SOUTHEAST ALASKA CLUSTER INITIATIVE

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JEDC Juneau Economic Development Council

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What Are Industry Clusters?

"The foundation of a regional economy is a group of clusters, not a collection of unrelated firms. Firms cluster together within a region because each firm benefits from being located near other similar or related firms. The firms in a cluster have common competitive strengths and needs."[1]

An "industry cluster" is a set of businesses, in the same or related field and located near one another, which are linked by service or supplier relationships, common customers and supporting institutions or other relationships. They share reliance on regional knowledge and on the regional labor market. They compete with one another but also complement one another. They draw productive advantage from their mutual proximity and connections.

According to Michael Porter of the Institute for Strategy and Competitiveness at the Harvard Business School, who pioneered the concept of industry clusters, competitive advantage is not created within a single firm alone; factors external to the business, but internal to the regional economic foundation, are increasingly important for the creation of competitive advantage.[2] Efficiency in internal operations is a necessary but not sufficient condition to compete globally. Regions where cluster strategies have been employed for economic development have managed to knit together companies, teaching and research institutions, and government at multiple levels to create a uniquely competitive industry.

Famous cluster examples include the information technology industry in Silicon Valley, the wine industry in Napa/Sonoma Valleys and more recently, the comprehensive statewide economic development strategy articulated by the Oregon Business Plan project.

Why Southeast Alaska Cluster Development?

"Properly designed, cluster strategies are a low-cost way to stimulate innovation, new-firm start-ups, and job creation by helping to link and align the many factors that influence firm and regional growth."[3]

"Regional industry clusters – synergistic regional concentrations of industry and related activity in particular fields – represents a powerful source of growth, new-firm starts, and quality jobs at a moment of economic uncertainty."[4]

[1] Joseph Cortright, *Making Sense of Clusters: Regional Competitiveness and Economic Development*, The Brookings Institution, March 2006.
[2] http://www.isc.hbs.edu/econ-clusters.htm
[3] Mark Muro and Kenan Fikri, Job Creation on a Budget: How Regional Industry Clusters Can Add Jobs, Bolster Entrepreneurship, and Spark Innovation. Brookings-Rockefeller, Project on State and Metropolitan Innovation, January 2011.
[4] Mark Muro and Kenan Fikri, Job Creation on a Budget: How Regional Industry Clusters Can Add Jobs, Bolster Entrepreneurship, and Spark Innovation. Brookings-Rockefeller, Project on State and Metropolitan Innovation, January 2011.

Beginning in October 2010, the Juneau Economic Development Council was provided the opportunity to bring a cluster based planning approach to the Southeast Alaska region. Under a contract awarded by the USDA Forest Service, JEDC launched the **Southeast Alaska Cluster Initiative**, a Cluster Working Group (CWG) process that brought private sector "industry clusters" together with federal, state and local agencies, university faculty, trade association representatives, economic development organizations, community leaders and other stakeholders committed to addressing industry needs, concerns and opportunities on a partnership basis.

Since its inception, the Southeast Alaska Cluster Initiative has been a successful catalyst for private-public partnerships. It has supported implementation of the USDA Forest Service and Rural Development unified regional "Transition Framework" economic development plan for Southeast Alaska. In its startup phase, JEDC assembled and facilitated the work of four industry Cluster Working Groups (CWGs) in three established and one emerging industry sectors: Visitor Products, Ocean Products, Forest Products, and Renewable Energy. These four CWGs developed actionable initiatives unique to the needs and opportunities of each industry. This collaborative effort initially produced a total of 5 to 10 Action Initiatives for each Cluster Working Group. In 2012, JEDC assembled and facilitated the formation of two additional Cluster Working Groups – Mining Services and Supply and Research. With JEDC facilitation, the Mining Services and Supply CWG launched six action initiatives. The Research cluster is finalizing two or more possible action initiatives for launch in 2013.

In 2012, the focus of activity for all CWGs progressed from initiative development to initiative implementation, leading to the creation of over 30 initiative implementation teams to follow through on action steps, each team led by a volunteer Champion. Team membership reflected the composition of the parent CWG, consisting of the private sector, federal, state and local agencies, university faculty, and others active in the industry. In total this year, JEDC organized and managed 9 half day collaborative cluster working meetings (4-5 hours each): one meeting for Visitor Products in Ketchikan, one for Ocean Products in Ketchikan, three for Mining Services and Supply, two for Renewable Energy (one specifically for Woody Biomass), and two for Research. Each meeting had attendance between 20 and 30 participants. Each meeting consisted of a mix of private businesses, public agencies, University of Alaska representatives, and others active in the sector. In addition, Southeast Cluster Initiative outreach took JEDC to the communities of Ketchikan, Wrangell and Sitka for cluster meetings or information sessions for Visitor Products, Ocean Products and Mining Services and Supply. In 2012, JEDC began facilitating cluster communication and information sharing through monthly teleconference meetings for each of the clusters. A total of 14 teleconferences were held. JEDC also facilitated approximately 40 initiative implementation team meetings. To date, over 300 individuals have attended one or more Southeast Cluster Initiative meetings or participated in a teleconference.

In 2012, some initiatives gained traction with industry, saw activity and success; others became inactive. At the end of 2012, 19 are actively championed by industry with the expectation that these initiatives will lead to increased business development, jobs and regional prosperity. These initiatives call for resource deployment based on industry priorities in areas that include regional workforce education through new programs at the University of Alaska, increased guided access to Forest Service lands with corresponding enhancement projects, and coordinated industry marketing. The process also highlighted promising new areas of economic development for Southeast Alaska, such as woody biomass, mariculture, and marine technology. In the following section of this report, highlights of each active initiative are discussed.

In December 2011, JEDC convened the Southeast Alaska Economic Summit which brought all four Cluster Working Groups together for the first time to advance the work of the clusters, share best practices and connect cluster participants with local community, government and business leaders. In 2012 planning began for a second regional Summit to be held February 11 – 13, in Juneau. The goal of the summit will be to bring the five cluster industries together for sharing of lessons learned and to connect the work of the clusters to regional innovation.

One of the central tenets of the cluster-based model of economic development is that the most economically successful regions have managed to knit together companies, teaching and research institutions, and government at multiple levels to create a uniquely competitive industry. The success of the Southeast Cluster Initiative has been the forging of new relationships and partnerships in our region between industry, government, the university and other agencies or non-profit entities. An example of successful industry-government cooperation resulting from the cluster Initiative is the formation of a new industry led non-profit, The Working Forest Group, formed in June 2012. Led by Sealaska Timber, this non-profit will take over and continue the Forest Product cluster's initiative work on Young Growth and Old Growth analysis through cooperative agreements. JEDC ended facilitation of the Forest Products CWG and passed along the facilitation of Forest Products resource management, at the request of this non-profit.

The following section highlights work accomplished, success in 2012, and plans for 2013 for the 19 active action initiatives championed by the Southeast Cluster Initiative Working Groups.

Southeast Cluster Initiative Action Initiative Review

Southeast Alaska Visitor Products Action Initiatives

Cluster Chair: Kirby Day, Princess Cruises

1. Develop Land and Water Trails and Support Facilities

Champion: Jeremy Gieser, Gastineau Guiding

The goal of this initiative is to develop and maintain a safe, accessible and diverse land and water trail system that allows for optimum outdoor recreational use of the region by residents and visitors, promotes increased visitation to local communities, and provides opportunities for entrepreneurs to cooperate in developing regional commercial trail packages, while protecting the region's natural and cultural resources. In 2012, the group held a regional trails teleconference on 3/16/12 with participation from the business community, the USFS, NPS, Sitka and Juneau non-profit environmental and trail building organizations, the Klondike Gold Rush National Historic Park, the State of Alaska Division of Community and Economic Development, and regional economic development organizations. This teleconference was the first sharing of information between trail groups in the region. Interest was high in coordinating trail development and promotion on a regional level. The initiative team next convened a group of industry entrepreneurs to get input on challenges to commercial trail development and use and to generate ideas for land and water trail-based commercial products and packages. Infrastructure needs, regulation issues and marketing needs were identified as next steps to tackle. The group will be

meeting with the forest service in 2013 to explore ideas for infrastructure development on Wilderness boundaries. The group will continue to work together to develop coordinated packages that tie community trail opportunities with lodging, equipment rental and transportation. The group will reach out to Sitka and Ketchikan for developing regional itineraries. As an indirect outcome of this initiative, the non-profit SEATrails has revised its organizational mission from funding trail infrastructure to developing and promoting a comprehensive and interactive regional trail information web portal.

2. Increase Guided Access to Land
Champion: John McConnochie, Cycle Alaska

Agency permitting processes are limiting economic opportunity in the tourism industry in the Tongass National Forest and other public lands. Demand exceeds permitted access levels. This initiative addresses the lack of permitting flexibility to make quick changes in response to market conditions. The outcome will be more adaptive management, a more micro managed approach, and more access to public lands and to existing areas to increase capacity. The success of this initiative in 2012 was the allocation of 15,400 additional temporary commercial use service days at the Mendenhall Glacier Recreation Area (MGRA) for the summer of 2012. Although the additional time was off peak, the increase worked well for commercial operators. As no significant complaints were received from operators, visitors or local residents, the Juneau Ranger District will continue this pilot project for another year. Another outcome of this initiative has been the identification of a timing discrepancy between USFS allocation decisions and private industry commitments to the cruise ship season, which is in the process of being reviewed and addressed going forward. In 2013, the activities of the initiative team will shift to working with the Forest Service to update the MGRA Master Plan in order to formalize an increase in commercial use service days allocations.

3. Promote Multi-Community and Regional Visitor Packages
Champion: Vacant

There needs to be a one-stop place for information for the independent tourist to figure out how to design a multi-community itinerary for the region. This initiative will seek continued opportunities for collaboration to create and market new multi-community itineraries for the independent traveler. This initiative also will promote more multi-community, regional visitor itineraries through better marketing and promotion of these opportunities. To initiate discussions on regional collaboration between communities, in 2012 JEDC held informational sessions in Ketchikan, Wrangell and Sitka to introduce these communities to the Southeast Cluster Initiative. This initiative is currently on hold because there are many synergies with the trails development initiative, and that group will look at combining with this initiative in 2013.

4. Strengthen Accountability for Tongass Recreation Fees
Champion: Bob Janes, Gastineau Guiding

This initiative addresses the development of a mechanism for more private sector input to decide where recreation fees are allocated. The industry will work with the Forest Service to establish more affordable access and /or local control of fee structure and more accountability. More revenues from users will be reflected locally on user benefits as a portion of the revenue collected will be secured to improve local infrastructure and enterprise support. As a direct success of this initiative in 2012, the Mendenhall Glacier Recreation Area received reinstated funding of $57,000 and additional trail maintenance funding of $79,000. As an indirect outcome, the fee allocation formula has been shifted to put more money into

enhancement and less into planning and administration. In addition, while funds for enhancement were distributed entirely through a competitive process in past years, beginning in 2013, the Fee Board decided to distribute half of the enhancement funds ($350,000) using a non-competitive formula. Also as a direct result of this initiative, the Forest Service created a new regional recreation fee information web page. This page contains some background on the recreation fee program, accomplishment reports and links to additional recreation fee information. In addition, this is the first year that outfitter/guides and tourism companies were invited to the Tongass Fee Board meeting in an organized fashion. Group members attended the fee board meeting on November 5, 2012. As a result of the meeting and recommendations that came down from the Tongass Fee Board regarding fee allocation, in 2013 this initiative group will work with the Juneau Ranger district to provide input on how those fee dollars might be allocated within the local area. For the coming year the group will also work with the Forest Service to improve public notification for the 2013 fee board meeting in order to get other communities involved. Continuation of Federal Lands Recreation Enhancement Act is vital to the industry and will continue to be monitored.

5. Integrate Tourism Courses with University of Alaska Southeast Existing Degree Programs
Champion: Kelli Grummett, Alaska Travel Adventures

This initiative has the dual role to create more employment and educational opportunities for Alaskans and to provide an opportunity for UAS to attract and retain quality four year students. The benefit will be more prepared managers and guides to showcase the Tongass and other Southeast Alaska attractions while providing a world-class educational opportunity at UAS. The initiative will produce a more qualified and larger group of local applicants for entry level as well as management level positions in tourism. In 2012, initiative team and University of Alaska Southeast dialogue to develop tourism management coursework resulted in a new four year Bachelor of Liberal Arts degree with an emphasis in Outdoor and Adventure Studies. The initiative team is now working with the School of Management toward adding a two year Tourism Emphasis area to the Associate of Applied Science degree program. UAS and the team developed a survey to determine level of interest among visitor industry summer employees. An initial survey was given to summer employees in August 2012. Based on these results, the survey has been revised and will be given to job applicants during the winter of 2013. In addition, discussions are underway to change the semester start and end dates to run from early October to the end of April, to accommodate the summer tourism work season. As an indirect outcome of this initiative, UAS and the Mendenhall Glacier Visitor Center have jointly developed an Environmental Interpretation class. Students in the class will design an interpretive product related to the Mendenhall Glacier area.

6. Draft Action Initiatives under development

Ketchikan began the process of initiative development at a workshop held there on 4/10/2012. At this meeting three potential initiatives were proposed. In 2013, Ketchikan initiative development teams will work with Visitor Products cluster mentors with a goal of either launching one or more of the initiatives, or incorporating them as action steps into existing initiatives.

- **Changing Local Perceptions on the Value of Tourism (Under development)**
  This effort will raise public awareness of the value of tourism through a PR campaign.
- **Marketing Uniqueness of the Southeast Region (Under development)**
  This initiative will support SATC's efforts to attract independent travelers to the region.

- **Transportation Packages and Partnerships to Reduce Cost (Under development)**
  This initiative will look at ways to make travel to the region and within the region more affordable to independent tourists.

Southeast Alaska Mining Services and Supply Action Initiatives

Cluster Co-Chairs: Chris Gerondale, Construction Machinery, Inc
Jason Hart, Hecla Greens Creek Mining Company

1. Develop Juneau as a Regional Rebuild Service Center Through Favorable Sales Tax Treatment

Champion: Chris Gerondale, CMI

With the growth of mining in Southeast Alaska, demand exceeds supply in specialty equipment rebuilding and customization; the opportunity exists for Juneau to become a service center for machine rebuilds. However, local businesses must collect the City and Borough of Juneau (CBJ) sales tax on the full amount of a rebuild, including labor, while firms that rebuild equipment outside the taxing authority of the CBJ are not required to charge the 5% CBJ sales tax. The goal of this initiative is to encourage the development of Juneau as a regional rebuild service center by creating a favorable tax status for this industry. By working with the CBJ to pass a sales tax dollar cap specific to the rebuild service industry, the local mining service and supply industry will not be at a competitive disadvantage due to local sales tax. The initiative team envisions that Juneau will become the preferred rebuild service center for current and future mining companies in Southeast, BC and the Yukon, bringing high-paying trades jobs to the economy.

In 2012, the team, through conversation with CBJ staff, determined that the CBJ Assembly is not likely to support a favorable tax status for the purchase of parts for a rebuild, so the team decided to focus its efforts on labor. In order to develop the justification for a sales tax cap on the labor related to rebuilds, the team is working with the University of Alaska Southeast (UAS) to analyze the potential impact of such a cap on the revenue of CBJ. The expectation is that a sales tax cap will incentivize more rebuild work to be completed in Juneau and, thus, attract more jobs, workers and their incomes to Juneau. With more workers spending money in Juneau, it is possible that the sales tax cap will be fiscally neutral for CBJ. The team also contacted several helicopter rebuild firms in Vancouver, Canada, to try to determine the potential value of helicopter rebuilds in Juneau. In 2013, the team will continue to work to gather data that rationalizes the sales tax cap, to define what rebuilds might qualify for the cap and to develop and present a proposal to the CJB Finance Committee.

2. Identify, Develop and Market Services and Products for Mines

Champion: Jason Ginter, NORTECH

The purpose of this initiative is to open a sustainable line of communication between mines and local service providers and suppliers so that they may be more effective and efficient in working together. Most local services for mines are for short notice and emergency needs. Local businesses would like to open lines of communication and provide help before a problem develops. This initiative calls for the completion of an assessment of the needs of mines in regards to services and supplies, development of an online list of regional service and supply companies, and the creation of a traveling tradeshow of

service and supply companies for networking and sales purposes. In 2012, the initiative team met and discussed how best to distribute information about the services of mining support firms to mining companies. The team decided to explore distributing this information online on the Alaska Miners Association's (AMA) website and has reached out to the AMA about this. In 2013, the team will work with the AMA Planning Committee to use AMA's website as a platform for distributing information about the services of mining support firms.

3. Create and Promote Vocation/Trades Training Opportunities and High School Career Pathways
Champions: Mike Bell, UAS, and Fred Sayre, Hecla Greens Creek

There is a shortage of skilled workers in trades occupations in Southeast Alaska, and workers are not willing to relocate here from outside the region. Training gaps include mechanics, electronics, hydraulics, fabrication, drilling, IT, and career skills education. This initiative aims to, first, identify specific needs for trades occupations in the region and, then, develop training opportunities for local residents so that they may become employed in mining services and supplies industries. In addition, the this initiative will promote, support, and enhance high school programs for trades jobs in order to raise awareness about trades occupations in the mine servicing and supply industry, improve the range of high school courses offered to train in these occupations and get students engaged in these courses.

In 2012, the initiative team met and had a productive conversation about how to determine the demand and skills required for mining services and supply jobs and how to visualize this information. The team decided to develop a survey that will be distributed at the Innovation Summit and the AMA meeting to gather data regarding what firms need in terms of skills for their workforce. The team also received an invitation from the Juneau School District to host speakers from the mining services and supply industry in high school classrooms to speak with students. In 2013, the team plans to work with the Department of Labor to see what data is available regarding demand and skills required for jobs in the mining services and supply sector and to explore using a tool to display information about the skillset required for certain jobs in the mining services and supply sector.

4. Develop Industrial Land within CBJ
Champion: Dylan Ashe, Channel Construction

The goal of this initiative is to identify and set aside new parcels of low-cost land to be zoned industrial for future development. The limited availability of land and real estate in Juneau is one component that results in limited shop space for mining service providers, which is limiting business expansion in the sector. This initiative calls for a comprehensive assessment of current and projected demand for industrial land in the CBJ and an appeal to the Planning Commission to set aside land for industrial use, as appropriate, based on this needs assessment. In 2012, the initiative team decided that the best way to ascertain the demand for industrial land is to survey firms attending the Innovation Summit. In addition, the team determined, through contacts in the commercial real estate business, that the central issue associated with industrial land in Juneau is associated with the features of the land; there is a demand for well-drained land with better access to infrastructure. As such, the team started to work with the CBJ Department of Community Development to create an inventory of industrial land that fits certain attributes (e.g. good drainage, various parcel sizes, relatively flat, road access, utilities, proximity to the airport). In 2013, the team will assist JEDC in developing a survey that will be distributed at the Innovation Summit and the AMA meeting to determine the demand for industrial land in Juneau.

5. **Career Building in Environmental Science and Engineering**
   Champion: Chris Gianotti, PND Engineers

This initiative seeks to provide in-region training for Environmental Engineering Technician jobs through coursework/program development at UAS. Environmental technicians are critical to the operation of the modern mine. Mines need to comply with many environmental regulations and require permits from the US Environmental Protection Agency, Alaska Department of Environmental Conservation and other federal and state agencies. Job growth for Environmental Engineering technicians is projected to grow 16% between 2008 and 2018. As a first step, the implementation team will determine the level of need for Environmental Engineering technicians in the region through a survey of the industry. The team has developed a list of mines and services providers to which to distribute the survey. If demand calls for it, they will work with UAS to develop a two-year Environmental Engineering Technician AA degree program. In 2012, the initiative team learned that oil companies have requested that the University of Alaska start an environmental engineering degree program. In 2013, the team will distributed their survey at the Innovation Summit and the AMA meeting to determine the needs of mines and support firms. The team will also contact Alaska professional board of registration and possibly the Accreditation Board for Engineering Technology (ABET) to determine what curriculum is needed for an environmental engineering program.

