

Goal: Implement the **Alaska Maritime Workforce Development Plan** in Southeast to upgrade the workforce pool and local skills applicable to maritime jobs. **Progress:** The UAS Ketchikan Campus completed construction of its \$6.5 million regional maritime and career center and is seeking designation as a US Maritime Administration Maritime Center of Excellence. Vigor Alaska is nearing completion of the second of two 300-passenger, 53-vehicle Alaska-class ferries for the Alaska Marine Highway System. The first of the two ferries, Tazlina, was the first state ferry built in Alaska and will replace the Fairweather in May 2019. The second ferry, Hubbard, is scheduled for completion in or before April 2019. The second ship was built with improvements in productivity, quality, and schedule, and as a result was fabricated significantly faster and with less production hours. This success is due to public-private-partnerships supporting the expansion and durability of Southeast Alaska's marine industrial capacity through employer-led co-investment of private and public resources. Vigor and the Alaska Construction Academy support an annual six week Pre-Apprentice Program. More than 900 students visited the Ketchikan Shipyard. **Project Champion:** Sierra Callis, Vigor Alaska Shipyard Work Force Development Supervisor.



Goal: Grow a \$1 billion **mariculture industry** in Alaska in 30 years, including enhancement, farming, and restoration of shellfish and aquatic plants. **Progress:** In 2018, 17 new aquatic farm/hatchery/nursery applications were submitted to the State by small to large companies, varying in size from 1 to 165 acres. One piece of legislation (HB 76) was signed into law, allowing non-profit shellfish or seaweed hatcheries to apply for loan funds from the Mariculture Revolving Loan Fund. The Alaska Mariculture Development Plan was completed by the Mariculture Task Force (MTF) and was adopted by the State of Alaska. Public education and awareness efforts took place. Administrative Order #297 extended the life of the Mariculture Task Force for another three years. A lease for the largest seaweed farm in the country (127 acres) was approved by the state and will be located near Craig. The company plans to plant the first crop in the fall of 2019. Meetings between the new Administration and several MTF members have begun in order to maintain a smooth transition and continued mariculture development efforts. **Project Champion:** Julie Decker Executive Director Alaska Fisheries Development Foundation.



Goal: Support the development of **specialty seafood products** that utilize harvested resources and create new value-added products that provide economic benefits to local economies. **Progress:** In 2018, AFDF organized the Alaska Symphony of Seafood, an annual competition for new, commercial-ready products made from Alaska Seafood. Events were held in Juneau, Boston and Seattle. The winner of the Juneau People's Choice was Barnacle Foods' Kelp Salsa, which brought their product to the Seafood Expo North America (SENA). Barnacle Foods (Juneau) and Hump Island Oyster Company (Ketchikan) are exploring a partnership in which Hump grows bull kelp and completes primary processing onsite, then ships to Juneau for secondary processing by Barnacle which will increase the raw product available for Barnacle to expand its business and sales. Seaweed products were also highlighted in the SENA magazine in 2018, which shows that seaweed product development is an industry-wide trend. Alaska Sea Grant (ASG) is continuing its efforts to help support seaweed product development. **Project Champion:** Julie Decker Executive Director Alaska Fisheries Development Foundation. Brian Holst, Executive Director Juneau Economic Development Council.



Goal: Southeast Conference has spent more than 50 years advocating for the **Alaska Marine Highway System** and is working on a multi-phase approach that will identify structural changes to improve the sustainability and financial health of the state ferry system. **Progress:** The State of Alaska signed a MOU with Southeast Conference in support of these objectives and tasked the Conference with leading this initiative. This statewide effort is guided by a 12-member steering committee. **Phase II** recommended establishing the AMHS as a public corporation with its own staff and a seven-member board appointed by the governor. It would be modeled, in part, on the Alaska Railroad Corporation governance model. The new corporation would continue to receive state and federal funds to execute its public service mandate, empower the management to control costs, create partnerships for new revenue streams and provide a buffer between the ferry system and shifting political priorities. In 2018, **Phase III** outlined the transition planning strategies and interim measures to be pursued. The Alaska House Transportation committee sponsored HB 412 that would put these recommendations into law. **Phase IV** is underway and focuses on the Operations Development structure for the Public Corporation, Legislative Engagement, Stakeholder Engagement, Market and Revenue Analysis, Standardized Fleet and Terminal Modernization Plan, and Implementation of interim measures. Full information can be read at: www.amhsreform.com. **Project Champion:** Robert Venables, Southeast Conference Executive Director.



