Strengthen Alaska's Economic Engines

For several decades, a handful of key industries have contributed the vast majority of employment opportunities, either directly or indirectly. These are oil and gas, federal spending (including defense), tourism, mining, timber, air cargo, and seafood.

<u>Objective</u>: Ensure a stable and predictable **regulatory**, **permitting**, **and tax structure** for the development of natural resources.

- State-level policies are conducive to responsible development.
- Coordinated, efficient, timely permitting needed at the federal level (strengthen "One Federal Decision" provisions across agencies).
- Federal recognition that Alaska is materially different from the contiguous 48 states, thus the provisions and guarantees under ANILCA.

Objective: Develop Alaska's North Slope natural gas for in-state and export markets.

- Attract private co-investment to build a natural gas pipeline and liquefaction facilities for export to the Lower 48 and abroad.
- Where economically feasible, build infrastructure to supply natural gas to Alaska communities to reduce greenhouse gas emissions and energy costs.

<u>Objective</u>: Build infrastructure to facilitate the **development of stranded resources** and enable export to domestic and international markets.

- Ambler Mining District
- West Susitna Access Project
- Other industrial development projects (e.g. AIDEA)

<u>Objective</u>: Develop alternative, low-emission uses for existing **natural resources**.

- Pursue public and private investment to utilize North Slope natural gas to produce hydrogen fuel.
- Continue R&D in the utilization of natural gas to produce ammonia for world markets.
- Explore alternative uses for coal, such as gasification and hydrogen production.
- Carbon capture and sequestration to make existing resources cleaner
- Develop and implement Hydrogen Roadmap for Alaska

Objective: Attract new public and private investment in Alaska's defense sector.

- Advocate for the full implementation of the Department of Defense's Arctic Strategies for the U.S. Army, Air Force, and Navy, as well as the U.S. Coast Guard.
- Secure the homeporting of icebreakers and Coast Guard cutters at Alaska ports.

- Ease barriers to employment for military spouses by simplifying occupational licensing portability between states.
- Implement quality of life improvements for communities hosting defense installations, such as recreational trails.
- Work to develop/expand programs that help military service members enter Alaska's workforce at the end of their term of service (ex: Helmets to Hardhats)

Objective: Revitalize Alaska's forest products industry.

- Bridge the transition from old growth to new growth harvest in the Tongass National Forest by offering consistent timber sales from state lands. (Goal of 25 million board-feet/year.)
- Convert 2 million acres of the Tongass National Forest to a state forest.

Objective: Leverage the state's international air cargo hub to grow new business opportunities.

- Implement Anchorage Pacific Air-to-Sea Service (ANC PASS) as an intermodal freight route, connecting Ted Stevens Anchorage International Airport (TSAIA) to backhaul shipping through the Port of Alaska.
- Attract maintenance, repair, overhaul (MRO) providers to TSAIA to service aircraft.
- Expand cargo storage, cold storage, and sorting facilities.

Objective: Maximize the value of Alaska's seafood industry, and opportunities for resident employment.

- ∉ Increase the commercial utilization of seafood by-products for new and existing markets
- ∉ Continue DCCED loan programs for the purchase of permits, vessels, and equipment.
- € Continue marketing and branding efforts through the Alaska Seafood Marketing Institute.
- ∉ Assist small fisheries in rural areas to access buyers and markets.

Objective: Grow and develop Alaska as a world-class visitor destination.

- Expand railroad passenger facilities in rail-connected communities receiving cruise ships.
- Develop new attractions and assets for visitors:
 - South Denali Visitor Center Complex
 - A "long trail" such as the proposed route from Seward to Fairbanks
 - Invest in wayfinding and communication to support outdoor recreation-interested visitors
 - Streamline permitting processes across federal, state, and local agencies to improve ease of building new outdoor recreation assets or improving existing (building trails, boat launches, etc.)
- Sustain funding for Alaska's cooperative marketing programs.
- Attract new passenger service to develop "stopover" tourism similar to Iceland, with expedited customs and immigration processing.
- Develop opportunities in winter and shoulder-season tourism

- Expand opportunities in Alaska Native cultural tourism
- Develop and implement a statewide tourism strategic plan.



Cultivate and Grow Emerging Sectors

Emerging sectors are economic activities with high potential to generate employment and income for Alaskans by earning out-of-state revenues or substituting imported goods or services.

Objective: Accelerate the growth of mariculture production for shellfish, kelp, and aquatic plants.

- Conduct R&D to develop new products from shellfish, kelp, and aquatic plants grown in Alaska (e.g. food, feed/fertilizer, bioplastics, nutraceuticals)
- Perform concierge services to assist aquatic farms with regulations, permits, and access to capital.
- Simplify the permitting process for aquatic farms.

<u>Objective</u>: Develop an in-state **aerospace sector** based on space launches, unmanned aircraft, and aviation technology.