6. **Hold Mining Procurement Event**
   Champion: Mike Satre, Council of Alaska Producers

The objective of this initiative is to expand the quantity and quality of services and supplies provided to the mining industry from firms in Southeast Alaska through a mining procurement event. Currently, many services and supplies for the mining industry (production and exploration) in Southeast Alaska are being procured at firms located in Southeast Alaska. There is an opportunity for firms in the region to meet more of the current and future demand for services and supplies. The implementation team for this initiative will hold a mining procurement event to provide the mining services and supply industry details on services and supplies that the mining industry in the region needs and an opportunity for firms to present offers. The event will also include a training/orientation from mine procurement officials regarding how they prefer to interact with suppliers. In 2012, the initiative team scheduled the procurement event and completed much of the planning. The event is currently scheduled for Friday afternoon of the AMA conference (2/15/13). Non-AMA members will also be encouraged to attend.

Southeast Alaska Ocean Products Action Initiatives

Cluster Co-Chairs: Julie Decker, Alaska Fisheries Development Foundation
John Sund, Mariculture Advocate

1. **Develop a Sea Otter Management Program in Southeast Alaska**
   Champion: Phil Doherty, SARDFA

The goal of this initiative is to analyze realistic management approaches to protect important shellfish species and to allow a less restrictive harvest of sea otters by Alaska Natives. A direct output will be the

development of an effective Southeast Alaska sea otter management plan for increased subsistence use by Alaska Natives. This plan should benefit all users of shellfish resources, protect shellfish resources from depletion, and allow effective subsistence harvest of sea otters by the Alaska Native people. In 2012, members of the team met with the Alaska Board of Fisheries, the Marine Mammal Commission and the Federal Subsistence Board to discuss the sea otter issue. The team also wrote and sent out a letter of support for the ***Sea Otter Traditional Use Revitalization Project*.** In September 12, 2012, Dan Ashe, Director of U.S. Fish and Wildlife Service, met with members of the team via teleconference and committed to working out the definition of sea otter use regarding what "significantly altered" means for products created by people from native tribes by February, 2013.

2. **Establish a Marine Industry Technology and Workforce Improvement Consortium**
   Champion: Jason Custer, KMIC

The maritime industries sector, so far an unrecognized industry sector in Alaska, cuts across nearly all of Southeast Alaska's industries. Enhancements to the efficiency and capacity of the maritime industry sector can result in net positive economic gains that are shared by the wide array of industries reliant upon marine transportation, suggesting opportunities for value adding growth in existing enterprises and for attracting new marine industry businesses to locate in the region. This initiative will map the businesses and physical assets that comprise the Southeast Alaska maritime industry as a basis for preparing an economic development plan for the sector. In 2012, as an indirect outcome of this initiative, the Ketchikan Marine Industry Council formed and a website that showcases the marine industry facilities and firms was published. In 2013, the focus of this initiative will be on expanding to include more firms in the marine industry sector in more Southeast Alaska communities, in order to better address the common problems facing this sector and, thereby, improve productivity.

3. **Ensure Southeast's Fishing Future through Targeted Education and Training**
   Champion: Jim Seeland, UAS

As boat and permit owners seek retirement, these businesses are often purchased by non-locals and leave Southeast Alaska. This initiative will provide residents with the necessary skills to acquire and operate successful businesses in the region. The objective is to develop the awareness and capability of the local population to capitalize on economic opportunities within their communities. The next generation of business owners needs a new skill set to compete. They need to be innovative in structuring business deals, and proficient in financing to purchase these businesses. If this initiative is successful, local ownership of the businesses associated with the ocean products sector will, at a minimum, remain stable and, hopefully, increase. This initiative has been altered so that the focus is education and recruitment instead of on the flight of quotas from Southeast Alaskan communities. This initiative was on hold throughout much of 2012, but a new team member has stepped forward to serve as the new champion and reinvigorate the team's efforts in 2013.

4. **Refinement of USDA programs applicable to the seafood industry**
   Champion: Julie Decker, Alaska Fisheries Development Foundation

The objective is to creatively refine and better market those US Department of Agriculture (USDA) programs that apply to the seafood industry in USDA programs. The benefits would be felt in Southeast Alaska and across the nation primarily in coastal areas. Access to these programs could help stabilize some of the natural volatility of the industry, help the industry compete on a level playing field with other food producers, help the industry invest in improvements which will yield tangible economic benefits and help stabilize coastal communities. In 2012, the team determined that the USDA is not

receptive to completing an analysis of how it might creatively include the seafood industry in more of its programs. Consequently, this initiative is being refocused to evaluate how USDA programs might be refined and better marketed. The team acquired a matrix that outlines the programs of USDA Rural Development and distributed this matrix to the CWG. This matrix should help CWG members figure out how their work might fit into the USDA's areas of interest. A workshop will be held at the Innovation Summit in February, 2013 about USDA opportunities that are applicable to the seafood industry. As an indirect outcome of this initiative, a member of the team is working to complete narratives and grant proposals for three of the USDA's interest areas that apply to ocean products.

5. **Enhance Salmon Production**
   Champion: Steve Reifenstuhl, Northern Southeast Regional Aquaculture Association

The goal of this initiative is to improve the Southeast Alaska economy by increasing salmon production. Because of the establishment of the Southeast Alaska Fish Habitat Partnership, the cluster working group decided that the group's work to enhance salmon production should focus on addressing the issues facing hatcheries instead of on habitat enhancement. The initiative will lay the groundwork for additional permitted chum, pink, or sockeye salmon production on the order of 200 million eggs/fry, using existing facilities where feasible and/or constructing new facilities where necessary.

6. **Support the Regional Mariculture Industry**
   Champion: John Sund, Mariculture Advocate

The goal of this initiative is to create a strong and sustainable mariculture industry that supports vibrant coastal communities in Southeast Alaska. In 2012, the initiative team participated in the Alaska Shellfish Growers Association (ASGA) meeting and learned that there is now a mariculture loan available through the State of Alaska. The team, together with other ASGA meeting attendees, also pared down the number of activities this initiative should focus on to those that the team viewed as the most important. These activities, which the team will concentrate its efforts on in 2013, are addressing the problem of seed security and trying to attract more qualified personnel to the field of mariculture.

Southeast Alaska Renewable Energy Action Initiatives

Cluster Co-Chairs: Bill Leighty, The Leighty Foundation/Alaska Applied Sciences
Alec Mesdag, AEL&P, and Bob Deering, USFS

1. **Review Current Net Metering, Cogeneration and Small Power Production Regulation and Promote Modifications to Enhance Renewable Energy Applications**
   Champion: Vacant

The goals of the initiative are to better understand the technical limitations to net metering experienced by the utilities; foster technical solutions and promote better education of both the utilities and the rate payers; and develop new legislation improving the opportunities for application of renewable energy and CHP resources. No activity was taken in 2012.

2. Establish a Renewable Energy Revolving Loan Fund for Residences and Small Businesses to Promote Local Installation and Fueling Industries

Champion: Bar Watson, Armstrong-Keta, Inc

One of the fundamental steps in moving Southeast Alaska to a renewable energy economy is for residences and small businesses to convert from fossil fuels to using renewable energy sources such as heat pumps and pellet stoves. These renewable fuels have many advantages: they can be relatively inexpensive, the supply is local and therefore more reliable, and the consumer is protected against future oil price shocks and supply disruptions. However, despite potential significant savings on fuel costs, the initial equipment installation costs can be high and create a significant impediment to adoption for most potential users. While performance contracting is widely available for large businesses, no similar financing mechanism exists for small businesses and residences. A revolving loan fund would provide a very attractive means for enabling the installation of, or conversion to, renewable energy heating systems, with the savings in utility costs being used to pay back the capital improvement loans. This revolving loan fund could be designed to assist in converting from gas to electric vehicles as well. In February of 2012 several lobbying meetings were held. The initiative is currently on hold.

3. Conduct Market-driven Renewable Energy Economic Modeling for Southeast Alaska, including Multiple Transmission and Energy Storage Strategies

Champion: Bill Leighty, The Leighty Foundation/Alaska Applied Sciences

The goal of this initiative is to develop credible business cases for profitably harvesting and delivering to market diverse renewable energy resources in Southeast Alaska. Through the process of seven or more meetings throughout 2012, and the addition of several partners in the process, this initiative has been refocused to breaking down different parts of the ultimate deliverable into smaller parts that are more easily funded. The first of those is currently expected to be completed by or before February 11, 2013. This piece is a report of the aggregate demand for energy in our region, including all energy types, broken down by energy type and broken down by community. This data was identified as a valuable piece of information that has not yet been compiled for our region. The information has crosscutting value to anyone who is currently working or plans to work in the energy sector in the region.

4. Wood 2 Energy Demand Development Initiative

Champions: Dan Parrent and Bob Deering, USFS

The goal of this initiative is to "Replace 30% of heating oil usage with renewable biomass fuel within the next ten years." What this initiative will NOT be focusing on is the biomass supply side of the equation. The details of this goal are based in part on the results of the Southeast Alaska Integrated Resource Plan findings. A significant milestone in 2012 was the US Forest Service hiring Bob Deering on a temporary assignment from his regular position at the US Coast Guard to create a strategic plan. This roadmap will identify a transition strategy to biomass energy to complement the region's hydroelectric energy supply. In addition, the US Forest Service has allocated some of Dan Parrent's time to this effort.

Holding a kickoff meeting 11/28/2012 and 11/29/2012, this group has re-titled itself the "Wood 2 Energy Initiative" (W2E). The initiative action steps have also been redefined to include a series of sector focus group meetings to take place as part of the process of developing the implementation roadmap. Some of these meetings have already taken place, and others are scheduled for 2013. A number of meetings have been held that have generated a great deal of enthusiasm and awareness in the region for biomass thermal energy. We are seeing momentum building and more and more conversions of

facilities from oil to biomass around the region. The roadmap will be completed in 2013, and at that time the team will move into the implementation phase, all the while building momentum and awareness through the process.

5. Develop Renewable Energy Education for SE Alaska Residents, Students and Businesses

Champion: Alec Mesdag (as of January 2013)

There is a need to increase the awareness of the public—including municipal and State leadership--of renewable energy through fact-driven informational campaigns. This education will increase public support for renewable energy issues and projects, which is especially important when public policy changes (regulations, etc.) will be required for the successful development of a renewable energy industry in Southeast Alaska. Little progress was made in 2012. Contacts were made with the Renewable Energy Alaska Program, and they delivered some training in Southeast Alaska in coordination with the Alaska Center for Energy and Power. This training curriculum was partially developed with support of JEDC's STEM AK Program. Also, contact was made with the Winds for Schools Program to see about utilization of the Wind Turbine installed at the US Coast Guard facility in downtown Juneau.

People Who Participated in One or More Meetings in 2012

Visitor Products

Amanda Painter	Allen Marine Tours
Amanda Smith	Student Conservation Association
Amber King	SeaTrails
Amber Koelsch	HAP Alaska-Yukon
Andrew Thoms	The Sitka Conservation Society
Becky Janes	Above & Beyond Alaska and Alaska Boat and Kayak Center
Bill Hagevig	HAP Alaska-Yukon
Bill Ralston	
Bob Dalrymple	USDA Forest Service
Bob Janes	Gastineau Guiding
Bob Medinger	
Carol Domme	Super 8
Carol Rushmore	City of Wrangell
Chad Van Ormer	USDA Forest Service
Chris McGraw	
Clark Simpson	USDA Forest Service
Corree Delabrue	USDA Forest Service
Dave Sweat	Klondike Bike
David Lendrum	University of Alaska Southeast
David Wiechelman	HAP Alaska-Yukon
Dee Galla	USDA Forest Service
Drew Green	Cruise Line Agencies of Alaska
Erica Simpson	Spirit of Alaska Tours
Erik Boraas	Trail Mix
Ernestine Hayes	University of Alaska Southeast, School of Arts and Sciences
Eva Bornstein	Juneau Economic Development Council

Evy Kinnear	Fortress of the Bear
Faith Duncan	USDA Forest Service
Forest Wagner	University of Alaska Southeast, Outdoor Studies
Frank Seludo	Cape Fox Tours
Garry White	Sitka Economic Development Association
Greg Thomas	Orcas Cove Sea Kayaking Adventure
Hakan Sebcioglu	Chilkat Indian Village
Hans vonRekowski	USDA Forest Service
Jeff DeFreest	USDA Forest Service
Jeff Miller	USDA Forest Service
Jeff Morehouse	Alaska Wilderness League
Jennifer Berger	USDA Forest Service
Jennifer Robinson	Sitka Chamber of Commerce
Jeremy Gieser	Gastineau Guiding
Jeremy Maxand	Southeast Alaska Conservation Council
Jessalynn Rintala	Juneau Jazz and Classics
Jill Ramiel	Silverbow Inn & Bakery/Juneau Economic Development Council
Jim Collins	Allen Marine
Jim Duncan	Goldbelt
Joe Williams	Where the Eagle Walks
Joel Probst	Northern Safety Operations, LLC
Joey Wharton	Cape Fox Tours
John Blanchard	University of Alaska Southeast
John Blasco	Alaska Pacific Bank
John Dunlap	Allen Marine
John McConnochie	Cycle Alaska
Jon Martin	USDA Forest Service
Jose Crespo	New York Hotel in Ketchikan
Kaitlyn McAvoy	Wrangell Sentinel
Kari Erickson	HAP Alaska-Yukon
Karl Amylon	City of Ketchikan
Keith Appleman	USDA Forest Service
Kelli Dindinger Grummett	Alaska Travel Adventures, Inc.
Ken Leghorn	Pack Creek Outfitters
Ken Rear	Greenling Enterprises
Kendra Huffine	USDA Forest Service
Kevin McIver	USDA Forest Service
Kirby Day	Princess Cruises
Kristen Christensen	TEMSCO
Len Laurance	Mariner, Inc.
Linda Kadrlik	Adventures Afloat
Linda Kruger	USDA Forest Service
Linda Peters	The Landing
Lindsey Doctorman	University of Alaska Southeast
Lisa-Marie Ikonomov	Goldbelt
Lorene Palmer	DCCED
Louis Juergens	Alaska Galore Tours
Lynn Humphrey	USDA Forest Service

Mark McKernan	Huna Totem Corporation
Marsha Sousa	University of Alaska Southeast
Marti Marshall	USDA Forest Service
Maryann Ray	Pearson's Pond Bed & Breakfast
Matt Jurak	USDA Forest Service
Melanie Lesh	Gustavus City Council
Michael Briggs	Alaska Sportfishing Expeditions
Milton Fusselman	USDA Forest Service
Mim McConnell	Sitka
Molly Kiesel	Juneau Jeep Adventures
Neil Nickerson	Blue Nose Surf
Nikki Powis	State of Alaska
Odin Brudie	DCCED
Patti Mackey	Ketchikan Visitors Bureau
Paul Brewster	USDA Forest Service
Ptarmica McConnel	Shee Atika
Rene Ditton	Alaska Amphibious Tours
Rick Wolk	University of Alaska Southeast, School of Management
Ron Hohman	Self
Sean Smith	Glacier Gardens
Shauna Lee	The Great Alaskan Lumberjack Show
Shelly Wright	Southeast Conference
Tim Gillen Sr.	WCA
Tim McDonnell	TEMSCO
Tim Rooney	CBW
Tis Peterman	WCA
Tonia Rioux	Sitka Convention and Visitors Bureau
Tory Korn	Alaska Rainforest Sanctuary/Alaska Canopy Adventures
Tricia O'Connor	USDA Forest Service
Wendy Chatham	Taquan Air

Mining Services & Supplies

Alison Bidlack	Alaska Coastal Rainforest Center
Amy Dieffenbacher	Aurora Geosciences
Bill Bennett	Alaska Coastal Aggregates
Bill Cole	POWTEC LLC
Bill Wilcox	Southeast Mine Supply
Blaine Ashcraft	PSSA/RME
Bob Grimm	Alaska Power & Telephone Company
Carin Smolin	Juneau School District
Cathie Roemmich	Juneau Chamber of Commerce
Chris Gerondale	CMI Construction Machinery Industrial
Chris Gianotti	PND Engineers, Inc.
Chris Gilberto	North Pacific Erectors, Inc.
Chuck Hawley	Hawley Resource Group/Herbert Glacier

Corine Geldhof	DLWD/Division of Business Partnerships
Connie McKenzie	Office of Congressman Don Young
David Wetzel	Admiralty Environmental
David Wilfong	DNR/Office of Project Management & Permitting
Dylan Ashe	Channel Construction
Elaine Price	Southeast Conference
Eric Eichner	TEMSCO Helicopters
Eric Holst	HECLA Greens Creek Mining Company
Eric Vance	Waste Management
Fred Sayre	HECLA Greens Creek Mining Company
Graham Neale	Heatherdale Resources
Heather Marlow	City & Borough of Juneau
Heather Parker	Office of Senator Begich
Howard Lockwood	AMEX Mining
Jan Trigg	Coeur Alaska Kensington
Jason Ginter	NORTECH
Jason Hart	HECLA Greens Creek Mining Company
Jeff Duvernay	Harri Plumbing & Heating
Jeff Wray	Tyler Rental
Jennifer Adelman	DCCED/DED/Minerals
Jessica Lopez Pearce	USDA Forest Service
Jim Dickey	Alaska Pacific Powder Company
Jim Williams	F&H Mine Supply
Joan Roomsburg	City & Borough of Juneau
John Eason	Innospec
John Pugh	University of Alaska Southeast/Juneau Economic Development Council
Jon Martin	USDA Forest Service
Justin Shearer	NC Machinery
Ken Collison	Ucore Rare Metals, Inc.
Kurt Fredriksson	Juneau Economic Development Council
Kyle Moselle	DNR/Office of Project Management & Permitting
Lance Stevens	Alaska USA Federal Credit Union
Lisa Harbo	DCCED/DED/Minerals
Lori Sowa	University of Alaska Southeast
Mark Mickelson	Juneau Economic Development Council
Marquam George	University of Alaska Southeast
Michael Catsi	AIDEA
Michael Story	R&M Engineering
Michael Wilson	Coastal Helicopters
Mike Bell	University of Alaska Southeast
Mike Highley	Northland Services
Mike Satre	Council of Alaska Producers
Mike Stewart	Alaska Marine Lines
Peter Naoroz	Kootznoowoo
Randy Wanamaker	Berners Bay Consortium
Rick Harris	Sealaska
Rick Olson	Olson Marine, Inc.
Rick Shattuck	Shattuck & Grummet Insurance

Robin Gilcrest	University of Alaska Southeast
Roger Calloway	Reliable Transfer
Sally Smith	Office of Senator Begich
Scott Hartman	HECLA Greens Creek Mining Company
Sean Conley	Napa Service Auto Parts
Sigrid Dahlberg	Carson Dorn, Inc.
Stan Roemmich	Coeur Alaska Kensington
Steve Kikendall	Tyler Rental
Tim McDonnell	TEMSCO Helicopters
Tony Barajas	Austin Powder Company