Maritime Workforce Development

Marine Highway Reform Project

Energy Legislation and Diesel Displacement

Progress on the Strategic Priorities of the Southeast Alaska 2020 Economic Plan

Secure Adequate Timber Supply

Alaska Mariculture Initiative

Full Seafood Resource Utilization

Market Southeast Alaska to Visitors

Southeast Conference released the 2020 regional economic plan in 2016. This is a report on our 2018 progress.



Goal: Partner with state and federal agencies to advocate for renewable energy development and advanced energy technologies, and provide diesel displacement through improved conservation and efficiency measures. **Progress:** Southeast Conference organized a Biomass Operator training, held in Coffman Cove. The course graduated 15 students from across the State. This training was a partnership with the State of Alaska, Department of Labor, SOA Division of Forestry, USFS, AEA and Alaska Center for Energy and Power. A second training is being offered with the same partners and is scheduled for March 2019. Pre-feasibility studies were done for biomass projects in five communities. Southeast Conference just completed its work with USDA Rural Development to promote and conduct energy audits for businesses in Southeast Alaska. This program benefited more than 50 businesses with projected saving of all proposed energy efficiency measures totaling \$1.8 million with estimated savings of over \$400,000 annually. The Home Energy Leadership Program trained local energy champions to implement energy efficiency measures in residential and community buildings in their hometowns. SEC continues to partner with REAP and SSP to assist these businesses and communities achieve the project savings through project implementation. Southeast Conference is also providing assistance to Metlakatla, Kake and Angoon to displace diesel through development of hydroelectric facilities and interties to dispatch nearby hydro resources. AEL&P has provided leadership in promoting electric vehicles in Juneau and Southeast Alaska. Selected 2019 Evaluation Measures: New Energy Jobs in Region: +5%. Installed BTU capacity for renewables: 138,500 BTUs. New Nissan Leafs in region during project period ("indicator" electric vehicle): +93%. **Project Champions:** Karen Petersen, Southeast Alaska Energy and Biomass Coordinator. Alec Mesdag, Director of Energy Service for AEL&P.

Goal: Provide an adequate, economic and dependable supply of timber from the Tongass National Forest to regional timber operators. **Progress:** Robert Venables served on the Citizens' Advisory Committee to the State regarding the State's key needs in a proposed state-specific Roadless Rule. Southeast Conference supports the State's Petition to USDA for rulemaking to exempt the Tongass from the current application of the Roadless Rule. Southeast Conference joined nine other organizations in providing NEPA scoping comments to the USDA regarding the EIS. SEC has been working for revisions to be made to the 2016 Tongass Forest Plan to assure road access for mining, a realistic plan that authorizes road access to all forms of renewable energy, and restoration of the transportation and utility system land to maintain transportation corridors. After a visit to Washington D.C., SEC invited the US Forest Service to speak to our membership about how the Tongass is managed. SEC worked closely with the Governor's office. **Project Champion:** Bryce Dahlstrom Vice President Viking Timber.

Goal: Develop a collaborative regional visitor marketing effort to provide more marketing opportunities, improve brand awareness, strengthen the marketing reach, widen regional coverage of information, and leverage limited resources. **Progress:** In 2018 the board revitalized the visitor industry committee and created the Southeast Cruise Port Association Subcommittee, along with facilitating a larger discussion on rural tourism. The visitor industry continues to be the largest private sector industry in the region, both in jobs and in total workforce earnings. Since 2010, visitor industry employment has grown by 32%, with 1,900 new jobs. Between 2017 and 2019, the number of cruise passengers arriving in the region is projected to increase by a staggering 25%. **Project Champion:** Carol Rushmore, SATC Board Member and Wrangell Economic Development Director.

