

# Southeast Alaska 2025 Economic Plan

Southeast Conference's Comprehensive  
Economic Development Strategy  
2021-2025



April 2021  
DRAFT

# Southeast 2025 Strategic Plan Introduction

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

**One page Strategic Plan Summary** [page 2](#);  
**SWOT Analysis** to identify regional Strengths, Weaknesses, Opportunities, and Threats [page 3](#);

The CEDS process began in February 2020 to ensure maximum input from the Southeast Conference membership. This process engaged community leaders, leveraged the involvement of the private sector, and developed a strategic blueprint for regional collaboration. More than 400 people representing small businesses, Alaska Native organizations, municipalities, tribes, and nonprofits were involved in various elements of the planning process. The following timeline shows meetings that took place in developing the five year plan. The plan was originally released in April 2021.

## Southeast Alaska Comprehensive Economic Development Strategy Meeting Schedule 36 Meetings, 400 Stakeholders



# SOUTHEAST 2025 STRATEGIC PLAN SUMMARY

In April 2021, Southeast Conference released the Southeast Alaska 2025 Economic Plan, a five-year strategic plan for the region. The membership worked together to develop an overall vision statement, more than 50 objectives, and 4 priority objectives, along with regional and industry specific SWOT analyses. More than 400 people representing small businesses, tribes, Native organizations, municipalities, and nonprofits were involved in various elements of the planning process. The Plan's prioritized objectives are listed below.

## TRANSPORTATION

- ★ 1. **Priority** Sustain and support the Alaska Marine Highway System  
2. Develop a long-term, strategic, multi-modal, regional transportation plan  
3. Ensure the stability of regional passenger transportation services  
4. Move freight to and from markets more efficiently  
5. Ports and harbors infrastructure improvements  
6. Road Development



## SEAFOOD & MARITIME

### Seafood

- ★ 1. **Priority** Mariculture development  
2. Work to promote a year-round seafood economy  
3. Further develop seafood markets  
4. Maintain a stable regulatory regime  
5. Research the effects of changing ocean conditions on the marine environment  
6. Support regional processors becoming economically competitive  
7. Communicate the importance of salmon hatcheries  
8. Seafood sector workforce development  
9. Full resource utilization & ocean product development



### Maritime

1. Increase employment & training opportunities for Southeast Alaska residents in the Marine Industrial Support Sector  
2. Increase energy efficiency & reduce energy costs  
3. Expand marine industrial support capacity

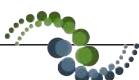
## VISITOR INDUSTRY

- ★ 1. **Priority** Market Southeast Alaska to attract more visitor spending and visitor opportunities  
2. Grow cultural and arts tourism opportunities  
3. Increase access to public lands and expand trail network  
4. Increase yacht and small cruise ship visitation  
5. Educate public on the economic value of tourism



## ENERGY SECTOR

- ★ 1. **Priority** Promote beneficial electrification  
2. Continue to support rural Southeast communities with high-cost electric rates without access to lower cost hydroelectricity  
3. Work with communities to create energy systems that provide sustainable, affordable, renewable thermal energy  
4. Implement regional energy plan with a focus on "committed units" and deployment of renewables  
5. Energy workforce development



## TIMBER INDUSTRY

1. Provide an economically viable and dependable supply of timber from the Tongass National Forest to regional timber operators
2. Revise the Tongass National Forest Land Management Plan
3. Support an integrated timber industry that includes harvest of young growth and old growth
4. Community-based timber workforce development
5. Work with USFS to direct federal contracts and timber sale opportunities toward eligible locally owned businesses



## MINING INDUSTRY

1. Proactively support mining operations and mineral exploration projects
2. Support efforts to increase access to minerals and energy sources for mining on state and federal lands
3. Mining and exploration workforce development
4. Preserve access to reliable, year-round transportation for miners living in rural Southeast Alaska
5. Attract mining capital

## HEALTH CARE

1. Plan for a post COVID-19 health care system
2. Retain Alaska-trained health care students
3. Meet the health care needs of an aging population
4. Increase health care training within the region and state



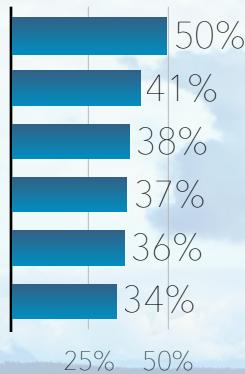
## OTHER OBJECTIVES

1. **Child Care:** Increase child care capacity
2. **Housing:** Support the sustainable development of housing
3. **Communications:** Improve communications access
4. **Education Objective:** Partner with University of Alaska Southeast and K-12 school districts to build career pathways and meet employer needs for a skilled workforce
5. **Natural Disaster Planning:** Support disaster preparation and relief efforts
6. **Solid Waste:** Support regional solid waste management solutions
7. **Food Security:** Increase supply, demand and equitable access and distribution of local foods and regional food system opportunities
8. **Arts:** Increase the recognition of Southeast Alaska's thriving Northwest Coast arts economy
9. **Cultural Wellness:** Support the development of activities and infrastructure that promotes cultural wellness and multicultural wellness

# Southeast Alaska's Strengths Weaknesses Opportunities Threats

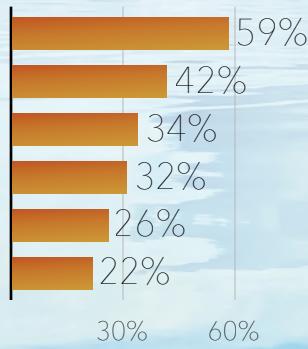
## STRENGTHS

- Beauty and recreation opportunities
- Tourism sector
- Seafood industry
- Rich Alaska Native culture and heritage
- People and Southeast Alaskan spirit
- Great place to raise kids/families



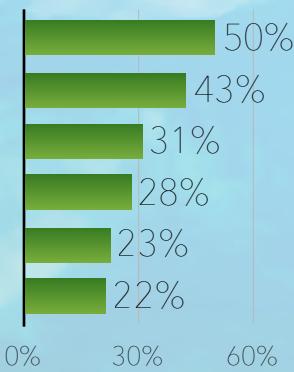
## WEAKNESSES

- Ferry transportation decline
- Cost of living and doing business
- Transportation costs
- Housing: Not enough/too expensive
- Aging or lack of infrastructure
- Dependence on State oil economy



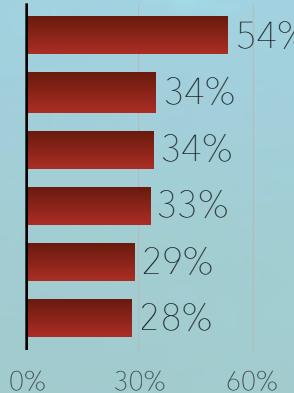
## OPPORTUNITIES

- Strengthen ferry connectivity
- Mariculture development
- Seafood product development
- Cultural tourism development
- Renewable energy
- Improve infrastructure



## THREATS

- Reduction/loss of ferry service
- Fisheries decline
- Poor leadership/decision making
- Cost of living
- Climate change/global warming
- Capital move/capital creep



## 2025 ECONOMIC PLAN DEVELOPMENT

More than 400 regional leaders participated in the overall or sector specific strengths, weaknesses, opportunities, and threats analysis and prioritization.

### Seafood

- Top Strength: **High quality product**
- Top Weakness: **Changing ocean conditions**
- Top Opportunity: **Increase value added processing**
- Top Threat: **Ocean change or warming**

### Health Care

- Top Strength: **Personalized care delivery**
- Top Weakness: **State budget cuts reduce workforce development options**
- Top Opportunity: **Development of health care courses at the university**
- Top Threat: **Increasing costs**

### Visitor Industry

- Top Strength: **Natural beauty of region**
- Top Weakness: **Community communications**
- Top Opportunity: **Collaborate with Alaska Native entities on cultural tourism**
- Top Threat: **Viral outbreak**

### Mining

- Top Strength: **Provides high paying jobs**
- Top Weakness: **Extreme opposition by environmental groups**
- Top Opportunity: **Explore and develop new mineral deposits and expand existing mines**
- Top Threat: **Lawsuits**

### Timber

- Top Strength: **High quality wood**
- Top Weakness: **Frequency of litigation**
- Top Opportunity: **Increased state and private lands**
- Top Threat: **Environmental litigation**

### Transportation

- Top Strength: **Strong reliable airline services**
- Top Weakness: **AMHS service reductions**
- Top Opportunity: **Improve ferry service**
- Top Threat: **Demise of AMHS**

### Energy

- Top Strength: **Abundant hydropower**
- Top Weakness: **High costs of infrastructure**
- Top Opportunity: **New hydro development**
- Top Threat: **Economic downturn**

# SOUTHEAST ALASKA

## Summary Background

The Summary Background is updated every September and released at the Southeast Conference Annual Meeting as Southeast Alaska by the Numbers.

### CHANGES 2018 TO 2019



**REGIONAL POPULATION**  
DECREASED BY **284**  
**PEOPLE** TO **72,373**



**LABOR FORCE** INCREASED  
BY **455 JOBS** TO **46,097**  
JOBS.



**TOTAL WAGES** GREW BY  
**\$63 MILLION** OR **3%**



**CRUISE PASSENGERS**  
INCREASED BY **14%** TO  
**1.33 MILLION**



**TOTAL GOVERNMENT**  
PAYROLL INCREASED BY  
**\$4 MILLION** OR **0.5%**



**K-12 ENROLLMENT**  
INCREASED FOR THE 3RD  
TIME IN 23 YEARS, BY 10  
STUDENTS



**TIMBER JOBS**  
IN THE REGION INCREASED  
BY **10%**, A GAIN OF 35  
JOBS

### SOUTHEAST ALASKA'S ECONOMY

## 2019

The Southeast Alaska summer of 2019 was filled with record-high temperatures and a historic number of visitors coming to Southeast Alaska.

In many ways 2019 should have marked the region's return to a more prosperous and growing economy. Total jobs were up, along with overall wages. Tourism, seafood, mining, and health care jobs were all up, and timber jobs were up by 10%. Nearly every community in the region posted job gains. The number of school children in the region increased for just the 3rd time in 23 years. The number of cruise ship passengers that visited the region in 2019 increased by 14% over the year before as 1.33 million passengers sailed up the inside passage to spend their summer dollars across the region's larger port communities.

State government continued to shed jobs in 2019, but the region had become more diversified. While the State remains the largest wage provider in the region, the continued loss of government jobs was being offset by increases in other sectors, allowing the overall regional economy to return to a positive trajectory.

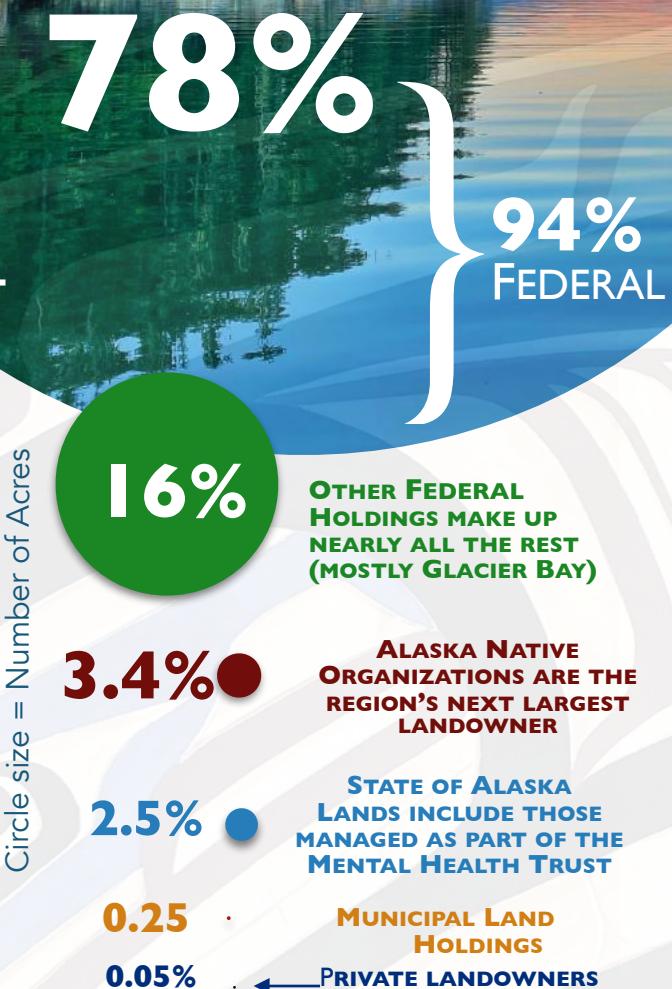
By March of 2020, the region was still on track to harness the gains of 2019 and continue to grow. The region had added 200 jobs in the first three months of the year and was gearing up for 1.5 million cruise visitors in 2021.

## 2020

On March 13th 2020, schools across Alaska closed until further notice, a clear signal that the COVID-19 epidemic had arrived in Southeast. The virus would soon take the regional economy down with it. Canada's prohibition of cruise ships ended the regional tourism season before it began in 2020, and was again extended through the summer of 2021. In the first 11 months of a pandemic economy, the region lost more than 6,000 jobs across every sector, but tourism was particularly devastated. The region lost 16% of its jobs due to the pandemic. On top of COVID-19, Southeast Alaska experienced one of its worst fishing seasons on record in 2020. Dismal harvest levels were compounded by reduced prices, as the pandemic has limited global seafood demand. In addition to the enormous impacts facing businesses and workers across the region, local government experienced significant losses. Tourism losses alone cost the region \$80 million in local tax revenue, with communities losing up to 95% of sales tax revenue. Federal relief funding replaced some lost revenue, and there is an eventual light at the end of this crisis. The resources of Southeast Alaska remain strong. It still has beautiful vistas and recreational opportunities, healthy timber stands, a productive ocean, valuable minerals, and its most important resource—the resiliency of Southeast Alaskans themselves.

# SOUTHEAST ALASKA REGIONAL OVERVIEW

## Southeast Alaska Land Ownership



**Sources:** State of Alaska; US Forest Service; Sealaska. *Economies in transition: An assessment of trends relevant to management of the Tongass National Forest*, USDA 1998. Background image carving by Mike Dangeli.

## THE REGION

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

## CULTURE

The dominant culture in the region is indigenous. Alaska Natives—the Tlingit, Haida, and Tsimshian—make up nearly a quarter (23%) of the region's population. The Tlingit have resided in the region for 11,000 years. The region's mild climate, abundant food and raw materials supported the development of highly organized and culturally advanced societies with extensive trade routes and rich artwork.

## LAND OWNERSHIP

A lack of privately-owned land and land available for development is unique to Southeast Alaska and impacts the ability of the region to nurture the private sector. (See infographic on the left.) Southeast Alaska's land ownership is dominated by the federal government, which manages 94 percent of the land base. Most of this (78 percent, or 16.75 million acres) is the Tongass National Forest.

## ECONOMIC TRENDS

Starting in the 1880s, the economy of Southeast Alaska experienced a century of growth that intensified after statehood in 1959. From statehood into the 1990s, population and employment levels in Southeast more than doubled as the workforce expanded in the areas of mining, government, fishing, tourism, and timber.

In the beginning of the 1990's seafood and timber directly accounted for a fifth of the regional economy. However, over that next decade pulp mills and sawmills in the region closed, laying off 3,200 workers. During the same period, the value of salmon declined and catch levels fell. The population continued to decline through 2007. Between 2008 and 2015, the region experienced a significant economic recovery, rebounding to record numbers of jobs, wages, and residents. However, the continuing state fiscal crisis resulted in the loss of 20% of all State of Alaska jobs across the region over an eight year period, reversing the economic trajectory. The strength of the visitor sector was poised to lead the regional to a stronger economic position in 2020, but the COVID-19 pandemic wiped out the tourism season in 2020, wreaking havoc across the regional economy. An extremely poor 2020 salmon season exacerbated the economic impacts of the pandemic.

In some ways, Southeast Alaska is well positioned for an economic recovery. An average salmon season is being forecast for 2021 and the region led the way nationally on vaccine distribution. However, a second summer of cruise ship cancellations, combined with continued lack of resolution to the state budget crisis leads to ongoing economic uncertainty.

# Southeast Jobs COVID-19 Impacts by Industry

Change in Southeast Jobs: **First 11 Months of COVID-19 Job Losses = -6,100**

-46% Transportation	-1,409	
-43% Leisure & Hospitality	-1,936	
-20% Retail	-855	
-20% Information	-100	
-16% Seafood Processing	-209	
-13% Professional Svcs	-209	
-9% Health	-255	
Mining, Logging	-8%	-82
Local Gov't	-7%	-436
State Gov't	-6%	-273
Financial Activities	-4%	-36
Tribal Gov't	-2%	-18
Construction	+9 jobs	
Federal Gov't	+27 jobs	

It is too early to measure the full impacts of COVID-19 on Southeast Alaska jobs and the economy because self-employment data, representing one-fifth of all Southeast workers, is not yet available for this period. However, early job numbers provide valuable insights.

Between April 2020 and February 2021, Southeast Alaska was down 6,100 average monthly jobs, or -16% of its total workforce, compared to the same period in 2019. Jobs in Southeast have been lost at a much higher rate than most of the rest of Alaska.

Hardest hit were those sectors that provide visitor services. Combined, the transportation, leisure, and hospitality sectors shed 3,345 jobs (average monthly employment), down nearly half due to the decline of the visitor industry in Southeast Alaska. Retail in the region was also down significantly with a 20% overall decline (855 jobs).

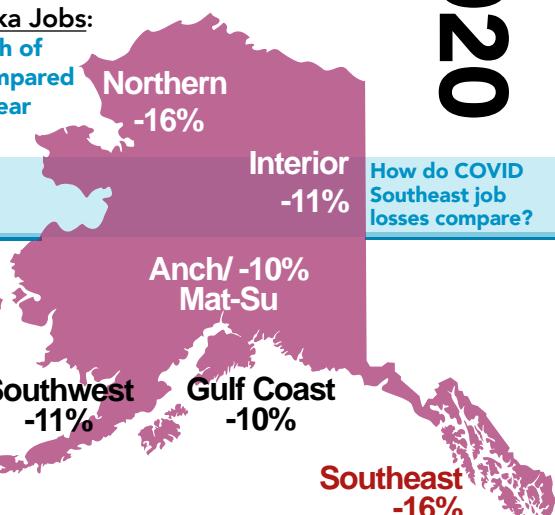
The seafood processing sector was down by 16% (209 jobs) between April 2020 and February 2021 compared the same months in the previous year. These jobs losses were exacerbated by the abysmal summer salmon returns and compounded by low seafood prices.

The struggling state sector, which had already been cut deeply in prior years, was down by 273 additional jobs (6%), with local government jobs down by 436 average monthly jobs (-7%). Federal jobs were up slightly, due to an increase of US Census workers.

# COVID-19 Impacts 2020

## Loss of Alaska Jobs:

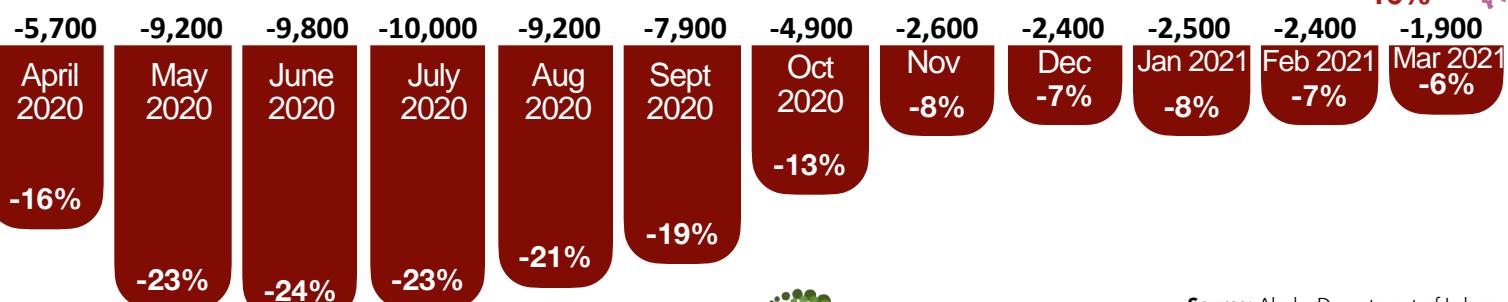
First 12 month of pandemic compared to previous year by region



How do COVID Southeast job losses compare?