Ocean Products

Aaron Ferguson	Juneau Economic Development Council
Anthony Lindoff	Ha'ani/Sealaska
Austin Williams	Trout Unlimited
Cynthia Pring-Ham	Alaska Department of Fish and Game
Debbie Hart	Southeast Alaska Fish Habitat Partnership
Deborah Hayden	Grow Ketchikan
Doug Ward	Alaska Ship & Drydock
Geron Bruce	Alaska Department of Fish and Game
Greg Fisk	SeaFisk Consulting
Greg Killinger	Tongass National Forest
Heather Hardcastle	Trout Unlimited
Jason Custer	Ketchikan Marine Industry Council
Jeff Weltzin	
Jeff DeFreest	USDA Forest Service
Jeremy Maxand	Southeast Alaska Conservation Council
Jim Seeland	Sitka Sound Science Center
John Sund	Oceans Alaska
Jon Martin	USDA Forest Service
Julie Decker	Alaska Fisheries Development Foundation
Kaitlyn McAvoy	Wrangell Sentinel
Kathy Hansen	Southeast Alaska Fishermen's Alliance
Karen Hardigg	USDA Forest Service/The Nature Conservancy
Keith Criddle	SFOS UAF
Keith Perkins	USDA Rural Development
Kipha Valveda	EDC Wrangell
Kris Norosz	Icicle Seafoods
Linda Coons Auger	Alaska Small Business Development Center
Mike Round	Ocean's Alaska SSRAA
Patricia Phillips	Pacific Fishing Inc.
Phil Doherty	SARDFA (Dive Fisheries Assoc)
Ray Rolonde	Sea Grant Marine Advisory Program
Rodger Painter	Alaska Shellfish Growers Association
Shannon Stevens	Alaska Airlines

Shelly Wright	Southeast Conference
Stefanie Moreland	Office of Governor Parnell
Tim Rooney	CBW
Tom Fletcher	Student
Tom Gemmell	United Southeast Alaska Gillnetter's Association
Tom Henderson	Oceans Alaska
Wade Zammit	Sealaska

Renewable Energy

Al Roskam	Alaska Pellet Supply
Alec Mesdag	Alaska Electric Light & Power Company
Alice Edwards	Alaska Department of Environmental Conservation
Allen Brackley	USDA Forest Servie
Andrew Gamble	Clan Leader
Bill Leighty	The Leighty Foundation/Alaska Applied Sciences, Inc.
Bob Claus	Southeast Alaska Conservation Council
Bob Deering	US Coast Guard
Brad Ewing	Alaska Coastal Rainforest Center
Brian Hirsch	National Renewable Energy Laboratory
Brian Kleinhenz	Sealaska
Cindy Bremner	Yakutat
Dan Parrent	USDA Forest Service
Darsie Culbeck	Haines Borough
David Dungate	ACT Boilers
David Harris	USDA Forest Service
Devany Plentovich	AEA
Duff Mitchell	Juneau Hydropower, Inc.
Elaine Price	Southeast Conference
Erica Hupp	USDA Forest Service
Jennifer Robinson	Sitka Chamber of Commerce
Jess Daniels	Angoon
Jessica Beck	City & Borough of Juneau
Jim Penor	City & Borough of Juneau
Joanne Wiita	Tlingit & Haida Regional Housing Authority
Karen Petersen	UAF Cooperative Extension Service
Keith Rush	The Nature Conservancy
Maxine Thompson	Angoon
Nathan Ratz	CTA Engineers
Norman Cohen	The Nature Conservancy
Pierre Khalil	US Coast Guard
Ray Wilson	Clan Leader
Richard George	Angoon
Teresa Haugh	USDA Forest Service
Trevor Sande	Tongass Forest Enterprises
Wendy Zirngibl	USDA Forest Service
Weston Eiler	Legislature

Research and Development

Alana Peterson	Central Council Tlingit & Haida Indian Tribes of Alaska
Anne Beaudreau	University of Alaska Fairbanks, School of Fisheries & Ocean Sciences
Bill Hanson	US Fish & Wildlife Service
Bill Leighty	The Leighty Foundation/Alaska Applied Sciences, Inc.
Bob Vieth	Juneau Economic Development Council
Bruce Botelho	City & Borough of Juneau
Carl Dierking	NOAA
Christopher Sergeant	National Park Service
Colin Shanely	The Nature Conservancy
Daniel Monteith	University of Alaska Southeast
David D'Amore	USDA Forest Service
Eran Hood	University of Alaska Southeast
Jeffrey Guyon	NOAA Auke Bay Lab
John Pugh	University of Alaska Southeast
Jon Martin	USDA Forest Service
Keith Criddle	SFOS UAF
Leilani Knight-McQueen	Central Council Tlingit & Haida Indian Tribes of Alaska
Linda Shaw	NOAA
Lyman Thorsteinson	USGA Alaska Area
Mark Wipfli	University of Alaska Fairbanks
Marsha Sousa	University of Alaska Southeast
Mayumi Arimitsu	USGS Alaska Area
Megan McPhee	University of Alaska Fairbanks, School of Fisheries & Ocean Sciences
Michael Goldstein	Alaska Coastal Rainforest Center
Richard Caulfield	University of Alaska Southeast
Rick Edwards	USDA Forest Service
Shannon Atkinson	University of Alaska Fairbanks
Tom Ainsworth	NOAA NWS Forecast Office
Zach Wilkinson	Juneau Economic Development Council

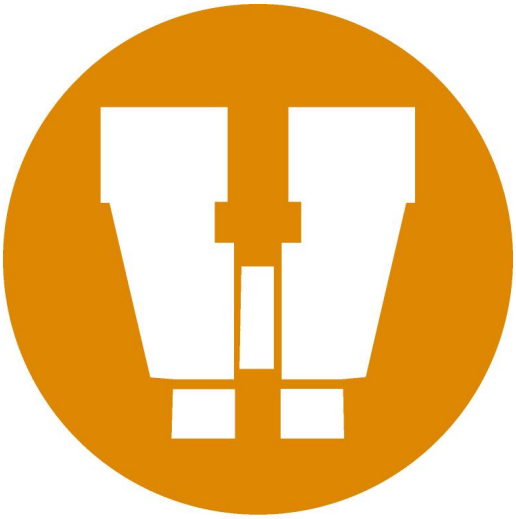
Southeast Cluster Initiative Meeting Schedule January 2012 - Decenber 2012

Date	Ocean Products	Visitor Products	Renewable Energy	Mining Services	Research Framework	Co-Chair Meetings
January						
1/24/2012 Tuesday			Initiative #2, Revolving Loan Fund Meeting			
1/27/12 Friday			Initiative #3 Economic Modeling Meeting			
1/31/12 Tuesday		Initiative #1 Land and Water Trails teleconference				
February						
2/2/12 Thursday		Visitor Products Updates Teleconference				
2/6/2012 Monday			Initiative #2, Revolving Loan Fund Lobbying			
2/7/2012 Tuesday			Initiative #2, Revolving Loan Fund Lobbying			
2/10/12 Friday				Juneau - Informational Meeting		
2/14/12 Thursday			Meeting with ACRC for research support			
2/22/12 Wednesday	Ocean Products Updates Teleconference					
2/23/12 Thursday		Initiative #5 UAS				
2/24/12 Friday		Ketchikan - Informational Meeting	Initiative #3 Economic Modeling Meeting	Ketchikan - Informational Meeting		
March						
3/1/12 Thursday						Teleconference
3/6/12 Tuesday		Initiative #4 Fees Teleconference				
3/8/12 Thursday		Visitor Products Updates Teleconference				
3/15/12 Thursday						Teleconference
3/16/12 Friday		Initiative #1 Land and Water Trails Teleconference				

Date	Ocean Products	Visitor Products	Renewable Energy	Mining Services	Research Framework	Co-Chair Meetings
3/19/12 Monday			Initiative #3 Economic Modeling Meeting			
3/23/12 Friday						Briefing with Undersecretary Butch Harvey
3/30/12 Friday				CWG Meeting #1 Location: Juneau		
April						
4/4/12 Wednesday		Initiative #5 UAS Meeting				
4/10/12 Tuesday		CWG Meeting #4 Location: Ketchikan				
4/11/12 Wednesday	CWG Meeting #4 Location: Ketchikan					
4/12/12 Thursday	Wrangell - Informational Meeting	Wrangell - Informational Meeting				
4/16/12 Monday					Coordination meeting #1	
4/20/2012 Friday				Steering Committee Meeting		
4/27/12 Friday		Visitor Products Updates Teleconference				
May						
5/4/2012 Friday				CWG Meeting #2 Location: Juneau		
5/14/2012 Monday				PAI #4 Procurement Event meeting		
5/22/12 Tuesday					Coordination meeting #2	
5/25/12 Friday				PAI #4 Procurement Event meeting		
5/29/12 Tuesday				PAI #7 Environmental Science meeting		
5/30/12 Wednesday	Ocean Products Updates Teleconference					
June						
6/7/2012 Thursday					Agenda team meeting	
6/12/12 Wednesday				PAI #7 Environmental Science meeting		

Date	Ocean Products	Visitor Products	Renewable Energy	Mining Services	Research Framework	Co-Chair Meetings
6/15/12 Wednesday				PAI #1 Improved Technical Services meeting		
6/18/12 Monday			Initiative #3 Economic Modeling meeting			
6/20/12 Wednesday					Agenda team meeting	
6/28/12 Thursday				PAI #6 Sales Tax Cap meeting		
July						
August						
8/8/2012 Wednesday			Initiative #3 Economic Modeling meeting			
8/9/12 Thursday				PAI #2 Trades Career Pathways meeting		
8/17/12 Friday			Initiative #3 Economic Modeling meeting			
8/21/12 Tuesday			Initiative #3 Economic Modeling meeting			
8/29/2012 Wednesday			CWG refocus meeting			
8/31/2012 Friday				PAI #8 Canadian Trade meeting PAI #5 Industrial Land meeting		
September						
9/18/12 Tuedsay				PAI #3 Networking Opportunities meeting		
October						
10/5/2012 Friday				CWG Meeting #3, Centennial Hall, Juneau		
10/15/2012 Monday				Initiative #4 Develop Industrial Land		
10/19/2012 Friday				Initiative #1 Develop Juneau as a Regional Rebuild Service Center		
10/22/2012 Monday	Ocean Products Co-Chairs teleconference					

Date	Ocean Products	Visitor Products	Renewable Energy	Mining Services	Research Framework	Co-Chair Meetings
10/24/12 Wednesday			Wood-to-Energy Planning meeting			
10/26/12 Friday			Wood-to-Energy Planning meeting	Initiativem#2 Trades Career Pathways		
10/29/12 Monday		Sitka - Informational visit				
November						
11/2/12 Friday		Initiative #1 Trails meeting				
11/8/12 Thursday	Initiative #10 Mariculture meeting					
11/16/12 Friday		Visitor Products Updates Teleconference				
11/20/12 Tuesday	Ocean Products Updates Teleconference		Wood-to-Energy Planning meeting			Teleconference
11/28/12 Wednesday			Wood-to-Energy Conference			
11/29/2012 Thursday			Wood-to-Energy Conference			
December						
12/7/12 Friday		Initiative #1 Trails Meeting				
12/11/12 Tuesday				Initiative #3 Vocational and Trades Traning Initiative #4 Industrial Land		
12/12/12 Wednesday				Initiative #5 Career Building		
12/17/2012 Monday		Visitor Products Updates Teleconference		Mining Services and Supply Updates Teleconference		
12/19/2012 Wednesday			Renewable Energy Updates Teleconference			
12/20/2012 Thursday	Ocean Products Updates Teleconference					
12/21/2012 Friday		Initiative #5 UAS Meeting				



VISITOR
PRODUCTS

CLUSTER WORKING GROUP

Co-chair: Kirby Day

Cluster Working Group Meetings	
February 2, 2012	Teleconference
February 24, 2012	Ketchikan Informational Meeting
March 8, 2012	Teleconference
April 10, 2012	Ketchikan CWG Meeting
April 12, 2012	Wrangell Informational Meeting
April 27, 2012	Teleconference
October 29, 2012	Sitka Informational Meeting
November 16, 2012	Teleconference

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information		
Cluster:	Visitor Products	
Initiative:	Develop Land and Water Trails and Support Facilities	
Goal:	The goal of this initiative is to develop and maintain a safe, accessible and diverse land and water trail system, both non-motorized and motorized, that allows for optimum outdoor recreational use of the region by residents and visitors, promotes increased visitation to local communities and promotes wellness through physical activity, while protecting the region's natural and cultural resources.	
Champion:	Jeremy Gieser, Gastineau Guiding, jeremy@gguiding.com Trail packages: Jill Ramiel, Silverbow Inn, jill.ramiel@gmail.com Trail conference: Linda Kruger, USFS, PNW Research Station, lkruger@fs.fed.us; Odin Brudie, Alaska Office of Tourism Development, odin.brudie@alaska.gov	
Team:	Amanda Smith, Student Conservation Association Amber King, SEAtrails Becky Janes, Above & Beyond Alaska and Alaska Boat & Kayak Center Bob Janes, Gastineau Guiding Carol Rushmore, City of Wrangell Clark Simpson, USFS, Developed Rec Program Mgr, Misty Fiords Erik Boraas, Trail Mix Hans vonRekowski, USFS, Recreation, Lands, Minerals staff officer Jill Ramiel, Silverbow Inn Jim Duncan, General Manager, Mt Roberts Tramway John McConnochie, Cycle Alaska Ken Leghorn, Pack Creek Outfitters Linda Kruger, USFS, PNW Research Station Lindsey Doctorman, University of Alaska Lynn Humphrey, USFS, Regional Recreation and Tourism Program Mgr Marti Marshall, USFS District Ranger Mary Ann Ray, Pearson's Pond B&B Milton Fusselman, USFS, Natural Resource Specialist Neil Nickerson, Blue Nose Surf Odin Brudie, Alaska Office of Tourism Development Paul Brewster, USFS, Assistant Dir. Program	asmith@thesca.org amber@seatrails.org becky@beyondak.com bob@gguiding.com ecodev@wrangell.com csimpson@fs.fed.us erik@juneautrails.org hvonrekowski@fs.fed.us jill.ramiel@gmail.com jim.duncan@goldbelt.com jpm@gci.net ken@packcreekoutfitters.com lkruger@fs.fed.us ljdoctorman@uas.alaska.edu lhumphrey02@fs.fed.us mmarshall01@fs.fed.us maryann@pearsonspond.com mfusselman@fs.fed.us sup@bluenosesurf.com odin.brudie@alaska.gov pbrewster@fs.fed.us

	Development Tricia O'Connor, USFS, Deputy Forest Supervisor	poconnor@fs.fed.us

Meeting Summaries		
Date:	Attendees:	Outcome:
12/17/12	CWG monthly call-in	Next steps are to meet at the local level with Marti Marshall and others from the FS to discuss what can and can't be done on the Wilderness boundries.
12/7/12	Becky Janes, Erik Boraas, Jeremy Gieser, Jill Ramiel, Jon Martin, Ken Leghorn, Linda Kruger, Milton Fusselman, Neil Nickerson, Odin Brudie, Brian Holst, Eva Bornstein	Purpose of meeting was to get ideas from industry and entrepreneurs - What are the opportunities and challenges to bringing a "trails" product/package forward? Discussion identified four areas of need: marketing, infrastructure cost of access and regulation. A summary of discussion for each follows: Marketing: • The small operators are dependent on larger entities to generate information on what is available. They do not have the budget or resources for promotion. Packages need to be marketed with government support – city, state and Forest Service (FS). • For independent traveler packages – hub and spoke is best. Hub and spoke from Juneau is Glacier Bay – Skagway – Tracy Arm. Get Juneau known as hub for - Chilkoot Trail, Glacier Bay. Develop hub and spoke for Ketchikan and Sitka and then connect communities for multi-community itineraries. • FS website can be more commercial friendly by providing links to commercial opportunities to visit the wilderness – this is a service to the public. Mendenhall Glacier Visitor Center/Tongass websites should link to commercial outfitters and guides. Also commercial links should be available through Seatrails and CVBs. B&Bs also need information to pass on to guests. • The use of freelance writers who take the trips is a cost effective marketing tool. • AZ put together coordinated itineraries with providers – look at this example of state promotion. Infrastructure: • Consider a cabin at Herbert Glacier. Could commercial operators build their own commercial use cabin? • Tracy Arm is a good place to build a mixed use – public and

		commercial use - cabin or platforms. Wilderness Act limits are a barrier to infrastructure development, but legal structures are in place to do things like this in wilderness. Other places have set precedents with concession sites - yurts are popular because can be taken down. Look at Wilderness boundaries to develop infrastructure. • People prefer a loop rather than an out and back for a multiday experience. Trail connections could be created by putting temporary yurts in between existing cabins. Put in yurts that are a day ski apart on the wilderness boundary. • Tongass is looking at opening up forest service cabins to outfitters and guides. However, the reservation system for the cabins is not compatible with commercial use. Operators are working one year out, but cabin reservations system is only 6 months out. Jon Martin will check into why the six months limitation is in place. • The visitor experience to the Tongass could be easily enhanced by small infrastructure amenities - small value added features, such as viewing decks on trails, would make visitors more comfortable. The FS should look at commercial activity as a service to the public that facilitates a visit to the wilderness - and partner with outfitters to enhance the visitor experience. Commercial outfitters should articulate barriers and make needs know by writing letters to Forrest Cole, Forest Supervisor, to request infrastructure. • Cabin rental is undervalued. FS is not getting the money they should – and need. Cost of access: • The local, and regional, family and friends market is huge and untapped, but options are needed that keep cost of access down. • Water taxis to shuttle equipment to start of itinerary are too expensive. Outfitter/guides would like to have ability to keep kayaks and canoes out at tour locations so clients can fly in and rent equipment from there as a way to keep costs down for the client. Regulation: • There is no option in between an equipment rental business that cannot help facilitate the trip into the wilderness and a fully guided tour. FS should figure out how to allow/permit an outfitter to provide incidental/occasional guiding service. To do any level of guiding, an outfitter/guide needs expensive insurance, and a permit is needed one year in advance. The result is so much overhead for outfitter/guide that a high volume is the only way to

		be profitable, so visitors are concentrated on a few high volume trails. A mindset shift is needed for the FS - to promote/encourage lighter commercial usage throughout the Tongass instead of concentrated usage in a few places. • Get comments into the Shoreline II plan. The FS is working on the Wilderness Commercial Needs Assessments (WNA) for Admiralty Island NM, and Hoonah, Juneau and Sitka Ranger districts. A WNC determines if commercial enterprise is necessary to assist in providing access, services or other assistance for recreational users. More information about the project is found on the project website at go.usa.gov/Pzi. Jeremy Gieser, Gastineau Guiding, will take over as champion of the initiative. Jill Ramiel will support Jeremy in work related to developing packages, and Linda Kruger and Odin Brudie will support Jeremy in work on a Trails conference.
11/2/12	Amber King, Odin Brudie, Linda Kruger, Eric Boraas, Jeremy Gieser, Bob Janes, Lynn Humphrey, Eva Bornstein, Carol Rushmore, Aaron Ferguson, Brian Holst, Ed Grossman	The group reviewed the original list of 8 action plan activities for this initiative and made suggestions to pare down and combine. Odin Brudie volunteered to rework the list. The Status Report below has been updated to reflect the revised and reordered list of activities. The group's current focus is on developing one or two trail itineraries as coordinated "packages" that could marketed to (receptive) tour operators. The group will organize a meeting for 12/7/12 to gauge interest from commercial operators in building a product. The group then discussed presenting these itineraries to (receptive) tour operators and adventure tour companies for feedback and to explore barriers faced by those tour operators. Continuing to address gaps in long distance trails, and huts/cabins and trying to find funding is also a priority. The group discussed creating a list of community trail maps and their availability. The Juneau Trail Map has been very successful, and has sold 5000 copies. Developing trail maps for communities that don't have one, or have an outdated one, is recommended, as is a trail map for all of Southeast. Linda would still like to see a white paper or a delineation of the Return on Investment for trails that draw visitors.
4/27/12	CWG monthly call-in	It was suggested at the updates teleconference that community representatives and commercial users need to be invited to participate in the trails initiative so that trails are developed in cooperation with communities to make sure they will get local use as well as commercial use. Funding is needed for the proposed white paper to catalogue potential regional trail assets, provide proposals for long distance trails, and evaluate usability and