- Develop launch-specific infrastructure to support additional rocket launches from Kodiak.
- Work with the FAA to pilot a NextGen National Airspace System integration project.
- Grow aerospace instructional programming at the University of Alaska Fairbanks and University of Alaska Anchorage

<u>Objective</u>: Grow Alaska's **agricultural output** and value to increase food security, substitute for imported food, and develop export products.

- Increase production and export of cut flowers such as peonies.
- Develop new value-added food products such as shelf-stable barley flour.
- Increase the share of food grown in-state for local consumption to increase food security.
- Expand state support for local agriculture operations (i.e. testing and certification to allow products to be sold to the public).
- Develop cold storage facilities in local communities for use by farmers.
- Increase threshold for cottage food laws from \$25,000 per year to \$50,000.

<u>Objective</u>: Expand the **maritime industrial sector** to perform more boat and ship building and repair work in-state.

- Assess infrastructure and workforce gaps constraining the ability of in-state providers to service more vessels.
- Attract private investment to Alaska's shipyards and marine industrial sites.
- Construct sheltered work areas to enable year-round maintenance on marine vessels.

<u>Objective</u>: Expand the capacity of Alaska's **manufacturers** to substitute imported products as well as expand to markets outside the state.

 Provide training and technical assistance to manufacturers through the Alaska Manufacturing Extension Partnership. Objective: Position Alaska as a key processing location for critical minerals.

• Establish a processing facility for rare earth oxides utilizing in-state and allied feedstock.

Objective: Develop and expand opportunities for remote work in Alaska.

- Develop an informational website for people interested in relocating to Alaska.
- Assist residents in accessing remote work opportunities that allow them to remain in their community.
- Offer trainings and resources to help residents access remote work opportunities, especially in communities newly connected to broadband.

Objective: Develop Alaska as a global center of **energy innovation** to attract and grow innovative firms.

- Adopt a renewable energy portfolio standard that targets 80% renewable energy while simultaneously reducing energy costs for users in the Railbelt by 2040.
- Deploy next generation renewable energy solutions throughout rural Alaska as legacy systems reach end of useful life.
- Execute pilot and demonstration projects for energy technology via Launch Alaska.
- Assess the use of next generation, small-scale nuclear power as a low carbon energy source.
- Conduct and implement a statewide strategic plan for energy development.
- Conduct a study on state level energy incentives programs across the U.S. with a goal of expanding energy incentive programs in Alaska.



A Strong Business Climate and Entrepreneurial Ecosystem

Produce a climate conducive to business success, including the formation of new firms with high growth potential.

<u>Objective</u>: Enhance the **digital competencies** of Alaska's businesses and entrepreneurs.

- Provide e-commerce trainings and resources for communities newly connected to broadband.
- Provide cybersecurity technical assistance to businesses, especially those contracting with the federal government.

Objective: Increase the number of investible startup companies based in Alaska.

- Grow the capacity of new and existing startup accelerator programs to serve more entrepreneurs.
- Expand the technical assistance offerings available to high potential, high-growth startups.
- Create more opportunities for catalytic events such as sprints or Startup Weekends which encourage shared entrepreneurial learning and networking.
- Develop a research and development tax credit (credit against income) to incentivize the formation of new companies and valuable intellectual property.

Objective: Increase the number of **BIPOC** and rural businesses in Alaska.

• Continue and expand rural business plan competitions and cohort-based business trainings throughout the state.

Objective: Reduce the regulatory burden on small businesses and entrepreneurs.

<u>Objective</u>: Ensure adequate access to capital for Alaska's small businesses and entrepreneurs.

- Implement the Alaska Small Business Development Center's credit initiative.
- [goals or targets for DCCED loan programs]
- Increase the availability of small loans in underserved areas (ACLT example)
- Increase the use of Alaska's Intrastate Crowdfunding for innovative businesses.
- Create Entrepreneurial Capital Catalyst Grants to invest in starting and restarting high potential businesses underserved by the capital marketplace.

Objective: Ensure a **supportive business environment** for startup companies:

- Establish federal workforce training and economic development funding program for entrepreneurial support organizations that assist Alaskans to start businesses by deploying local and online resources.
- Evaluate the use of procurement preferences for startup businesses in state and local government procurement.

Objective: Promote Alaska's advantages as a place to do business

- Support programs like Made in Alaska, Alaska Grown, Silver Hand, and Travel Alaska.
- Highlight Alaska startup companies on state government communication channels

Build and Update Economic Foundations

Improving commercially-necessary infrastructure, living costs, and quality of life elements that enable or constrain economic growth.

<u>Objective</u>: Ensure **access to broadband** in all Alaska communities that meets an acceptable standard for speed, reliability, and cost.