## Southeast COVID-19 Employment Losses

Unemployment rates are not calibrated to be an especially useful tool at this time. More valuable is the comparison of monthly employment during COVID-19 impacted months, compared to data from the previous year. Pandemic summer months were especially hard on Southeast Alaska, when total employment fell by up to 24% in June, and by 10,000 jobs in July. Since November, employment percentages have been in the single digits, and by March the region was "only" down by six percent of normal employment levels. However, 2021 summer employment is expected to be significantly curtailed due to the cancellation of large cruise ships to the region.



Source: Alaska Department of Labor



# CHANGE IN THE LAST YEAR: 2018 to 2019

Table tracks key Southeast indicators over the past year, along with associated changes.

DEMOGRAPHICS	2018	2019	% CHANGE 2018-2019	CHANGE 2018-2019
Population <sup>1</sup>	72,657	72,373	-0.4%	-284
Ages 65 and older <sup>2</sup>	11,055	11,544	4.4%	489
Under Age Five <sup>2</sup>	4,137	3,956	-4.4%	-181
Twenty somethings <sup>2</sup>	8,423	8,319	-1%	-104
K-12 School District Enrollment <sup>3</sup>	11,334	11,344	0.1%	10
GENERAL ECONOMIC CONDITIONS				
Total Labor Force (jobs, includes self-employed & USCG) <sup>1,5,6</sup>	45,642	46,097	1%	455
Total Job Earnings <sup>1, 5, 6</sup>	\$2.28 billion	\$2.35 billion	3%	\$62.9 million
Total Private Sector Payroll <sup>1, 6</sup>	\$1.51 billion	\$1.56 billion	4%	\$59.1 million
Average Annual Wage <sup>1</sup>	\$50,023	\$50,873	2%	850
Annual Unemployment Rate <sup>1</sup>	5.9%	5.9%	0.0%	0.0%
TOP ECONOMIC SECTORS	2018	2019	% CHANGE	CHANGE
GOVERNMENT	PUBLIC SECTOR: 33% OF ALL EMPLOYMENT EARNINGS			
Total Government Employment <sup>1, 5</sup>	13,148	12,994	-1%	-154
Federal Employment <sup>1, 5</sup> (8% of all employment earnings)	2,111	2,032	-4%	-79
State Employment <sup>1</sup> (14% of all job earnings)	4,771	4,705	-1%	-66
City and Tribal Employment <sup>1</sup> (14% of all job earnings)	6,266	6,257	-0.1%	-9
Total Government Payroll (includes USCG) <sup>1, 5</sup>	\$776.9 million	\$780.7 million	0.5%	\$3.77 million
Total State of Alaska Payroll	\$283.3 million	\$284 million	0.2%	\$702,032
VISITOR INDUSTRY	KEY INDUSTRY: 11% OF ALL EMPLOYMENT EARNINGS			
Total Visitor Industry Employment <sup>1, 6</sup>	8,004	8,394	5%	390
Total Visitor Industry Wages/Earnings <sup>1, 6</sup>	\$249.3 million	\$271.6 million	9%	\$22.3 million
Total Southeast Alaska Passenger Arrivals	1,618,311	1,787,345	10%	169,034
Cruise Passengers <sup>10</sup>	1,169,000	1,331,600	14%	162,600
Total Air Passenger Arrivals from Outside SE <sup>11</sup>	435,476	444,217	2%	8,741
Total AMHS Passengers from Outside SE <sup>12</sup>	13,835	11,528	-17%	-2,307
COMMERCIAL FISHING & SEAFOOD INDUSTRY	KEY INDUSTRY: 10% OF ALL EMPLOYMENT EARNINGS			
Total Seafood Employment (includes fishermen) <sup>1, 6</sup>	3,711	3,743	1%	32
Total Seafood Employment Earnings <sup>1, 6</sup>	\$237.4 million	\$238.0 million	0%	\$584,614
Value of Seafood Processed <sup>7</sup>	439.7 million	422.0 million	-4%	-17.6 million
Pounds Landed (commercial seafood whole pounds by SE residents) <sup>8</sup>	185.2 million	208.3 million	13%	23.2 million
Estimated Gross Earnings (ex-vessel value of pounds landed) <sup>8</sup>	\$246.9 million	\$217.6 million	-12%	-\$29.3 million
HEALTH CARE INDUSTRY (PUBLIC & PRIVATE HEALTH)	KEY INDUSTRY: 11% OF ALL EMPLOYMENT EARNINGS			
Health Care Employment <sup>1, 6</sup>	3,547	3,574	0.8%	27
Health Care Wages <sup>1, 6</sup>	\$216.8 million	\$227.4 million	5%	\$10.6 million
MARITIME ECONOMY (Includes employment from all industries)	TOP SECTOR: 27% OF PRIVATE SECTOR EMPLOYMENT EARNINGS			
Private Maritime plus USCG Employment <sup>1,5,6</sup>	6,273	6,544	4%	271
Private Maritime plus USCG Wages <sup>1,5,6</sup>	\$396.8 million	\$408.9 million	3%	\$12.1 million
OTHER SELECTED STATISTICS	2018	2019	% CHANGE	CHANGE
Construction Employment <sup>1, 6</sup> (6% all employment earnings)	1,909	1,903	0%	-6
Mining Employment <sup>1</sup> (4% of all employment earnings)	889	934	5%	45
Timber Employment <sup>1</sup> (4% of all employment earnings)	337	372	10%	35
Price of Gold <sup>7</sup>	\$1,269	\$1,392	10%	123
Total Southeast AMHS Ridership <sup>12</sup>	179,312	135,388	-24%	-43,924
Cost of Living: Consumer Price Index <sup>1</sup>	225.5	228.7	1%	3
Housing Starts: Housing Permitted /Completed <sup>4,1</sup>	188	294	56%	106
Avg. Daily Volume ANS Oil Production (mbbls/day) <sup>14</sup>	508,601	489,771	-4%	-18,830
Annual Avg. Domestic Crude WTI Oil Prices (in \$/Barrel) <sup>14</sup>	\$71.71	\$65.49	-9%	-\$6.22

**Sources:** <sup>1</sup>Alaska Department of Labor (ADOL); <sup>2</sup>ADOL Southeast Alaska Population by Age; <sup>3</sup>Alaska Department of Education and Early Development; <sup>4</sup>Based on the quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; <sup>5</sup>US Coast Guard; <sup>6</sup>US Census Nonemployer (self-employment) Statistics; <sup>7</sup>Kitco Metals Inc.; <sup>8</sup>ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; <sup>10</sup>Cruise Line Agencies of Alaska; <sup>11</sup>US Bureau of Transportation Statistics (rita); <sup>12</sup>Alaska Marine Highway System data; <sup>14</sup>Alaska Department of Revenue Crude Oil and Natural Gas Prices.

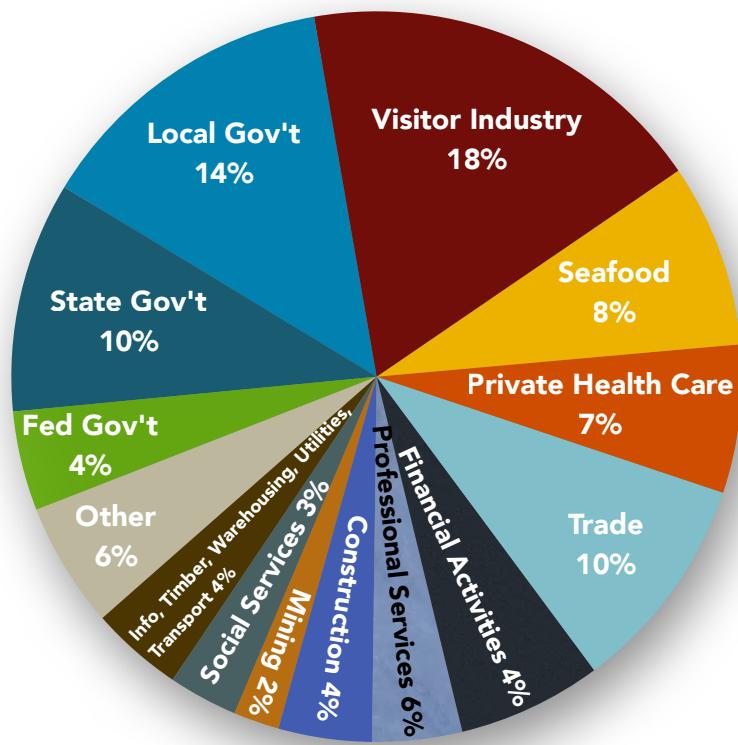
# The Whole Southeast Alaska Economy 2019

In 2019, Southeast Alaska gained 455 year-round equivalent jobs and \$63 million in workforce earnings over 2018. Approximately a quarter (26.1%) of regional workers are non-residents.

## Annual Average Jobs

46,097 Jobs

UP 455 JOBS IN 2019 +1%



## Employment Earnings

\$2.3 Billion Workforce Earnings

UP \$63 MILLION +3%

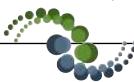


## 2019 Southeast Alaska Employment Earnings

	EMPLOYMENT RELATED EARNINGS			EMPLOYMENT NUMBERS		
	Wages (2019)	Self-Employment Earnings (2018)	Total Earnings	Annual Average Employment (2019)	Self-Employed (2018)	Total Employment
Government (includes Coast Guard)	\$720,119,719	\$60,582,082*	\$780,701,802	12,354	640*	12,994
Visitor Industry	\$235,179,580	\$36,429,000	\$271,608,580	7,344	1,050	8,394
Seafood Industry	\$69,711,072	\$168,316,000	\$238,027,072	1,497	2,246	3,743
Trade: Retail and Wholesale	\$123,764,467	\$24,031,000	\$147,795,467	3,905	567	4,472
Health Care Industry (private only)	\$171,156,119	\$14,417,000	\$185,573,119	2,762	263	3,025
Construction Industry	\$92,347,611	\$38,999,000	\$131,346,611	1,332	571	1,903
Financial Activities	\$54,349,824	\$74,373,000	\$128,722,824	1,072	761	1,833
Professional and Business Services	\$78,474,062	\$43,487,000	\$121,961,062	1,622	1,319	2,941
Mining Industry	\$94,460,451	\$307,000	\$94,767,451	927	7	934
Social Services	\$40,307,321	\$3,977,000	\$44,284,321	1,227	187	1,414
Information (publishing, broadcasting, telecomm.)	\$22,941,315	\$1,358,000	\$24,299,315	475	60	535
Timber Industry	\$20,478,427	\$2,038,000	\$22,516,427	315	57	372
Warehousing, Utilities, & Non-Visitor Transport	\$53,270,575	\$14,500,000	\$67,770,575	815	162	977
Other	\$60,615,872	\$25,120,000	\$85,735,872	1,657	903	2,560
<b>Total</b>	<b>\$1,837,176,415</b>	<b>\$507,934,083</b>	<b>\$2,345,110,498</b>	<b>37,304</b>	<b>8,793</b>	<b>46,097</b>

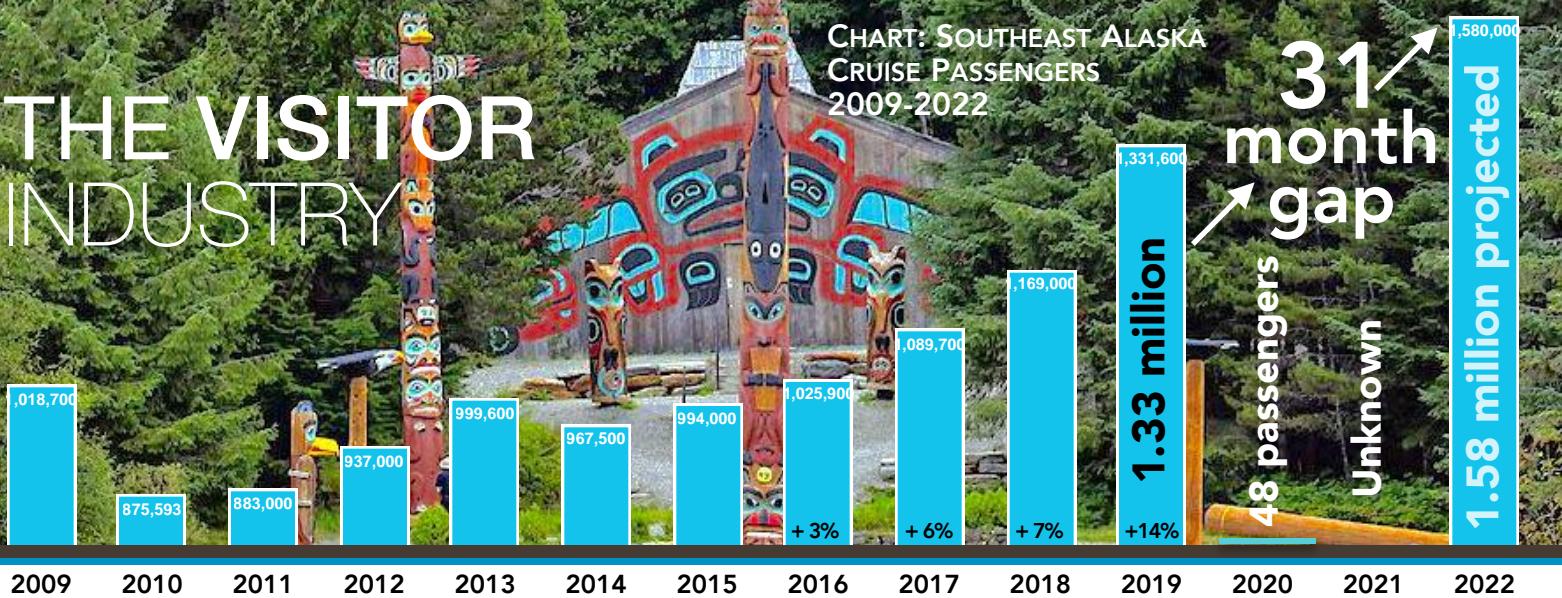
**Sources:** Alaska Department of Labor 2019 Employment & Wage data; 2018 (latest available) US Census Nonemployer (self-employment) Statistics; Active Duty Military Population by 2019, ADOL.\*These cells in Government refer to 2019 active duty Coast Guard personnel employment and wages, and not self-employment data.

**Notes:** **Seafood Industry** includes animal aquaculture, fishing & seafood product preparation, and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Visitor Industry** includes leisure & hospitality, and visitor transportation (air, water, scenic). **Timber** includes forestry and logging support activities for forestry, and wood product manufacturing.



# THE VISITOR INDUSTRY

CHART: SOUTHEAST ALASKA CRUISE PASSENGERS 2009-2022



## Visitor Industry

8,350 Annualized Jobs  
\$272 Million in Wages

**UP 390 JOBS IN 2019 +5%  
WAGES UP 9%**

## 2019

The 2019 visitor season in Southeast Alaska was record

breaking by nearly every measure: passenger arrivals increased by 10%, industry wages by 9%, and jobs grew by 5%. In 2019 the visitor industry was the largest jobs provider for the region, accounting for 18% of all annualized employment in Southeast Alaska. The visitor sector paid out more wages than any other private sector industry and had been set to surpass the state and municipal sectors to become the largest wage provider in the region overall in 2020.

The gains in 2019 followed a meteoric rise. Since 2011, tourism added 2,400 year-round equivalent jobs to the Southeast economy, growing to 8,350 annualized jobs, while tourism workforce earnings grew by 66%. Those working in the visitor industry earned \$272 million in 2019—or 12 percent of all regional employment income. The average annualized wage in the visitor industry was \$32,360, lower than the average regional wage of \$50,870, but that figure had also been steadily increasing over time.

In 2019, 1.8 million air, ferry, and cruise

passengers came to Southeast Alaska from outside the region. Airline passenger traffic from outside the region grew 2%, and cruise passenger traffic to the region increased by 14%. Only one indicator trended downwards. Ferry passengers from outside the region fell by 17% due to the continued dramatic decreases in AMHS funding and service.

**2020** In 2020 the economic trajectory of the visitor industry abruptly changed. The impact of COVID-19 on the tourism sector has been nothing short of devastating.

### CRUISE SHIP SEASON CANCELLED

Tourists in Southeast Alaska are predominantly cruise ship visitors. Cruise passengers had been expected to make up 90% all of tourists in 2020 and 2021. In 2020 the Canadian government prohibited cruise ships carrying more than 100 people ships from sailing through Canadian waters. This ban was instead extended through the end of February 2022. Additionally, the Centers for Disease Control extended their "conditional sail order" through November 2021. Southeast Alaska tourism-focused businesses are subsequently facing 31 months between cruise ship visits—many with little to no revenue opportunities. In 2020, 43 cruise ships had been scheduled to visit the region, carrying 1.41 million passengers on 606 voyages. All cruises but two were cancelled. Two small cruise ships attempted trips with 48 combined passengers, but one of those trips was aborted.

In a typical year, Southeast Alaska would have been the most visited part of the state, with two-thirds of all tourists coming to the region. In 2020, tourists had been expected to spend nearly \$800 million across Southeast Alaska communities.

In addition to lost revenue for the private sector, municipalities are also facing significant losses due to the loss of tourism. In 2020, local governments lost an estimated \$40 million in sales tax, \$36 million in lost head tax, and \$5 million in lost bed and moorage tax. Hardest hit was the Municipality of Skagway, which lost 91% of its expected sales tax dollars, mostly due to the loss of cruise ships.

### ALL MODES OF PASSENGER TRANSPORTATION DOWN

The COVID-19 economy also wreaked havoc on other aspects of passenger transportation sector. In 2020 airline passenger arrivals were down by 58% across the region. Ferry passenger traffic was down by 71%.

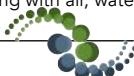
### PLANNING FOR 2022

Several small cruise ship lines are exempt from Canada's ban, and will be operating in 2021. However, with uncertainty regarding any large cruise ship sailings, the region is gearing up for potentially 1.58 million cruise passengers in 2022. Maintaining the capacity to respond to demand and opportunities in 2022 will require a high level of support for small business owners. COVID relief funding provided a much needed cash infusion. Tourism organizations the region received \$52 million in federal support so far.

**Sources:** Combination of ADOL Employment and Wage data and US Census Nonemployer (self-employment) Statistics; McDowell Group; US Bureau of Transportation Statistics (rita); Alaska Marine Highway System; Cruise Line Agencies of Alaska; Cruise Market Watch; Cruise Critic; Juneau International Airport Passenger Statistics; Economic Impact of Alaska's Visitor Industry. Forecast 2020 U.S. Department of Commerce, US Office of Travel and Tourism Industries. OMB budgets. Cruise Lines International Association Alaska.

**Note:** In this analysis, the visitor industry includes leisure and hospitality businesses, along with air, water & scenic transportation companies.

**Photo:** Saxman Totem Park.



# GOVERNMENT



Government wages as a percentage of all Southeast employment earnings 2019

## Government 12,994 Jobs

**DOWN 153 JOBS IN 2019 -1%**

**2019** Government wages made up one-third of all regional employment earnings (\$781 million) and 28% of the region's jobs (12,994) in 2019.