		economics.
4/10/12	Ketchikan Cluster Working Group meeting	Clark Simpson, Developed Rec Program Manager, USFS Ketchikan Ranger District/Misty Fiords National Monument, has joined the initiative team.
3/16/12	Amber King, SEAtrails; Bob Claus, SEACC; Charles Horan, Sitka Trail Works; Eileen Chanquet, Sitka Trail Works; Ed Grossman, USFS; Erik Boraas, Trail Mix; Heather Rice, NPS RTCA; Jack Mosby, Alaska Trails; Jacqueline Ashwell, Klondike Goldrush National Historic Park; Jeremy Gieser, Gastineau Guiding; John Neary, USFS; Karen Petersen, POW; Linda Kruger, USFS; Odin Brudie, AKDCCED; Theresa Thibault, Klondike Goldrush National Historic Park; Eva Bornstein, JEDC	Theresa Thibault of the Chilkoot Trail - Klondike Goldrush National Historic Park gave the group an overview from the perspective of the only multi-day trail in the region. She estimated usage to be about 3,000-4,000 hikers each year. The core demographic is baby boomer age, particularly families with teenagers. She also estimated that 30% of hikers are from within the region. They do not collect data on hikers, but Parks Canada does. A couple of outfitters have commercial use authorization. Groups are kept to no more than twelve. The limited number of campsites available and the limit on the number that can cross into Canada each day all limit commercial use. The heavy use of the trail is the lower two miles where commercial groups walk in and float out. John Neary commented on the Cross Admiralty Canoe and Kayak trail. This is a historic trail in a designated wilderness. No guided service offers transit. It is underutilized, mostly used by Juneau residents. It is 30 miles in length with easy access at one end by state ferry, but requires a plane pick up at the other end. The shore line plan will say how much guided use is appropriate. Discussion followed on the decline of the use of the Chilkoot Trail since a high point a decade or two ago. Commercial trips on the Tatshenshini River are also down from years ago. The region has also seen demise in the number of commercial outfitter tours in the region. Tourism was high when the Tongass debate was in the news in the 80's, bringing visitors to see the endangered rainforest. The Denali corridor now out-markets Southeast. The decline also coincides with the decline of the state funds to market Southeast. Linda proposed that the next step is the development of a concept paper to examine the economic impact of long distance trails, both the Chilkoot and other examples. It would also catalogue potential regional trail assets, provide proposals for long distance trails, and evaluate usability and economics. Sitka Trail Works would like to see a long distance trail in South Sitka Sound that would tie in to Goddard Hot Springs. It was suggested that a long distance trail should be accessible to the cruise market at both ends to generate revenue. Several trails out

		of Juneau on the ice field side were discussed, including access from the Mt. Roberts tram and from a Lemmon Creek multi-user trail. Linda also suggested the group work toward a regional trails symposium in 2013. A funding session should be part of this symposium. Funding availability was discussed. The Forest Service, because of a declining budget, is not building new infrastructure. New trails need a sustainability model from a commercial perspective. Juneau has potential for long distance trails, but some commented that fixing existing trails should get priority over building new ones. POW has new shelters built for a water trail on the west side and a new cabin on the east side. The Harris River trail interconnect could be an 18 mile walk across the island with access by ferry in Hollis. There is potential for a hut to hut water trail on the west coast. There are also miles of road for potential loop biking routes. Jacqueline offered her office as a conduit to get information about trails to an urban audience. Next steps: Linda Kruger, Jeremy Geiser, Sitka Trail Works, and Amber King volunteered to develop a proposal for a trails conference. Linda Kruger, Jeremy Geiser, Erik Boraas, Odin Brudie and Amber King will develop an outline for the regional trails white paper.
3/8/12	CWG monthly call-in	The team has invited all trail organizations and agencies to participate in a conference call on March 16. The goal is to update all groups on what is happening on local trails in the region, to discuss ideas for long distance trails, and to determine interest in a trails summit.
1/31/12	Linda Kruger, Amanda Smith, Odin Brudie, Lynn Humphrey, Carol Rushmore, Marti Marshall, Hans von Rekowski, Eva Bornstein	Group will organize a teleconference for all trail groups in region to identify interest in long distance trails development and to share information. Lynn will work with Amber to look at a way to catalogue existing trails. Amanda will connect Linda with REI Alaska rep to bring into discussion.

Initiative Action Plan Update		
Activity 1:	Review SEAtrails plans and meet with SEAtrails board members.	Activity Date:
	Representatives from the Tongass National Forest and the Visitor Products - Trail Initiative Team and SEAtrails (Southeast Alaska trails nonprofit) met in Ketchikan to discuss common interests and opportunities to work together. Outcome: SEAtrails has revised the organization's mission from funding trail infrastructure to promoting a regional interconnected trail system through a web portal providing comprehensive and interactive trail information.	9/12/11
Activity 2:	Coordinate with regional trail groups to identify and evaluate levels of interest in working on a coordinated effort.	Activity Date:
	Regional trail group teleconference held. Outcome: High level of interest in continued regional dialogue and support of a regional trails conference.	3/16/12
Activity 3:	Identify trail-based recreation opportunities that can be expanded or initiated, including longer trails (hiking, kayaking and bicycling) and cabins and other support facilities.	Activity Date:
	The initiative team convened a group of small business owners and entrepreneur to get input on the opportunities and challenges to bringing a "trails" product/package forward. Two needs emerged that the group will take action on: barriers to marketing (see activity 5) and infrastructure needs. To identify trail-based infrastructure support opportunities, the group will meet with Marti Marshall and others to explore opportunities, legalities and precedents for infrastructure development along Wilderness boundaries. The group would like to see small infrastructure amenities such as platforms for camping in Tracy Arm, a viewing deck at Pack Creek, and structures to store rental canoes or kayaks at selected sites. Jeremy to schedule with Marti Marshall in December 2012.	12/7/12
Activity 4:	Identify and catalog current trails and trail networks in Southeast.	Activity Date:
	SEAtrails has a good inventory started but it may not be complete. Lynn Humphrey, Amber King and Eric Boraas (SEAtrails) have begun working on this. SEAtrails is looking for funding to add trails and trail information to an enhanced web application. A tour of the SEAtrails website is found at: http://prezi.com/ubuceru4dq1w/seatrails-website-tour/#	11/2/12

Activity 5:	Develop and market itineraries that enable visitors to experience one or more communities via local tail systems and publish (on line and in print) an artistically rendered map for visitors and area residents, with information on trails and other recreation amenities and stories of the region's rich culture and history.	Activity Date:
The initiative team convened a group of small business owners and entrepreneur to get input on the opportunities and challenges to bringing a "trails" product/package forward. Two needs emerged that the group will take action on: barriers to marketing and infrastructure needs (see Activity 3). The small operators do not have the budget or resources for promotion and are dependent on larger entities to generate information on what is available. The group would like to work with the FS to have the Tongass/Mendenhall Glacier websites provide links to the commercial opportunities available to visit the wilderness – this is a service to the public. The websites could link to all the permitted commercial outfitters and guides, in order not to be preferential. Also commercial links should be available through Seatrails and CVBs.		12/7/12
The initiative working group will develop a list of commercial trail operators in the region. Working with these operators, and starting with some of the trails identified in the (established) SEAtrails network of trails (including trails that are open to commercial use), develop some itineraries. The group will organize a meeting for 12/7/12 to gage interest from commercial operators in building a product - coordinated trail "packages" - to market to receptive tour operators. The group also discussed presenting these itineraries to tour operators for feedback and to explore barriers to entry faced by those tour operators.		11/2/12
Activity 6:	Identify and evaluate levels of interest among individuals, organizations and agencies and develop priorities for a regional trails summit and develop a plan to move forward.	Activity Date:
The working group discussed participation in the Alaska Trails statewide trails conference in April 2013. Odin Brudie contacted Alaska Trails, who have not yet tied down their conference location and agenda.		11/2/12

Other Informational Items

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information		
Cluster:	Visitor Products	
Initiative:	Increase Guided Access to Land	
Goal:	Agency permitting processes are limiting economic opportunity in the tourism industry in the Tongass National Forest and other public lands. This initiative addresses the lack of permitting flexibility to make quick changes in response to market conditions (more adaptive management and a more micro managed approach). The outcome will be more access to public lands and to existing areas to increase capacity.	
Champion:	John McConnochie, Cycle Alaska, jpm@gci.net	
Team:	Chad Van Ormer, USFS, Ranger Admiralty Island Hans vonRekowski, USFS, Recreation, Lands, Minerals Staff Officer Jeff Miller , USFS, Partnerships & Business Development Kelli Grummett, Alaska Travel Adventures Kirby Day, Princess Cruises Louis Juergens, Alaska Galore Tours Marti Marshall, USFS District Ranger Molly Kiesel, Juneau Jeep Adventures	cvanormer@fs.fed.us hvonrekowski@fs.fed.us jeffmiller@fs.fed.us kdindinger@bestofalaskatravel.com kday@princesscruises.com louis@alaskagalore.com mmarshall01@fs.fed.us info@juneaujeep.com

Meeting Summaries		
Date:	Attendees:	Outcome:
12/17/12	CWG monthly call-in	The goal of the group now is to help the Forest Service update the MGRA Master Plan. This is the best way to formalize and expedite maximum usage days. They would like to seek funding to accelerate the update. No activity since last report.
11/16/12	CWG monthly call-in	The 15,000 additional temporary use days for 2012 worked well. No negative comments were received. The group is looking for the same temporary increase for next summer. The goal of the group now is to help the Forest Service update the MGRA Master Plan, which is 15 years old and an obstacle to increasing use days on a long term basis.

		The group expressed praise for the flexibility of the Forest Service to look at ways to increase capacity. In other parts of the region, Misty Fjords and POW recently updated their commercial use plan and can now offer additional use permits. Wrangell also has an updated plan and is looking at innovative ways to increase allocation at Anan.
4/27/12	CWG monthly call-in	The 15,400 additional temporary use days will be monitored over the summer and evaluated in the fall as to how well they were used during off peak time. MGRA priority now is to get commercial use capacity done for Master Plan update.
3/8/12	CWG monthly call-in	This fall/winter the group will recap the use of the 15,400 additional temporary use service days awarded last fall at the MGVC. Because it was off peak times, it may not reflect peak time needs. The group will continue to work collaboratively with the USFS to look at ways to add capacity without negative impact. In the fall the group will work to strengthen the TBMP (Tourism Best Management Practices) to address how operators/outfitters/guides conduct themselves on Forest Service lands. Longer term, the group will also continue to follow the development of the new area master plan.
2/2/12	CWG monthly call-in	The group will continue to be involved in the MGRA Master Plan update. The comment period for this plan has passed, but we will keep monitoring it to see when next we can be involved. The group will continue to monitor that the plan allows the District Ranger the flexibility to meet market demands in a timely manner regarding access. The group will continue to make sure increased access does not deter from the guests experience. Marti Marshall reported that the FS is working on the MGRA carrying capacity analysis, has finished the Misty Fjords carrying capacity analysis and is finishing up the POW analysis. Having these plans in place will help with flexibility to make access adjustments more quickly. Next to be started are shoreline access capacity studies for Juneau, Hoonah, Sitka and Admiralty Island. This study will take a couple of years, but again will speed up access and help flexibility when in place. There was also discussion that the MGRA Master Plan is focused on commercial use and capacity, but there is also a need for a master plan that focuses on facilities and infrastructure needs.

Initiative Action Plan Update		
Activity 1:	Be involved in Mendenhall Glacier Recreation Area Master Plan update to insure we have predictable and stable long term increases in access to the area. Make sure plan allows the District Ranger the flexibility to meet market demands in a timely manner regarding access.	Activity Date:
The group is waiting for the results of the Fee Board meeting to see how fees are allocated for 2013. We will then meet with Marti Marshall and discuss the best way forward to ensure that the master plan is on as fast a track as feasible. The completion of the master plan is the key initiative to complete in order to be able to discuss allocation of additional use days on a more permanent basis.		12/31/12
Activity 2:	Improve the responsiveness and efficiency of FS permitting.	Activity Date:
Kirby Day will contact Marti Marshall early January 2013 to discuss the use of the 2012 temporary use days and confirm with her the process going forward to achieve similar allocation for 2013. On September 28, Marti Marshall of the USFS authorized 15,400 additional temporary use service days at the MGVC for 6 current permit holders. Everything that was asked for was awarded; however, extra space is in off-peak time. Will need to know the access number by mid-July of 2012 for 2013 contracts. The problem was identified as a conflict of calendars. USFS staff is in the field in the summer and doesn't have time to make allocation decisions until the fall/winter. However, cruise ship negotiations take place in late summer. The problem comes down to a timing discrepancy which needs to be addressed for a long term solution to the problem.		12/31/12 9/28/11 9/23/11
Activity 3:	After the season ends commit to meet and discuss outcome of the adjustments. This would include operators, District Ranger, permitting officers, etc.	Activity Date:
Impact of the increased usage days were reviewed informally with the FS during other meetings. The 15,000 additional temporary use days for 2012 worked well. No negative comments were received. All felt that it had been a success.		Fall 2012
Activity 4:	Investigate comment card from FS to gauge and monitor guests	Activity Date:

	experience.	
No Activity.		
Activity 5:	Strengthen the partnership between outfitters/guides and the FS (e.g. through certifications, training, TBMP guidelines for public lands.) Goal is quality experience for all.	Activity Date:
No Activity.		

Other Informational Items

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information		
Cluster:	Visitor Products	
Initiative:	Promote Multi-Community and Regional Visitor Packages	
Goal:	The objective is to facilitate the independent tourist to design their own multi-community tour using ferry, small air carrier or jet, in order to bring the independent tourist to the smaller communities. This initiative will promote multi-community, regional visitor itineraries through better marketing and promotion of these opportunities.	
Champion:	Vacant	
Team:	Amber King, SEATrails Carol Rushmore, Wrangell Economic Development Dir. Jeff Morehouse , Alaska Wilderness League Jessalynn Rintala, Juneau Jazz and Classics John Blasco, Alaska Pacific Bank Ken Leghorn, Pack Creek Outfitters Kevin McIver, USFS, AK Public Affairs Director Linda Kadrlik, Adventures Afloat Linda Kruger, USFS, PNW Research Station Lorene Palmer, DCCED, Director Economic Dev. Lynn Humphrey, USFS, Regional Recreation and Tourism Mgr. Mark McKernan, Huna Totem Corporation Melanie Lesh, Gustavus Visitor Assoc. Michael Briggs, Alaska Sportfishing Expeditions	amber@seatrails.org ecodev@wrangell.com jeff@alaskawild.org jessalynn@jazzandclassics.org jblasco@alaskapacificbank.comken @packcreekoutfitters.com klmciver@fs.fed.us adventuresafloat@gci.net lkruger@fs.fed.us lorene.palmer@alaska.gov lhumphrey02@fs.fed.us mmckernan@hunatotem.com info@gustavusak.com michael@aseresorts.com

Meeting Summaries		
Date:	Attendees:	Outcome:
12/17/12	CWG monthly call-in	The initiative is on hold. Trails initiative team hopes that when communities develop local trail packages, this initiative will become active in combining the packages into regional itineraries.
11/16/12	CWG monthly	Mark McKernan has relocated with Huna Totem to Seattle and will

	call-in	not be able to continue as champion. He found a great deal of interest in this initiative among colleagues – with two primary drivers: access to water and land trails is a way to highlight smaller communities in the region, but access to get from one community to another needs to be simplified. He has notes to pass on to a successor. Lorene Palmer clarified the role of SATC to be a marketer of the region - not a developer of packages. Packages are very dependent on operators and the transportation piece is a price point and very challenging for the region. SATC is able to market through the vehicles that it has available, such as its website. Currently SATC is looking for an ad agency for its branding campaign, "Boundless." She recommended continued outreach to SATC for this initiative. The incoming President is Tonya Carlson, Director of Tourism for the Haines Borough.
4/27/12	CWG monthly call-in	Champion will hold a teleconference with the team in mid to late summer to re-energize initiative.
4/10/12	Ketchikan Cluster Working Group meeting	Michael Briggs, Marketing Director, Alaska Sport Fishing Expeditions, has joined the initiative team.
3/8/12	CWG monthly call-in	Mark McKernan, Director of Information Services, Huna Totem Corp, volunteered to take over for Melanie Lesh as champion of this initiative. The purpose of this initiative is to help the independent tourist access travel information to design itineraries between the communities of Southeast. A central website for information and a centralized event calendar were discussed as possibilities.
2/2/12	CWG monthly call-in	The USFS has offered the skills and expertise of Kevin McIver, Alaska Public Affairs Director, USFS, to this group.