Southeast Conference

2018 In Review

Member Communities and Organizations

223

- 223 Southeast Conference Members +24% from 2016
- Community of the Year Award: **Kake**
- Business of the Year Award: **Aspen Hotels**
- Annual Meeting Community Host: **Ketchikan**

Economic Plan Initiatives

46

- 7 priority objectives and 46 economic initiatives
- The Southeast Alaska 2020 Economic Plan received the **Innovation Award** from the National Association of Development Organizations

Scholarship Money Raised

\$17.7K

Publications

4

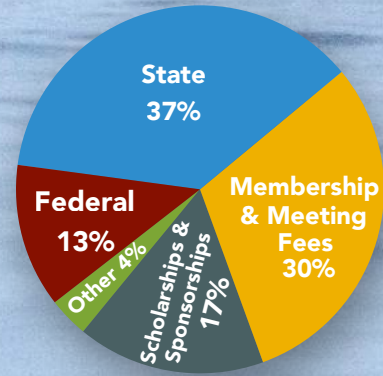
- Southeast Alaska by the Numbers
- The Case for AMHS Reform
- Southeast Alaska Business Climate and Private Investment Survey
- Southeast Conference Annual Report

Committees

9

- Transportation, Energy, Maritime/Seafood, Tourism, Timber, Mining, Economic Development, Solid Waste, Arts

Total Revenue
FY18 = \$698K



SOUTHEAST
CONFERENCE

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Southeast Conference and our Board of Directors

Southeast Conference Mission

The mission of Southeast Conference is to undertake and support activities that promote strong economies, healthy communities, and a quality environment in Southeast Alaska.



About Southeast Conference

Southeast Conference was incorporated in 1958 to lobby for a regional transportation system that eventually became the Alaska Marine Highway System. After that success, we stayed together to continue to advocate for issues that are key to the southeast region as a whole. Our goal is to help develop strong economies, healthy communities, and a quality environment in Southeast Alaska. We look for consensus and areas where we can work together for the betterment of the region. Our key areas of focus include economic development, transportation, energy, maritime, seafood, tourism, timber, and mining.

We have 223 members from nearly every community, chamber of commerce, and economic development organization in the region. Our membership also represents regional transportation, Alaska Native, energy, and other businesses. We help support the Southeast Conference of Mayors and the Marine Transportation Advisory Board. Southeast Conference is the federally designated Regional Economic Development District and the State-designated Alaska Regional Development Organization.