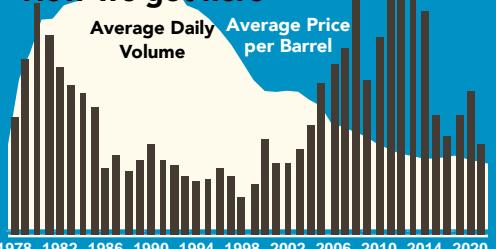
### STATE GOVERNMENT LOSSES

For the past eight years, the region has struggled with the impacts of decreased State government employment and spending. The state remains the region's most important economic sector, providing 12% of all regional wages. From 2012 to mid-2020, state jobs have fallen by 20%, a decline of 1,130 annualized workers. Outside Southeast, 13% of state jobs have been cut. Historically, oil accounted for up to 90% of the state Unrestricted General Fund (UGF); today, oil covers about 30 percent.

Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2020

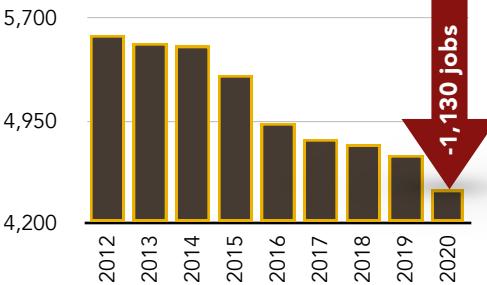
Oil revenues accounted for up to 90 percent of the state's unrestricted revenues

### How we got here



### Southeast State Jobs

State jobs in the region are down for the 8th year in a row, for a total of 1,130 jobs lost since 2012, a **decline of 20%**



### FEDERAL GOVERNMENT

Federal government employment losses have compounded state job cuts. Since 2005, federal employment in the region has fallen by 680 jobs in Southeast Alaska.

### LOCAL GOVERNMENT

Local entities across the region are scrambling to provide new programs and services to replace those cut by the state, resulting in financial stress as municipalities try to do more programming with reduced funding.

### STATE BUDGET CRISIS

Even before COVID-19, Alaska's budget was in a state of crisis due to declining oil production and prices. The state has operated in deficit mode for the past seven years, using \$17 billion in savings to cover budget gaps. What was once an almost inexhaustible savings reserve is set to be depleted by 2021, reducing the resiliency of the state's financial position. Education and

### Government Jobs 2019

**Local** 5,252 Jobs **-9**

**State** 4,705 Jobs **-66**

**Federal** 2,032 Jobs **-79**

**Tribal** 1,000 Jobs **+1**

health spending are Alaska's largest operating expenses, accounting for 48% of UGF expenditures, while Permanent Fund Dividend (PFD) payments comprised 18%. Alaska has no state sales tax, no state property tax, and no income tax.

**2020** The pandemic is exacerbating an already difficult situation. Even without PFD payments, the state will not have enough cash in its primary savings account to cover the budget deficit.

The saving grace is that \$546 million in COVID-19 relief funds made its way to the region. Alaska as a whole received \$3.4 billion so far. Relief funding is critical in supporting regional households, businesses, service providers, local governments, and communities during COVID-19.

SE COVID-19 RELIEF	
Borough Name	COVID Relief \$
Juneau Borough	\$191,855,825
Ketchikan Borough	\$121,613,864
Sitka Borough	\$76,166,463
Skagway Municipality	\$27,913,551
Prince of Wales-Hyder	\$28,977,047
Petersburg Borough	\$36,201,167
Haines Borough	\$20,734,853
Wrangell Borough	\$14,806,666
Hoonah-Angoon Census Area	\$14,566,737
Yakutat Borough	\$6,489,639
Non-specific	\$7,209,943
<b>Southeast Total</b>	<b>\$546.5 mill</b>

**Notes:** Includes PPP, EIDL, AK CARES, local grants, and direct payments to tribes. **Source:** Alaska Small Business Development Center and usaspending.gov.

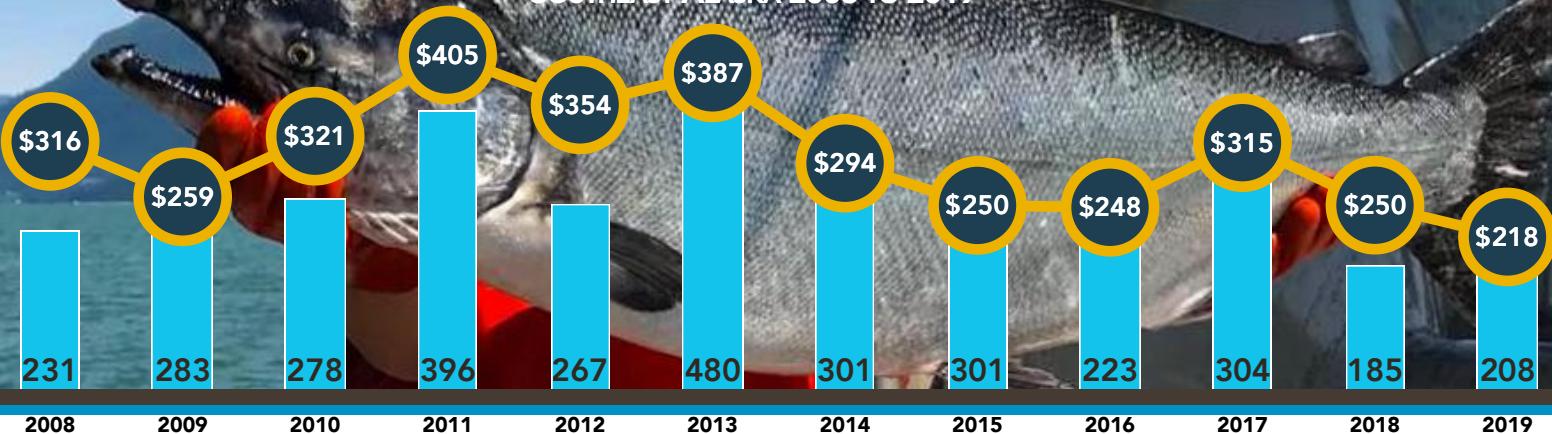
Sources: ADOL 2019 Employment and Wage data; Alaska Department of Revenue Crude Oil Prices. Fitch Ratings.

Alaska Office of Management Budget.

# THE SEAFOOD INDUSTRY

Inflation Adjusted  
Value to Fishermen (millions)  
Landed Pounds (millions)

VALUE & POUNDS OF SEAFOOD LANDED  
SOUTHEAST ALASKA 2008 TO 2019



## Southeast Seafood Industry 3,743 Jobs

UP 32 JOBS IN 2019

# 2019

The Southeast Alaska seafood harvest in 2019 was 208

million pounds with an ex-vessel value of \$218 million. The regional 2019 fishing season was significantly below the ten-year average, with lower pink salmon returns and harvest returns primarily to blame.

The overall catch was 31% below the 10-year seafood average in terms of pounds landed. Fishermen caught 53 million fewer pounds of pink salmon than they did, on average, between 2009 and 2018 (-41%); and 26 million fewer pounds of herring (-93%). Still, the total catch was a slight increase over 2018 by volume.

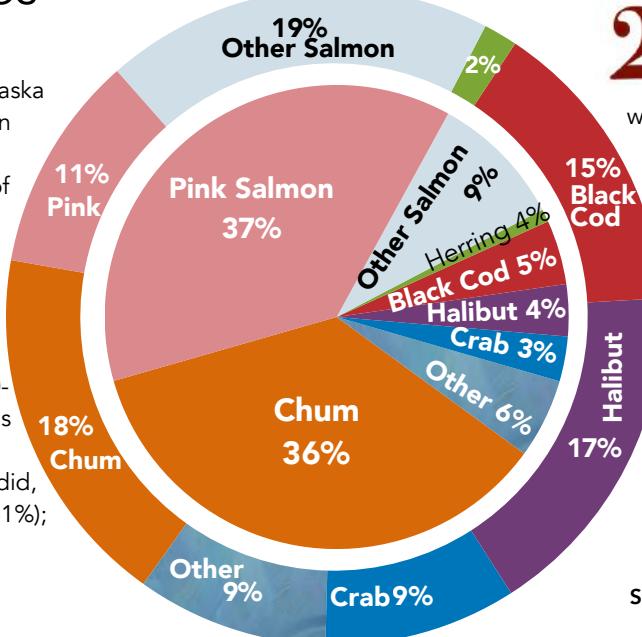
The 2019 catch was 29% below the inflation-adjusted 10-year average value of \$308 million. The impacts of the US-China trade war, resulting in lower seafood prices, led to an unusually low overall catch value in 2019.

### KEY ECONOMIC DRIVER

The regional seafood industry (including commercial fishing and seafood processing) generated 3,743 annual regional jobs and \$238 million in earnings in 2019, making up 8% of jobs in the region and 10% of all earnings. While this represents 32 more annualized jobs over 2018, it is a loss of 650 seafood sector jobs since 2015.

In 2019, the five salmon species represented

SEAFOOD LANDED IN SE ALASKA BY SPECIES, 2019  
Outer ring = % of harvest by DOLLAR value: \$218 million  
Inner pie = % of harvest by POUNDS landed: 208 million



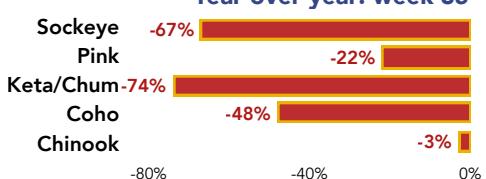
83% of the regional seafood catch by volume, and just under half of total ex-vessel value (\$104 million). Halibut and black cod, at 8% of the total catch, accounted for one-third of total catch value in 2019. The majority of the statewide catch of Chinook, coho, keta (chum), shrimp, Dungeness crab, and the dive fisheries occurs in Southeast Alaska.

In 2019, shore-based seafood facilities in Southeast Alaska processed 153 million pounds of seafood, with a wholesale value of \$422 million. This represented a 15% increase in seafood pounds processed compared to 2018, but an \$18 million decline in the value of processed product.

# 2020

Twenty-twenty is currently on track to go down as one of the worst seafood seasons in Southeast Alaska history. Reduced seafood prices — due to the shutdown of the global restaurant sector, as well as trade war tariffs — coincided devastatingly with one of the worst salmon catches on record. Processors spent millions on mitigation measures, further impacting ex-vessel prices and workforce levels. In ASMI's August 29th, 2020 update, the salmon catch is significantly below where it was a year ago in terms of total fish caught:

SE Salmon Catch: 2020 vs. 2019  
Year over year: week 35



"For context" one sockeye fisherman explains, "in a good year we catch 4-5 times this year's catch, and our best year is more than 6 times higher than 2020."

Seafood remains critical to the regional economy and way of life. However, the sector faces growing uncertainty regarding changing ocean conditions, tariffs, state budget cuts, regulatory decision-making, and global farmed seafood competition. Meanwhile, the fledgling mariculture industry continues to grow.

**Sources:** Combination of ADOL 2019 Employment and Wage data; 2018 US Census Nonemployer (self-employment) Statistics; ADF&G Seafood Production of Shorebased Plants in Southeast Alaska; ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Alaska Commercial Salmon Harvests and Ex-vessel Values, ADF&G. Weekly Alaska Salmon Harvest Updates are produced for ASMI by The McDowell Group. **Seafood Industry** includes animal aquaculture, fishing, & seafood product preparation and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Photo:** Helen Decker.





## Southeast Timber Industry 372 Jobs

**UP 35 JOBS IN 2019 +10%**

# 2019

In a rare reversal of fortune, regional timber jobs increased



by 10% in 2019, while timber wages grew by 20%. The workforce increase was small however; growing by just 35 annualized jobs to 372 in 2019, with total workforce earnings of \$22.5 million. Most of the region's timber jobs are concentrated on Prince of Wales Island, which is home to Viking Lumber, the last remaining mid-sized sawmill in Southeast Alaska. Southeast timber jobs peaked at 3,543 annual average jobs in the 1990s. Regional timber job increases were mostly due to increased timber processing activity, rather than harvesting. Total timber harvest actually decreased in 2019. A land exchange between the Mental Health Trust and the US Forest Service opened up limited areas for timber, keeping the industry viable.

# 2020

Despite a successful 2019, regional timber supplies are worryingly low in 2020. The Forest Service has not provided the industry with acreage commitments put forth in the 2016 Tongass Land and Resource Management Plan, meaning operators still do not have a predictable timber supply upon which to build longer-term business plans. Moreover, the industry — currently comprised of a handful of small operators across the region — continues to face constant litigation, along with a coordinated national campaign intended to sow public disapproval of the regional industry. Sealaska's transition out of timber harvest on Prince of Wales is another economic blow to the community and industry.

While there are continued opportunities for timber sales in Asia, the trade war includes regional timber, making it difficult to negotiate agreements. Spruce remains the subject of higher Chinese import tariffs, especially impacting northern Southeast, where the forests are primarily spruce. U.S. lumber exports to China fell by 57% in 2019.

The adoption of the Alaska Roadless Rule may improve the Forest Service's ability to offer economically feasible sales that meet the needs of the industry.

**Sources:** ADOL 2019 Employment and Wage data; Kitco Metals Inc; Coeur Mining Inc. 2019 Annual Report; Hecla Mining Company 2019 Annual Report. U.S. International Trade Commission. **Photo credits:** Tessa Axelson and Kensington Mine.

## Southeast Mining Industry 934 Jobs

**UP 45 JOBS IN 2019 +5%**

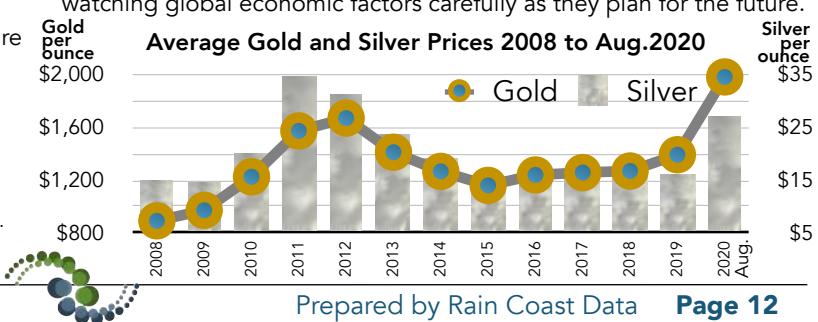
# 2019

Mining industry employment in the region was up in 2019, growing by 5%. There were 934 annual average mining jobs in Southeast Alaska, with a payroll of \$95 million. The average annual mining wage was \$101,500 in 2019, double the overall regional wage of \$51,900. Two large mines operating in the region account for most mining employment. Hecla Greens Creek is one of the largest silver mines in the world, while Coeur Alaska's Kensington Mine is exclusively a gold mine. In 2019 Greens Creek milled its highest tonnage in 30 years of operation as well as its highest silver production and Silver production was up 24% to 9.9 million ounces. Kensington achieved record gold production of 127,914 ounces, an increase of 12% over the prior year. Active mining exploration is occurring around the region, most notably in Juneau, Haines, and Prince of Wales.

# 2020

In August 2020, Hecla Greens Creek had 440 full-time permanent employees (+4 from 2019), and Coeur Alaska Kensington had a staff of 386 (the same as 2019). While shift change protocols had to be reimaged in response to COVID-19 mandates and safety precautions, mining is the only sector in which jobs and revenue did not decrease during the pandemic, providing much needed economic stability for the region.

Metal prices, which tend to rise in response to economic turmoil, have been surging. The price of gold reached an all-time high of \$2,067 in August, while silver has reached its highest levels since 2013. As global productivity outside the US has returned, Zinc prices increased by 25% between March and August. The resurgence in precious metals prices provides optimism but mining leaders in the region are watching global economic factors carefully as they plan for the future.





## Construction Industry

1,903 Jobs

**DOWN 6 JOBS IN 2019 -0.3%**

**2019** For the sixth year in a row construction employment is down, bringing employment to its lowest level since the early 1990's, although the decline had stabilized. Jobs fell by just 6 last year to 1,903, a combined loss of 356 jobs, or 16% decline, since 2013.

Construction workers in the region earned \$131 million in 2019 — or 4% of all Southeast Alaska employment earnings.

One positive indicator for the sector was that housing construction was up in 2019, as 106 more housing units were permitted or completed than in the year prior. A total of 294 new homes were permitted in 2019, an increase of 56%. The regional residential housing market has not experienced decline.

**2020** Construction work during 2020 remained steady as planned projects to support the tourism sector moved forward. These

projects had the unexpected benefit of being able to occur without having to simultaneously manage large visitor traffic volumes.

However, there is a great deal of uncertainty moving forward in the construction/engineering sector. Generally, firms are busy at the moment, but there are few future projects in the pipeline to provide longer-term security. Cuts in state spending led to the reduction of large-scale construction projects across the region. While new projects related to the visitor industry were filling that gap, projects that were not completed this summer have been delayed until the tourism industry gets back on track. Communities have developing proposals to create some level of construction activity by focusing on deferred maintenance projects in order to stimulate the economy during COVID-19, but the volume of such potential investments remains relatively small, and material costs continue to escalate. Federal construction projects appear to be the most promising moving into 2021.

**Sources:** Combination of Alaska Department of Labor 2019 Employment and Wage data and 2018 US Census Nonemployer (self-employment) Statistics; State of Alaska. Note: Last year's SEBTN included State Pioneer Home health care provider numbers. This year those numbers were not available and were excluded. **Photography credits:** SEARHC and Robert Sharclane.

## Southeast Health Care Industry 3,574 Jobs

**UP 27 JOBS IN 2019 +0.7%**

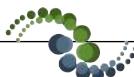
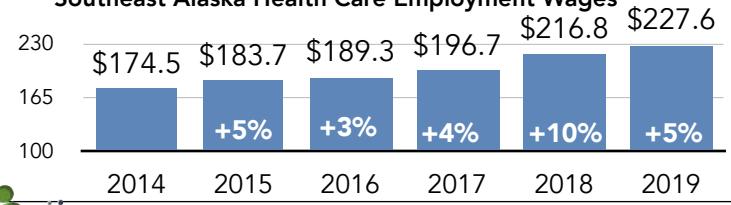
**2019** Southeast Alaska's 3,574 healthcare workers comprised 8% of the regional workforce in 2019, earning 11% (\$227 million) of all wages.

Regional health care employment continued to increase, albeit incrementally, as the sector added 27 more annualized jobs in 2019. Wages for the industry have been rising more quickly in an effort to attract workers, growing by \$53 million since 2014. The region was already facing a shortage of health care workers due to an aging populace and growing patient volumes. With the advent of COVID-19, the demand for health care workers has intensified nationally and globally, making it even more difficult for the region to attract and compete for workers.

Health care jobs have been moving from the public sector to the private sector. Southeast Alaska Regional Health Consortium (SEARHC) has been collaborating with struggling municipal hospitals to provide services. In the past two years, SEARHC took over operations of the Sitka and Wrangell hospitals.