Initiative Action Plan Update		
Activity 1:	Coordinate with AMHS on events and multi-stop pass initiative. Challenge is 1 year lead time on schedule changes.	Activity Date:

Activity 2:	Pull together past SE multi-community inventories, itineraries and events with the SE Tourism Council. Recognize all transportation alternatives (jet, air, ferry…). Update all known sources of multi-community calendars.	Activity Date:
Activity 3:	Liaison with SE Tourism Council on ongoing branding efforts.	Activity Date:
Activity completed.		Spring 2011
Activity 4:	Investigate developing links to area websites that promote visitor packages. Link to website/info/community, i.e. Alaska Airlines free stopover in Juneau.	Activity Date:
Activity 5:	Find out what independent traveler questions come in to RSVT centers and what info is being put out by them.	Activity Date:
Activity completed.		Spring 2011
Activity 6:	Add a "mini-conference" onto SEC's midsession summit and invite the AMHS and other appropriate operators/entities to discuss development needs and existing marketing programs (state, regional and local).	Activity Date:

Other Informational Items

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information		
Cluster:	Visitor Products	
Initiative:	Strengthen Accountability for Tongass Recreation Fees	
Goal:	This initiative addresses the development of a mechanism for more private sector input to decide where fees are allocated. The industry will work with Forest Service to establish more affordable access and/or local control of fee structure and more accountability.	
Champion:	Bob Janes, Gastineau Guiding, bob@gguiding.com	
Team:	Bill Hagevig, HAP Alaska-Yukon Drew Green, Cruise Line Agencies of Alaska Hans Von Rekowski, USFS, Recreation, Lands, Minerals Jennifer Berger, USFS, Recreation, Wilderness, Permitting John McConnochie, Cycle Alaska Lynn Humphrey, USFS, Regional Recreation and Tourism Program Manager Marti Marshall, District Ranger Tim McDonnell, TEMSCO	bhagevig@hollandamerica-princess.com andrewg@claalaska.com hvonrekowski@fs.fed.us jberger@fs.fed.us jpm@gci.net lhumphrey02@fs.fed.us mmarshall01@fs.fed.us tim_mcdonnell@temscoair.com

Meeting Summaries		
Date:	Attendees:	Outcome:
12/17/12	CWG monthly call-in	A decision has not yet come down from the fee board on allocation of funding. Kirby will follow up with Marti Marshall. No activity since last report.
11/16/12	CWG monthly call-in	Group members attended the Tongass Fee Board meeting on November 5th. The Forest Service welcomed the outfitter/guide participation. Group would like to see other communities get involved next year, and the Forest Service committed to improving public notification for next year. In mid-December the Forest Service will release its decision on how fees will be allocated. *This is the first year that outfitter/guides and tourism companies have attended the fee*

		board meeting in an organized fashion - as a direct result, and success, of the cluster initiative. The group is concerned about the possible sunset in 2014 of the Federal Lands Recreation Enhancement Act, which brings back fees to use in the region. Fees will go to the Treasury instead. Lynn Humphrey clarified that the entrance fee for the MGVC discontinues if the act sunsets, and this will greatly impact operations. JEDC offered the February Innovation Summit as a vehicle to present industry concerns about reauthorization to the Alaska delegation.
5/1/12	Update provided by Jon Martin	USFS has changed fee allocation formula to put more into enhancement and less into planning and administration.
4/27/12	CWG monthly call-in	Bob Janes met with Senator Murkowski concerning the Federal Lands Recreation Enhancement Act to make sure she is aware that this is an important piece of legislation to continue to allow funds to come back to the region. Group is looking to Marti Marshall for direction on what they can do make sure attention is paid to this. Group will connect more to fee board work as it progresses next year. They want to get operators and the public more involved, possibly get people to attend so have an idea of how dollars are allocated. They will look for opportunities for commercial operators to give input to make sure dollars go to areas which will get use.
3/8/12	CWG monthly call-in	Ron Marvin received additional funding of $57,000 at MGRA since Tuesday's teleconference. The Federal Lands Recreation Enhancement Act authorizes the reinvestment of recreation fees at sites where they were collected to enhance facilities and services rather than back to DC. The act sunsets in 2014. Bob met with Murkowski and Begich to make sure this stays on their radar.
3/6/12	Kirby Day, Bob Janes, Lynn Humphrey, Jennifer Berger, Bill Hagevig, John McConnochie, Dennis McDonald, Ron	Meeting purpose was to express concern that budgeted funding has been reduced to the MGRA. Industry representatives sent a letter to Forrest Cole, Tongass National Forest Supervisor, requesting that funding be restored for seasonal summer staffing and provided for trail, shelter and rest room improvements. The group would like to see both adequate funding and reliability of annual funding for staff and maintenance. 81% of MGVC site fees go back to the Visitor Center; however, FS initial budget is based on revenue collected the prior year, which was down. The Forest Service expects some

	Marvin, Bill Tremblay, Jon Martin	adjustment to the budget. The initiative team is also concerned that only 28% of Special Use Permit revenue fees return to the MGRA. This money is allocated one third to administrative costs, one third to planning projects and one third is returned for enhancement projects throughout the region. FS is looking at alternative ways to distribute funds with less competition. Also, the allocation formula could be revisited. The Forest Service is facing a $400,000 reduction in recreation funds and is looking at cuts everywhere. Regional office is pursuing in-kind work in lieu of payment options. This is a national program issue. In addition, it was noted that projects which have a partner willing to get work done get a higher priority for allocating funding. The Tongass Recreation fee board meeting is scheduled for November 5 and 6 in Juneau. The call letter for projects comes out Sept 1 and proposals are due Oct 19. There will be time at the meeting for the public (including outfitters/guides) to address the board and teleconference will be available. The FS is looking into a mechanism for sharing project proposals with the public for comment.
2/2/12	CWG Monthy call-in	Marti Marshall commented that at present all funding is allocated based on competition. She has been working on a proposal to allow more decisions to be made at the facility level. An update was asked on following up on developing a mechanism to credit in-kind labor against fees. Marti commented that this requires a change to a national policy. However, Alaska has always been a test area, as for example with flat fees, so Marti is open to proposing a pilot project as a test case. She will look into this.

Initiative Action Plan Update

Activity 1:	Private sector operator presence on the Tongass Fee Board	Activity Date:
Group members attended the Tongass Fee Board meeting on November 5th. The Forest Service welcomed the outfitter/guide participation, and the Forest Service committed to improving public notification for next year to get other communities involved. *This is the first year that outfitter/guides and tourism companies have*		11/5/2012

	attended the fee board meeting in an organized fashion - as a direct result, and success, of the cluster initiative. Unsuccessful in attaining a position on the board, but the USFS extended great effort to entertain comments and recommendations from users and op/guides last year.	Fall 2011
Activity 2:	Investigate how the fee can be lowered.	Activity Date:
	Some work could be continued on this. Fee increases in relation to benefits to user have not been clearly justified.	On-going
Activity 3:	Annual report to outfitter/guides on how fees were spent.	Activity Date:
	This has been accomplished.	Fall 2011
Activity 4:	Investigate if revenues be used on capital investment and marketing for the Tongass.	Activity Date:
	More work can be done in this area with regard to supporting local tourism marketing efforts through VB's and ATIA. The process of ensuring capital investment goes back into operator/guide projects in the Tongass will be on-going and tied to Activity#1. Letter sent to Forrest Cole to express concern for reduced budget for MGRA for 2012. $57,000 funding reinstated. $79,000 has been distributed to needed trail maintenance at the Mendenhall Glacier Recreation Area.	3/8/2012 11/2011
Activity 5:	Monitor FS user fees to gauge how operators are faring economically.	Activity Date:
	No Activity.	

Other Informational Items

Southeast Cluster Initiative
Action Initiative Status Report
December 2012

Action Initiative Information		
Cluster:	Visitor Products	
Initiative:	Tourism Course Integration with Existing UAS Degree Programs	
Goal:	The initiative will produce a more qualified and larger group of local applicants for entry and management level positions in tourism; create more employment and educational opportunities for Alaskans; groom more prepared managers and guides to showcase the Tongass and other Southeast Alaska attractions; and provide an opportunity for UAS to attract and retain four year students.	
Champion:	Kelli Grummett, Alaska Travel Adventures, kdindinger@bestofalaskatravel.com	
Team:	Amber Koelsch, HAP Alaska-Yukon Bill Hagevig, HAP Alaska-Yukon Bill Ralston David Lendrum, Landscape Alaska David Wiechelman, , HAP Alaska-Yukon Erica Simpson, Spirit of Alaska Tours Ernestine Hayes, University of Alaska Faith Duncan, USFS, Forest Interpretive & Conservation Education Specialist Forest Wagner, University of Alaska Hakan Sebcioglu, Chilkat Indian Village Jim Collins, Allen Marine Jim Duncan, Goldbelt Joel Probst, Northern Safety Operations John Blanchard, University of Alaska Kristen Christensen, TEMSCO Linda Kruger, University of Alaska Lisa-Marie Ikonomov, Goldbelt Marsha Sousa, University of Alaska Nikki Powis, State of Alaska Odin Brudie, State of Alaska Rene Ditton, Alaska Amphibious Tours Rick Wolk, University of Alaska Ron Hohman Sean Smith, Glacier Gardens Shauna Lee, Great Alaskan Lumberjack Show	akoelsch@hollandamerica-princess.com bhagevig@hollandamerica-princess.com ralstonb@jsd.k12.ak.us dwlendrum@uas.alaska.edu dwiechelman@hollandamerica-princess.com erica@alaskacanopy.com ehhayes@uas.alaska.edu fduncan@fs.fed.us fjwagner@uas.alaska.edu hakan@visitklukwan.com collins2@allenmarine.com jim.duncan@goldbelt.com joel@northernsafetyoperations.com jhblanchard@uas.alaska.edu Kristen_christensen@temscoair.com lkruger@fs.fed.us lisa-marie.ikonomov@goldbelt.com mcsousa@uas.alaska.edu nikki.powis@alaska.gov odin.brudie@alaska.gov rene@akduck.com rick.wolk@uas.alaska.edu swansongnow@yahoo.com ggardens@ptialaska.net shauna@lumberjacksports.com

Meeting Summaries		
Date:	Attendees:	Outcome:
12/21/12	Amber Koelsch, Jim Collins, Kelli (Dininger) Grummett, Kirby Day, Kristen Christensen	The results of the survey of interest in a two year Associate of Applied Science degree program with a tourism emphasis, conducted at the end of the summer employment season, were reviewed. The results were positive, however, a broader sampling is needed to move forward. The group revised the survey and will conduct as part of winter recruitment. The results will be reviewed this Spring.
12/17/12	CWG monthly call-in	UAS and the Mendenhall Glacier Visitor Center have jointly developed an Environmental Interpretation class. Students in the class will learn to translate aspects of nature and history into stories and experiences and will design an interpretive product related to the Mendenhall Glacier area. UAS added a four-year Bachelors of Liberal Arts Designated Emphasis in Outdoor Adventure Studies degree program. Coursework combines extensive outdoor skills with a liberal arts curriculum studying human interaction in the natural world. The School of Management is considering adding a Tourism Emphasis area to the two-year Associate of Applied Science degree program. The program would run from early October to the end of April, rather than the regular September to May school year, to accommodate work schedules for the summer tourism season. UAS and members of the initiative team have developed a survey to determine the level of interest, which will be given to job applicants this winter and spring. Kelli will ask for the help of all tourism businesses to distribute the survey during their spring recruiting efforts.
11/16/12	CWG monthly call-in	Marsha Sousa reported that the School of Arts and Sciences has added a Bachelor of Liberal Arts with an emphasis in Outdoor and Adventure Studies to its four year degree programs. She also reported that John Pugh and John Blanchard met with the JCVB to discuss changing the start date of the semester so that students can complete the summer tourism employment season. UAS now has an internship coordinator – if anyone would like to develop a position for senior level student intern, contact Marsha.

		Kelli Grummett reported that she worked with the University this summer to create and conduct a survey of tourism workers to assess interest in a UAS program tailored to meet the needs of the tourism industry. The school term would run October through April and the program would have an emphasis in tourism. The survey was circulated at the end of the summer, and didn't get very favorable results. However, a new batch of surveys just came in from a couple of operators. These new surveys have not been reviewed yet. The survey may have been skewed by the timing of when the survey was conducted. It may have been circulated after most of the college students already left to return to school. If that's the case, then those that completed the survey had already graduated, or aren't interested in college. If, after the new survey results have been included, the surveys indicate there isn't enough interest in the program, then a second round of surveys will be distributed now, during the recruiting process.
4/10/12	Ketchikan Cluster Working Group meeting	The following Ketchikan participants joined the initiative team: Rene Ditton, Alaska Amphibious Tours; Shauna Lee, The Great Alaska Lumberjack Show; David Wiechelman, HAP Alaska Yukon; Faith Duncan, USFS
4/4/12	Kelli Dininger, Rick Caulfield, Marsha Sousa, John Blanchard	Informal meeting held with UAS to review survey results and match industry needs to current UAS curriculum offerings. Marsha Sousa will map current UAS School of Arts and Sciences offerings to industry needs reflected in survey. UAS offers a Bachelor of Business Administration (B.B.A.) degree with an emphasis available in the fields of Accounting, Entrepreneurship, Human Resource Management, and Marketing. Discussion focused on developing an emphasis in tourism management. Kelli will meet with John to explore this further.
3/8/12	CWG monthly call-in	Survey of skill set needs is underway. Based on survey results, group will look at what UAS courses already exist that can meet needs and how to address gaps. Private industry (Northern Safety Operations) has stepped in to fill some training gaps. UAS would also like to see employers involved in teaching classes and hosting students at the workplace.
2/23/12	Kirby Day, Kelli Dindinger,	The team met with UAS Provost Caulfield and Deans Blanchard and Sousa. Provost Caulfield explained that UA meets all levels of educational need in the state, from providing non-credit workshops

	Steve Hamilton, Ron Hohman, Amber Koelsch, Lisa-Marie Ikonomov, Mark McKernan, Bill Ralston, Erica Simpson, Amber Starbard, Odin Brudie, Nikki Powis, John Blanchard, Rick Caulfield, Marsha Sousa, Dru Garson, Gordon Wrobel	and certificate programs to conferring undergraduate and graduate degrees. He presented examples of successful industry/university curriculum development that included programs at one or more of these levels. Deans Sousa and Blanchard reviewed current offerings at the UAS campus. Industry participants emphasized that they are not looking to the university to develop new programs. They would like to work within the existing degree programs, such as the BBA, and add an emphasis in tourism management. The industry's goal is to have a program that lets Alaskans stay in Alaska to learn tourism management within a marketable BBA degree. Industry participants mentioned the need for a distance learning component. Also mentioned was the need for a career develop component to get employees who are already employed promoted. This could be handled by certificate or occupational endorsement and offered in the evening and distance so that employees in other communities could participate. There was also a request for a distance class or seminar to introduce potential employees to the uniqueness of Southeast Alaska before they make a commitment to come here for summer employment. The need for cultural education/interpretation skills was also identified The consensus from the industry was that their needs would be served by both a concentration within the existing four year program and a certificate program. As a next step, industry participants committed to providing a list of priority skills that need to be addressed by the next meeting in April, through a survey facilitated by JEDC. The next step will be to identify how to address gaps, the delivery method best suited to potential students, and how to align with internship opportunities.
1/13/12	JEDC staff and UAS Provost Rick Caulfield and UAS staff	UAS Provost Rick Caulfield will hold a meeting with members of the visitor products industry to present the cooperation model used to set up courses and internships with other industry groups and discuss options for UAS.

Initiative Action Plan Update

Activity 1:	Discuss additional program/curriculum opportunities and internship programs with UAS Provost Rick Caulfield, Interim Dean of the School of Management, John Blanchard and Dean of the School of Arts and Sciences, Marsh Sousa to gain an understanding of the process that we would need to go through to integrate tourism management courses into existing business degree program.	Activity Date:
Meetings held Thursday, February 23, 2012, from 1:30pm to 3:00pm at the JEDC offices. Wednesday, April 4, 2012, from 3:00pm to 5:00pm at the JEDC offices.		2/23/12 4/4/12
Activity 2:	Write a letter to UAS supporting the 4 year Outdoor Studies Program to the Chancellor John Pugh. Also to Regional Forester, CBJ Mayor and Assembly.	Activity Date:
Support letter sent to Chancellor John Pugh.		8/26/11
Activity 3:	Evaluate what classes would we introduce and what degrees would they be applicable for.	Activity Date:
Discussions continue. UAS has been very receptive to developing programs that the industry is interested in. • UAS and the Mendenhall Glacier Visitor Center have jointly developed an Environmental Interpretation class • UAS added a four-year Bachelors of Liberal Arts Designated Emphasis in Outdoor Adventure Studies degree program. Coursework combines extensive outdoor skills with a liberal arts curriculum studying human interaction in the natural world. • The School of Management is considering adding a Tourism Emphasis area to the two-year Associate of Applied Science degree program. The program would run from early October to the end of April, rather than the regular September to May school year, to accommodate work schedules for the summer tourism season. UAS and members of the initiative team have developed a survey to determine the level of interest, which will be given to job applicants this winter and spring. Results of survey will be reviewed by UAS Provost and Deans.		Fall 2012
Activity 4:	Create a list of employers who would be able to participate in a collaborative internship program with UAS. Establish internships.	Activity Date:

No activity		
Activity 5:	Identify career advisors at UAS and determine what type of recruiting program could be implemented.	Activity Date:
No activity		
Activity 6:	Recruit UAS students from Alaska high schools with a promotion of tourism course emphasis along with promotion of related employment opportunities.	Activity Date:
No activity		
Activity 7:	Investigate tie-in to Department of Commerce Step-up Guide program.	Activity Date:
No activity		

Other Informational Items

JEDC.org
612 West Willoughby Ave. Suite A
Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

Visitor Products Cluster Working Group Monthly Meeting

DATE: **Monday, December 17, 2012**
TIME: **9:00 - 11:00AM**
LOCATION: **JEDC Conference Room or Teleconference**

For connecting by phone:
Teleconference #: 1-800-747-5150
Access Code: 3245790#
For viewing PowerPoint presentation:
https://cc.callinfo.com/r/117ieapdcqpzc
Note: You will need to sign in.

Welcome and introductions – Kirby Day
General Updates from the Southeast Cluster Initiative – Brian Holst

- Ocean Products, Renewable Energy, Mining Services and Supply
- Innovation Summit, February 11-13
  - Day 2 -Visitor Products CWG meeting - agenda items needed
  - Day 3 - available for Initiative Team meetings

Presentation on Working Forest Group - Wade Zammit, Sealaska Timber

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Champions report on progress and future work plans of Action Initiative Teams

1. Develop Land and Water Trails and Support Facilities – Jeremy Gieser and Linda Kruger
2. Increase Guided Access to Public Lands – John McConnochie
3. Promote Multi-Community and Regional Visitor Packages - Vacant
4. Strengthen Accountability for Tongass Recreation Fees – Bob Janes
5. Tourism Course Integration with Existing UAS Degree Programs – Kelli Grummett
6. Ketchikan Initiatives Update

Summit Planning Discussion

a. Summit CWG agenda items?
b. Initiative teams – any wish to schedule meetings?
c. Land and Water Trails – Trails conference at Summit?

Meeting Wrap-up & Adjournment

- Tentative date for next teleconference?

Southeast Cluster Initiative
Monthly Status Report
Updated December 2012

Cluster Information	
Cluster:	Visitor Products
Goal:	To create private-public partnerships as a catalyst for job creation and business growth in Southeast Alaska.
Chair:	Kirby Day, Director of Shore Operations, Princess Cruises

Meetings Held Since Last Update		
Date:	Purpose:	Attendees:
12/21/12	Action Initiative #5 – UAS Course Integration	Amber Koelsch, HAP Alaska-Yukon; Kristen Christensen, TEMSCO Helicopters; Kelli Grummett, Alaska Travel Adventures; Kristen Christensen, TEMSCO Helicopters; Kirby Day, Princess Cruises; Jim Collins, Allen Marine
12/17/12	Monthly Teleconference	Jeff Morehouse, Alaska Wilderness League; Jeremy Gieser, Gastineau Guiding; Jeremy Maxand, Southeast Alaska Conservation Council; Kelli Grummett, Alaska Travel Adventures; Kevin McIver, USFS; Kirby Day, Princess Cruises; Lynn Humphrey, USFS; Odin Brudie, Alaska Office of Tourism Development; Theresa Haugh, USFS; Wade Zammit and Clarence Clark, Working Forest Group
12/7/12	Action Initiative #1 - Trails	Becky Janes, Above & Beyond Alaska and Alaska Boat & Kayak Center; Erik Boraas, Trail Mix; Jeremy Gieser, Gastineau Guiding; Jill Ramiel, Silverbow Inn; Jon Martin, USFS; Ken Leghorn, Pack Creek Outfitters; Linda Kruger, USFS; Milton Fusselman, USFS; Neil Nickerson, Blue Nose Surf; Odin Brudie, Alaska Office of Tourism Development

Initiative Activity Update December 17 Teleconference	
Initiative 1:	**Develop Land and Water Trails and Support Facilities**
Champion:	Jeremy Gieser, Gastineau Guiding

- The initiative team convened a group of small business owners and entrepreneurs on 12/7/12 to get input on the opportunities and challenges to bringing a "trails" product/package forward. Two needs emerged that the group will take action on. 1) Barriers to marketing. The small operators are dependent on larger entities to generate information on what is available. They do not have the budget or resources for promotion. The group would like to work with the FS to have the Tongass/Mendenhall Glacier websites provide links to the commercial opportunities available to visit the wilderness – this is a service to the public. The websites could link to all the permitted commercial outfitters and guides, in order not to be preferential. Also commercial links should be available through Seatrails and CVBs. 2) Barriers due to regulation. The group will meet with Marti Marshall and others to explore opportunities, legalities and precedents for infrastructure development along Wilderness boundaries. The group would like to see small infrastructure amenities such as platforms for camping in Tracy Arm, a viewing deck at Pack Creek, and structures to store rental canoes or kayaks at selected sites. The group would like to encourage Sitka and Ketchikan to hold similar meetings.
- Jeremy Gieser, Gastineau Guiding, took over as champion of the initiative. Jill Ramiel will support Jeremy in work related to developing packages, and Linda Kruger and Odin Brudie will support Jeremy in work on a Trails conference.