- Develop a plan to maximize the value of broadband funds coming to Alaska under the Infrastructure Investment and Jobs Act and other federal sources.
- Establish and fully staff the State of Alaska Office of Broadband.
- Build middle mile broadband infrastructure to increase access and reduce costs in unserved and underserved areas.
- Utilize funding under the Digital Equity Act to close the digital divide and promote equity and digital inclusion.
- Connect tribal communities to affordable broadband through the Tribal Broadband Connectivity Program.

<u>Objective</u>: Expand the **availability of childcare** to enable greater workforce participation by parents of young children.

- Provide business planning assistance to establish daycare centers.
- Support individual community strategies and share best practices across the state.
- Where appropriate, remove regulatory barriers to establishing daycare centers while preserving health and safety standards.

<u>Objective</u>: Ensure the continuation of the **Alaska Marine Highway System** as a commercial artery for the communities of coastal Alaska.

<u>Objective</u>: Preserve the **Bypass Mail Program**, which has a significant beneficial impact for Rural Alaska families and businesses.

Objective: Increase the supply of housing for urban and rural communities throughout Alaska.

- Assess the potential for local government tax exemptions to incentivize developers to build more housing.
- Examine existing zoning laws and permitting processes with the goal of reducing barriers to constructing economical housing.

 Assess reforms to Title 29 statutes limiting local governments' ability to offer voluntary tax exemptions.

<u>Objective</u>: Reduce the **cost of energy** for industrial and residential use through any realistic means throughout the state.

- Build a natural gas pipeline to increase the supply of natural gas to the Interior, leveraging public and private investment.
- Where feasible, install renewable energy systems such as wind and solar to reduce power costs in rural areas.
- Use industrial access roads and bulk purchasing power to supply low-cost fuel to rural communities located near natural resource development sites.
- Expand transmission lines to connect outlying communities to the Railbelt (or other regional) grids wherever a cost-benefit analysis indicates a positive value.
- Utilize federal infrastructure funds to retrofit commercial and industrial buildings for greater efficiency.
- Build new, and upgrade existing hydroelectric facilities to provide low cost, low emissions power.
- Fully implement Commercial Property Assessed Clean Energy (CPACE) financing to help commercial building owners increase energy efficiency and reduce costs.
- Establish a green bank to finance energy efficiency projects in partnership with the private sector.

<u>Objective</u>: Improve **road access between communities** throughout Alaska to enable lower cost of living, provide better access to healthcare, support intercommunity commerce, and allow greater opportunities for educational interaction.

Develop Alaska's Workforce and Human Capital

To address workforce development, education, and factors related to career skills and workforce availability.

<u>Objective</u>: Prepare Alaskans for **job opportunities to be created** by federally-funded infrastructure projects.

- Assess the readiness of existing workforce providers to train workers for infrastructure job opportunities.
- Develop a rapid training plan tailored to the job opportunities expected to be in highest demand in construction, transportation, engineering, and administration.
- Engage firms which operate in the highest demand industries to understand their basic requirements for incoming workers.

<u>Objective</u>: Develop or update workforce development plans centered around the needs of Alaska's growth engines and emerging sectors.

<u>Objective</u>: Prepare the Alaska workforce for **job opportunities in low and no emissions** energy technologies, such as electric vehicles.

• Obtain federal grants under the IIJA to train mechanics and maintenance workers on electric and hydrogen vehicles.

Objective: Develop a **statewide plan** to create a comprehensive workforce system.

- Create a centralized "hub" to coordinate and align activities of workforce development entities statewide.
- Develop an asset map of existing organizations and programs involved in workforce development.
- Identify and fill gaps in the workforce ecosystem by creating new programming to serve highneed occupations.

<u>Objective</u>: Ensure that **70% of Alaskans** aged 25 and older have postsecondary training or education by 2030.

- Sustain and grow investment in the University of Alaska System and the Alaska Vocational Technical Center (AVTEC).
- Sustain and fully fund K-12 education for all Alaskans.

Build a Resilient Economy

Proactive and responsive measures to recover quickly from a shock, withstand a shock, or avoid a shock altogether.

<u>Objective</u>: Develop a **resiliency framework** specifying roles, responsibilities, and resources to be utilized for economic recovery in the event of an external shock and to address persistent economic deficiencies.

- Organize a resiliency task force made up of federal agencies and economic development organizations that can be activated when needed.
- Broaden the industrial base by accessing the wide array of natural resource development opportunities throughout Alaska to enable greater statewide self-sufficiency.
- Leverage lessons learned/recorded during the COVID pandemic regarding cooperation, organizational structures, systems, and program deployment to promote business continuity and preparedness.
- Work with communities to site new commercial and industrial developments in locations that are out of harm's way

<u>Objective</u>: Upgrade ports, harbors, and working waterfronts to ensure uninterrupted access to essential supplies.

Objective: Preserve and protect the subsistence lifestyle in Rural Alaska.