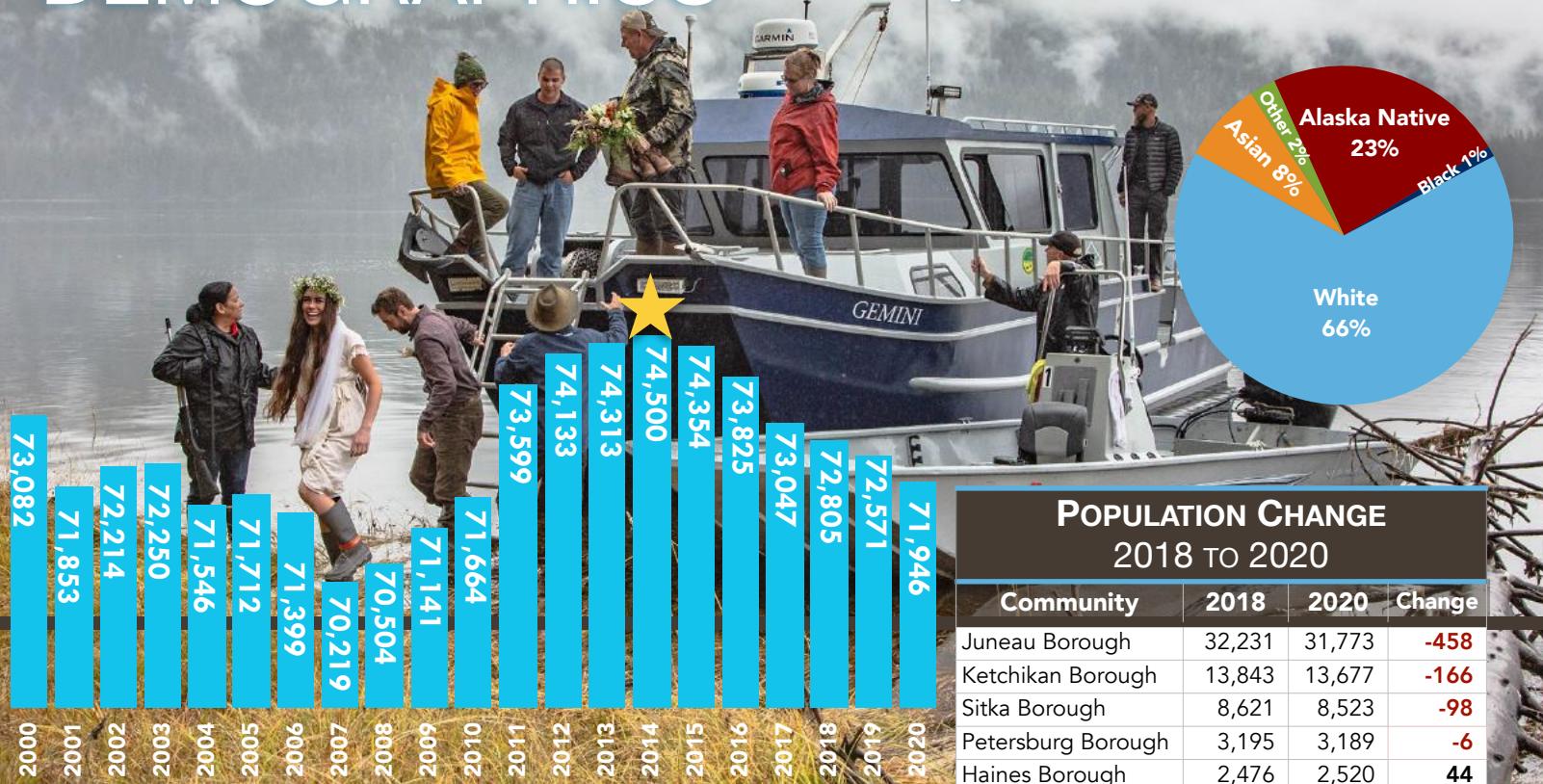
**2020** Health care became the nation's top priority in 2020, as well as the region's. Southeast health care institutions showed a high level of readiness in the face of the COVID-19 crisis. Despite significant job cuts across most other sectors, health care employment levels have remained relatively constant, as workers were redeployed to high demand roles, such as virus testers and screeners. Still, providers understand that there are vulnerabilities within the health care system that are likely to be exacerbated following the COVID-19 crisis, such as Medicaid cuts and reduced access to health care insurance. Concerns regarding the longer-term health impacts of COVID-19 are expected to increase overall healthcare service demands moving forward.

### Southeast Alaska Health Care Employment Wages



# DEMOGRAPHICS

Population 71,946



**2020** marked the 6th consecutive year of population decline in Southeast Alaska. The region lost an additional 625 people, for a six-year decline of 2,550 residents, a population loss of three percent. In 2020, births exceeded deaths by 170, and 795 more people moved away than moved into the region.

Most of the communities in the region lost population in 2020. Juneau bore the brunt of the overall losses — a result of recent dramatic state employment reductions, with cuts especially focused in the capital city. Juneau has lost 1,400 residents since 2015, including nearly 300 in 2020.

After being hit hard with population losses, Yakutat is bouncing back, regaining 10% of its population over the past two years.

## THE MEDIAN AGE IS NOW 40

Southeast has the state's oldest residents. Since 2010, the most pronounced demographic shift has been aging of the population. During that period, the 60-plus population grew by 5,300 people, a 45% increase over 2010 due to aging in place. A quarter of people in the region are now age 60 or older. In Haines, the Hoonah-

Angoon census area, and Wrangell, where median ages are 48.6, 47.7, and 47.5 respectively, it is one-third. The median age of Southeast as a whole is now 40, four and a half years older than the state as a whole.

## SCHOOL ENROLLMENT DOWN

While K-12 enrollment increased regionally for the 3rd time in 23 years in 2019, the mostly online 2020 pandemic school year reduced public school population by 700 students, as parents chose homeschooling programs, many of which did not direct funds to local school districts. In 2020, enrollment was down by 6% across the region. Wrangell saw a 41% decline (the highest) while districts like Craig with preexisting online services increased student enrollment by 55%. A loss of funding allocation could significantly impact the financial position of regional schools, unless the legislature institutes a solution.

The elements that created population losses in recent years, most notably the reduction of state jobs and services, have been exacerbated by the 2020 COVID economy. Pandemic conditions will inevitably lead to further population decline.

## POPULATION CHANGE 2018 TO 2020

Community	2018	2020	Change
Juneau Borough	32,231	31,773	-458
Ketchikan Borough	13,843	13,677	-166
Sitka Borough	8,621	8,523	-98
Petersburg Borough	3,195	3,189	-6
Haines Borough	2,476	2,520	44
Wrangell Borough	2,423	2,379	-44
Metlakatla	1,396	1,321	-75
Skagway Borough	1,087	1,147	60
Craig	1,093	1,065	-28
Hoonah	788	769	-19
Klawock	776	761	-15
Kake	600	578	-22
Thorne Bay	523	511	-12
Yakutat Borough	522	574	52
Gustavus	553	551	-2
Angoon	410	382	-28
Hydaburg	398	380	-18
Coffman Cove	168	183	15
Tenakee Springs	144	118	-26
Naukati Bay	124	137	13
Hollis	124	131	7
Klukwan	94	86	-8
Kasaan	81	104	23
Hyder	80	67	-13
Pelican	67	69	2
Port Alexander	55	68	13
Whale Pass	57	52	-5
Edna Bay	43	41	-2
Port Protection	31	31	0
Game Creek	18	17	-1
Point Baker	13	12	-1
Elfin Cove	16	9	-7
Remainder	755	721	-34
<b>Total</b>	<b>72,805</b>	<b>71,946</b>	<b>-859</b>

**Sources:** Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age, Sex and Borough/Census Area, 2018, 2020; Alaska Population Projections.  
**Photography credit:** Heather Holt



## Increasing Regional Jobs

Jobs were generally up across the region in 2019, growing by 445 jobs overall, for a gain of 1%. The Alaska Department of Labor and Workforce Development, Research and Analysis Section tracks wage and labor employment by community. According to these figures, just four communities in the region (Ketchikan, Wrangell, Metlakatla, and Gustavus) lost jobs in 2019, while all the rest experienced gains. Metlakatla lost 11% of its workforce in 2019 over the previous year. Jobs in Klukwan increased by 24%.

This analysis excludes self-employment data, which is not made available below the borough/census area level. Still, tracking change in labor figures is a great way to track overall workforce changes in a community.

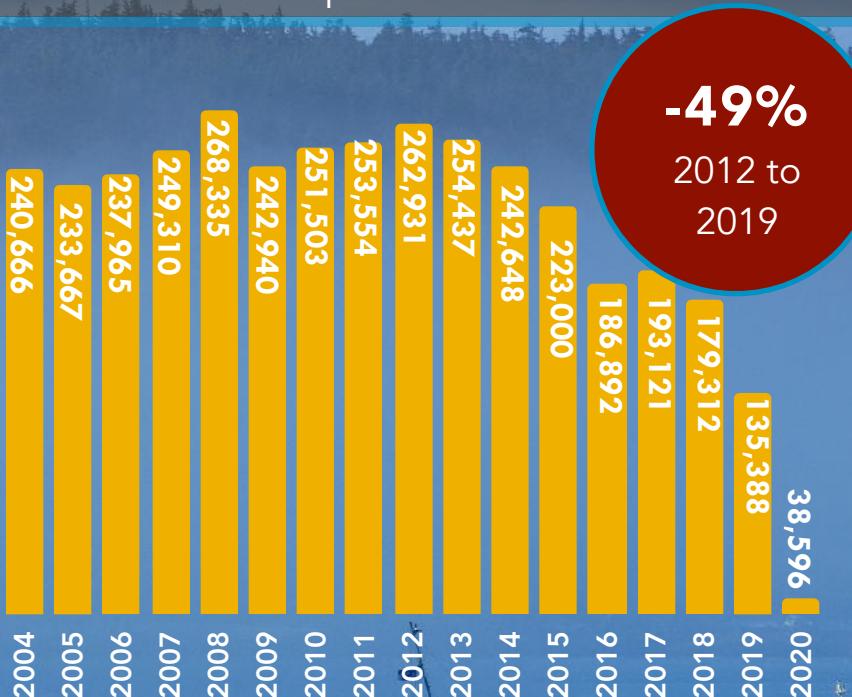
As demonstrated on page 6, while the detailed full community datasets for 2020 are not yet available, early data for the region as a whole project that Southeast lost 16% of all jobs in 2020.

## ANNUAL EMPLOYMENT CHANGE BY SE COMMUNITY 2018 TO 2019 (Self-employment excluded)

Community	2018 Annual Average Employment	2019 Annual Average Employment	2019 Wages in millions	Employment Change 2018-2019
Juneau Borough	17,732	17,952	\$947.7	1.2%
Ketchikan Borough	7,427	7,404	\$359.8	-0.3%
Sitka Borough	4,242	4,312	\$208.6	1.7%
Prince of Wales	1,427	1,497	\$63.9	4.9%
Petersburg Borough	1,246	1,282	\$55.0	2.9%
Skagway Borough	1,078	1,083	\$46.5	0.5%
Haines Borough	1,006	1,029	\$41.7	2.3%
Wrangell Borough	850	824	\$35.2	-3.1%
Metlakatla	568	505	\$23.5	-11.1%
Hoonah SSA	385	431	\$16.0	11.9%
Yakutat Borough	272	280	\$13.2	2.9%
Gustavus SSA	223	204	\$9.1	-8.5%
Kake	161	170	\$5.4	5.6%
Angoon SSA	148	154	\$4.1	4.1%
Hyder	52	52	\$2.9	0.0%
Klukwan	41	51	\$0.9	24.4%

**Source:** Alaska Department of Labor and Workforce Development, Research and Analysis Section. **Notes:** The Hoonah sub-subarea (SSA) includes Pelican and Elfin Cove. The Angoon SSA includes Tenakee Springs. Prince of Wales includes the Hollis SSA, Thorne Bay SSA and Hydaburg. An SSA is the smallest unit for which the Quarterly Census of Employment and Wages is analyzed. Photo: John Hyde.

## AMHS Ridership in Southeast

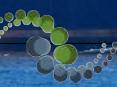


## Declining Ferry Service

One of the great tragedies of the COVID-19 pandemic for the regional economy, is that it came on top of the State fiscal crisis, throughout which Southeast Alaska received a disproportionate level of jobs and service cuts. Transportation connectivity, which has long been identified as the most vulnerable element of the regional economy, had already been significantly reduced pre-pandemic. The Alaska Marine Highway System (AMHS) ferried 262,931 individuals in the region in 2012. By 2019, that figure had dropped by 49%. Deferred and reduced maintenance led to ships being removed from service. In February 2020, the system shut down all but one ferry, leaving some communities without access to groceries. COVID-19 travel challenges came on top of these already existing limitations, further reducing the number of sailings and travelers. In 2020 as a whole, less than 39,000 passengers were able to travel on AMHS ferries in the region.

A strong ferry system is essential to regional economic development, quality of life, and community well-being in Southeast Alaska. The AMHS provides access to health care, shuttles workers to their jobs, carries visitors, connects markets and customers, and allows fishermen to move seafood to markets. It moves freight, building materials, and machinery to support local development. It supports social and cultural connections, and is relied upon for food security.

**Source:** AMHS



# Southeast Jobs COVID-19 Impacts by Community

The very best jobs data available — Alaska Department of Labor's Quarterly Census of Employment and Wages — currently only has data available for the 2nd and 3rd quarters of 2020.

This dataset shows the devastating effects of COVID-19 on the Southeast Alaska economy. During that period — April through September 2020 — jobs as a whole are down by 21% when compared to the same period in 2019, a loss of more than 8,500 jobs. Looking at the private sector only, the numbers are even more concerning. More than a quarter (27%) of all jobs were lost. Communities with the most tourism-focused economies were hit the hardest.

## During this 6-month period:

- Skagway lost **61%** of all jobs, and **68%** of jobs in the private sector.
- Haines lost **35%** of all jobs, and **40%** of jobs in the private sector.
- The Hoonah-Angoon Census Area lost **31%** of all jobs, and **41%** of jobs in the private sector.
- Ketchikan lost **23%** of all jobs, and **28%** of jobs in the private sector.
- Juneau lost **18%** of all jobs, and **27%** of jobs in the private sector.
- Sitka lost **20%** of all jobs, and **20%** of jobs in the private sector.

Area Code	Southeast Alaska Area	Wage and Employment Jobs	Average employment April through September 2019	Average employment April through September 2020	Change in Employment 2nd & 3rd Quarter 2019 compared to 2020	Change in Job Numbers
230	Skagway Municipality	All	1,510	596	-61%	-914
100	Haines Borough	All	1,286	834	-35%	-452
105	Hoonah-Angoon Census Area	All	1,038	716	-31%	-323
130	Ketchikan Gateway Borough	All	8,163	6,261	-23%	-1,902
220	Sitka City and Borough	All	4,783	3,837	-20%	-946
110	Juneau City and Borough	All	18,919	15,420	-18%	-3,499
275	Wrangell City and Borough	All	879	735	-16%	-145
198	Prince of Wales - Hyder Census	All	2,422	2,204	-9%	-218
195	Petersburg Borough	All	1,402	1,291	-8%	-111
282	Yakutat City and Borough	All	310	299	-4%	-11
<b>Total</b>	<b>All Southeast</b>	<b>All</b>	<b>40,711</b>	<b>32,191</b>	<b>-21%</b>	<b>-8,521</b>
230	Skagway Municipality	Private sector	1,315	415	-68%	-900
105	Hoonah-Angoon Census Area	Private sector	636	373	-41%	-263
100	Haines Borough	Private sector	1,106	664	-40%	-442
130	Ketchikan Gateway Borough	Private sector	6,260	4,491	-28%	-1,769
110	Juneau City and Borough	Private sector	12,359	9,054	-27%	-3,305
220	Sitka City and Borough	Private sector	3,777	3,036	-20%	-741
275	Wrangell City and Borough	Private sector	649	535	-18%	-115
195	Petersburg Borough	Private sector	900	772	-14%	-128
198	Prince of Wales - Hyder Census	Private sector	1,369	1,221	-11%	-148
282	Yakutat City and Borough	Private sector	195	198	1%	3
<b>Total</b>	<b>All Southeast</b>	<b>Private sector</b>	<b>28,564</b>	<b>20,757</b>	<b>-27%</b>	<b>-7,807</b>

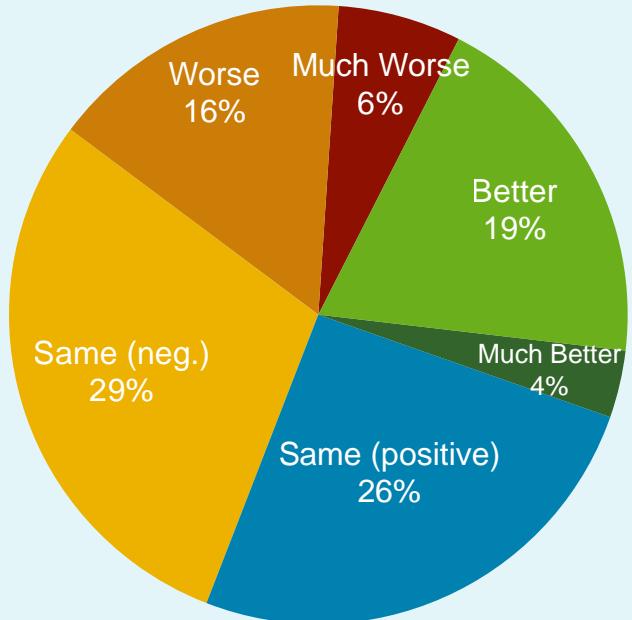
**Source:** Alaska Department of Labor and Workforce Development, Research and Analysis Section Quarterly Census of Employment and Wages. <https://live.laborstats.alaska.gov/qcew/index.cfm>

COVID-19 Impacts 2020

# SOUTHEAST ECONOMIC OUTLOOK SURVEY

"What is the economic outlook for your business or industry over the next year (compared to the previous year)?"

**49% Positive / 51% Negative**



## CURRENT REGIONAL BUSINESS CLIMATE SURVEY

In April of 2021, 440 Southeast Alaska business owners and top managers responded to Southeast Conference's Business Climate and COVID-19 Impacts Survey.

## SOUTHEAST ALASKA ECONOMIC OUTLOOK

In 2021 half of businesses say the economic outlook for their business or industry over the next 12 months is negative. Nearly a quarter (22%) of survey respondents expect their prospects to be worse (16%) or much worse (6%) in the coming year, while a similar number (23%) expect the outlook for their businesses to improve in the coming year.

The mining sector's economic outlook is most positive moving into 2022, while the real estate, food & beverage, and tourism sectors have the most negative outlooks looking forward.

The communities with the most negative projections include Skagway, Haines, and Hoonah. More than a third of Hoonah businesses expect the economic outlook to become worse (13%) or much worse (25%) in the next 12 months. Prince of Wales island, Gustavus, and Sitka have the least negative outlooks. On Prince of Wales, more than half of the business leaders expect that economy to improve in the next year.

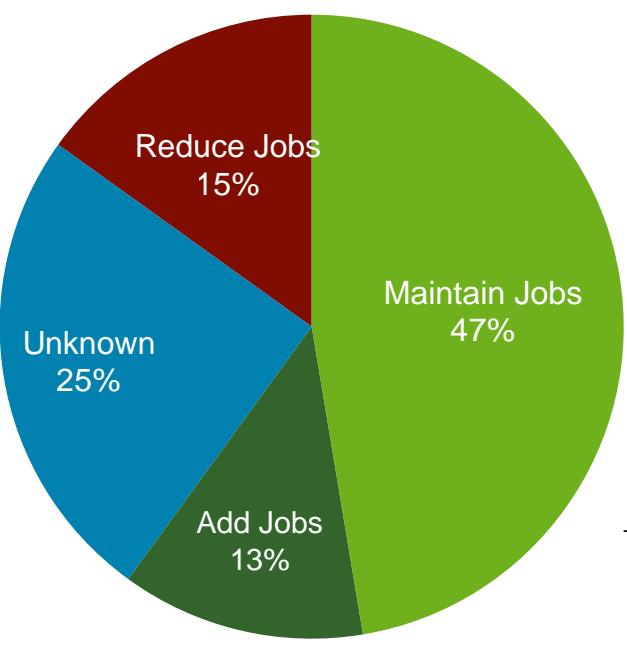
**Businesses report that their overall revenue is down 42% of due to COVID-19**

**29% of businesses would have closed permanently without relief funding**

**22% of businesses say that they are at risk closing permanently in the next year**

## Jobs Outlook April 2021 to April 2022

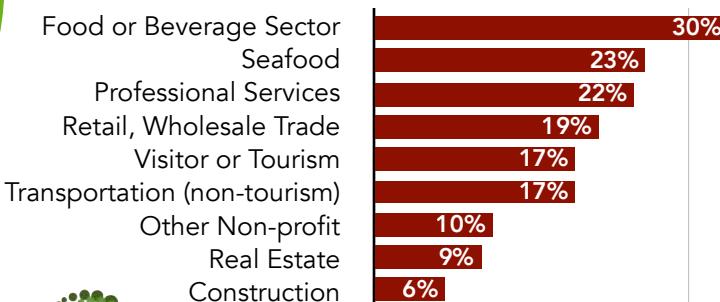
**Over the next 12 months, do you expect to add jobs, maintain jobs, reduce jobs?**



## JOB LEVELS EXPECTED TO BEGIN TO STABILIZE OVER THE NEXT YEAR

Each year, private business owners and managers are asked about hiring expectations over the next year. When asked about staffing projections, 15% of the 440 business leaders surveyed expect to make additional job cuts to their businesses over the next 12 months, while 25% do not yet know, and 13% expect add new jobs. Businesses were asked about the impact of the COVID-19 aid they received. Nearly half of respondents (45%) said that federal and state relief funding allowed their businesses to retain staff. Projected employment reductions moving forward will be most concentrated in the food and beverage sector, seafood, and professional services. Sitka has the most positive jobs outlook with with a third of employers saying they expect to add jobs in the coming year.