Initiative 2: **Increase Guided Access to Land**
Champion: John McConnochie

- The goal of the group now is to help the Forest Service update the MGRA Master Plan. They would like to seek funding to accelerate the update. No activity since last report.

Initiative 3: **Promote Multi-Community and Regional Visitor Packages**
Champion: Vacant

- This initiative is on hold.

Initiative 4: **Strengthen Accountability for Tongass Recreation Fees**
Champion: Bob Janes

- A decision has not yet come down from the fee board on allocation of funding. Kirby will follow up with Marti Marshall. No activity since last report.

Initiative 5: **Tourism Course Integration with Existing UAS Degree Programs**
Champion: Kelli Grummett

- UAS has been very receptive to developing programs that the industry is interested in.
    - UAS and the Mendenhall Glacier Visitor Center have jointly developed an Environmental Interpretation class. Students in the class will learn to translate aspects of nature and history into stories and experiences and will design an interpretive product related to the Mendenhall Glacier area.
    - UAS added a four-year Bachelors of Liberal Arts Designated Emphasis in Outdoor Adventure Studies degree program. Coursework combines extensive outdoor skills

with a liberal arts curriculum studying human interaction in the natural world.

- The School of Management is considering adding a Tourism Emphasis area to the two-year Associate of Applied Science degree program. The program would run from early October to the end of April, rather than the regular September to May school year, to accommodate work schedules for the summer tourism season. UAS and members of the initiative team have developed a survey to determine the level of interest, which will be given to job applicants this winter and spring. Kelli will ask for the help of all tourism businesses to distribute the survey during their spring recruiting efforts.

Draft Initiatives: **#6 Changing Local Perceptions on the Value of Tourism; #7 Marketing the Uniqueness of the Southeast Region; #8 Regional Transportation Packages & Partnerships to Reduce Cost**

- No activity since last report.

Other Informational items

Working Forest Group: Wade Zammit , Sealaska Timber, introduced Working Forest Group, a non-profit organization with the mission "*to promote and support responsible resource development in Alaska through alignment of industries seeking to achieve sustainability across environmental, social, and economic sectors*." This is a successor group to the Forest Products CWG with a broader scope to unite and advocate for forest users across all resource user groups, and to address issues of conflict among resource users. The organization is state-wide and is soliciting membership.

Innovation Summit (Feb. 11, 12, 13): The Summit will have a keynote speaker on "Shared Values" - the concept that a company's competitiveness can be enhanced when its policies and practices also advance the economic and social conditions in the communities in which it operates. Other plans for the Summit include a Visitor Products cluster meeting. Agenda items will be discussed at the January teleconference. Like last year, the summit will have a question and answer session with Alaska's legislative delegation through an ACS video link. JEDC would like to provide our delegation, in advance, with questions developed by each CWG. Day three of the Summit is reserved for Action Initiative team meetings. Teams should decide how best they can use that time to advance their work.

Alaska Forward Visitor Industry Survey: The state-wide workforce development team is tabulating the results of their survey of workforce development needs of large and small businesses working in the tourism industry. The Visitor Products Cluster will invite a member of the Alaska Forward team to present the findings at a future meeting.

Next steps

The January Visitor Products call-in will be held on January 17, 2013, from 3:00-4:30PM. You will receive an email before then to get your suggestions on summit agenda items and legislative "asks." Also we would like to know which teams will meet on day three.

JEDC will host a call to Sitka and Ketchikan, prior to the next call-in, to bring them up to speed on initiatives and to restart work in Ketchikan on their draft initiatives. Kirby and Jeremy will participate.

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612 West Willoughby Ave. Suite A
Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

Visitor Products Cluster Working Group Monthly Meeting

DATE: **Friday, November 16, 2012**
TIME: **9:00 - 11:00AM**
LOCATION: **JEDC Conference Room or Teleconference**

Teleconference #: 1-800-747-5150
Access Code: 5232300#

Welcome, objectives and introductions – Kirby Day

- Objectives:
  - Hear progress reports and plans for future work for each active action initiative
  - Declare success and/or consolidate initiatives, as appropriate
  - Select new champions for vacant positions, as needed

SE Cluster Initiative—General Update – Brian Holst

- Sitka Visit Briefing
- Updates from other Clusters
- Innovation Summit "Save the Date", February 11-13, 2013

Champions report on progress and future work plans of Action Initiative Teams

1. Develop Land and Water Trails and Support Facilities – Linda Kruger and Odin Brudie
2. Increase Guided Access to Public Lands – John McConnochie
3. Promote Multi-Community and Regional Visitor Packages - Vacant
4. Strengthen Accountability for Tongass Recreation Fees – Bob Janes
5. Tourism Course Integration with Existing UAS Degree Programs – Kelli Dindinger
6. Ketchikan Initiatives Update

Declare success, consolidate initiatives, select new champions for vacant positions, as appropriate

- Initiative #3 champion position is being vacated by Mark McKernan (moving to Seattle to set up Huna Totem satellite office)

Meeting Wrap-up & Adjournment

- Tentative date Monday, December 17, 2012, 9:00AM
- Presentation by Wade Zammit on Working Forest Group

Southeast Cluster Initiative
Visitor Products CWG Monthly Status Report

Date: November 2012

Goal*:* To create private-public partnerships as a catalyst for job creation and business growth in Southeast Alaska.

Co-Chair: Kirby Day, Director of Shore Operations, Princess Cruises

Meetings held since last update:

Date:	Purpose:	Attendees:
11/16/12	Monthly Teleconference	Amber King, Corree Delabrue, Hans von Rekowski, Jennifer Berger, Jeremy Gieser, John McConnochie, Kendra Huffine, Kevin McIver, Kirby Day, Lindsey Doctorman, Lorene Palmer, Lynn Humphrey, Mark McKernan, Marsha Sousa, Matt Jurak, Michael Briggs, Odin Brudie, Tory Korn, Eva Bornsein, Aaron Ferguson, Brian Holst
11/2/12	Action Initiative #1 - Trails	Amber King, Bob Janes, Carol Rushmore, Ed Grossman, Erik Boraas, Jeremy Gieser, Linda Kruger, Lynn Humphrey, Odin Brudie, Eva Bornstein, Aaron Ferguson
10/29/12	Sitka Informational Meeting	Andrew Thoms, The Sitka Conservation Society; Bob Medinger, Chris McGraw, Halibut Point Marine; Evy Kinnear, Fortress of the Bear; Garry White, Sitka Economic Development Association; Jennifer, Sitka Chamber of Commerce; John Dunlap, Allen Marine; Ken Rear, Greenling Enterprises; Mim McConnell; Ptarmica McConnell, Shee Atika; Tonia Rioux, SCVB; Brian Holst, JEDC

Activity Update – November 16 Teleconference Report

Initiative 1: Develop Land and Water Trails and Support Facilities – Linda Kruger

- The group held a teleconference on 11/2. The group decided to focus in the near term on supporting the use of, and expansion of, existing trail infrastructure, rather than building new trails. The group's current focus is on developing a couple of trail itineraries (land or water) that could be packaged and marketed as a product to (receptive) tour operators. A meeting will be scheduled for 12/7 for Juneau commercial trail users and service providers in order to gage interest in building a product. If successful, this model will be brought to other communities. Packages will be presented to tour operators for feedback and a discussion of barriers to entry for this market.
- The group revised its initiative action steps to better align with its revised focus.
- The group will work toward a trail conference in the region in 2013.

Initiative 2: **Increase Guided Access to Land – John McConnochie**

- The 15,000 additional temporary use days for 2012 worked well. No negative comments were received. The group is looking for the same temporary increase for next summer. The goal of the group now is to help the Forest Service update the MGRA Master Plan, which is 15 years old and an obstacle to increasing use days on a long term basis.
- The group expressed praise for the flexibility of the Forest Service to look at ways to increase capacity. In other parts of the region, Misty Fjords and POW recently updated their commercial use plan and can now offer additional use permits. Wrangell also has an updated plan and is looking at innovative ways to increase allocation at Anan.

Initiative 3: **Promote Multi-Community and Regional Visitor Packages – Vacant**

- Mark McKernan has relocated with Huna Totem to Seattle and will not be able to continue as champion. He found a great deal of interest in this initiative among colleagues – with two primary drivers: access to water and land trails is a way to highlight smaller communities in the region, but access to get from one community to another needs to be simplified. He has notes to pass on to a successor.
- Lorene Palmer clarified the role of SATC to be a marketer of the region - not a developer of packages. Packages are very dependent on operators and the transportation piece is a price point and very challenging for the region. SATC is able to market through the vehicles that it has available, such as its website. Currently SATC is looking for an ad agency for its branding campaign, "Boundless." She recommended

continued outreach to SATC for this initiative. The incoming President is Tonya Carlson, Director of Tourism for the Haines Borough.

Initiative 4: **Strengthen Accountability for Tongass Recreation Fees – Bob Janes**

- Group members attended the Tongass Fee Board meeting on November 5th. The Forest Service welcomed the outfitter/guide participation. Group would like to see other communities get involved next year, and the Forest Service committed to improving public notification for next year. In mid-December the Forest Service will release its decision on how fees will be allocated. *This is the first year that outfitter/guides and tourism companies have attended the fee board meeting in an organized fashion - as a direct result, and success, of the cluster initiative*.
- The group is concerned about the possible sunset in 2014 of the Federal Lands Recreation Enhancement Act, which brings back fees to use in the region. Fees will go to the Treasury instead. Lynn Humphrey clarified that the entrance fee for the MGVC discontinues if the act sunsets, and this will greatly impact operations. JEDC offered the February Innovation Summit as a vehicle to present industry concerns about reauthorization to the Alaska delegation.

Initiative 5: **Tourism Course Integration with Existing UAS Degree Programs – Kelli Grummett**

- Kelli was out of town but sent the following update:

I did some work with the University this summer. We created… and conducted a survey of tourism workers to assess interest in a program that would be tailored to meet the needs of the tourism industry. The school term would run October through April and the program would have an emphasis in tourism. We have had discussion as to which school this program would be in (Business or Science), and have not come to a conclusion as to what school would be the best fit. We circulated this survey at the end of the summer, and didn't get very favorable results. However, a new batch of surveys just came to my office before I left on vacation from a couple operators who must have collected them at the end of their season and submitted them to me as part of their wrap up. These new surveys have not been reviewed yet. I think the survey may have been skewed by the timing of when the survey was created. It may have been circulated after most of our college students already left to return to school. If that's the case, then those that completed the survey had already graduated, or aren't interested in college. If, after the new survey results have been included, we confirm that the surveys would indicate there isn't enough interest in the program, then I think we need to make another effort with the survey now, during our recruiting process. I would be happy to put it on our recruiting website, and I've had some commitments from other operators to include the survey in their recruiting efforts.

- Marsha Sousa reported that the School of Arts and Sciences has added a Bachelor of Liberal Arts with an emphasis in Outdoor and Adventure Studies to its four year degree programs. She also reported that John Pugh and John Blanchard met with the JCVB to discuss changing the start date of the semester so that students can complete the summer tourism employment season. UAS now has an internship coordinator – if anyone would like to develop a position for senior level student intern, contact Marsha.

Draft Initiatives: **#6 Changing Local Perceptions on the Value of Tourism; #7 Marketing the Uniqueness of the Southeast Region; #8 Regional Transportation Packages & Partnerships to Reduce Cost – Michael Briggs**

- #6 - Group will look at formulating a campaign to educate Southeast people not in the tourism industry that tourism has an economic value to the region (not just cruise tourism). It was recommended to the group to get in touch with the statewide Alaska Forward tourism cluster, which has a similar initiative (see Alaska Forward description in next section) and ATIA, which has done this in the past.
- #7 is on hold. Lorene Palmer suggested that the group contact SATC to learn about branding initiative that is underway.
- #8 is on hold.

JEDC will contact the Ketchikan initiative champions and help each team further develop their initiative implementation steps.

Other Informational Items:

- Brian Holst reported on his visit to Sitka on 11/29. He met with the directors of the Sitka Economic Development Association, the Sitka Chamber of Commerce, the SCVB, and a core group of industry

members, non-profit and government officials. Sitka is not a large cruise port, so the group felt that tourism issues in Sitka are different from those addressed by the current initiatives. Sitka would like to stay informed but did not join any of the Visitor Products action initiatives. The CWG hopes that as the Trails and Packages initiatives move forward, Sitka may find these of value to their community.

- Brian Holst reported that the Southeast Cluster Initiative will hold an Innovation Summit on February 11, 12, and 13, 2013. The summit will have five goals: strengthen regional industry clusters, develop talent, encourage entrepreneurship, link research to economic development, and create linkages to new markets. Cluster co-chairs are invited to help with the planning.
- Alaska Forward, a state-wide economic development initiative, is using the cluster working group process to develop and facilitate tourism initiatives at the state level (along with Clean Energy, Logistics, and Mining: for more information on Alaska Forward see http://alaskapartnership.org/alaska-forward/). The Tourism Working Group is championing four initiatives:

1. *Workforce Development*- To identify career opportunities and train Alaskan employees to meet industry needs.
2. *Soft-Adventure Tourism*- To overcome visitor objections to Soft-Adventure activities, increasing visitor stay length, return rate and dollars spent in Alaska and to facilitate development of the Soft-Adventure tourism industry. Definition: Anything sold to the public that anyone can do in a day is a Soft-Adventure.
3. *Cultural Sensitivity & Marketing*- Incorporate Alaska Native cultures in state marketing that demonstrates the authentic past and present way of life that is unique to Alaska and fill niche that many other long haul destinations cannot fill.
4. *Tourism Benefits and Conflicts*- Inform and educate organizations and residents as to the value of Alaska tourism industry based on current economic impact studies.

- The Alaska Forward Workforce Development team is working with the State of Alaska Division of Economic Development to distribute a survey to identify hiring and training needs for Alaska's visitor industry. All industry business leaders are invited to fill out the survey, which will remain online until November 30th. The survey can be found here: https://www.surveymonkey.com/s/Alaska_Forward_Visitor_Industry_Survey

Next Steps:

Next teleconference will be held **Monday, December 17**, **at 9:00AM**. The change from a Friday is to accommodate a brief presentation from Wade Zammit of Sealaska Timber. He will introduce the Working Forest Group, a successor entity to the Forest Products Cluster Working Group, in order to establish dialogue between the two industries.

Initiative teams are encouraged to meet between now and December 17th to develop a plan going forward.

www.jedc.org
612 West Willoughby Ave. Suite A
Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

Visitor Products Cluster Working Group
Teleconference Meeting

DATE: April 27, 2012, Friday
TIME: 9:00 AM - 10:00 AM
LOCATION: JEDC Conference Room, 612 W. Willoughby Ave

For those joining by teleconference:
Dial: 1-800-747-5150
Enter Code: 5232300

Welcome

- Introductions

Updates on Action Initiatives

- Develop Multi-Purpose, Multi-Community Land and Water Trails and Support Facilities (#1), Linda Kruger and Odin Brudie, Champions
- Increase Guided Access to Public Lands (#2), John MConnochie, Champion
- Promote Multi-Community and Regional Visitor Packages (#3), Mark McKernan, Champion
- Strengthen Accountability for Tongass Access Fees (#4), Bob Janes and Andrew Green, Champions
- Tourism Course Integration with UAS Existing Degree Programs (#5), Kelli Dindinger, Champion

Ketchikan and Wrangell Meeting Updates

- Draft Action Initiative: Changing Local Perceptions on Value of Tourism
- Draft Action Initiative: Marketing Uniqueness of the Southeast Region
- Draft Action Initiative: Transportation Packages and Partnerships to Reduce Cost

Industry R&D Needs

- Industry issues to include in regional R&D agenda

Meeting Wrap-up, Next Steps

- Next meeting date proposed

Southeast Cluster Initiative
Visitor Products CWG Monthly Status Report

Date: April 2012

Goal*:* To create private-public partnerships as a catalyst for job creation and business growth in Southeast Alaska.

Co-Chair Name: Kirby Day

Meetings held:

Date:	Purpose:	Attendees:
4/27/12	Monthly Check-in	Eric Borass, Michael Briggs, Kirby Day, Lynn Humphrey, Bob Janes, Tory Korn, Marti Marshall, Kevin McIver, Jeff Morehouse, Michael Neussl, Hans vonRekowski, David Wiechelman, Kyle Willingham, Brian Holst, Eva Bornstein
4/12/12	Wrangell Informational Meeting	Julie Decker, Alaska Fisheries Development Foundation; Tim Gillen, Sr., Wrangell Cooperative Association; Bob Dalrymple, U.S. Forest Service; Tis Peterman, Wrangell Cooperative Association; Kaitlyn McAvoy, Wrangell Sentinel; Tim Rooney, Wrangell Borough; Dave Sweat, Klondike Bike; Jeremy Maxand, Wrangell Borough; Keith Appleman, U.S. Forest Service; Carol Rushmore,Wrangell Borough; Dee Galla, U.S. Forest Service; Kipha Valvoda, EDC Wrangell; Brian Holst, JEDC; Eva Bornstein, JEDC; and Linda Snow, JEDC.
4/10/12	Ketchikan Cluster Working Group Meeting	Karl Amylon, City Manager Ketchikan; Michael Briggs, Alaska Sportfishing Expeditions; Wendy Chatham, Taquan Air; Jose Crespo, New York Hotel; Kirby Day, Princess Cruises; Jeff DeFreest, USFS; Rene Ditton, Alaska Amphibious Tours; Carol Domme, Super 8; Faith Duncan, USFS; Len Laurance, Mariner, Inc; Shauna Lee, The Great Alaskan Lumberjack Show; Patti Mackey, KVB; Amanda Painter, Allen Marine Tours; Frank Seludo, Cape Fox Tours; Clark Simpson, USFS; Greg Thomas, Orcas Cove Sea Kayaking Adventure; Joey Wharton, Cape Fox Tours; David Wiechelman, HAP Alaska Yukon; Jon Martin, USFS; Brian Holst, Eva Bornstein, Linda Snow, JEDC
4/4/12	Action Initiative #5	Kelli Dininger, Rick Caulfield, Marsha Sousa, John Blanchard, Eva Bornstein
3/16/12	Action Initiative #1	Amber King, SEAtrails; Bob Claus, SEACC; Charles Horan, Sitka Trail Works; Eileen Chanquet, Sitka Trail Works; Ed Grossman, USFS; Erik Borass, Trail Mix; Heather Rice, NPS RTCA; Jack Mosby, Alaska Trails; Jacqueline Ashwell, Klondike Goldrush National Historic Park; Jeremy Gieser, Gastineau Guiding; John Neary, USFS; Karen Petersen, POW; Linda Kruger, USFS; Odin Brudie, AKDCCED; Theresa Thibault, Klondike Goldrush National Park; Eva Bornstein, JEDC

Initiative Activity Update – April 27 Teleconference

Initiative 1: Develop Land and Water Trails and Support Facilities – Linda Kruger

Regional trail group teleconference was held 3/16/12. Twelve organizations, businesses and agencies from Seattle to Anchorage, and points in between, participated. The group appreciated the opportunity to exchange information region-wide. The next step is the development of a concept paper to examine the economic impact of long distance trails, using the Chilkoot and other examples. It would also catalogue potential regional trail assets, provide proposals for long distance trails, and evaluate usability and economics. Linda Kruger, Jeremy Geiser, Erik Borass, Odin Brudie and Amber King will develop an outline for the regional trails white paper. The group also discussed a regional trails conference: Linda Kruger, Jeremy Geiser and Amber King volunteered to develop a proposal for a trails conference. It was suggested at the updates teleconference that community representatives and commercial users need to be invited to participate so that trails are developed in cooperation with communities to make sure they will get local use as well as commercial use.

