



Alaska Arctic Policy Commission

Co-Chair: Senator Lesil McGuire, R-Anchorage, 907.465.2995

Co-Chair: Representative Bob Herron, D-Bethel, 907.465.4942

June 28, 2013

Secretary of State John Kerry
U.S. Department of State
2201 C Street NW
Washington, DC 20520

National Security Advisor Susan Rice
National Security Council
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Secretary Kerry and National Security Advisor Rice,

With this letter we introduce the Alaska Arctic Policy Commission (AAPC) and the Commission's intent, assumptions, and scope of work. We look forward to working with the implementation team for the National Strategy for the Arctic Region and other federal partners in the months ahead.

It is Alaska, of course, that makes the United States an Arctic nation. The people closest to the challenges and opportunities in the Arctic have a critical role in mitigating the impacts and maximizing the benefits from the increasing activity in this region. It is incredibly important to understand the priorities and perspectives of the peoples who live in and depend on the health of the resources in what is, to them, simply home. Arctic policy is important to all Alaskans. The immediate stakeholders are those who actually live and do business in Alaska and Alaska's Arctic, a place where costs are high and living conditions are, without question, challenging.

Alaskans are quick to recognize both the opportunity and risk inherent to increased activity in the Arctic. At stake are responsible exploration and development of resources; safeguarding traditional ways of life; protecting the unique environment; and ensuring jobs and a livelihood for those who live there. The Alaska Arctic Policy Commission convened under these fundamental responsibilities, committed to the need for balanced and informed decision making, as well as the importance of local voices contributing to, and working in partnership with, relevant policy-makers concerning those decisions.

One of the most important aspects of the AAPC's work is to positively influence federal Arctic policy, strategy and implementation. This Letter of Intent serves to articulate the Commission's scope of work, which includes its assumptions, interests and considerations, as well as offering some initial guidance to our federal partners. It conveys our conviction that the state is an active and willing leader and partner in Arctic decision making, bringing expertise and resources to the table.

The compelling reason for this Letter of Intent, well in advance of our January 2014 preliminary report, is the recent flood of federal Arctic policies and strategies that directly impacts Alaska now and in the future. During the National Strategy for the Arctic Region listening session held on June 14, 2013 in Anchorage, it was clear that the State of Alaska and the AAPC have a leading role to play in the development of the Implementation Plan for the Arctic Region. We appreciate and accept this offer of cooperation from our federal partners. The AAPC intends to meaningfully contribute to federal efforts as a full partner in the development and implementation of Arctic policy and strategy.

The Alaska Northern Waters Task Force recommended the creation of an Alaska Arctic policy commission in its January 2012 final report (www.anwtf.com), and the AAPC was subsequently legislatively created in April 2012. This year, the AAPC met in Juneau on March 23 and in Barrow June 12-13. Video of these

meetings are available – along with the schedule for the AAPC – at www.akarctic.com. The Commission will next meet in Unalaska on August 28 and 29.

The AAPC has formed subject matter committees, focused on themes identified in the Alaska Northern Waters Task Force, that were tasked with compiling a summary of issues, stakeholders, questions, challenges and priority areas for future consideration. By conducting interviews with stakeholders and experts, and providing relevant research and findings, the Commission will inform local, state and national decision-making in the year to come. This letter outlines three key assumptions and eight important considerations that frame the Commission’s future process. Active and early engagement with communities, state and federal agencies, Alaska Natives, academia and other stakeholders is fundamental to our success. Communication and collaboration have been central tenets of all work to date and are highlighted in each of the areas of consideration in the attached.

The AAPC has work to do and questions to answer as it progresses toward a preliminary report to the Alaska Legislature due January 30, 2014 and a final report due January 30, 2015. These detailed documents will inform the public and policy-makers regarding the principles with which Alaskans approach the promise of the Arctic, and make “North to the Future” a lasting commitment to all Americans. The Commission is committed to producing a vision for Alaska’s Arctic that stands the test of time; delivering policy statements that capture not only the opportunity of the Arctic but also the need to mitigate the challenges; and completing a final product that elevates the priorities and perspectives of Alaskans to a national and international stage.