Southeast Conference's 223 Members

AAA Moving; AEA; AELP; AIDEA; AK Governor; AK Legislature; Alaska Airlines; Alaska Chamber; Alaska Committee; Alaska Communications; Alaska Fisheries Development Foundation; Alaska Forest Association; Alaska Gasline Development Corporation; Alaska Glacier Seafoods; Alaska Litho; Alaska Marine Lines; Alaska Mental Health Land Trust; Alaska Miners Association; Alaska Municipal League; Alaska Power & Telephone; Alaska Power Association; Alaska Process Industry Careers Consortium; Alaska Rainforest Sanctuary; Alaska Seafood Marketing Institute; Alaska Sealplanes; Alaskan Brewing Co.; Allen Marine Tours; Allen, Bill; ALPS Fed Credit Union; Avista Corp; Bartlett Regional Hospital; Bill MacKay; Bramstedt, Susan; Cape Fox Corporation; Capital Office Systems; Dave Carlson; Central Council Tlingit & Haida; Chelan Produce Company; Chilkat Indian Village; Chilkoot Indian Association; Chilkoot Trail Outpost; City & Borough of Juneau; City & Borough of Sitka; City & Borough of Wrangell; City & Borough of Yakutat; City of Angoon; City of Coffman Cove; City of Cordova; City of Craig; City of Gustavus; City of Hoonah; City of Hydaburg; City of Kake; City of Kasaan; City of Ketchikan; City of Klawock; City of Kupreanof; City of Pelican; City of Port Alexander; City of Prince Rupert; City of Saxman; City of Tenakee Springs; City of Thorne Bay; City of Whitehorse; Clark, Jim; Coastal Alaska; Coastal Helicopters Inc.; Coeur Alaska, Inc.; Commonwealth Associates Inc.; Community of Elin Cove; Constantine Mining LLC; Construction Machinery Industrial; Cordova Chamber; Cordova Electric Cooperative; Craig Tribal Assoc.; Crowley Fuels; Cruise Lines International Assoc.; D. Hittle & Associates; Denali Commission; District of Port Edward; Edna Bay Community; Electric Power Systems, Inc.; Elin Cove Lodge; Elges Rehfeld LLC; Elliott Bay Design Group Ltd.; Explorator, LLC; First Bank; First National Bank of Alaska; First Things First Foundation; GCI; Greater Ketchikan Chamber of Commerce; Greater Sitka Chamber of Commerce; Grow Ketchikan; Haida Corporation; Haines Borough; Haines Chamber of Commerce; Haines Economic Development Council; Hames Corporation; Hammer & Wikan Inc.; HansenGress; Hanson Maritime Co.; Hard Rock Drilling; HDR Alaska; Heatherdale Resources; Hoffman & Blasco; Holland America Line, Inc.; Hoonah Indian Assoc; Hughes, Andy; Huna Totem Corporation; Hydaburg Cooperative Association; Hyder Community Assoc.; Industrial Development Services; Inlandboatmen's Union of the Pacific; Inside Passage Electric Cooperative, Inc.; Int'l Brotherhood of Electric Workers; Int'l Union of Operating Engineers; Inter-Island Ferry Authority; Island Air Express; J.M. Walsh; Juneau Arts and Humanities Center; Juneau Chamber of Commerce; Juneau Economic Dev Council; Juneau Hydropower; Kake Tribal Corporation; Ketchikan Gateway Borough; Ketchikan Indian Community; Ketchikan Visitors Bureau; Kjardell Co; Klawock Cooperative Association; Klawock Heeny Corporation; Klukwan, INC; Macison Lumber & Hardware; Marine Exchange of Alaska; Masters Mates & Pilots; McDonald's Of Southeast Alaska; McDowell Group; Mertz CPA & Advisor; Metlakatla Indian Community; Moffatt & Nichol; Municipality of Skagway; Naukati Bay, Inc.; NC Machinery; Northrim Bank; Ocean Beauty Seafoods, Inc.; Oceans Alaska; Organized Village of Kake; Organized Village of Kasaan; Pacific Fishing Inc; Pacific Salmon Treaty Coalition; Pacific Seafood Processors Assn.; PeaceHealth; Petersburg Borough; Petersburg Chamber of Commerce; Petersburg Economic Dev. Council; Petersburg Indian Association; PND Engineers, Inc; Polarconsult Alaska, Inc.; Pond, Herb; Port of Bellingham; Power Systems & Supplies; Premium Aquatics, LLC; Prince of Wales Chamber of Commerce; Prince Rupert Chamber; Rain Coast Data; REAP; Red Onion Saloon, Inc.; Regional District of Kitimat-Stikine; Reliable Transfer; Resource Development Council; Rocky's Marine; Rushmore, Carol; Samson Tug & Barge; Sanford, Merrill & Patti; SE AK Fishermen's Alliance; SE AK Power Agency; SE AK Reg Dive Fisheries Assoc.; SE Stevedoring Corp.; Seafood Producers; Sealaska Corporation; SECON; Service Auto Parts; Shattuck & Grummett; Shee Atika Inc.; Sheinberg Associates.; Silver Bay Seafoods; Sitka Economic Dev. Assn. Inc.; Sitka Hospital; Sitka Tribe of Alaska; Skagway Chamber of Commerce; Skagway Development; Skagway Traditional Council; Southeast Alaska Solid Waste Authority; Southeast Island School District; Southeast Road Builders; Southeast Strategies; SWAMC; Taquan Air; The Landing Hotel; The Nature Conservancy; Thompson Management Co; Tlingit Haida Regional Housing Authority; Tom Briggs; Tongass Federal Credit Union; Trident Seafoods Corp; True North FCU; TSS, Inc.; Turnagain Marine Construction; UAA; UAS; Ucore Rare Metals; United Fishermen of AK; Vigor Alaska; Viking Lumber; Visit Sitka; Ward, Jr.; Robert; Wells Fargo Bank; White Pass & Yukon Route; Bill Williams; Wostmann & Associates; Wrangell Chamber of Commerce; Wrangell Cooperative Assoc; and Yakutat Tlingit Tribe.