Southeast Cluster Initiative
Visitor Products CWG Monthly Status Report

Initiative 2: **Increase Guided Access to Land – John McConnochie**

The 15,400 additional temporary use days will be monitored over the summer and evaluated in the fall as to how well they were used during off peak time. MGRA priority now is to get commercial use capacity done for Master Plan update.

Initiative 3: **Promote Multi-Community and Regional Visitor Packages – Mark McKernan**

Champion will hold a teleconference with the team in mid to late summer to re-energize initiative.

Initiative 4: **Strengthen Accountability for Tongass Recreation Fees – Bob Janes**

Bob Janes met with Senator Murkowski concerning the Federal Lands Recreation Enhancement Act to make sure she is aware that this is an important piece of legislation to continue to allow funds to come back to the region. Group is looking to Marti Marshall for direction on what they can do make sure attention is paid to this. Group will connect more to fee board work as it progresses next year. They want to get operators and the public more involved, possibly get people to attend so have an idea of how dollars are allocated. They will look for opportunities for commercial operators to give input to make sure dollars go to areas which will get use.
Note: Subsequent to the teleconference, the Tongass management reported that the recreation fee allocation formula has been revised by the Tongass to put more money in project investments.

Initiative 5: **Tourism Course Integration with Existing UAS Degree Programs – Kelli Dindinger**

Meeting held with UAS to review survey results and match industry needs to current UAS curriculum offerings. Marsha Sousa will map current UAS School of Arts and Sciences offerings to industry needs reflected in survey. UAS offers a Bachelor of Business Administration (B.B.A.) degree with an emphasis available in the fields of Accounting, Entrepreneurship, Human Resource Management, and Marketing. Discussion focused on developing an emphasis in tourism management. Kelli will meet with John to explore this further.

Other Agenda Items:

Ketchikan CWG meeting update was given. The following three draft action initiatives developed in Ketchikan were presented to the group for review and feedback. Discussion during the teleconference update is present below.

1. *Changing local perceptions on value of tourism*. This initiative is for a public awareness media campaign.

Discussion: The state-wide Alaska Forward Visitor cluster is working on a similar initiative. (Chris Beck and Ron Peck contacts). ATIA is also doing something similar. The Forest Service does national visitor use monitoring every 5 years which has special questions for Alaska – how much each visitor contributes to the local economy. Lynn Humphrey will forward the most recent study. In Juneau the TBMP addressed ways to mitigate impacts and this made a big difference in perceptions. It was developed by a group which had a wide representation, with public, commercial, and city membership. Public involvement gave it public buy-in and was critical to results, rather than just undertaking a PR effort.

2. *Marketing uniqueness of the Southeast Region*. This initiative will create a uniform image of Southeast Alaska.

Discussion: This initiative group was invited to join the teleconference planned for mid-summer for initiative #3 (Multi community and regional visitor packages) to see if the objectives overlap.

3. *Transportation packages and partnerships to reduce cost*. This initiative will look at ways to reduce cost of travel to the region and within the region.

Discussion: This is a roadblock for the independent traveler. The group will look to see if there are already any discounts available and work with AMHS and Alaska Airlines for programs to make it more affordable to get here and travel around. The group will also join the teleconference for initiative #3.
In other discussion, Jeff Morehouse of the Alaska Wilderness League reported that AWL has a website project: http://www.tourthetongass.org/ . It gives information on visiting several southeast communities, with information on activities, culture and events and a list of outfitters. AWL also will be invited to join the teleconference for Initiative #3.

Next Steps:

Next teleconference will be scheduled for the end of the summer. Thank you to everyone that has participated.

JEDC.org
612 West Willoughby Ave., Suite A
Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

Visitor Products Cluster Working Group
Ketchikan Meeting

DATE: April 10, 2012
TIME: 10:00AM – 2:30PM
LOCATION: Ted Ferry Civic Center, Ketchikan, Alaska

10:00AM	**Welcome and Group Introductions** • Review of agenda and desired outcomes
10:15AM	**Cluster Working Groups: What Is It All About?** • Why economic development efforts are turning to the Cluster Working Group approach, how is it different? • Cluster Working Group process work to date • Economic impact of Visitor Industry cluster
10:45AM	**Support and Services to Visitors - Exploration of Opportunities** • What commercial services and support are being provided now • What commercial opportunities exist, if only…
11:30AM	Break
12:00PM	**Visitor Initiatives Discussion – Where can Ketchikan visitor industry participate?** ○ **Initiative 1:** Develop Land and Water Trails and Support Facilities ○ **Initiative 2**: Increase Guided Access to Land ○ **Initiative 3**: Promote Multi-Community and Regional Visitor Packages ○ **Initiative 4**: Strengthen Accountability for Tongass Recreation Fees ○ **Initiative 5**: Integrate Tourism Courses with UAS Existing Degree Programs
1:15PM	**Obstacles** • What is holding us back?
1:45PM	**Next Steps** • Develop new initiatives? • Where should we put our energies?
2:30PM	**Wrap-Up and Adjourn**
5:30PM	**Joint reception with Ocean Products Cluster Working Group - Cape Fox Lodge**

Meeting Summary
Visitor Products – Cluster Working Group Meeting 4
(Ketchikan, April 10, 2012)

This Visitor Products Industry Cluster Working Group (CWG) is organized with resources under a contract with the US Forest Service, executed by the Juneau Economic Development Council. This document is a summary of the fourth meeting of the Visitor Products Industry CWG held in Ketchikan, Alaska, on April 10, 2012. A list of meeting attendees is attached.

Executive Director of the Juneau Economic Development Council (JEDC), Brian Holst, welcomed all, introduced this effort and provided an overview of some Southeast Alaska visitor industry specific economic data. He also reviewed results from JEDC's Business Climate Survey from 2010. Lastly, he introduced the Cluster Working Group (CWG) approach to economic development. An economic cluster is a set of businesses in the same or related field and located near one another. CWGs are facilitated business collaborations with a goal of creating more jobs in the region and thus more wealth and prosperity. The process is designed to facilitate communication and problem-solving among businessmen and women (and other key stakeholders) to enable removing barriers and making connections that will allow growth in jobs and businesses in the specific areas that those in the CWG believe hold the most promise.

Discussion began by identifying areas where opportunity for job creation and industry development may exist and identification of obstacles that stand in the way of the opportunities. The opportunities and obstacles discussed have been grouped into general categories and are listed below. The five action initiatives that were launched by the Visitor Products CWG during 2011 were shared with the group. Many of the ideas captured in the opportunity search could be aligned to those initiatives. Of the ideas that did not fit with the existing initiatives, participants were asked to identify those areas that seemed most critical or promising, and broke into teams to draft potential action initiatives. The teams reported back to the full group, and the following three were chosen for continued work. Three initiative teams were formed as follows:

1. Changing local perceptions on value of tourism; Michael Briggs, Champion, Shauna Lee, Amanda Painter, Rene Ditton
2. Marketing the uniqueness of the Southeast region; Patti Mackey, Champion, Len Laurance, Greg Thomas, Michael Briggs
3. Transportation packages and partnerships reduce cost of travel to and within region; David Wiechelman, Champion; Joey Wharton, Jose Crespo, Wendy Chatham

Next Steps
Participants were invited to join the action initiative teams that support the five ongoing initiatives and also to join the three new potential initiative teams. These new initiative teams will further refine their action initiative plan and report out to the Visitor Products CWG at the next call –in, scheduled for April 27, 2012 for feedback on strengthening each initiative.

Industry Opportunities to Build Upon

Create new visitor experiences that build on authentic local assets:

- Develop Ketchikan as a heritage and/or maritime and/or seafood destination
- Develop cultural immersion opportunities – native culture, cultural foods and/or seafood
- Develop nature-based viewing opportunities/wilderness adventure packages

Market Southeast "Inside Passage" as a unique region that is culturally different from the rest of Alaska:

- Attraction base is different – Russian heritage, Tlingit culture, mining history, maritime
- Advertise proximity to West Coast
- Market Southeast as seafood capital of the world.
- Encourage more national designations like historic trust or arts.
- Market the "reality experiences" available in Southeast – Bear viewing, seafood harvesting.

Increase numbers of independent/multi-day visitors:

- Attract a second national airline to region to encourage competitive air cost.
- Better information on how to put itineraries together to link multi-community regional experiences.
- Market to locals to explore their own backyard.
- Promote tourism between Southeast Communities – regional promotion of festivals and special events, wilderness opportunities.
- Encourage year-round travel.

Education and Training:

- Develop a UAS visitor industry management/workforce training program

Industry Challenges to Address

Obstacles and challenges cited by participants were grouped in categories; concerns related to the regional and business climate are most acute.

Regional Business Climate

- Local leadership does not understand and/or get message out as to how important visitor sector is to economy of community/region.

- Local resident attitudes to industry are sometimes not favorable.
    - Lack of understanding in community about role tourism plays in providing quality of life to residents.
    - Lack of community support for visitor industry.

Human Resources

- Local workforce constraints (both number and skill sets) – not enough local workers available with skill set needed.

Seasonality of Industry

- Business models are based on a high seasonal volume. In order to have a year-round business a different business model is needed for serving 50 people in winter rather than 500 people in summer.

Transportation and Infrastructure

- Price of getting to region is very high.
- Lack of a good one stop source of information for transportation options for an independent tourist - how to get around region.
- High cost of transportation access to get anywhere off the road system has resulted in declining visitation to campsites/cabins/wilderness areas. This has resulted in less fee revenue for maintenance and construction of wilderness visitor infrastructure. Land is not used to its full capacity.

Access to Capital

- Insufficient funding for regional marketing

List of Attendees

Karl Amylon, City of Ketchikan
Michael Briggs, Alaska Sportfishing Expeditions
Wendy Chatham, Taquan Air
Jose Crespo, New York Hotel
Kirby Day, Princess Cruises
Rene Ditton, Alaska Amphibious Tours
Carol Domme, Super 8 - Ketchikan
Faith Duncan, USFS
Gillian Edwards, Southeast Sea Kayaks
Kari Erickson, HAP Alaska Yukon
Lorelei Haukness, USFS
Len Laurance, Mariner, Inc
ShaunaLee, The Great Alaskan Lumberjack Show
Patti Mackey, Ketchikan VCB
Anthony Mansueto, Jr, Ketchikan Campus, University of Alaska, Southeast
Amanda Painter, Allen Marine Tours
Frank Seludo, Cape Fox Tours
Clark Simpson, USFS
Joey Wharton, Cape Fox Tours
David Wiechelman, HAP Alaska Yukon
Brian Holst, JEDC
Eva Bornstein, JEDC
Linda Snow, JEDC

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Visitor Products Cluster Working Group
Wrangell Meeting

DATE: April 12, 2012
TIME: 11:00AM – 2:30PM

11:00AM	**Welcome and Group Introductions** • Review of agenda and desired outcomes
11:15AM	**Cluster Working Groups: What Is It All About?** • Why economic development efforts are turning to the Cluster Working Group approach, how is it different? ○ Industry led approach • Cluster Working Group process work to date
12:15PM	**Exploration of Opportunities** • What commercial services and support are being provided now • What commercial opportunities exist, if only…
12:45PM	Break
1:00PM	**Initiatives Discussion – Where can Wrangell businesses participate?**
1:30PM	**Obstacles** • What is holding us back?
2:00PM	**Next Steps** • Where should we put our energies?
2:30PM	**Wrap-Up and Adjourn**

Draft Meeting Summary
Ocean Products and Visitor Products Joint Cluster Working Group Meeting
Nolan Civic Center, Wrangell
April 12, 2012

The meeting commenced at about 11:10AM

Attended by: Ocean Products Co-Chair Julie Decker – Alaska Fisheries Development Foundation, Tim Gillen, Sr. – Wrangell Cooperative Association, Bob Dalrymple – U.S. Forest Service, Tis Peterman – Wrangell Cooperative Association, Katlyn McAvoy – Wrangell Sentinel, Tim Rooney – Wrangell Borough, Dave Sweat – Klondike Bike, Jeremy Maxand – Wrangell Borough, Keith Appleman – U.S. Forest Service, Carol Rushmore – Wrangell Borough, Dee Galla – U.S. Forest Service, Kipha Valvoda – EDC Wrangell, Brian Holst – JEDC, Eva Bornstein – JEDC, and Linda Snow – JEDC.

The meeting began with introductions and a few comments. Of note, Wrangell Borough Mayor Maxand is on the Seatrails Board, and the Wrangell Cooperative Association is renovating Shakes Island, and so has a tourism interest.

Brian Holst of JEDC gave a brief presentation of the cluster initiative process. There was discussion about whether clusters can impact government policy. Government policy certainly affects industry, but cluster work has had some success in molding government policy. All that happens in the economy is driven by the Federal Government. The government does not rely on clusters to tell them how to loan money and set other policy. Can clusters impact policy? Government policy certainly impacts industry.

Eva Bornstein gave an overview of the cluster process and action initiatives developed by the Visitor Products Cluster.

Julie Decker gave an overview of the cluster process and action initiatives developed by the Ocean Products Cluster.

There was discussion of opportunities and barriers in the region for Ocean and Visitor Products businesses. Comments were taken from the group.

Visitor Products Opportunities:

- World class natural environment ("wow" factor). Opportunity to build business around a variety of emphasis areas: sportfishing; glaciers; bears; etc. (fits into VP Initiative #3).
- Potential for a steady stream of visitors in the summer season.
- Guided or self-guided bike tours on the many roads and trails – enhance campsites and develop transportation to other islands to lengthen the trails (fits into VP Initiative #3).

- People travel light – may rent vehicles (cars, ATVs, snow machines, etc.) for self-guided road and trail tours (fits into VP Initiative #3).
- Seatrails – market kayak and land trails beyond jurisdictional lines. Market interconnectivity. Communities could compete. Use existing assets. Seatrails has a new modern website to show trails in depth. Tap into the National Park Service land and water trails system (fits into VP Initiative #3).
- Huge potential to grow cooperative efforts of regional tourism groups (fits into VP Initiative #3). Lack of funding, however.
- We have lots of assets, we just need to pull together and market them.
- Local input on use of fees (fits in with VP Initiative #4).
- Develop a tourism plan for the tribe (Wrangell Cooperative Association).
- Build a carving/cultural center.
- Train younger people to lead cultural tours (akin to VP Initiative #5?).
- Provide training to community artists in Native art to sell (akin to VP Initiative #5?).
- A more streamlined and timely process to get permits from Federal and State agencies to operate commercially on the National Forest as outfitters/guides. Better enforcement of permits, rules, and regulations for those who do things legally so "outlaw" companies don't take away "our business" (fits in with expanded Initiative #2).
- Cultural opportunities.
- Training opportunities for small business – workforce and customer service (akin to VP Initiative #5?).
- Set up zip lines and small tram to small restaurant on top of mountain – view and gift shop.

Visitor Products Barriers:

- Need a more streamlined process for access to Federal lands (for tours)
- There seems to be a push to have the private sector pay the USFS back for its investment with revenue from increased business.
- USFS fees are used for enhancement in local areas. Need a concrete push from the private sector to invest in the local areas. USFS competes for funds for local investment – get private sector support for projects.
- USFS fee policy – they need industry support.
- Need less regulation in this industry.
- Lack of marketing of recreational opportunities.
- Halibut restrictions for guided fishing.
- Lack of cooperation between commercial fishermen and commercial fishing guides who let the paying tourist catch the fish.
- Fisheries are not being managed for the maximum value of a fish – i.e., a guided sport-caught fish brings much higher economic value to the regional economy then a commercial caught fish.
- Securing a reliable and predictable number of visitors to anticipate so businesses can expand with confidence (cruise ship passengers).
- Lack of funding.
- Keep a local look – avoid a cookie cutter look.

Ocean Products Opportunities:

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- Encourage young people to become fishermen – maybe help with loans or other financial assistance (fits with OP Initiative #3).
- Rework how sport fish are allocated. Maybe make those who benefit more pay more – one fee for 1 fish, higher fee for 2 fish, etc.
- More salmon in school meals.
- Covered shops for rent for boat repair/maintenance.
- Better skilled workforce in marine technology (fits with OP Initiative #2).
- Use of non-fishhead fish waste (biogas, fertilizer, fish powder, etc.) (fits with OP Initiative #7).
- Enhance fish and shellfish production in the Wrangell Borough – oyster farms, "ocean ranching" salmon (fits with OP Initiatives #6 and #10).
- Sea otter management – make plans to remove them from the protected status (fits with OP Initiative #1).
- Develop fish sauce for export to Asia (uses fish stomachs).
- Send crew to retrieve old paddle wheeler from island off Yukon River – bring here and rebuild with local timber & ship builders. Drydock as a museum.

Ocean Products Barriers:

- Need less regulation in sport fishing.

Other opportunities:

- Biobrick manufacturing from wood waste (fits in with biomass initiative).

The meeting adjourned at about 2:00PM.

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Visitor Products Cluster Working Group
Teleconference Meeting

DATE: March 8, 2012, Thursday
TIME: 9:00 AM to 10:00 AM
LOCATION: JEDC Conference Room, 612 W. Willoughby Ave

For those joining by teleconference:
Dial: 1-800-747-5150
Access Code: 5232300

I. Welcome

II. Objectives of Today's Meeting

- Facilitate communication on progress between members of all of the action initiatives being implemented by the Visitor Products CWG
- Recap where each initiative group is and decide if there is momentum to further accomplishments in the next 30 days prior to the season, or to take a break until Fall

III. Updates on Action Initiatives

- **Initiative 1:** Develop Land and Water Trails and Support Facilities
- **Initiative 2**: Increase Guided Access to Land
- **Initiative 3**: Promote Multi-Community and Regional Visitor Packages
- **Initiative 4**: Strengthen Accountability for Tongass Recreation Fees
- **Initiative 5**: Integrate Tourism Courses with UAS Existing Degree Programs

IV. Review of visit with Ketchikan Visitor Industry

- CWG Meeting scheduled for Ketchikan

V. Meeting Wrap-up, Next Steps

- Next meeting date

Southeast Cluster Initiative
Visitor Products CWG Monthly Status Report

Date: February/March 2012

Goal*:* To create private-public partnerships as a catalyst for job creation and business growth in Southeast Alaska.

Co-Chair Name: Kirby Day

Meetings held:

Date:	Purpose:	Attendees:
3/8/12	Monthly Check-in	Amanda Smith, Bob Janes, Craig Jennison, David Wiechelman, Erik Borass, Jon Martin, John Blanchard, Joel Probst, Jeff Morehouse, Kirby Day, Linda Kruger, Lynn Humphrey, Mark McKernan, Ron Marvin, Tim McDonnell, Brian Holst, Eva Bornstein
3/6/12	Action Initiative #4	Kirby Day, Bob Janes, Lynn Humphrey, Jennifer Berger, Bill Hagevig, John McConnochie, Dennis McDonald, Ron Marvin, Bill Tremblay, Jon Martin, Brian Holst, Eva Bornstein
2/24/12	Ketchikan Visitor Industry briefing	Wendy Chatham, Taquan Air; Tory Korn, Alaska Rainforest Sanctuary; Amanda Painter, Allen Marine Tours; Kari Erickson, HAP Alaska Yukon; Linda Peters, Best Western Plus Landing; David Wiechelman, HAP Alaska Yukon; Shauna Lee, The Great Alaska Lumberjack Show; Joe Williams, Where Eagles Walk, Brian Holst, JEDC
2/23/12	Action Initiative #5	Kirby Day, Kelli Dindinger, Steve Hamilton, Ron Hohman, Amber Koelsch, Lisa-Marie Ikonomov, Mark McKernan, Bill Ralston, Erica Simpson, Amber Starbard, Odin Brudie, Nikki Powis, John Blanchard, Rick Caulfield, Marsha Sousa, Dru Garson, Gordon Wrobel, Brian Holst, Eva Bornstein

Initiative Activity Update – March 8 Teleconference

Initiative 1: Develop Land and Water Trails and Support Facilities – Linda Kruger

Date for regional trail group teleconference is set for March 16. Invitation list has been developed. Purpose of teleconference is to make connections and exchange information between groups on trail related activities around Southeast and to solicit ideas for long-distance land or water trails which have commercial potential. Another goal is to gauge interest in a regional trail symposium for 2013.