This Letter of Intent and its attachments emphasize an Alaskan approach and commitment to Arctic policy. We look forward to working with you in full partnership while contributing Alaskan leadership, expertise and knowledge toward a promising Arctic future.

With this Letter of Intent, the 26 Commissioners of the AAPC respectfully submit their observations, suggestions, concerns and determination, on behalf of all Alaska’s sovereign citizens, to be involved in our collective Arctic future and Arctic policy.

Sincerely,



Senator Lesil McGuire, Co-Chair

Sincerely,



Representative Bob Herron, Co-Chair

cc:

- Ambassador David Balton (Deputy Assistant Secretary, Oceans and Fisheries, Department of State)
- Tommy P. Beaudreau (Director, Bureau of Ocean Energy Management)
- Eric Cooper (Director, Maritime Security & Director, Arctic Region Policy, National Security Staff)
- Julia Gourley (Senior Arctic Official, Department of State)
- David Hayes (Deputy Secretary, Department of the Interior)
- Brendan P. Kelly (Assist. Director, Polar Science, Office of Science & Technology Policy, EOP)
- Rear Admiral Thomas Ostebo (17th Coast Guard District Commander, U.S. Coast Guard)
- Kathy Sullivan (Acting Administrator, National Oceanic and Atmospheric Administration)
- Nancy Sutley (Chair, White House Council on Environmental Quality)

Enclosures: AAPC Assumptions & Considerations; Alaska Arctic Policy Commission Membership



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Alaska Arctic Policy Commission Assumptions and Considerations

Key Assumptions

1. State Leadership and Experience

The State of Alaska has more than a half century of commitment to supporting Alaska's Arctic communities through responsible resource and infrastructure development, with proven experience to help manage the Arctic's future. State of Alaska policy is to promote healthy, sustainable communities - guided by its people and informed by science, public process, and indigenous knowledge and experience. The State of Alaska actively engages residents of the Arctic region in developing policies and strategies.

- State agencies have decades of subject matter expertise and are intimately involved in and knowledgeable about Alaska's Arctic. The AAPC recognizes these as assets that can be leveraged effectively and quickly in response to increasing activity in the Arctic.
- State of Alaska programs provide or support core services in the Arctic region, such as education, public safety, search and rescue and emergency response, oil spill preparedness and response, water and sanitation infrastructure, fish and wildlife management, road and airport infrastructure, energy infrastructure, environmental monitoring, permitting, and mapping.

2. Federal Oversight, Role and Expectations

Recently-released U.S. Arctic policies and strategies are revealing in that:

- Consistent among them is the need for collaboration with the State of Alaska, indigenous peoples and local communities. However, it is unclear to the AAPC the extent to which this was practiced in the development of these documents. The Commission believes that early participation by the state and local peoples is fundamental for policy formation and successful implementation. Going forward, Alaska is a ready and willing partner in the development of strategies that address the well-being of its people and management of its resources.
- The calls coming from Alaska for an Arctic Ambassador clearly indicate that a stronger U.S. voice is needed not only for the international community but for Americans who still don't know what it means to be an Arctic nation.

3. International Engagement and Governance

The AAPC recognizes the key functions that international governance plays in the Arctic.

- While the AAPC understands that the Arctic Council is not a governing body, Alaskans do have a keen interest in further developing the State of Alaska's role. The AAPC is interested in pursuing all options for Alaskan participation as part of the U.S. Arctic Council delegation,

including residents serving as subject matter experts in Task Forces and Working Groups, and being involved in State Department representation of the U.S. in this body.

- The AAPC recognizes the role of the International Maritime Organization (IMO) in the development of a Polar Code and looks forward to leveraging the State of Alaska's strong partnership with the Coast Guard to enhance Arctic marine safety and environmental protection issues at the IMO.
- Efforts should be made to constructively address concerns about the U.N. Convention on the Law of the Sea.

