businesses and communities with dependable transportation.

Please provide your insights and needs so that this economic resiliency plan can be implemented effectively and provide the foundation for economic recovery as the region emerges from the impacts of the economic disasters caused by the Covid-19 pandemic and other factors in Southeast Alaska.

--Robert Venables

The following short-term economic reliance initiatives have been developed through the collaboration of Southeast Conference board and committee members, and will be continuously updated as needs are met, and additional needs become apparent. During Mid Session Summit, 137 Southeast Conference attendees prioritized the plan.

1 Support Expedited Vaccine Distribution

Support regional entities to ensure that the State of Alaska and Southeast communities continue to be ready to accept COVID vaccines and are implementing robust distribution plans. Support a coordinated strategy to communicate the importance of vaccinations to the broader community to ensure wide adoption once the vaccines are widely available. Create a higher level of understanding regarding the relationship between vaccine distribution and regrowth of the regional economy.

2 Revitalization of Air, Ferry, Cruise, and Freight Transportation Services

Transportation is the critical to a healthy regional economy, and Southeast Alaska's transportation networks have been disrupted during the pandemic. In 2020, air passenger traffic to the region is down by 58% over 2019 levels, cruise passengers are down by 99.9%, and ferry traffic has been severely curtailed. Set strategic direction across transportation providers to operate safely and within shared mitigation measures as the world recovers. Restore regional transportation services to pre-pandemic levels will be imperative to ensuring that Southeast recovers from this economic disaster in a united way. Support transportation providers as they work towards re-building service and routes.

3 Plan to Regrow the Visitor Industry Post-Pandemic

Support the creation of region-wide safety procedures and best practices for the tourism industry in Southeast Alaska. In light of the Canadian government's extended a ban on cruise ships through February 2022, work to attract independent tourists. Support and collaborate with communities and entities to offer new programs and products catering to this type of traveler. Work as a catalyst to promote implementation of these regional procedures to communities and stakeholders. Communicate the importance of the tourism industry, and the role of cruise in the industry's success to lawmakers and communities; advocate for the swift return of business (including cruise) to the region in order to maximize potential economic impact for 2021. Support ATIA's communication efforts to amplify community reach for latest industry updates. Look for opportunities to innovate and/or redesign tourism in Southeast Alaska as we rebuild.

4 Economic Disaster Declaration Request

The Governor should declare an economic disaster area for Southeast Alaska as a whole. The events of 2020 have been devastating across the region. The declaration is based on two economic failures – the loss of the statewide summer tourism season due to COVID-19, and the collapse of the regional Southeast salmon fishery due to poor returns, along with low prices. Between

April and September 2020, Southeast Alaska was down by more than 7,000 jobs, or 17% of its total workforce, compared to the same period in 2019. Canada has extended its ban on cruise ships through February 2022, an act that is likely to block large cruise ships from visiting Alaska in 2021 as well, devastating economic news for communities and businesses across the region. In addition to the twin economic disasters, communities have experienced severe weather disaster events, most notably Haines. Several of our municipalities have already submitted economic disaster declaration requests, including Juneau, Wrangell, Petersburg, Ketchikan, Sitka, Hoonah, and Haines; while other communities are moving towards this process.

5 Plan for a post COVID-19 Southeast Alaska Health Care System

There are vulnerabilities within the health care system that are likely to be exacerbated following the COVID-19 crisis, including Medicaid cuts and reduced access to health care insurance. Advocate for the development of a state fiscal plan so that we have a plan to fund state services. Identify funding capabilities of the state going forward so that the region can maintain strong health care operations moving forward. Ensure that the regional populace is healthy, has access to health care, access to health care insurance, and has the community support they need to make healthy choices.

6 Work to Ensure Short-term Viability of the Seafood Sector

Southeast Alaska has just experienced one of the worst salmon seasons in our history. Support request of a fisheries disaster determination by Governor Dunleavy. Support additional funding for the PPP loan program or state or federal grants through an additional federal distribution to keep the seafood industry working. Work to ensure short-term viability of the seafood sector in order to develop long-term sustainability. Preliminary harvest values by the Alaska Department of Fish and Game show that the value to fishermen of the Southeast Alaska salmon harvest fell by half (-50.8%) from \$101.8 million in 2019 to \$50.1 million. In addition, mitigation measures in response to the Covid-19 public health emergency has suppressed demand for seafood products and driven ex-vessel prices significantly lower than previous years. Work to find additional ways to provide stability to the regional seafood economy to make it through to 2022. There has also been a lack of ability to move seafood and mariculture product to market due to the pandemic. Work to revive market in order to rebuild regional economic seafood/mariculture systems.

7 Keep Southeast Alaskans in their Homes

Numerous renters across the region are facing eviction and homeowners face foreclosure. Support emergency rental assistance in Southeast Alaska, along with the organizations that are distributing funding. Prioritize those who are in immediate danger of eviction first. Many homeowners are facing an inability to pay their mortgage and be evicted due to the impacts of the pandemic. Explore creative mortgage options to reduce mortgage payments for those unable to make payments during this pandemic emergency. Develop quarantine housing options across the region to support the need for isolation to address overcrowding and health issues. Southeast Alaska has been experiencing increased extreme weather events. Homes are experiencing flooding, tree falls, etc. Support housing disaster assistance for organizations such as the Tlingit and Haida Regional Housing Authority, to provide assistance during severe weather events.

8 Advocate for Childcare Prioritization in an Effort to Restart the Economy

A fully functional childcare system must be in place to get the region back to work. Work to maintain childcare infrastructure. Elevate the essential nature of childcare workers by prioritizing them within vaccine distribution plans; and find other ways to honor them in communities.

Through advocacy at the state level, ensure streamlined, direct delivery of Federal Block Grant funds to providers. Allocate a portion of any future federal pandemic assistance to support general operations of childcare programs.

9 Support Expedited Resolution to Solid Waste Shipping

Some Southeast Alaska communities are at risk of losing solid waste shipment options due to new fire mitigation requirements. Support the work of communities and shipping companies to create a safer system, but under a timeframe that allows communities to move to new systems of baling, compacting, and/or procuring closed containers without losing critical shipping access; or acceptance of temporary solutions while permanent solutions are being developed.

10 Request Tariff Relief

In recent years new tariffs on seafood, timber, and minerals have been detrimental to the Southeast Alaska economy. The extra burden, higher costs, and reduced market access as a result of these tariffs have become untenable during a period of a depressed pandemic economy. Work with the Alaska congressional delegation to support new trade negotiations with China that reduce or eliminate onerous tariffs on Southeast Alaska goods.