■ % of employers that expect to make job cuts in coming year



# **Strategic Partnership Highlight:** Central Council of the Tlingit & Haida Indian Tribes of Alaska

## **President Richard Chalyee Éesh Peterson**

*"In the beginning of the COVID-19 pandemic, we were forced to rethink how we function as an organization and community. As a result, Tlingit & Haida's leadership worked tirelessly to develop a Tribal Emergency Operations Center with the mission of safeguarding our employees, citizens and communities while continuing to provide services as well as govern and fulfill our constitutional mandates," said President Richard Chalyee Éesh Peterson.*

*the concerns of our  
the CARES Act Need-  
Business grant to  
citizens and  
impacted by the  
greatest  
how to safely  
enterprises.  
more than  
their determination  
practices and finding  
services safely. If we've  
this pandemic, it's that we  
meet our*

*In doing this, we listened to  
communities and launched  
Based programs and Small  
help offset expenses for  
tribally-owned businesses  
pandemic. Perhaps our  
challenge was rethinking  
reopen our tribal  
Some were impacted  
others, but I am proud of  
to succeed by adapting  
new ways to deliver  
learned anything from  
are strongest when we  
citizens where they are  
at."*

### **Tlingit & Haida CARES Small Business Grant (SBG) Program:**

Responding to the COVID-19 Pandemic, Tlingit & Haida allocated a one million dollar budget to support Tribal Citizen owned small businesses with pandemic relief funding to help offset eligible businesses expenses. The program was offered as a grant program and Tribal Citizen business owners could request up to \$5,000 per business. A total of 227 businesses applied during the program's application acceptance timeframe and funding has been provided to a wide variety of Tribal Citizen owned businesses in Alaska and throughout the United States. The T&H CARES SBG program is scheduled to reopen another round of application acceptance in the second half of 2021, confirmations and updates to the next program will be available at [www.ccthita-nsn.gov](http://www.ccthita-nsn.gov), under the CARES Relief Programs section (accessible on the home page), and through media outlets and social media platforms.

# Southeast Alaska Resiliency Mapping

## *Surviving the pandemic economy*

In order to understand how our community and business leaders plan to ensure the economic resilience of their businesses, industries, and communities, Southeast Conference asked the membership to define a collective vision for resilience. **Economic resilience is the ability to withstand and recover quickly from a disruption to the economic base.** Nearly 150 Southeast Conference members from 16 communities and 18 sectors across the region participated, explaining what they **plan to do or need in order to keep their businesses and communities economically stable.**

The results were definitive and clear. Business leaders will pursue revenue diversification and vaccine distribution, while they reduce spending and staffing. Other community leaders will support the continuation of COVID-19 mitigation measure, engage in economic planning efforts, and support infrastructure investments.

All respondents were concerned about how the pandemic will continue to impact the regional economy. Most concerned were the self-employed, 67% of whom say they have "maximum concern" regarding the overall impacts facing the region. Those involved in tourism registered the highest degree of concern regarding the impact COVID-19 has had on their industry (100% have maximum concern).

## What Business Leaders Are Doing

- 1. Revenue diversification.** The number one resilience response of Southeast Alaska's business leaders is diversifying their revenue stream. Businesses are looking to find new clients, develop new products, including online sales and services, and expand markets into new areas.
- 2. Vaccination advocacy.** Business leaders understand that the key to reopening the economy is a high vaccination rate, and they are working to promote and explain the importance of vaccines.

### 3. Spending, staff & service reductions.

Business leaders are reducing their expenses in order to remain viable through the pandemic downturn. Businesses are cutting costs, reducing staffing levels, delaying investments, reassessing operations and refocusing resources on core business functions.

- 4. Maximizing federal benefits.** Regional leaders are taking advantage of federal relief funding to cover fixed costs and keep their businesses operating.
- 5. Encouraging local spending and hiring.**
- 6. Engaging in long-term economic planning.**
- 7. Applying for grants, loans, debt relief, and debt deferment.**
- 8. Moving business and staff online.**
- 9. Employing measures to maintain staffing levels.**
- 10. Moving into survival mode until 2022.**

## What Other Community Leaders Are Doing

- 1. Continued COVID-19 mitigation.**
- 2. Community & economic planning efforts.**
- 3. Support infrastructure investment.**
- 4. Plan for return of cruise ships.**

# Getting to 2022: Short-Term Southeast Alaska Resilience Plan

Southeast Conference worked through its membership and committees to develop 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 subsided.

## 1 Support Expedited Vaccine Distribution

Support a coordinated strategy to communicate the importance of vaccinations and 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

Support transportation providers as they work towards re-building service and routes. Set strategic direction across transportation providers to operate safely and within shared mitigation measures. Restore regional transportation services to pre-pandemic levels.

## 3 Regrow the Visitor Industry

Communicate the importance of the tourism industry, and the role of cruising in the industry's success to lawmakers and communities; advocate for the swift return of business to the region in order to maximize potential economic impact for 2021. Work to attract independent tourists. Support and collaborate with communities and entities to offer new programs and products catering to independent travelers.

## 4 Economic Disaster Declaration Request

In response to severe economic conditions caused by the pandemic and fisheries collapse, the Governor should declare an economic disaster area for Southeast Alaska as a whole.

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

There are vulnerabilities within the health care system that have been exacerbated during 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 there is a

plan to fund needed state services. Ensure that the regional populace has access to health care, health care insurance, and has the community support they need to make healthy choices.

## 6 Ensure the Short-term Viability of the Seafood Sector

Southeast Alaska experienced one of the worst salmon seasons in our history. Work to revive the market in order to rebuild regional economic seafood systems. Work to ensure short-term viability of the seafood sector in order to develop long-term sustainability.

## 7 Keep Southeast Alaskans in their Homes

Support emergency rental assistance in Southeast Alaska and the organizations that are distributing funding. Explore creative options to reduce mortgage payments for those unable to make payments during this pandemic emergency, while also supporting landlords. Support housing disaster assistance.

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

A fully functional childcare system is needed to get the region fully back to work. Work to maintain childcare infrastructure.

## 9 Support Expedited Resolution to Solid Waste Shipping

Support the work of communities and shipping companies to create a safer system as communities move to new systems that include baling and compacting.

## 10 Request Tariff Relief

Work with the Alaska congressional delegation to support new trade negotiations with China that reduce or eliminate onerous tariffs on Southeast Alaska commodities.

# Southeast Alaska Strategic Direction Action Plan

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

## Transportation

### Transportation Goal Statement:

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



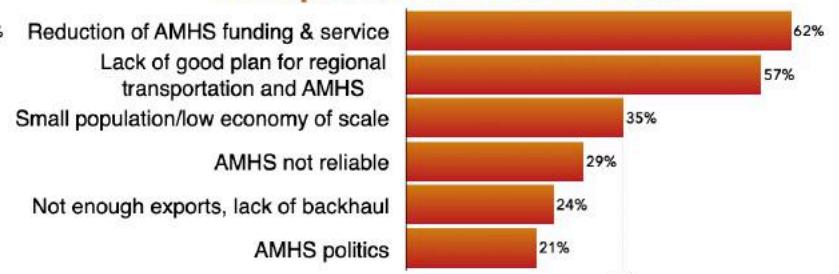
The Southeast Alaska Transportation SWOT and economic initiatives were developed and prioritized by the 46 members of the Southeast Conference Transportation Industry Committee in a series of meetings in 2020 and 2021.

## Summary of Top SWOT Responses

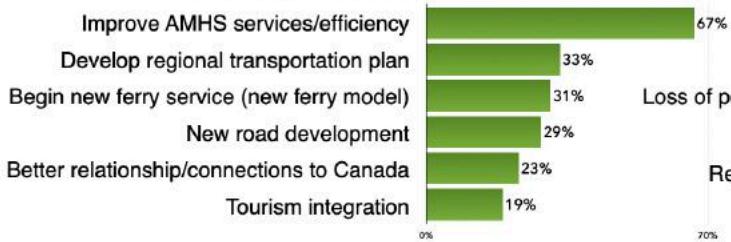
### Transportation Strengths



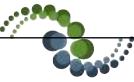
### Transportation Weaknesses



### Transportation Opportunities



### Transportation Threats



## **Transportation Priority Objective**

### **★ Priority Objective #1: Sustain and Support the Alaska Marine Highway System**

The Alaska Marine Highway System (AMHS) has been pummeled by cuts related to the State fiscal crisis since 2013, and the global pandemic travel disruptions of 2020. In a coordinated effort to restore and strengthen connectivity in the region, the AMHS must provide reliable, basic service to coastal Alaska communities, create an economy of scale, and provide cost effective transportation services. This can be accomplished through

- 1) Changing the governance model for AMHS** – an empowered management structure is needed to help the support the Alaska Marine Highway's mission; and
- 2) Implementing the AMHS Reshaping**

**Recommendations** – supporting the State of Alaska as it implements the recommendations from the 2020 Alaska Marine Highway Reshaping Work Group and SEC AMHS Reform Initiative.

## **Other Transportation Objectives:**

### **Objective #2: Develop a long-term, strategic, multi-modal, regional transportation plan**

Southeast Alaska has been without a current regional transportation plan for the region's ferries, roads, airports, ports and harbors since the 2004 Southeast Alaska Transportation Plan (SATP) was published. Work with the State of Alaska to develop a comprehensive approach to transportation planning through the regional Southeast Alaska Transportation Plan (SATP) process. Develop an action plan that will ensure the region's multi-modal transportation systems meet the needs of the region's people and economy.

### **Objective #3: Ensure the stability of regional passenger transportation services**

The passenger transportation networks in Southeast Alaska comprise a critical economic engine for the region, generating jobs, commerce, and tourism - while also increasing community wellbeing. Support consistently providing federal funding for continued maintenance and operations in order to create more

long-term certainty and predictable levels of service. Facilitate discussions for solutions to transportation gaps of service.

### **Objective #4: Move freight to and from markets more efficiently**

Southeast residents depend on the movement of goods, and barge operators carry the bulk of freight. Find ways to stabilize the cost of transporting goods into, out of, and within the region. Work with the transportation industry to find ways to reduce the costs for the transportation of goods. Explore freight forwarding at the international border. Design system around large fisheries summer markets and lower ferry capacity in the winter. Determine the best ways to move perishables to and from markets in Southeast. Ensure that the infrastructure improvements needed to support barge operations move forward. Support more frequent barge services for communities with limited freight services, especially in the winter.

### **Objective #5: Ports and harbors infrastructure improvements**

Advocate for port and harbor infrastructure improvements. Address current user needs while exploring opportunities to develop these facilities beyond traditional uses and local networks, including private sector investment opportunities with the objective of improving the reliability and effectiveness of serving the entire port and harbor network. Include infrastructure for float planes, including floats and fueling stations.

### **Objective #6: Road Development**

While only three communities (Haines, Skagway and Hyder) are directly connected to highways outside of the region, roads are the primary way to get around within communities. Expand use of the existing road network. Reconfigure and extend roads to address high traffic volume corridors that can be most economically served by road improvements. Improve utilization of existing road systems while maximizing use of ferries. Several roads in the region are not being used in an intermodal fashion, and other roads are underutilized. Develop new roads and expanded road access. This includes "roads to resources" that will provide access to resources that are important for economic development. Continue and complete design of access corridors — transportation corridors between communities and to resources.

# Seafood and Maritime



## Seafood Goal Statement:

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

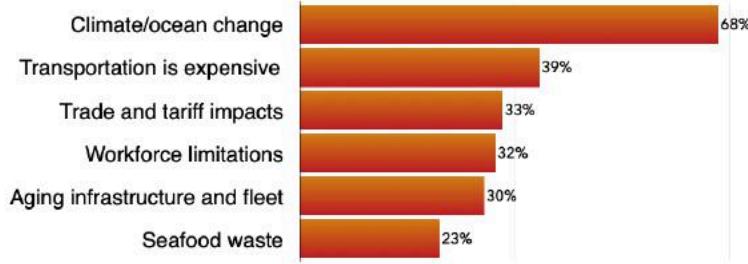
The Southeast Alaska seafood SWOT and economic initiatives were developed and prioritized by the 24 members of the Southeast Conference Seafood and Maritime Industry Committee in a series of meetings in 2020 and 2021.

## Summary of Top SWOT Responses

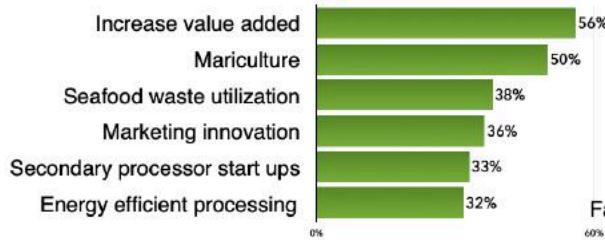
### Seafood Strengths



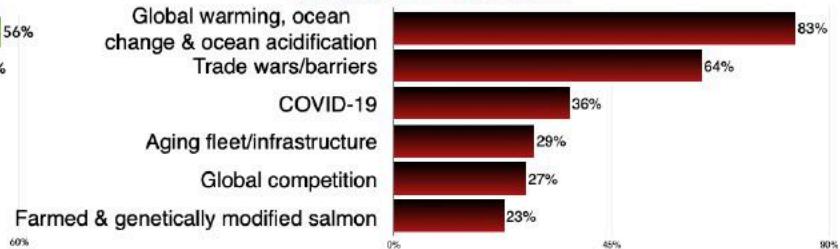
### Seafood Weaknesses



### Seafood Opportunities



### Seafood Threats

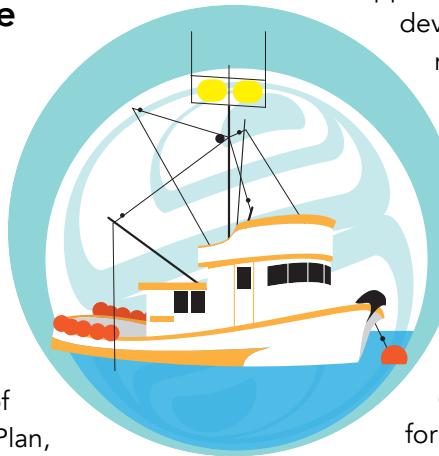


# Seafood

## Seafood Priority Objective

### ★ Priority Objective: Mariculture Development

Support development of the mariculture industry, including enhancement, restoration and aquatic farming of shellfish and seaweeds. Work with the Governor's Office to promote mariculture objectives. Support implementation of the Alaska Mariculture Development Plan, the Alaska Mariculture Task Force's Five-Year Action Plan, and the Alaska Mariculture Alliance. Increase the number of mariculture operations, providing financial and technical support for interested mariculture entrepreneurs. Support the marketing of mariculture products. Support increased hatchery capacity and seed production, including stability for operations, technical transfer, and workforce development. Leverage existing seafood processing capital, including bringing additional seaweed and oyster processing capacity to the region. Work with mariculture farmers to develop a frozen oyster products and markets. Support development of multi-use facilities for processing, storing, aggregation and shipment. Support research, community engagement, and education for mariculture in the region.



year-round processing workforce and create more economic activity in-between fishing seasons

### Objective #3: Further Develop Seafood Markets

Support ASMI's work to expand existing and develop new domestic and international markets for Alaska seafood, along with the industry's efforts to develop new products. Support ASMI and the Alaska seafood supply chain in restoring markets impacted by COVID by taking advantage of funding, new opportunities, and efficiencies. Partner with ASMI and other resources to provide more opportunities to source local seafood for Alaska businesses to build markets locally. Work across the region to create more direct marketing opportunities.

### Objective #4: Maintain a Stable Regulatory Regime to Support the Seafood Sector

Protect commercial fisheries by advocating for stable regulatory and management regimes. Use the best science available at state and federal levels. Educate policy makers to employ responsible and sustainable harvest decisions for Alaska seafood while promoting access to the resources. Advocate that state Fish & Game management ensures data is available to manage fisheries to the maximum extent possible.

### Objective #5: Research the effects of changing ocean conditions on the marine environment

Research ocean acidification and ocean warming in Alaska and look to reduce impacts on the fisheries. Educate and advocate regarding mitigation pathways. Support the research of the University of Alaska of temperature impacts on marine ecosystems, range shifts, and recruitment failure. Support researchers in developing advice to management agencies regarding sustainable management of fisheries in face of climate driven changes.

## Other Seafood Objectives:

### Objective #2: Work to Further Promote a Year-round Seafood Economy in the Region

Find ways to expand existing economic activity before and after the summer salmon season to better insulate local economies by developing a longer, expanded seafood season. Promote incentives to seafood processors to develop value-added seafood products produced outside the traditional salmon harvest and processing season. Develop and process products throughout the year to help establish a more



## **Objective #6: Support Regional Processors Becoming Economically Competitive**

Advocate for continued and increased seafood processing and manufacturing within the region. Support processors in increasing overall capacity levels, as well as expanding the variety and availability of seafood products. Encourage the broadening of marketing efforts. Increase the number of firms producing high-value products. Support development of necessary infrastructure for seafood processing activities. Modernize processing plants and update/improve transportation routes to get products to market. Work to assist processors getting seafood to market cheaper, faster, and fresher.

## **Objective #7: Communicate the Importance of Salmon Hatcheries**

Create an information campaign describing Southeast Alaska's salmon hatchery program as an example of sustainable economic development that directly benefits subsistence fishermen, personal use fishermen, sport fishermen, charter fishermen, commercial fishermen, seafood processors, as well as state and local governments. Communicate that hatcheries are operated by non-profit associations who rely on the best scientific methodology, precautionary principles and sustainable fisheries policies to protect wild salmon populations.

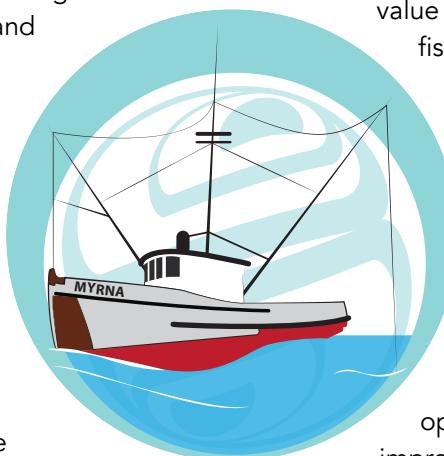
## **Objective #8: Seafood Sector Workforce Development**

Work with the seafood industry and state to promote increased seasonal workforce attraction and development. Engage in workforce development

efforts to attract young Southeast Alaskans to participate in the seafood economy. The absence of young fishermen is compounded by the rise in nonresident permit ownership in local fisheries. Work with UAS to build a program that parallels seafood/mariculture programming. Secure funding for a workforce apprenticeship program for young Alaskans for mariculture. Work with processors to support workforce development and advancements.

## **Objective #9: Full Resource Utilization & Ocean Product Development**

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



## **Objective #10: Increased Sea Otter Utilization**

In the late 1960s, sea otters were re-introduced to Southeast Alaska and now represent one-fifth of the global sea otter population. Support the development of management plans to target and protect important shellfish areas. Support sea otter management and

utilization. Expand allowable use of sea otters taken for subsistence purposes. Support development of new products and markets for otter products. Support development of sea otter sewing businesses and strategies for increasing value of these products.

diesel dependency using concepts such as diesel-electric hybrid vessels, hydrogen, or other energy alternatives. Find alternatives to reduce use of diesel for processing plants and cold storage facilities that could include increased energy efficiency or hydropower.