Considerations

A Scope of Work for Developing Alaska's Arctic Policy

1. Indigenous Perspectives and Priorities

It is important to engage residents of the Arctic region, particularly Alaska Native and rural residents, in developing Arctic policies and strategies. From scientists to Native elders, Alaskans understand the nuances of a change in the Arctic and the opportunities and challenges a changing Arctic presents better than anyone. Alaskans that live in the Arctic are continuously adapting to a changing environment and have valuable experience to inform future management needs and considerations.

The AAPC recognizes the importance of coordination and consultation with Alaska's Arctic indigenous peoples and to fully involve them at the earliest stages of developing an Arctic Policy in order to integrate and promote their interests. To that end, the Commission will consider the interests of Alaska's Arctic indigenous peoples when evaluating resource development, economic and workforce development, expansion of infrastructure, and mitigation of climate impacts. Such activities will be considered in light of its impacts on human health, language and culture, subsistence resources, and food security.

The AAPC will consider ways to:

- Focus increased attention and priorities to U.S. Arctic communities, particularly regarding human health, food security, culture and language preservation, and climate change issues such as coastal erosion, sea ice retreat, and reduction of permafrost.
- Ensure the needs and concerns of Alaska's Arctic indigenous peoples are incorporated into Alaska's Arctic policy, U.S. Arctic strategy and U.S. participation in international arenas.
- Encourage the use and incorporation of traditional knowledge, along with science-based findings, when assembling information upon which to base decision making at all levels.
- Work closely with Alaska's Arctic indigenous peoples to improve consultation and engagement with Arctic communities while facilitating communication between federal, state, and local governments regarding Arctic decision-making and development activities.

2. Governance

A large body of international, federal and state laws, regulations and standards are applicable to activities in Alaska's Arctic. While stronger governance ensures more certainty on behalf of all

stakeholders, the current system is fragmented, spanning local and national jurisdictions and involving a number of species, ecosystems, peoples, and industrial activities.

At the heart of current conversations are how these components are coordinated, where leadership resides, and to what extent local and state input is solicited and integrated. The AAPC understands that local communities are concerned about risk associated with increased traffic through the Bering Strait, for example, without a clear sense of how Alaska's Arctic residents benefit. It is important to the Commission that the State of Alaska be involved in, represent and have an impact on all levels of Arctic governance.

The AAPC will consider ways to:

- Support for current and increased participation in the Arctic Council, as part of the U.S. delegation, within Working Groups, building relationships with Permanent Participants and Observers, and working with the State Department to highlight Alaskan priorities.
- Respect for, implementation of and enhancing the many existing relationships, while considering the potential for new and future opportunities.
- Strengthen collaborative efforts with the federal government as it negotiates international and trans-boundary agreements, as well as implements the U.S. Arctic Policy and corresponding Strategy.
- Increased bilateral engagement with northern nations and regional governments, especially with the Russian Federation, on issues related to the Bering Strait region.
- Established and potential planning efforts that account for change, human activity, environmental impacts, potential conflicts, stakeholder engagement, economic development and the regulatory environment.
- Safe, secure and reliable offshore operations, to include fisheries, oil, gas and mineral development, itinerant vessels, Bering Strait traffic, response capacity, and infrastructure development.

3. Oil, Gas, and Mineral Exploration and Development

Alaska's promise at Statehood was that its significant land and resource base would build its economy and support its citizenry. Today, oil and gas development provides roughly 90% of Alaska's state revenue. Alaska's Arctic Petroleum Province is estimated to hold nearly 30 billion barrels of oil and 221 trillion cubic feet of non-associated gas, and significant undiscovered mineral resources. Alaskans pioneered Arctic resource development and sustainable living. The State has over 45 years of oil and gas development experience in the Arctic and over 100 years of mining experience. Applying this history and experience, the AAPC will formulate actionable recommendations regarding oil, gas and mineral development for integration into Alaska's Arctic Policy.