Alec Mesdag - Vice President
Director of Energy Services for AEL&P Juneau



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



Markos Scheer - 2nd Vice President
Chief Executive Officer Premium Aquatics



Maegan Bosak - Director
Community Affairs Director, City and Borough of Sitka



KC Hostetler - Director
Reg. Sales & Community Marketing Manager, Alaska Airlines



Bryce Dahlstrom - Director
Vice President, Viking Lumber, Klawock



Dennis Watson - President
General Manager, Interisland Ferry Authority



Stephen Bradford - Secretary
Assembly Member, Ketchikan Gateway Borough



Jan Hill - Past President
Mayor, Haines Borough



Rorie Watt - Treasurer
City Manager, City & Borough of Juneau



Henrich Kadake - Director
Chair, Kake Tribal Corp.



Lisa Von Bargaen - Director
Wrangell Borough Manager



Chelsea Goucher - Director
Sales Representative, Alaska Marine Lines Ketchikan

Admiral Club Sponsors: Alaska Airlines, AEL&P, Avista, SEARHC, Central Council Tlingit & Haida Indian Tribes of Alaska.
Captain's Circle Sponsors: Alaska Marine Lines

SOUTHEAST CONFERENCE 2019



These are challenging times for Southeast Alaska. Southeast Conference's collective efforts to partner and plan strategically across the region have laid the foundation for economic resilience and work toward future prosperity. We will continue to work with all municipalities, tribes and industries in the region to lead, nurture, and support the changes needed to build healthy economies and communities. That has been our mission together in the region for 61 years and counting.

In 2018 our members and partners went the extra mile in supporting us and participating in regional efforts. Working together we accomplish great things. Thank you for joining us as we look to build on our successes in 2019.

Dynamic Board and Staff

Southeast Conference is currently being led by an all-star board of directors from nine communities across the region, including three city managers or administrators, a mayor, an assembly member, a community affairs director, and business leaders involved in the sectors of energy, timber, transportation, maritime, and tribal work. Our board is made up of hard-working community leaders from industry and local governments who still find time to advocate for the betterment of the region as a whole. The 2019 Board President is **Dennis Watson**. **Robert Venables** provides great leadership as the organization's Executive Director. Southeast Conference's Biomass Coordinator **Karen Petersen** has been successfully leading statewide

facilitation of many projects, including workforce development and technical assistance. Meilani Schijvens provides our economic analysis.

Ferries Are Still Our Top Priority

The long-term health and prosperity of our ferry system continues to be the number-one priority of Southeast Conference, and has been the focus of many of our efforts. The Alaska Marine Highway System is a vital and integral part of the state's inter-modal transportation system. Transportation is the lifeblood of all economies and a strong ferry system is essential to local economic development, quality of life, and community well-being statewide, and especially in our coastal communities. Our AMHS Reform initiative has created the first action plan for change at the AMHS state agency that could bring about opportunities for partnering and create an element of viability that does not exist today. There is still much work to be done and our 12-member statewide steering committee and regional partners are stepping up to make it happen.

Southeast Conference Priority Work

Southeast Conference priorities include regional transportation, energy, industrial maritime, seafood, tourism, timber, and mining. We are also committed to providing critical economic research and information for our membership. In 2019, Southeast Conference will be widening our priorities to include a partnership to develop a Southeast Alaska Healthcare Workforce Assessment.



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