## Maritime Industrial Support Sector

**Maritime Goal Statement:** Create a comprehensive, robust maritime support services sector that will meet current and growing demands of the businesses within the Alaska maritime economy.

### Objective #1: Increase employment and training opportunities for Southeast Alaska residents in the Marine Industrial Support Sector

Support development of school and University programs and curricula focused on industrial knowledge, skills and experience transferable to Marine Industrial Support employment opportunities, i.e. UAS Ketchikan Maritime and Multi-Skilled Worker Program. Create a model for youth and adult internships in regional Marine Industrial Support businesses and municipal maritime enterprises. Identify subject matter experts to support Marine Industrial Support career opportunities. Identify public education programs, apprenticeships, private training entities, and Marine business supporting internships.



### Objective #3: Expand Regional Marine Industrial Support Capacity

The Marine Industrial Support (MIS) Sector includes marine vessel repair and construction, marine civil construction, and ports and harbors development.

Create a digital MIS catalogue of SE Alaska public and private marine industrial businesses and facilities providing information on capabilities and capacities. Inform marine vessel owners and operators of regional MIS capabilities and capacities.

### Objective #2: Increase Energy Efficiency and Reduce Energy Costs

Support programs that aim to increase energy efficiency of vessels and processing plants. Reduce reliance on diesel for both boats and processing plants. Move the commercial fishing fleet away from

# Visitor Industry



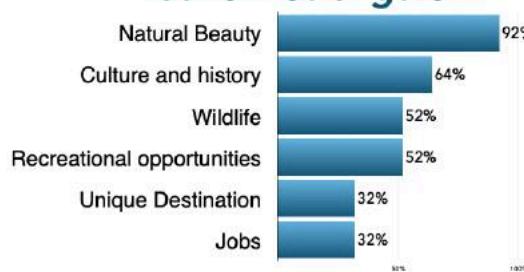
## Tourism Goal Statement:

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

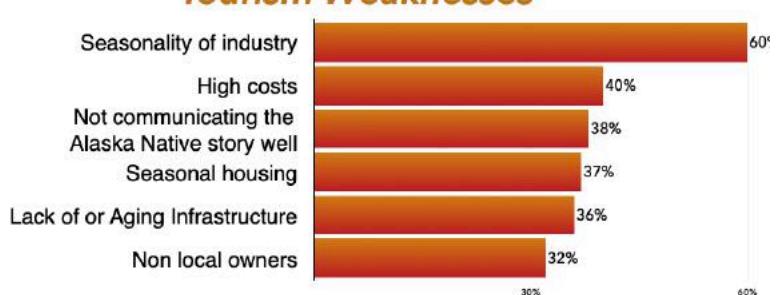
The Southeast Alaska tourism SWOT and economic initiatives were developed and prioritized by the 45 members of the Southeast Conference tourism Industry Committee in a series of meetings in 2020 and 2021.

## Summary of Top SWOT Responses

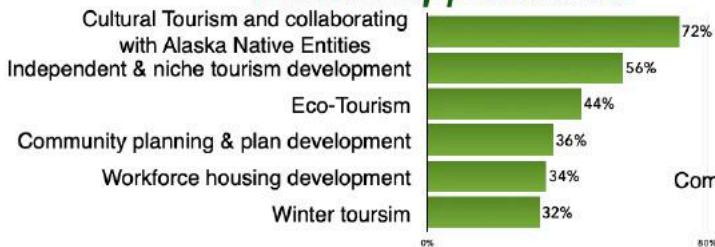
### Tourism Strengths



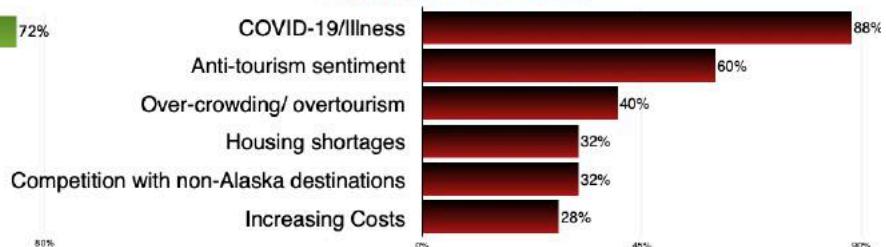
### Tourism Weaknesses



### Tourism Opportunities



### Tourism Threats



## Visitor Industry Priority Objective

### Priority Objective #1: Market

#### Southeast Alaska to Attract More Visitor Spending and Visitor Opportunities

Create regional collaborative partnerships to market Southeast Alaska as a tourism destination. Enhance the reach and effectiveness of existing marketing activities conducted throughout the region and support organizations across the region as they work to develop new marketing strategies and campaigns post COVID. Focus on marketing to draw a diverse array of tourists to the region. Support communities and small businesses in the development of new and expanded products, tours and shoreside excursions. Harness the beauty of Southeast Alaska to create visuals for marketing.



### Other Tourism Objectives:

#### Objective #2: Grow Cultural and Arts Tourism Opportunities

Support efforts to grow Indigenous and Cultural Heritage Tourism. Southeast Alaska has a rich and vibrant Alaska Native culture that traces back 10,000 years with art forms that evolved with each region developing distinct features. Incorporate Alaska Native culture, indigenous art, and history into tourism products. Continue to leverage cultural tourism as a strength. Support the efforts of communities, tribes, and Alaska Native organizations to create new cultural tourism products. Connect the entities working in this area. Innovate and create world class cultural tourism models. Continue to integrate Alaska Native signage, language, arts, history, and name places into communities. Support integration of Alaska Native guides into tourism experience. Consult with Tribes and Indigenous and Cultural Heritage Tourism leadership on appropriate cultural and cross-cultural messaging.

### Objective #3: Increase Access to Public Lands and Expand Southeast Alaska Trail Network

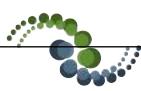
Work to change how federal land access and permitting works in Southeast Alaska. Provide more access to recreational opportunities and expand access to recreation by supporting and growing the region's non-motorized trail systems. Increase guided access to public lands by increasing the number of permits available, providing more outfitter guide days, and developing new wildlife viewing options on federal lands. Increase flexibility of permits (permits can be hard to obtain and are non-transferrable, making it difficult to provide the certainty needed to develop business plans). Encourage private/ public partnership to help construct and maintain trails, seawalks, cabins, and other recreation opportunities. Develop or improve infrastructure to support multi-day outings for individual travelers by supporting cabins or campsites in conjunction with trails, canoe, and kayak routes.

### Objective #4: Increase Yacht and Small Cruise Ship Visitation

Support increased growth small cruise ship and yacht visitation in the region. Develop long-term infrastructure plans to grow and support small vessel tourism sector. Advocate for funding for visitor and transportation related infrastructure development to accommodate additional vessels and vessel related services.

### Objective #5: Educate Public on the Economic Value of Tourism in SE Alaska

The visitor industry was the top provider of jobs in SE Alaska pre-pandemic times and was on track to be the top provider of wages in the region. Support an outreach program to clearly communicate the value of the visitor industry to Southeast Alaska. Promote the importance and effectiveness of Juneau's Tourism Best Management Practices (TBMP) program which other destinations and tourism providers across the region have begun adopting in order to ensure our communities are great places to live and to visit. Share the Southeast Alaska visitor industry success story and work to address misinformation regarding the impacts of tourism. Develop a focused public relations effort led by visitor industry businesses.



# Energy



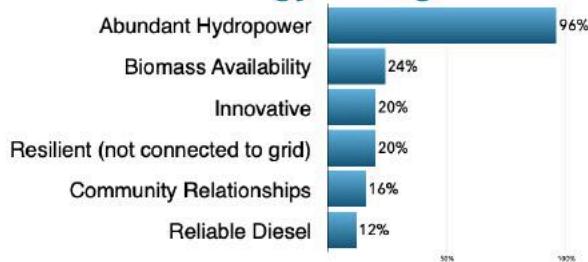
## Energy Goal Statement:

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

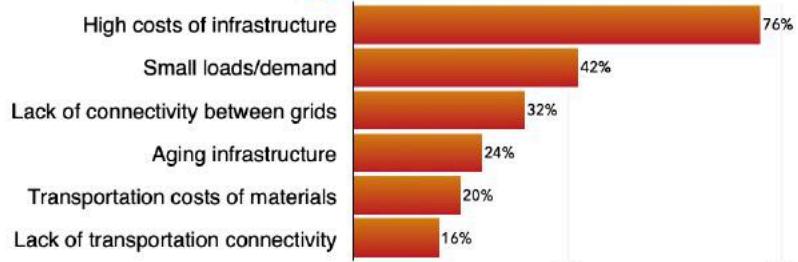
The Southeast Alaska energy SWOT and economic initiatives were developed and prioritized by the 33 members of the Southeast Conference Energy Committee in a series of meetings in 2020 and 2021.

## Summary of Top SWOT Responses

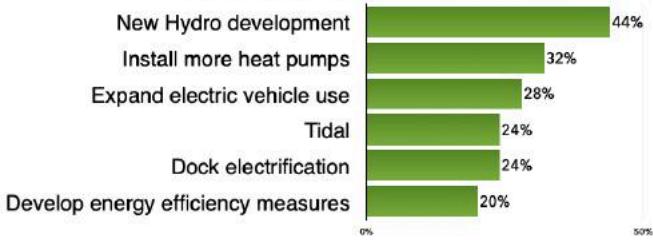
### Energy Strengths



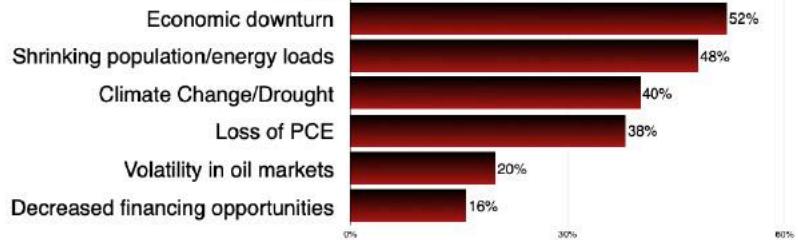
### Energy Weaknesses



### Energy Opportunities



### Energy Threats



## **Energy Priority Objective**

### **★ Priority Objective #1: Promote beneficial electrification**

Work with utilities to support utilizing a wider range of renewable resources in the region and to develop innovative rates and programs that encourage beneficial electrification by consumers. Work with communities to support consumer adoption of technologies that can be added to the electric system in a manner that increases the value of the grid. The primary opportunities for beneficial electrification in Southeast Alaska include: Heat pumps, electric vehicles (EVs), research emerging technologies, and dock electrification.

### **Other Energy Objectives:**

#### **Objective #2: Continue to support rural Southeast communities with high-cost electric rates without access to lower cost hydroelectricity**

Southeast Alaska's rural remote communities often do not have access to lower cost hydroelectricity. Work to secure continued access to renewable energy funding for rural communities, while recognizing the risk that costs could be increased by implementation of high-cost energy projects. Work to preserve the Power Cost Equalization (PCE) Endowment and maintain the PCE program. Support a block rate structure to leverage the PCE program in accordance with the model completed by the Alaska Center for Energy and Power. The PCE is a critical lifeline that provides access to affordable electric power for rural Alaskans and allows rural communities to have affordable electricity for streetlights, water and sewer facilities, and other essential public infrastructure.

#### **Objective #3: Work with communities to create energy systems that provide sustainable, affordable, renewable thermal energy**

Space heating costs represent a major portion of energy expenditures in Southeast Alaska. Developing and integrating renewable sources of electricity is difficult in the region, often requiring investment in considerable infrastructure by utilities, individual

residences, and businesses. Pursue opportunities to provide thermal energy to individual buildings, or groups of buildings in the case of district heating systems, with small-scale and affordable systems powered by renewable fuels, including biomass, solar, geothermal, wind, tidal, hydropower, and potentially liquified natural gas.

#### **Objective #4: Implement regional energy plan with a focus on "committed units" and deployment of renewables**

Partner with state and federal agencies to advocate for renewable energy development and advance energy technologies in order to promote economic development and jobs to contribute to a resilient tax base. Update the Southeast Alaska Integrated Resource Plan (SEIRP) and list of "committed resources," to include generation projects and transmission hydroelectrical interties that have regional support. The adoption of the Roadless Rule in the Tongass National Forest may have a specific impact on the costs associated with transmission interties since the last update to the SEIRP. Continue to pursue opportunities for energy efficiency in generation, transmission and demand-side management. Facilitate technical expertise of deploying renewables and educate consumers regarding energy use. Educate and communicate the value and importance of regional energy projects, especially small, community-based projects. There are a number of projects that help meet renewable energy goals of the state and federal agencies.

#### **Objective #5: Energy Workforce Development**

The region has specific needs for training related to installation and maintenance of heat pumps, hydroelectricity, maintenance of electric vehicles, and operation and maintenance of building energy systems and controls. Provide training and technical assistance for the workforce involved in regional energy. The Southeast Alaska energy sector is a small community that is agile and multidisciplinary. This diversity of experience drives innovation that can be shared across the region. Encourage utilities to work together to prepare for, test, and invent emerging technologies that allow the sector to accomplish more with the abundant renewable resources.

# Timber Industry



## Timber Goal Statement:

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

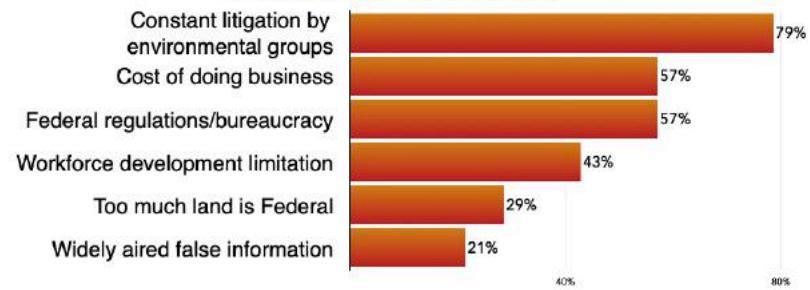
The Southeast Alaska timber SWOT and economic initiatives were developed and prioritized by the 15 members of the Southeast Conference Timber Committee in a series of meetings in 2020 and 2021.

## Summary of Top SWOT Responses

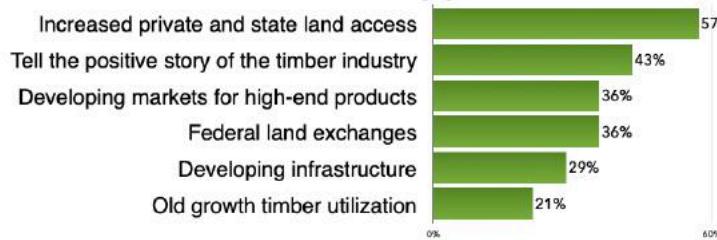
### Timber Strengths



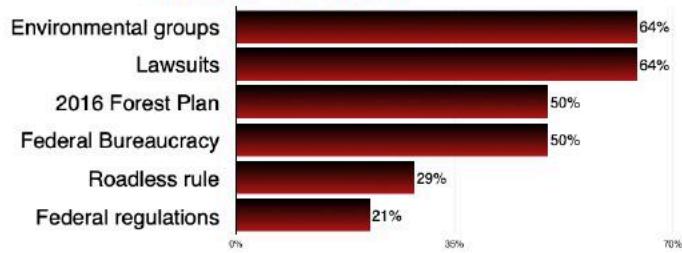
### Timber Weaknesses



### Timber Opportunities



### Timber Threats



## **Timber Objectives**

### **Objective #1: Provide an economically viable and dependable supply of timber from the Tongass National Forest to regional timber operators**

Support management, research, and legal efforts to assure access to adequate, consistent, and economic timber supply on federal and state forest lands. To be economically successful, local mills must be provided an opportunity to accumulate a supply of purchased but unharvested economic timber (i.e. volume under contract) equal to approximately three years of timber consumption. This allows the industry time to plan orderly and systematic harvest schedules that meet timing restrictions and permit requirements; better manage its financial resources and to secure financing on the basis of longer-term timber supply; allow time for the infrastructure maintenance; and gives the industry more opportunity to sustain itself through erratic market cycles.

### **Objective #2: Revise the Tongass National Forest Land Management Plan**

Support the development of an updated management plan for the Tongass which assists with developing a stable, economically viable timber sale program that produces sufficient, predictable timber volume to meet market demand three years in advance. Update standards and guides to reflect modern use of the forest. Revisit Land Use Designations, and updated fall down calculations. Develop a reasonable schedule to conduct young growth harvests that are economically viable. Address market development and market fluctuations, including identifying markets for young growth. Develop 10-year plans.

### **Objective #3: Support an integrated timber industry that includes harvest of young growth and old growth**

Address the USFS transition plan that expects harvest to be predominantly young growth by 2040 to 2070. Work to integrate and diversify the timber industry rather than developing an industry extinguishment and replacement strategy. Develop new and boutique markets for AK forest products, including consideration of the demand for old growth products. Ensure timber sales are economically viable. Provide a

cushion of purchased but unharvested timber. Allow economic old growth timber to be harvested in a volume sufficient to meet market demand for an integrated timber industry.

### **Objective #4: Community-Based Timber Workforce Development**

Work to attract and retain forest product professionals. Support local workforce development for timber focused occupations. Consider a multi-organization workforce development initiative with local, non-profit, state and landowner participation. Ensure there are sufficient contractors in the region to support the timber industry.

### **Objective #5: Work with USFS to direct federal contracts and timber sale opportunities toward eligible locally owned businesses**

The Forest Service commits spending each year to contracts in support of construction, maintenance and land management. Help direct these contracts to local firms. Advocate for right-sizing larger projects into several smaller or linked phases. Revise federal financial bonding requirements on contracts. Provide a variety of large and small contract opportunities. Extend harvest schedules, allow harvest of dead/down trees on road corridors, and reduce bonding requirements.

### **Objective #6: Timber Communication and Advocacy**

Factual errors and misguided information regarding both industry and the Tongass continue to be promulgated on the regional, state, and national levels. Change the perception of industry though a focused public relations effort led by industry and supported by regional partners. Tell the story of the Southeast Alaska timber industry as it exists today. Describe timber's associated secondary and tertiary industries that benefit directly from timber harvest and associated projects, contracts, and personnel.

### **Objective #7: Promote Free Trade**

Resolve the trade war and continue to advocate for tariff exclusions and exemptions. Current tariffs on spruce logs has substantially increased costs and reduced harvest levels. Steep tariffs have halted much of the region's young growth harvests.

# Mining and Exploration



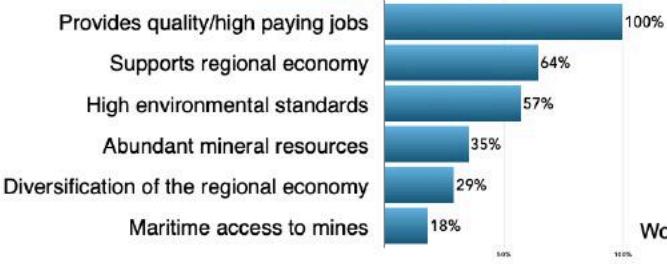
## Mining Goal Statement:

Support responsible mineral development in Southeast Alaska.

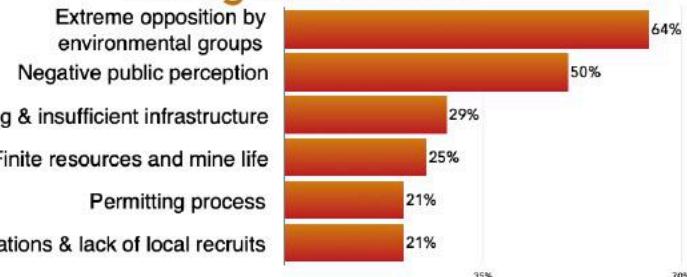
The Southeast Alaska mining SWOT and economic initiatives were developed and prioritized by the 20 members of the Southeast Conference Mining Committee in a series of meetings in 2020 and 2021.