At a June 2013 public meeting in Barrow, local leaders and residents urged petroleum development of the Arctic National Wildlife Refuge 1002 Area as a preferred option to keep the Trans-Alaska Pipeline System operating until offshore drilling is safer and can better guarantee protection of the Arctic Ocean – their traditional food source. This exemplifies the priority Arctic residents place on responsible new resource development, well-paying local jobs for residents and sustainable economies for their communities, while protecting the environment, their food security and cultural practices.

The AAPC intends to:

- Promote responsible exploration and development of Alaska’s Arctic oil, gas and mineral resources to directly benefit the people of the Arctic, and to support improved energy independence for the United States.
- Identify partnership opportunities with federal agencies to advance shared goals and outcomes for a healthy, secure and safe Arctic region.
- Facilitate greater use of both local, traditional knowledge-based and science-based decision making for oil, gas, and mineral development in the Arctic.
- Build partnerships with national, international, commercial, academic and Alaska Native entities to strengthen Alaska’s leadership and voice in Arctic resource management and development decisions.

4. Science and Research

If economic activities such as oil and gas exploration, mining, fisheries, shipping, and tourism are to develop responsibly in the Arctic, our knowledge of the far North’s marine and terrestrial environments must advance at a corresponding rate. The same warming trends that are expected to create economic opportunities will have a variety of substantial impacts on Arctic communities. Alaska’s future prosperity and the well-being of Alaskans living in the Arctic depend in large part on the scientific, technological, cultural, health, and socioeconomic research the state promotes in the coming years.

A strong Arctic research program designed to inform responsible resource development, identify and conserve key ecological functions and subsistence resources, help adaption to a changing climate, and facilitate investment towards healthy Arctic communities rich in tradition and culture must be well coordinated and built on collaborative partnerships. Alaskans hold substantial data, technical expertise, local and traditional knowledge, and other assets of value to collaborative efforts advancing science and research in the region. Dozens of organizations are involved in establishing research priorities and conducting research in the Arctic. Guided by its policy objectives, the state should explore ways to improve, better exploit, and more effectively partner with science and research efforts that serve Alaskans’ interests.

The AAPC intends to consider:

- Protocols for respectfully conducting research in and around rural communities and for incorporating local and traditional knowledge into research and decision-making.
- Processes to establish Alaska’s research priorities in order to strengthen the state’s influence on federal interagency research agendas.
- Applied research, including on oil spills in ice, to inform development decisions, advance technology, and enhance environmental stewardship.
- Basic research and monitoring of environmental conditions to measure impacts of climate change and increased human activity.
- Regional climate modeling in conjunction with scenario planning for sustainable and adaptable communities, civil infrastructure, and economic development infrastructure.
- Ways in which Arctic communities can directly benefit from increased research activities in the region.

5. Energy

Affordable energy is a critical need in Alaska's Arctic. In communities where residents must spend more than half of their annual income on fuel and electricity, even modest economic activity, such as maintaining a local consumer economy, is severely limited. These same costs compromise the effectiveness of local governments, schools, and utilities, which continually struggle for solvency. The high cost of energy also impedes development of natural resources in remote Arctic locations.

The State of Alaska has focused considerable assets on these issues for many years. It has made progress in achieving energy efficiencies through the Alaska Housing Finance Corporation's weatherization and home energy rebate programs, and the Alaska Energy Authority's Renewable Energy Fund is reducing dependence on diesel fuel. More needs to be done to address the threat of high energy costs to the sustainability of many remote communities. Confronting Arctic energy issues requires focused leadership to unite Alaskans behind a comprehensive statewide strategy that will serve Arctic and non-Arctic communities alike. In this, Alaska and the U.S. must acknowledge the linkages between rural and urban Alaska and apply equal resolve and comparable resources to solutions that meet the needs of all.