## Summary of Top SWOT Responses

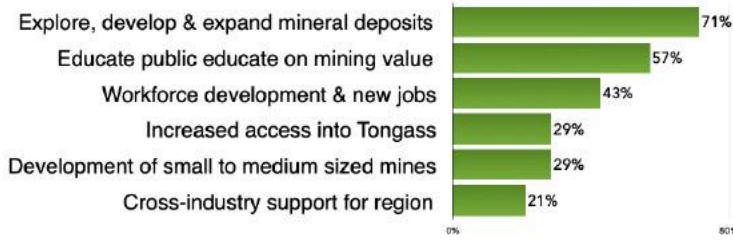
### Mining Strengths



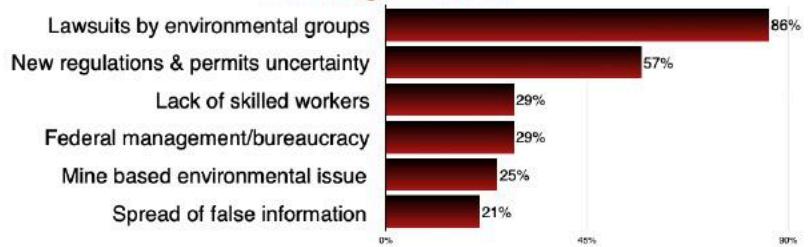
### Mining Weaknesses



### Mining Opportunities



### Mining Threats



## **Mining and Exploration Objectives**

### **Objective #1: Proactively support mining operations and mineral exploration projects**

Support and promote responsible, economically and environmentally sustainable resource development and management. Increase awareness of the high environmental bar adhered to by regional mining operations. Promote a better understanding of environmental plans that are being followed - for both operating and future mines. Tell the story of the Southeast Alaska mining industry as it exists today. Combat misinformation promulgated on the regional, state, and national levels. Promote an understanding of the community benefits of mining in the region, the uses of regional minerals, and that the abundance of minerals is a natural asset providing economic advantages.

### **Objective #2: Support efforts to increase access to minerals and energy sources for mining on state and federal lands**

Ensure that federal lands in Southeast Alaska are developable and accessible. Support access for the mining industry and hydroelectricity in the Tongass. Energy and access are two of the major obstacles to mining development. Increase access and infrastructure development. Mining companies often need road access to get heavy equipment from tidewater to a project site or for exploring and developing a mine or a hydro facility. Road access for mining exploration and development and for renewable energy projects has been particularly difficult to obtain in IRAs.

### **Objective #3: Mining and Exploration Workforce Development**

Continue to work with the University of Alaska Southeast to provide high caliber training to help high school students and other workers explore the workforce diversity available and find employment in the mining industry. Mining provides diverse, high paying, year-round jobs at Southeast's three active underground mines, in the exploration industry, and in mining support services. Ongoing workforce development is needed to maintain and grow regional employment in these skilled and professional positions.

### **Objective #4: Preserve access to reliable, year-round transportation for miners living in rural Southeast Alaska**

Support ferry service (AMHS and IFA) that provides transportation for mining workers to their jobs. Mines have recruited and employ a significant level of regional talent. However, miners living outside of key mining locations no longer have reliable transportation connectivity to travel to and from their home community between shifts.

### **Objective #5: Attract mining capital**

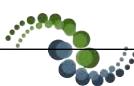
The Forest Service spends millions each year on contracts in support of construction, maintenance and land management. Help direct these contracts to local firms. Advocate for right-sizing larger projects into several smaller or linked phases. Revise federal financial bonding requirements on contracts. Provide a variety of large and small contract opportunities. Extend harvest schedules, allow harvest of dead/down trees on road corridors, and reduce bonding requirements.

### **Objective #6: Create a more stable regulatory environment**

Support the permitting process that has been developed. Ensure there is understanding regarding how new regulatory proposals might impact current and future mining operations and educate decision-makers on the importance of regulatory stability for the economy, environment, and communities.

### **Objective #7: Support research of regional mineral deposits and understand land use planning**

Develop a better understanding of Southeast Alaska's mineral deposits through research. Evaluate the status and potential need for change of existing land use plans. Advertise regional mineral endowments.



# Health Care Sector



## Health Care Goal Statement:

Collaborate to support the partnerships providing healthcare for Southeast Alaskans.

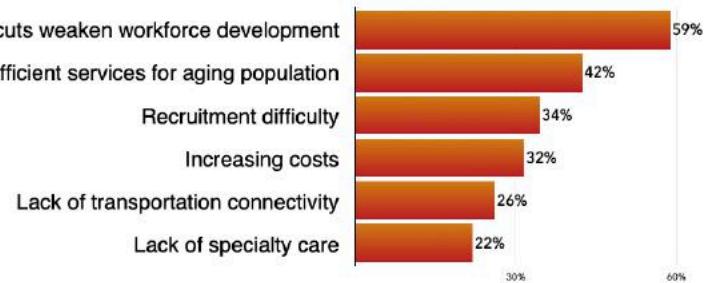
The Southeast Alaska health care SWOT and economic initiatives were developed and prioritized by the 20 members of the Southeast Conference Health Care Industry Committee in a series of meetings in 2019 and 2020.

## Summary of Top SWOT Responses

### Health Care Strengths



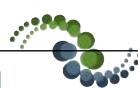
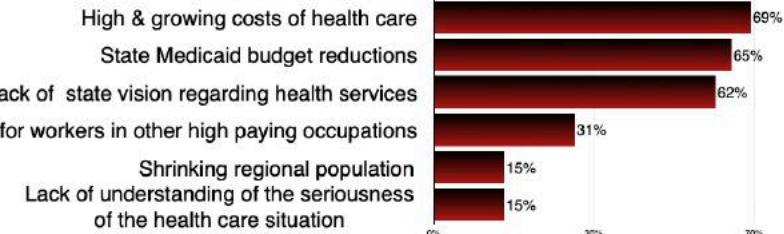
### Health Care Weaknesses



### Health Care Opportunities



### Health Care Threats



## **Health Care Objectives**

### **Objective #1: Plan for a post COVID-19 Southeast Alaska economy and health care system**

Vulnerabilities within the health care system are likely to be exacerbated following the COVID-19 crisis, including Medicaid cuts, reduced access to health care insurance. Advocate for the development of a state fiscal plan that incorporates a plan to sustainably fund state services, so that the region can continue to provide robust health care operations moving forward. Ensure the regional populace has access to health care and health care insurance, and has the community support needed to make informed, healthy choices.

### **Objective #2: Retain Alaska Trained Health Care Students**

Work to retain students in health care related programs and support them through graduation. Coordinate early with potential employers. Give providers an opportunity to help students stay in the region by offering perks to university or students. Once students are trained they will likely to settle in the community that provides their first job. Work to remove the barriers to having those first jobs be in rural communities. Build on the health care provider recruitment concept of the Rural Immersion Pilot Program, which successfully focused on six communities in Southeast Alaska.



### **Objective #3: Meet the health care needs of an aging population**

Ensure there are sufficient resources for those who wish to "age in place" in Southeast Alaska. Since 2010, the 60-plus population grew by 45%, and a quarter of people in the region are now age 60 or older. Ensure the region has sufficient home health care aides and assisted living facilities.

### **Objective #4: Increase health care training within the region and state**

Build University of Alaska programming to be responsive to the critical health care workforce needs identified by the Southeast Alaska Health Care Workforce Analysis. As health care needs in the region

grow, so does the need for a larger highly capable, trained workforce. Analysis shows that being "from Alaska" is one of the most critical factors determining whether or not an employee will stay in the job over the long-term. Expand programming available within the university to build a locally grown workforce.

### **Objective #5: Reduce barriers to hiring outside workers**

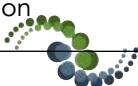
Work with State of Alaska to reduce the time it takes for physicians and nurses moving to the region from out of state to get Alaska licenses. A long process results in the loss of high-quality professionals to other states.

### **Objective #6: Improve Recruitment Strategies**

Look for creative solutions in finding different ways to recruit new talent. Rather than going through a recruitment agency, develop local employment pools for the recruitment resources for the region. Create a catalogue of jobs regional providers are recruiting for, and share. Continue recruitment partnerships with the University system, Job center network, Alaska Department of Labor, and Alaska Workforce Investment Board. Work to eliminate barriers to recruitment and retention presented in the Health Care Workforce Analysis. Market the region to out of state recruits. Expand local university programs to meet region needs. Increase reimbursement rates and reduce unfunded mandates. Develop a better variety of rental units and homes to buy. Assist in brainstorming ideas to increase reliable childcare.

### **Objective #7: Regional health care enhanced partnerships**

As resources become scarcer, it is more important than ever to collaborate across the region within the health care industry and coordinate more effectively. Continue advisory group to promote regional health care solutions. Collaborate on Grants/Funding. Eliminate Duplication in Regional Efforts. Share technology and procurement best practices. Coordinate training of existing staff.





In addition to the economic initiatives that sit within the key economic sectors, there are critical additional initiatives that sit outside these focus areas. The Southeast Alaska Economic Development initiatives were developed by 30 members of the Southeast Conference Economic Development Committee in a series of meetings in 2021. They have been prioritized in the order presented below:

## Other Objectives

### #1: Child Care Objective: Increase Child Care Capacity in Southeast Alaska

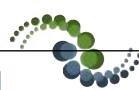
Work across the region to expand childcare capacity. Studies show that high quality early childhood education provides a significant return on investment for communities. In Southeast Alaska there is an inadequate supply of affordable, high quality preschool and childcare. Policies to solve the dual problem of low childcare worker pay and issues of access and affordability to high-quality care, should be considered at all levels of government, including the following: Long-term dedicated funding for childcare worker wage subsidies and job-based benefits should be included in future budgets. Childcare workers are paid 40% less in median income than other workers. Paying living wages and providing necessary benefits is essential to attract and retain the best workers. Possible solutions include strategies such as income-based subsidies so parents pay no more than 10% of income on childcare



costs; or the public provision of high-quality childcare for children ages birth-5 years.

### #2: Housing Objective: Support the sustainable development of housing

Increase access to housing, including to low- and moderate-income housing, to create more livable, economically competitive, resilient communities. Lack of housing and high housing costs is a deterrent to economic growth, making it difficult to attract or retain employees in the region. Throughout Southeast Alaska there is a lack of affordability and choice in housing. Develop new housing stock, targeted housing for an aging population, and increase the diversity of housing choices in the region. Include fair market housing options for homeownership and private market rentals; along with subsidized rentals through rental assistance or vouchers, public housing, and housing for seniors, veterans, the homeless, and other special needs populations. Work across the region to find ways to reduce the costs associated with land development and new housing construction. Work to improve housing conditions in homes are aging and have mold and rot issues.



### **#3: Communications Objective: Improve communications access in Southeast Alaska**

Support expansion of high-speed internet and cellular network coverage to make the region more competitive and provide more access to education. Broadband access fosters business development and expansion, telecommuting and micro-businesses, and increased education opportunities across Southeast Alaska. Remote work accessibility has become increasingly utilized in the growing world economy. Prioritize development of fiber, satellite, and other technologies that provide remote internet access in the region. Communications and reliable multi-point-of-failure pathways are attractive to investors, businesses, and families looking to stay connected. Equitable access to educational opportunities offers local improved education outcomes and workforce development.

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

Quality education and workforce training is critical to the development of a strong economy. Southeast Alaska has an insufficient pool of skilled employees with professional and technical degrees to support the business sector. Workforce development and support of career and technical education are included throughout this plan in the maritime, health care, mining, seafood, and timber sections. In addition to these efforts, support continued development of K-12 and post-secondary education opportunities and pathways in the region. Retain students in state after graduation. Develop short courses to update skills in partnership with UAS. Increase arts, cultural studies, and local language courses. Ensure UAS has certifications to meet local workforce needs. Create mentorships. Develop and retain top talent. Support scholarships and grants from municipalities for UAS.



### **#5: Natural Disaster Planning Objective: Support Disaster Preparation and Relief Efforts**

After the devastating landslides in recent years, disaster preparation efforts should be a cornerstone of planning procedures going forward. Develop appropriate planning procedures to mitigate natural disasters in the region. Advocate for disaster relief resources and funding for areas affected by natural disasters. Support the development of a disaster relief task force in the wake of events. Protect the economic vitality of areas affected by natural disasters. Ensure the safety of the residents in Southeast communities through robust disaster alert systems.

### **#6: Solid Waste Objective: Support Regional Solid Waste Management Solutions**

Develop best practices solutions handling MSW including baling and compacting solid waste for shipping waste. Increase utilization of regional recycling and composting programs and increase use of commercial burn units. Communicate the importance of waste sorting to citizens in communities who ship their waste. Procure equipment to manage increasing amounts of tires. Create partnerships to share equipment, such as balers and shredders, across communities in the region.

### **Objective #7: Food Security**

#### **Objective: Increase supply, demand and equitable access and distribution of local foods and regional food system opportunities**

Recognize the critical role local food harvesting practices have in household food security for indigenous and non-indigenous peoples of Southeast Alaska. Involve tribal leadership and community perspectives in conversations and decisions around regional food security and food sovereignty. Implement policies that provide economic incentives for prioritizing and localizing the Southeast food system at the regional and community levels. Conduct comprehensive community food system assessments in order to clearly identify needs, resources, and priorities for bolstering local and regional food systems. Build educational opportunities in schools and in communities for respectful wild food harvest

skills learning based on shared values principles established by long-time Southeast Alaska harvesters. Provide regional and local opportunities for networking, education, and skill development related to local food production, processing, and entrepreneurship. Identify underutilized already-developed municipal lands that can be converted into urban farms, high tunnels, and greenhouses, and provide incentives for local farmers and composters. Invest in local and regional value-added food production and processing of local foods that also supports agritourism, and Alaska Native sea otter stewardship, management, and food security programs. Acknowledge the connection between customary and traditional food access, long-term economic prosperity, stewardship of healthy lands and waters, and community health and well-being.

### **#8: Arts Objective: Increase the recognition of Southeast Alaska's thriving Northwest Coast arts economy**

Expand opportunities for Alaska Native and Northwest Coast artists to perpetuate the rich art heritage of Southeast Alaska. Support Buy Alaska Native initiatives, the Alaska Native Arts Programs, the Silver Hand Program, and Buy Alaska. Adopt and support cultural and heritage tourism strategies targeted at making Southeast Alaska the Northwest Coast Native Arts Capital of the world. Support Alaska Native arts and cultural campuses. The arts have played a meaningful role in the economy of this region for thousands of years, and the totems, canoes, masks, regalia, and architecture of Tlingit, Haida and Tsimshian reflect the area's many cultures, ancestries, collective histories, and current identities.

### **#9: Cultural Wellness Objective: Support the development of activities and infrastructure that promotes cultural wellness and multicultural wellness**

Support efforts to construct infrastructure that highlights and promotes Southeast Alaska's many indigenous cultures, and also provides opportunities for education, economic development, social services, and cultural/multi-cultural gatherings. Support efforts to expand cultural growth and wellness. Support the implementation of activities and community involvement that promotes cultural healing, education, and understanding, including language

programs. Support ANCSA established foundations in the region in carrying out their missions and goals of cultural preservation. Support the acknowledgements and activities that identify landscapes and waterways in Alaska as first and foremost the ancestral homelands to the many vibrant and living cultures throughout every area and community. Support the creation, expansion, and collaboration of cultural programs and developments that elevate indigenous communities as leaders in the Indigenous and Cultural Heritage Tourism Industry of Alaska.

### **#10: Research Objective: Attract science and research jobs to Southeast Alaska**

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

### **#11: Telework Objective: Promoting the Remote Workforce in Southeast Alaska**

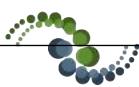
Remote work is now a much more viable option, due to the pandemic. With 42 percent of the US labor force currently working from home full time during the pandemic and national companies announcing plans to continue the option of remote work indefinitely, Southeast Alaska, with its access to recreation, should work to capture this market and its economic benefits. Work to welcome remote workers, develop programs, research opportunities, and foster environments where remote workers will thrive.

### **#12: Marketing Objective: Promoting the Remote Workforce in Southeast Alaska**

Develop marketing material to market Southeast Alaska as a whole. Promote regionally manufactured local products (art, seafood, beer, wood, ships, handicrafts, etc.).

### **#13: Coast Guard Objective: Support Coast Guard vessel homeporting opportunities.**

Maintain and grow the Coast Guard presence in the region.



# Action Plan Part II: Priority Objective Descriptions & Evaluation Framework

## Priority Objective #1

### Sustain and Support the Alaska Marine Highway System

#### Priority Description

Since its first port of call, the Alaska Marine Highway System (AMHS) has been a critical socio-economic engine for coastal Alaska. The Alaska Marine Highway has been pummeled by cuts related to the State fiscal crisis since 2013, and the global pandemic travel disruptions of 2020. In a coordinated effort to restore and strengthen connectivity in the region, the AMHS must provide reliable, basic service to coastal Alaska communities, create an economy of scale, and provide cost effective transportation services. This can be accomplished through the following:

**1) Changing the governance model for AMHS** – an empowered management structure is needed to execute the Alaska Marine Highway's mission to support rural communities and generate economic growth and improved quality of life for Alaskans; and

**2) Implementing the AMHS Reshaping**

**Recommendations** – supporting the State of Alaska as it implements the recommendations from the 2020 Alaska Marine Highway Reshaping Work Group and SEC AMHS Reform Initiative to improve service levels of the AMHS, including the following: improved system reliability; stabilized budget planning; strengthened governance support; renegotiated marine union labor agreements; reduced system costs; increased system revenue; leverage road infrastructure, and create partnerships with communities, Tribes and private sector.

#### Outline of steps required for project to be completed and timeline

**Design strategic plan for AMHS system focused AMHS Reshaping Work Group and reform recommendations. (Plan developed in 8-12 months.)**

- Design strategic plan for AMHS system focused on AMHS Reshaping Work Group and AMHS Reform recommendations. (Plan developed in 8-12 months.)
- Define community needs and requirements to determine what constitutes basic essential service (information regarding frequency of service and capacity).
- Work to change the funding cycle and provide forward funding to eliminate uncertainty.
- Work with stakeholders to determine what level of service is necessary for economic development, including frequency of service, capacity, and connectivity within the region.
- Facilitate planning discussions between the private sector, the communities, and the State of Alaska on potential partnerships and efficient transportation service delivery options.
- Use scenarios to envision how the system will look in 20 years.
- Recognize public process and extensive outreach as part of plan development.
- Engage technical expertise to assist as needed.

#### Restructure and Empower a Marine Governance Board. (Years 1-2)

Support legislative statutory changes and executive action by the Governor to create an empowered management structure. The Marine Transportation Advisory Board (MTAB) consists of 11 members appointed by the Governor. State statutes require the AK DOT&PF to work with MTAB to create reports and recommendations and develop a strategic plan for the Alaska Marine Highway System (AMHS). However, because of the advisory nature of the board, MTAB's input has not become an integral part of AMHS planning and is rarely reached out to by AKDOT&PF.

#### Create and Implement an AMHS Strategic Plan. (Years 1-5)

AMHS Reshaping and Reform recommendations will be addressed through the development of a strategic plan that to address the following: improve system reliability, improve budgetary planning, increase farebox recovery rate; monetize vessel and shore-side assets and opportunities; optimize fleet configuration; and create a multi-modal transportation system that

leverages road and port infrastructure to change how people and freight move across the state through public-private partnerships.

#### **Develop a Fleet Renewal Plan (Years 1-5)**

A viable fleet renewal plan, paired with a more certain maintenance plan, is central to the viability of marine transportation. Move forward with a plan to replace aging vessels, such as the Tustumena.

#### **AMHS Value Outreach (Years 1-5)**

Better communicate the value of the ferry system to the public as well as to lawmakers using communication tools such as publications, letters, meetings with lawmakers, news stories, Facebook and website development.

#### **People and Organizations responsible for completing these steps**

Southeast Conference, AMHS, Central Council, other ARDORS, Coastal Alaska communities, AML, Administration, Legislature, and private sector transportation partners.

#### **Cost Estimates**

\$250K - \$350K

#### **Evaluation Measures**

- Southeast Conference meetings on AMHS transportation
- Resolutions and letters of support for operational changes and governance plan
- AMHS Farebox Recovery percentage improvements, revenues raised outside of farebox
- New strategic long-term transportation plan developed
- Ongoing capital program that extends the life of the current fleet while replacing vessels as they become obsolete.
- AMHS ridership
- Private sector investment, transportation service partnerships

#### **Project Champion**

Name: Robert Venables

Title: Executive Director

Organization: Southeast Conference.

## **Priority Objective #2**

### **Mariculture Development**

#### **Priority Description**

Support development of the mariculture industry, including enhancement, restoration and aquatic farming of shellfish and seaweeds. Work with the Governor's Office to promote regional mariculture objectives. Support implementation of the Alaska Mariculture Development Plan, the Alaska Mariculture Task Force's Five-Year Action Plan, and the Task Force's successor organization (Alaska Mariculture Alliance). Increase shellfish and seaweed production and farming efficiencies. Increase the number of mariculture operations, providing financial and technical support for interested mariculture entrepreneurs. Support the marketing of mariculture products, mariculture eco-tourism and public education efforts. Support increased hatchery capacity and seed production, including stability for operations, technical transfer and workforce development. Support increased capacity of the Alaska Shellfish Authority (ADEC), including capacity and funding for shellfish safety testing in the region. Leverage existing seafood processing capital, including bringing additional seaweed and oyster processing capacity to the region (drying/blanching/sorting). Increase shellfish sorting and packaging capacity in the region. Work with mariculture farmers to develop a frozen oyster product with a viable market. Support development of non-food mariculture products. Support development of multi-use facilities for processing, storing, aggregation and shipment. Support research, community engagement, and education for mariculture in the region.

#### **Outline of steps required for project to be completed and timeline**

##### **Expand Financial Support (Years 1-2)**

- Expand the ADCCED's Mariculture Revolving Loan Fund for use by farmers and non-profit hatcheries.
- Empower local mariculture entrepreneurs that want to operate small-scale by developing effective and

less risky pathways for financial success (e.g. aggregating, non-vessel infrastructure costs).

- Provide local processors tax breaks and grants for processing.

#### **Support Hatcheries (Years 1-5)**

- Identify Hatchery Needs: Develop short-term, mid-term, long-term demand projections, both by region and statewide.
- Support hatchery production expansion for seaweed and shellfish, including facilities, workforce, and operational funding.

#### **Enact Mariculture Legislation (year 1)**

Pass state legislation to: 1) allow for shellfish fishery enhancement; 2) allow Alaska Seafood Marketing Association (ASMI) to market aquatic farm products; 3) designate eco-tourism and education as allowable activities at aquatic farms; and 4) align aquatic farm lease renewals with requirements for other similar leases from ADNR.

#### **Identify and Adopt Key Technologies (Years 2-5)**

- Identify seaweed processing technology needs and available technology that works best and is most economical. Acquire equipment and implement that infrastructure such as drying and blanching tech, at commercial scale.
- Develop or import technology and techniques to help local Alaskan producers seed and harvest more efficiently, to produce products more efficiently and obtain better and more consistent yield.

#### **Develop New Products (Years 1-5)**

- Develop local value-added production and products will provide exponential benefits to the community.
- Develop frozen shellfish products, technology, and marketing structure to move volumes of shellfish into the broader marketplace.
- Identify non-food products and begin working with collaborators on developing these products.

#### **Workforce Development (Years 1-5)**

- Collaborate with University. Collaborate to develop a seafood/mariculture conferences in the winter 2022. Work with UAS to expand mariculture classes within the region. Create internship opportunities. Work with high school students. Work closely with UAF and UAS researchers. Collaborate with AK Seagrant in a similar way as with the Universities.
- Create pilot farm training opportunities: Develop hands-on training opportunities, create home grown

training, create access to scholarship funding, work with Alaska Native organizations.

- Build and fund a classroom-to-farm program: Open the minds of Southeast Alaska youth to the possibilities of mariculture. Make connections and pay travel expenses and opportunity costs to bring educators and students for on-farm and hatchery tours.

#### **Develop Marketing, Educational and Research Materials (Years 1-3)**

- Develop marketing materials to provide information regarding value-added production opportunities in Alaska, for both assisting local companies in diversification, and to engage and attract out of state companies to invest in and develop value added production capacity in Alaska.
- Develop educational elements for the State of Alaska in order to attract investment and describe local processing potential. Describe the catalysts that would lead to broader growth within sector. Support a dedicated AIDEA official to act as mariculture lead.
- Generate videos and recipes to educate and inspire home cooks in preparing oysters and seaweeds in their own kitchens for consumption.
- Create "Mariculture by the Numbers" describing benefits over time, value added, projections, and economic indicators – a publication of Southeast Conference.

#### **Additional Steps**

- Build physical infrastructure to house value added productions and aggregation sites, including shellfish aggregation site, with efficient sorting, packing and shipping technology.
- Seaweed Research. Establish seaweed grading; training materials for hired hands on processing floors or rotations. Identify tank culture of seaweeds needs to support the secondary production of shellfishes (e.g. abalone feed)
- Identify energy needs in remote locations and identify practical solutions.
- Remove barriers to mariculture development: Barriers include access to funding, lack of data/information, access to seed, development of an economy of scale (high transportation costs, awareness of value), product quality, cost of testing, and production pipeline.

## **People and Organizations responsible for completing these steps**

- Alaska Fisheries Development Foundation - Julie Decker, Riley Smith
- Alaska Sea Grant - specific research priorities & funding
- NOAA (Juneau) -- research and regulation for mariculture initiatives
- Premium Aquatics LLC d/b/a Seagrove.
- UAS (Juneau) -- fisheries training/education, networking
- PolArctic -- marine engineers that want to help the industry
- OceansAlaska - hatchery, training and education
- Alaska Mariculture Alliance (AMA)
- Mariculture Research and Training Center (MRTC)
- SE AK municipalities, State of Alaska
- Southeast Conference

## **Cost Estimates**

### **\$50 million**

- Site-based renewable energy to power remote operations: \$3 million
- Educational "prepare at home!" for seaweeds: \$500,000
- Seaweed and oyster processing technology: \$3 million
- Physical infrastructure to do value added facility: \$120,000 (develop business plan, which includes potential physical product flows and associated operational costs and facility design); \$30 million (facility that includes multiple elements, houses value added production)
- Hatchery facility and operations support: \$10 million
- Data, education, marketing: \$1 million
- Workforce development needs: develop a workforce education / recruiting event; pilot farm training platform; classroom to farm program - \$2 million

## **Evaluation Measures**

- Change in industry business confidence – as measured annually in the Southeast Alaska Business Climate Survey
- Number of producing farms
- Site leases (growth)
- Number of stakeholders involved in planning process
- Annual aquatic farm production (value, poundage and species)

- Annual shellfish hatchery production (value, quantity and species)
- Number of businesses working either in aquatic farms or enhanced fisheries (non-salmon)
- Number of employees working either in aquatic farms or enhanced fisheries (non-salmon)
- Number of research projects funded for mariculture
- Deliverables completed

## **Project Champion**

Name: Markos Scheer

Title: CEO

Organization: CEO Premium Aquatics, LLC (Seagrove Kelp Co.)

## **Priority Objective #3**

# **Market Southeast Alaska to Attract More Visitor Spending and Opportunities**

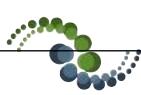
## **Priority Description**

Create regional collaborative partnerships to market Southeast Alaska as a tourism destination. Enhance the reach and effectiveness of existing marketing activities conducted throughout the region and support organizations across the region as they work to develop new marketing strategies and campaigns post COVID. Focus on marketing to draw a diverse array of tourists to the region. Support communities and small businesses in the development of new and expanded products, tours and shoreside excursions. Harness the beauty of Southeast Alaska to create visuals for marketing.

## **Outline of steps required for project to be completed and timeline**

### **Work Collaboratively to tell the Story of Southeast Alaska to Target Audience (Years 1-3)**

- Market Southeast Alaska through regional Community Destination Marketing Organizations (DMOs), Chambers of Commerce, and the Southeast Alaska Tourism Council.
- Create videos for marketing the region.



- Identify markets and create storyboarding and market vision roundtable/ work sessions.
- Create collaborative advertising opportunities for businesses and local DMO's.
- Attract local and in-state tourism within the region. For example, create hiking challenges, use existing art events, festivals, brewing events, running events, birding etc.
- Collaborate, partner, and communicate across region.

#### **Pursue Funding Mechanisms to Support New and Expanding Businesses (Years 1-2)**

- Support the creation of sustainable financial models for local tourism businesses to access marketing and educational/membership dollars.
- Support local businesses in creating and expanding shore excursions and selling merchandise and creating ecommerce opportunities.
- Apply for state and federal grants (EDA, USDA, State of Alaska) to provide technical assistance and personnel assistance for small and emerging businesses and communities on marketing.

#### **Develop Regional Outreach Opportunities to Share Best Practices and Experiences (Years 1-5)**

- Create and fund workshops to support communities and entities trying to enter into the tourism industry. Support local communities in increasing numbers of visitors coming to their communities. Create models, educational research, marketing education, and support to begin new, sustainable, tourism ventures.
- Use social media to support tourism, recreation, and support local tourism businesses. See example of Juneau's Tourism Voice, and duplicate process across the region.

#### **Support and Leverage the Efforts of the Southeast Alaska Tourism Council (SATC) (Years 2-4)**

- Solicit additional participation in SATC and Alaska Travel Industry Association (ATIA).
- Use the Alaska Host Program, and the SATC Branding Toolkit.
- Modify SATC website to better and more attractively list transportation options and encourage travel agencies to advertise. Encourage and assist more transportation companies to join SATC to boost the travel options page.

#### **People and Organizations responsible for completing these steps**

- Local DMOs
- Development Corporations/ Councils/ Departments
- SATC
- ATIA
- Chambers of Commerce
- Southeast Conference staff
- Southeast Conference Tourism Committee members and business partners
- BuyAlaska/ Small Business Development Center
- Alaska Department of Commerce, Community and Economic Development

#### **Cost Estimates**

##### **\$1.15 million**

- Hire collaborative full-time marketing and promotional person within an existing regional tourism entity to work cross-regional to support tourism in Southeast Communities (\$50K-100K).
- Funding for marketing programming implementation (\$250K to \$1 million).
- Workshop Training (\$20,000 to \$50,000).

#### **Evaluation Measures**

- Change in industry business confidence – as measured annually in the Southeast Alaska Business Climate Survey
- Total Tourism Jobs (compared to previous years)
- Total Tourism Wages (compared to previous years)
- Total Cruise Ship tourists
- Total passenger arrivals in Southeast (air, ferry, cruise)
- Hotel nights, annually

#### **Panel of Tourism Champions**

- Zak Kirkpatrick, Allen Marine
- KC Hostetler, Alaska Airlines
- Carol Rushmore, City and Borough of Wrangell
- Katie Montgomery, Cruise Line Agencies of Alaska
- Kaitlyn Jared, Skagway Development Corporation
- Holly Johnson, Wings Airways

## Priority Objective #4

# Promote beneficial electrification

### Priority Description

Work with utilities to support utilizing a wider range of renewable resources in the region and to develop innovative rates and programs that encourage beneficial electrification by consumers. Work with communities to support consumer adoption of technologies that can be added to the electric system in a manner that increases the value of the grid. The primary opportunities for beneficial electrification in Southeast Alaska include:

- **Heat Pumps:** Support the continued installation of heat pumps in areas with high heating costs and low electric costs. Advances in air-source and ground source heat pump technologies make these methods increasingly practical for providing clean thermal energy while taking advantage of excess electrical capacity in the region.
- **Electric Vehicles (EVs):** Support efforts to minimize barriers that inhibit EV adoption in Alaska. EVs and their charging infrastructure have the ability to bring new industries to the region, helping to promote our economy and save money.
- **Research Emerging Technologies:** Identify opportunities to fund research and testing of technologies that will enable greater integration of renewable energy and better utilization of grid infrastructure. Southeast microgrids offer excellent testing grounds for innovative technologies. The development of these technologies may also have broad value outside of our region and state.
- **Dock Electrification:** Support community electrification port initiatives.

Beneficial electrification is the process of replacing the direct use of fossil fuels with electricity to reduce overall emissions and energy costs. Beneficial electrification allows for more efficient integration of renewable sources of electricity onto the electric grid and better utilization of existing electric infrastructure.

### Outline of steps required for project to be completed and timeline

#### Heat Pumps and Energy Efficiency (1-5 years)

- Meet 5% of the region's demand for space heating with heat pumps (1,000 ASHP installs/year, \$20MM over 5 years, mostly private investment)
- Enhance existing heat pump educational efforts by identifying heat pump demonstration projects in communities throughout the region (Identify and create webpage/flyer for demonstration projects in large communities by 2022 for completed installations - \$1,500, install and create promotional material for demonstration projects in small communities in 2023-2025 - \$20,000)
- Diversify financing and grant options for ASHP's and energy efficiency measures (seek funding from communities for loan-loss reserve to create ASHP lending programs similar to Alaska Heat Smart/TNFCU program in Juneau - \$30,000, support municipal participation in C-PACE in large communities, seek grant funds to support heating efficiency improvements - \$1.5MM)
- Work with property owners to improve the thermal efficiency of multifamily housing (\$5MM)

#### Electric Vehicles (1-5 years)

- Over the next five years, adopt 10 EVs per week on average across the region (2,600 vehicles total, \$50MM over five years, assumes 50% of vehicles are purchased new, 50% used)
- Install at least 10 DCFC and 100 Level II public charging stations in the region over the next five years. (\$2MM, assumes \$200k/DCFC, \$5,000/L2)
- Obtain at least 10 transit buses or tour coaches in the region over next 5 years (\$8MM)

#### Additional Elements (1-5 years)

- Beneficial Electrification (BE) Information Webinars and Workshops about EV's and ASHP's. One annually for each community.
- Identify research grants on emerging technologies that apply to the region (obtain \$2MM in research project value over 5 years)
- Electrify one additional cruise ship dock in the region over the next five years (\$10-30MM public private investment)
- Workshops; technical assistance and training (workforce development) for implementation and increased technical expertise capacity.

## **People and Organizations responsible for completing these steps**

- Alec Mesdag, AELP
- Prince of Wales Chamber of Commerce
- Nathan Green, Alaska Center for Energy and Power
- Clay Good - Renewable Energy Alaska Project/ Sustainable Southeast Partnership
- Jason Custer - Alaska Power & Telephone
- Jodi Mitchell- Inside Passage Electric Coop
- Southeast Conference, Robert Venables
- Other SE Utilities

## **Cost Estimates**

**\$127 million**

- \$35 million public funds, including FTA Low-No Emissions Grant, USDA, state and local government
- \$2 million non-profit funds, pursuing grants, performing research, coordinating regional efforts
- \$90 million private investment, consumer purchase of heat pumps and EVs, utility infrastructure

investment, commercial operator site infrastructure investment

- Consumers, grant funding, utilities, Southeast Conference.

## **Evaluation Measures**

- Change in industry business confidence – as measured annually in the Southeast Alaska Business Climate Survey
- Displaced gallons of fossil fuels
- Number of electric vehicles brought into the region
- Number of public and private EV charge equipment locations
- Number of building permits issued
- Number of workshops and technical assistance offered

## **Project Champion**

Name: Alec Mesdag

Organization: AEL&P

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**Lacey Simpson – 2nd Vice President.** Assistant City Manager · Ass. KPU General Manager, City of Ketchikan & Ketchikan Public Utilities

**Rorie Watt – Treasurer.** City Manager, City and Borough of Juneau

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**Alec Mesdag-** Director of Energy Service for AEL&P

**Jan Hill-** Haines Borough

**Chelsea Goucher –**Owner, Foraged and Found

**Bryce Dahlstrom –** Vice President, Viking Lumber

**Dennis Watson-** Former General Manager, Interisland Ferry Authority

**Dennis Gray Jr. -** City Administrator for City of Hoonah

**Kaitlyn Jared –** Executive Director, Skagway Development Corporation

**Zakary Kirkpatrick –** Allen Marine Executive Team, ATIA Marketing

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**Clay Koplin,** Cordova Electric, *CEO*

**McHugh Pierre,** Goldbelt, *President & CEO*

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## Southeast Conference Committee Members Cont.

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**KC Hostetler**, Alaska Airlines, *Sales and Community Marketing Manager*  
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**Julianne Curry**, OBI Seafood, *Public Affairs Manager*  
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*of Health*  
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**Wendy Hamilton**, Prince of Wales Chamber of Commerce, *Manager*  
**Stephanie Cook**, Wrangell Chamber of Commerce  
**Jim Floyd**, Petersburg Chamber of Commerce, *President*  
**Craig Dahl**, Juneau Chamber of Commerce, *President*  
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**Jon Bolling**, City of Craig, *City Administrator*  
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**Carol Fletcher**, Organized Village of Kasaan, *Project Manager*  
**Dennis Nickerson**, Environmental Planner, Prince of Wales-Tribal Stewardship Consortium  
**Paul Berry**, City of Gustavus, *Manager*  
**Chris Hatton**, Wrangell, AK  
**Tom Wetor**, The City and Borough of Wrangell, *Public Works Director*  
**Chris Cotta**, Petersburg Borough, *Director of Public Works*  
**Walter Weller**, Pelican City, *Mayor*  
**Dennis Gray Jr.**, City of Hoonah, *City Administrator*  
**Sara Yockey**, City of Coffman Cove, *Mayor*  
**Cheryl Fecko**, Craig, AK  
**Reilly Kosinski**, Zender Environmental Health and Research Group  
Waste Logistics and Training Development Specialist

# Appendices

*Available at [www.seconference.org/strategy/](http://www.seconference.org/strategy/)*

**Southeast Alaska by the Numbers (2012 to 2020)**

**Southeast Alaska Business Climate Survey Analysis (2015 to 2021)**

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

**Southeast Alaska Resilience Mapping Weatherizing for the Economic Storm 2021**

**Getting to 2022 Short-Term Southeast Alaska Resilience Plan**

**Summary of Southeast Alaska Opportunity Zones 2021**

**Summary of Southeast Alaska Disaster Recovery Plans 2021**

**Summary of Additional Southeast Alaska Economic Plans**

**Solid Waste Management Alternatives 2021**

**Southeast Alaska Health Care Workforce Analysis December 2019**

**Southeast Conference Board of Directors and Membership Roster**

**Event Presentations**

**Midsession Summit Committee Reports**

**Southeast Conference Board of Directors Resolutions**

**Prior Comprehensive Economic Development Strategy 5 Year Plan & Updates  
(2006-2020)**

**Southeast Alaska Extended Background Research Document**



**Yakutat**

Klukwan

Gustavus

Elfin Cove

Pelican

**Hoonah**

Tenakee  
Springs

**Sitka**

Port Alexander

Point Baker

Port Protection

Edna Bay

Whale Pass

Naukati Bay

Klawock

**Craig**

Hollis

Hydaburg

Kasaan

**Metlakatla**

Saxman

**Ketchikan**

Meyers  
Chuck

Hyder

**Haines**

**Juneau**

Angoon

Hobart Bay

Kake

Kupreanof  
**Petersburg**

**Wrangell**

Coffman  
Cove

Thorne Bay

50

Miles

Source Data: National Geographic World Map