The AAPC intends to consider:

- Measures at the local, state, and federal level that help sustain communities in the short and medium term as efforts to develop long-term solutions progress.
- Bringing savings to and prolonging sustainability for Alaska's communities through increased research and funding for energy efficiency in homes, public and commercial buildings, schools, and utilities.
- Ways that Arctic communities can benefit from the infrastructure and economies of scale that may come with resource development projects.

6. Planning & Infrastructure

It is important to identify ways in which multiple levels of planning are integrated and coordinated to benefit all Alaskans. Therefore, planning and infrastructure development in the Arctic must account for ports, harbors, places of refuge, and anchorages; telecommunications, aids to navigation, and data acquisition and sharing; emergency management and response; transportation and access to resources; energy extraction, production and delivery; human resources, workforce development, research, education and training; schools, medical facilities, civil Infrastructure (water, sewer, solid waste facilities) and housing.

Critical to Alaska's understanding of these areas is the extent to which they are inter-linked and represent fundamental building blocks of sustainable development in Alaska's Arctic. In order to ensure future prosperity in the Arctic, Alaska must encourage strategic, integrated and intentional planning that results in effective implementation and safe, secure, affordable, efficient and reliable infrastructure. That long-term vision has to be reconciled with a near-term need to develop the infrastructure (port and harbors) required to allow assets to be placed to respond to emergencies, search and rescue capabilities, to exercise sovereignty and national security.

The AAPC intends to consider:

- Meaningful evaluation of – and investment in – spill prevention and response capacity, while recognizing differences in proximity, risk, geography and scale of challenge. The AAPC also recognizes the role of local community planning, training and response.

- The need for communications, navigational aids, and a full analysis on the viability of an Arctic deep draft port, as well as hydrography and marine charting for the region.
- New and creative approaches to sustainable development, needed to fund both planning and infrastructure development, leverage private sector investment, develop resources, and inter-modal approaches.
- Alaska's market competitiveness and preparing the state for global investment opportunities.

7. Security and Marine Transportation

Alaska needs to be proactive in anticipation of the growth in vessel traffic in the Arctic and its impact on the environment and on the people who live there. As traffic increases, it will be important to establish standards and regulations to govern vessels in arctic waters. Since shipping is a global enterprise, key elements of governance will be international regulations; others will be U.S. domestic and local rules. Alaska's policy makers and key stakeholders must be knowledgeable about and involved in the process of developing policies at all levels of governance. Special attention should be paid to the choke point and international strait in the Bering Strait region, the gateway to the Arctic Ocean. The U.S. maritime Arctic, including the Bering Strait region, is also a marine highway for local residents, who traverse it for hunting, fishing, and subsistence.

Decreasing sea ice challenges resource prioritization and directly impacts the State of Alaska's security, environment and economy. The Coast Guard should have full and adequate resources to meet expanding needs, including icebreaking assets in Alaska. Alaska can assist in the identification of air and marine port logistics, including the future development of deep draft port(s) that will need public and private sector investment facilitated.

The AAPC intends to consider:

- Updating the U.S. Coast Pilot produced by NOAA to include Arctic information of relevance to mariners operating through the Bering Strait region and within the U.S. maritime Arctic.
- A coordinated approach to vessel traffic monitoring and assessment throughout the U.S. maritime Arctic, and internationally throughout the Arctic Ocean.
- The State of Alaska's participation in and contributions toward international efforts to establish standards for Arctic vessels at the International Maritime Organization.
- Continued emphasis on the Arctic at the executive level and within state agencies on Arctic marine safety and marine environmental protection.
- Vocational training and education opportunities for young Alaskans and community residents to take advantage of the marine industry by becoming licensed engineers, mates, captains, and pilots.
- Work with federal agencies on coordination of responsibilities in Alaska's maritime Arctic, encouraging all agencies and departments to keep communication open and flowing.
- Search and rescue capacity and environmental protection, to include risk mitigation for subsistence users (i.e.; food security) and the capability to respond to oil spills in the Arctic marine environment.

8. Fisheries

Alaskans depend on sustainable fisheries for their livelihood, recreation, and sustenance. Some of the world's most productive and valuable commercial fisheries occur in the Bering Sea and Aleutian Islands. Indigenous peoples have fished from and lived along western and Arctic Alaska riverine systems for millennia. The high Arctic supports some subsistence fishing, but federal waters of the Chukchi and Beaufort Seas are currently closed to commercial fishing. Fisheries in Alaska's internal and coastal waters are sustainably managed under state and federal management programs grounded in science.

The AAPC intends to consider:

- Change occurring in the Arctic that makes Arctic waters more accessible and the need for monitoring and fishery assessment information that will guide responsive management measures in the Alaskan Arctic.
- The benefit of fisheries' surveys, which in Arctic waters will be critical to informing management of any future, emerging, fishing opportunities in the Arctic.
- The U.S. adoption of a precautionary fisheries management approach for Arctic waters north of the Bering Strait and its benefits, which could be diminished by increased fishing opportunity in adjacent waters, outside U.S. jurisdiction, particularly on migrating and trans-boundary stocks.
- Changes in migration patterns and the range and distribution of marine and freshwater fisheries resources that are anticipated. In some cases, these may affect the possibility of commercial harvest opportunities; in others, it could more broadly alter the habitat for established species relied upon by local communities and the ecology of the area.

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Co-Chair: Senator Lesil McGuire, R-Anchorage, 907.465.2995

Co-Chair: Representative Bob Herron, D-Bethel, 907.465.4942

Alaska Arctic Policy Commission Members

Alaska State Legislature Appointees:

Senator Lesil McGuire, Co-Chair – Anchorage

Senator Cathy Giessel – Anchorage

Senator Lyman Hoffman – Bethel

Senator Donny Olson (alternate) – Golovin

Senator Gary Stevens (alternate) – Kodiak

Representative Bob Herron, Co-Chair – South Bering Sea

Representative Alan Austerman – Kodiak

Representative Beth Kerttula – Juneau

Representative Bryce Edgmon (alternate) – Dillingham

Representative Mark Neuman (alternate) – Big Lake

Nils Andreassen – *Institute of the North, Managing Director – International Arctic organization Representative*

Dr. Lawson Brigham – *Distinguished Professor, University of Alaska Fairbanks – University Representative*

Peter Garay – *American Pilots Association delegate – Marine Pilots Representative*

Chris Hladick – *Unalaska City Manager – Local Government Representative*

Layla Hughes – *Conservation Group Representative*

Reggie Joule – *The Native Village of Kotzebue - Kotzebue IRA – Tribal Entity Representative (Former Chair of the Northern Waters Task Force)*

Stephanie Madsen – *Executive Director, Sea Processors Association – Fisheries representative*

Denise Michels – *Nome Mayor – Coastal Community Representative*

Elizabeth Moore – *NANA Regional Corporation Community & Government Affairs Manager – ANCSA Corporation Representative*

Stefanie Moreland – *Governor's Appointee*

Lisa Pekich – *ConocoPhillips Alaska, Director of Village Outreach – Oil & Gas Industry Representative*

Pat Pourchot – *Special Assistant to the Secretary of the Interior – Federal Government Representative*

Steve Scalzo – *Foss Marine Holdings COO – Marine Transportation & Logistics Representative*

Stephen Trimble – *URS Corp. – Mining Industry Representative*

Jake Adams (alternate) – *Arctic Slope Regional Corporation, Board Member*

Kris Norosz (alternate) – *Icicle Seafoods, Inc., Government Affairs Director*

Ex-Officio Members:

State of Alaska Lt. Governor Mead Treadwell

State of Alaska Department of Natural Resources Commissioner Dan Sullivan

US Coast Guard District 17, Mr. James Robinson, Arctic Coordinator

US Arctic Research Commission, Ms. Fran Ulmer, Chair