Initiative 2: **Increase Guided Access to Land – John McConnochie**

This fall/winter the group will recap the use of the 15,400 additional temporary use service days at the MGVC awarded last fall. Because it was off peak times, it may not reflect peak time needs. The group will continue to work collaboratively with the USFS to look at ways to add capacity without negative impact. In the fall the group will work to strengthen the TBMP (Tourism Best Management Practices) to address how operators/outfitters/guides conduct themselves on Forest Service lands. Longer term, the group will also continue to follow the development of the new Area master plan.

Initiative 3: **Promote Multi-Community and Regional Visitor Packages – Mark McKernan**

Mark McKernan, Director of Information Services, Huna Totem Corp, volunteered to take over for Melanie Lesh as champion of this initiative. The purpose of this initiative is to help the independent tourist access travel information to design itineraries between the communities of Southeast. A central website for information and a centralized event calendar were discussed as possibilities.

Initiative 4: **Strengthen Accountability for Tongass Recreation Fees – Bob Janes**

This group will continue to advocate for fees to be returned to where they are collected for both adequate staffing and maintenance and reliability of funding. Through this initiative they have learned how complicated the fee allocation process is. The group met on 3/6 to discuss concerns that budgeted funding has been reduced to the MGRA. Industry representatives sent a letter to Forrest Cole, Tongass National Forest Supervisor, requesting that funding be restored for seasonal summer staffing and provided for trail, shelter and rest room improvements. Ron Marvin reported that he has received $57,000 at the MGVC in response. The fee board

meeting is scheduled for November 5 and 6 in Juneau. The call letter for projects comes out Sept 1 and proposals are due Oct 19. The group will provide input. In addition, the Federal Lands Recreation Enhancement Act, which authorizes the reinvestment of recreation fees at sites where they were collected to enhance facilities and services rather than back to DC, sunsets in 2014. Bob Janes met with Murkowski and Begich to make sure this stays on their radar. Without this, the fee money will no longer stay in the region but will go back to DC.

Initiative 5: **Tourism Course Integration with Existing UAS Degree Programs – Kelli Dindinger**

This group will continue to work toward aligning current UAS course offerings with local industry needs. The group invited a representative sector of the visitor industry to meet with UAS Provost Caulfield and Deans Blanchard and Sousa. Provost Caulfield presented examples of successful industry/university curriculum development that included programs ranging from non-credit workshops and certificate programs to undergraduate and graduate degrees. Deans Sousa and Blanchard reviewed current offerings at the UAS campus. The Provost explained that UAS would like to channel efforts into occupational pathways that align with industry needs without duplication of efforts at other campuses. JEDC will survey the team members to identify priority jobs with low local hiring and/or no way to qualify local talent pool and what skill sets are needed. Based on survey, group will look at what UAS courses already exist that can meet needs and how to address gaps. Private industry (Northern Safety Operations) has stepped in to fill some training gaps.
UAS would also like to see employers involved in teaching classes, offering internships and hosting students at the workplace.
Committee will meet April 4th, 3 to 5pm, to review survey results and map out one or more career pathways. At that time Juneau School district will also be invited to the meeting to incorporate career outreach at the high school or lower level.

Next Steps:

The CWG will have its next monthly teleconference Friday, April 27 at 9am.

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Visitor Products Cluster Working Group
Teleconference Meeting

DATE: February 2, 2012, Thursday
TIME: 9:00 AM to 10:00 AM
LOCATION: JEDC Conference Room, 612 W. Willoughby Ave

For those joining by teleconference:
Dial: 1-888-550-5602
Access Code: 04900291

- **Welcome**

- **Objectives of Today's Meeting**
  Discuss and prioritize next steps for each initiative. The intent is to generate a list of "doable" action items which can be addressed in next 60-75 days.

- **Updates on Action Initiatives**
  - **Initiative 1:** Develop Land and Water Trails and Support Facilities
  - **Initiative 2**: Increase Guided Access to Land
  - **Initiative 3**: Promote Multi-Community and Regional Visitor Packages
  - **Initiative 4**: Strengthen Accountability for Tongass Recreation Fees
  - **Initiative 5**: Integrate Tourism Courses with UAS Existing Degree Programs

- **Meeting Wrap-up, Next Steps**
  - Next meeting date

Southeast Cluster Initiative
Visitor Products CWG Monthly Status Report

Date: January 2012

Goal*:* To create private-public partnerships as a catalyst for job creation and business growth in Southeast Alaska.

Co-Chair Name: Kirby Day

Meetings held:

Date:	Purpose:	Attendees:
2/2/2012	Monthly cluster check-in	Kirby Day, Carol Rushmore, Geny Del Rosario, Hans vonRekowski, Jeff Morehouse, John Blanchard, Jon Martin, Kevin McIver, Linda Kruger, Lynn Humphrey, Marti Marshall, Odin Brudie, Eva Bornstein
1/31/12	Action Initiative #1	Linda Kruger, Amanda Smith, Odin Brudie, Lynn Humphrey, Carol Rushmore, Marti Marshall, Hans vonRekowski, Eva Bornstein

Initiative Activity Update – February 2 Teleconference

Initiative 1: Develop Land and Water Trails and Support Facilities – Linda Kruger

The Trails group met on 1/31 to discuss next steps. Group would like to bring together trail organizations and businesses from all communities to exchange information on long distance trail development and opportunities for business development. The group will arrange a teleconference with regional trail groups to gauge interest. A regional trail meeting could be scheduled in 2013 in conjunction with the Alaska Recreation and Park Association annual conference to be held in Juneau. Amanda Smith offered to facilitate contact with the Alaska REI rep for input and advice.

Initiative 2: **Increase Guided Access to Land – John McConnochie**

The group will continue to be involved in the Mendenhall Glacier Recreation Area Master Plan update to insure we have predictable and stable long term increases in access to the area. The comment period for this plan has passed, but we will keep monitoring it to see when next we can be involved. The group will continue to monitor that the plan allows the District Ranger the flexibility to meet market demands in a timely manner regarding access. The group will continue to make sure increased access does not deter from the guests experience.

Marti Marshall reported that the FS is working on the MGRA carrying capacity analysis, has finished the Misty Fjords carrying capacity analysis and is finishing up the POW analysis. Having these plans in place will help with flexibility to make access adjustments more quickly. Next to be started are shoreline access capacity studies for Juneau, Hoonah, Sitka and Admiralty Island. (80 – 90% of Tongass use is boat based.) This study will take a couple of years, but again will speed up access and help flexibility when in place. There was also discussion that the MGRA Master Plan is focused on commercial use and capacity, but there is also a need for a master plan that focuses on facilities and infrastructure needs.

Initiative 3: **Promote Multi-Community and Regional Visitor Packages - open**

The FS has offered the skills and expertise of Kevin McIver to this group. The group has lost some of its membership, so JEDC and the Co-Chair will contact the remaining members to determine how best to move the initiative forward.

Initiative 4: **Strengthen Accountability for Tongass Recreation Fees – Bob Janes**

The $79,000 allocated to trail maintenance at the MGRA was again acknowledged as a successful outcome of private-public partnering through the cluster initiative. Marti Marshall commented that at present all funding is allocated based on competition. She has been working on a proposal to allow more decisions to be made at the facility level. An update was asked on following up on developing a mechanism to credit in-kind labor against fees. Marti commented that this requires a change to a national policy. However, Alaska has always been a test area, as for example with flat fees, so Marti is open to proposing a pilot project as a test case. She will look into this.

Initiative 5: **Tourism Course Integration with Existing UAS Degree Programs – Kelli Dindinger**

Southeast Cluster Initiative
Visitor Products CWG Monthly Status Report

UAS and JEDC held a meeting on 1/13 to discuss opportunities for cooperation with the cluster initiative. As a follow up, the team will meet with the Chancellor to learn about the model of industry-university cooperation that has been used successfully to develop both an oil industry and a mining career pathway curriculum. A career pathway shows a student what path he/she will follow in the workforce upon completion of a specific curriculum at UA. A career pathway connecting academic training to a career is the first step toward developing curriculum around a specific industry segment. Internships with academic credit are an important part of this curriculum. The initiative team will meet with the University Provost to determine next steps toward career pathway development.
Next Steps:
The group discussed that a successful regional meeting called "Working Together" was held many years ago with a focus on tourism and how smaller communities can embrace it. Marti and Odin will write a concept paper and distribute to agencies to gauge interest and support for holding similar conference. The CWG will have its next monthly teleconference in early March. Date and time TBA.

MINING SERVICES AND SUPPLY

CLUSTER WORKING GROUP

Co-chairs: Jason Hart and Chris Gerondale

Cluster Working Group Meetings	
February 10, 2012	Juneau Informational Meeting
February 24, 2012	Ketchikan Informational Meeting
March 30, 2012	Juneau CWG Meeting
May 4, 2012	Juneau CWG Meeting
October 5, 2012	Juneau CWG Meeting
December 17, 2012	Teleconference

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information			
Cluster:	Mining Services and Supply Cluster Working Group		
Initiative:	Identify, Develop and Market Services and Products for Mines		
Goal:	Open a sustainable line of communication between the mines and local industry leaders so that they may be more effective and efficient in working together, the local supply and service industry has more opportunity to do business with the mine, and the mine can receive a higher level of service (local or not) than they currently do. Sustainable, meaningful communication will be the keystone to success of this initiative. Sustainability of this communication line will require that new hires at the mines (as well as employees promoted to positions that relate directly to this) are educated about local opportunities and engaged, and have support for this initiative from their leadership. On the industry side, sustainability will require a very high-level of accountability and responsiveness as well as the ability to manage expectations. There will also need to be a method to engage new businesses and possibly even attract the creation of new businesses.		
Champion:	Jason Ginter – NORTECH	jginter@nortechengr.com	586-6813
Team:	Jason Hart – Hecla Greens Creek Roger Calloway – Reliable Trans. Chris Gerondale – CMI Eric Vance – Waste Management Mike Bell – UAS Amy Dieffenbacher – Aurora Geosci Graham Neale – Heatherdale Res Michael Wilson – Coastal Heli.	jhart@hecla-mining.com roger@reliabletransfer.com chris.gerondale@cmiak.co evance@wm.com mike.bell@uas.alaska.edu amy.dieffenbacher@aurorageosciences.com GrahamNeale@hdimining.com mwilson@coastalhelicopters.com	789-8184 789-1490 321-4403 780-7801 796-6140 321-7673 866-5365 789-5600

Meeting Summaries		
Date:	Attendees:	Outcome:
12/17/12	CWG Monthly call-in	• The team met once and discussed how best to distribute information about the services of mining support firms • Jason Ginter spoke with Amanda Shaw with AMA to see if this information could be made available on AMA's website o According to Amanda the AMA was not interested in this

		idea because they are concerned that they would not receive as much revenue from their journal • Chris Gerondale believes the directory is different from the journal and might be the better target
10/26/12	Amy Dieffenbacher Graham Neale Jason Ginter Eva Bornstein Aaron Ferguson	• Graham to speak with Chris Gerondale about trying to get implementation team members on the team that is redesigning the AMA website Jason Ginter will look into who is working on the redesign of the AMA website
10/5/12	CWG Meeting #3	• Many mine companies do not know what services are available in Juneau and don't know who to call. • This is a priority because situations escalate to an emergency before local calls are made. • There needs to be a way for mines and supplier/providers to connect and meet • Register of businesses and services should be internet based • Despite the efforts of this initiative, there will be no guaranteed that any one service provider or supplier will get a contract • The scope of this initiative is regional, it is not just focused on Juneau

Initiative Action Plan Update		
Activity 1:	Look into what is available electronically (internet) and to consider getting involved in AMA's efforts (6th of Nov.—AMA is having a meeting on website redesign)	Activity Date:
• Jason Ginter spoke with Amanda Shaw with AMA to see if this information could be made available on AMA's website • Chris to bring this idea to the AMA planning committee, which is currently discussing this idea. Jason Ginter will join Chris Gerondale in attending a meeting of the AMA planning committee at 7AM on 1/11/13.		12/12 1/11/13
Activity 2:	Craft a clear, concise unified message from the CWG that can be delivered to the department heads, and/or buyers at the mines that will invite them to communicate with this group, explain the	Activity Date:

	intentions of the group, and set the right expectations.	
• No work on this activity to date.		
Activity 3:	Formally deliver the message from Step 2, and set one or more meetings between the department heads/buyers at the mine and the interested industry partners in order to identify needs, and potential services that could be provided locally that are not currently provided locally, and opportunities for new services (for entrepreneurs).	Activity Date:
• No work on this activity to date.		
Activity 4:	Talk with department heads at the mines to identify how to be proactive in servicing needs. Get a list of things that mine would like to improve from department heads. Discuss providing services through an RFP rather than on emergency basis.	Activity Date:
• No work on this activity to date.		
Activity 5:	Talk with department heads at the mines to see if mines have vendor pre-qualification process/services.	Activity Date:
• No work on this activity to date.		
Activity 6:	Develop a brochure/packet of local services/qualified vendors to showcase to mines what is available locally – to be provided to new managers when there is staff turnover.	Activity Date:
• No work on this activity to date.		
Activity 7:	Work with AMA/JEDC to keep an updated list of service and supply companies with pre-qualifications. Make the list available online through a website or online networking forum.	Activity Date:
• No work on this activity to date.		
Activity 8:	Develop and implement a traveling tradeshow to take service and product suppliers out to mines for one day events to present their business, meet and network with mine staff, and gain insight into the needs of the mines.	Activity Date:

• No work on this activity to date.	

Other Informational Items

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information			
Cluster:	Mining Services and Supply Cluster Working Group		
Initiative:	Develop Juneau as a Regional Rebuild Service Center Through Favorable Sales Tax Treatment		
Goal:	Encourage the development of Juneau as a regional rebuild service center by creating a favorable tax status for the rebuild industry. Juneau will become the "go to" for current and future mining companies in Southeast, BC and the Yukon, bringing high-paying trades jobs to the economy.		
Champion:	Chris Gerondale – CMI	chris.gerondale@cmiak.com	321-4403
Team:	Jason Hart – Hecla Greens Creek Lance Stevens – AK USA Fed. Credit Union	jhart@hecla-mining.com L.Stevens@alaskausa.org	789-8184

Meeting Summaries		
Date:	Attendees:	Outcome:

12/17/12	CWG Monthly call-in	• Chris Gerondale is working on figuring out the total value of rebuilds:
		  ○ He spoke with several firms including the Vancouver BC Chamber of Commerce and a helicopter trades association
		  ○ He spoke with John Pugh at UAS to see if UAS could assist the team in analyzing the impact of sales tax/rebuilds on the revenue of CBJ
		• There is not much of an appetite for favorable sales tax treatment on the purchasing of parts
		• The team needs to identify a lawyer to work with to draft language to submit to CBJ but this is a task for further down the road

10/19/12	Chris Gerondale Jason Hart Lance Stevens	• Lance Stevens will ask Max Mertz with the Juneau Chamber of Commerce and Elgee Rehfeld Mertz, LLC for his opinion about the feasibility of this initiative

	Aaron Ferguson	• Chris Gerondale, in partnership with JEDC, to speak with UAS (John Pugh) about getting a professor or student to work on figuring out the difference in value created for CBJ by one dollar spent locally on retail versus one dollar spent on salary for a local worker
10/5/12	CWG Meeting #3	• This is a high industry priority because mines have a preference for local work where they can see and review progress. • A rebuild job is over $100,000 per year, so has a high potential for job creation, but will create training needs for qualified employees. • Assembly action is how tax exemptions are determined, not through a general vote • Mines do not currently take sales tax into consideration into procurement decisions but they will have to once the price of metals goes down.
5/4/12	CWG Meeting #2	• If rebuild equipment in Juneau need to charge sales tax. FOB Seattle then there is no sales tax. There is no sales tax cap. The tax structure is different in other Southeast communities.

Initiative Action Plan Update		
Activity 1:	Define "rebuild" in order to define what will qualify for preferred tax status.	Activity Date:
• The team determined that parts will be excluded from this initiative; instead, this initiative will focus on labor		12/12
Activity 2:	Develop justification for exemption. Contact mines to request average cost of rebuilds, amount of work currently done in Juneau, amount done outside and estimate of potential additional work that will be done here.	Activity Date:
• Team is working on figuring out the total value of rebuilds • Team spoke with several firms including the Vancouver BC Chamber of Commerce and a helicopter trades association. The helicopter trades association will give the team information within a couple weeks.		12/12 12/12

Activity 3:	Get commitment from mines for additional work to be done here.	Activity Date:
• No work on this activity to date		
Activity 4:	Make a list of rebuild service providers in other industries – marine, construction, others and contact to see if interested in participating in initiative.	Activity Date:
• No work on this activity to date		
Activity 5:	Do a study showing the benefit of capping – bringing jobs to Juneau without losing tax revenue for CBJ. Be specific to how many jobs and what kind of jobs.	Activity Date:
• Team contacted UAS to see if UAS could assist the team in analyzing the impact of sales tax/rebuilds on the revenue of CBJ. John Pugh said that UAS would help and Chris will follow up with UAS in a couple of weeks.		12/12
Activity 6:	Get commitment from local firms to make infrastructure investment.	Activity Date:
• No work on this activity to date		
Activity 7:	Develop proposed exemption language.	Activity Date:
• No work on this activity to date		
Activity 8:	Present to CBJ finance committee.	Activity Date:
• No work on this activity to date		

Other Informational Items

- The helicopter trades association will give the team information within a couple weeks
- Chris will follow up with UAS in a couple of weeks
- The team needs to identify a lawyer to work with to draft language to submit to CBJ but this is a task for further down the road

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information			
Cluster:	Mining Services and Supply Cluster Working Group		
Initiative:	Create and Promote Vocational/Trades Training Opportunities and High School Career Pathways		
Goal:	This initiative will first identify specific needs for trades occupations in the region and then develop training opportunities for local residents so that they may become employed in mining services and supplies industries. One route that will be explored is through broadened offerings/expanded curriculum of MAPTS in Southeast for certificate training and degree training in trades. The initiative also aims to promote, support and enhance the high school careers pathways program for trades jobs in order to raise awareness about trades occupations in the mine servicing and supply industry, promote the need for entry-level mechanics (diesel) and other related occupations, improve the range of High School courses offered to train in these occupations, and get students engaged in these courses. The CWG is also concerned about improving career skills education.		
Champion:	Mike Bell – UAS Fred Sayre – Hecla Greens Creek	mike.bell@uas.alaska.edu fsayre@hecla-mining.com	796-6140 789-8181
Team:	Amy Dieffenbacher – Aurora Geosci Graham Neale – Heatherdale Res David Wetzel – Admiralty Env. Carin Smolin – JSD Robin Gilcrest – UAS Elaine Price – SEC Bill Bennett – AK Coastal Aggr. Justin Shearer – NC Machinery	amy.dieffenbacher@aurorageosciences.com GrahamNeale@hdimining.com dwetzel@admiraltyenv.com carin_smolin@jsd.k12.ak.us robin.gilcrist@uas.alaska.edu elaine@seconference.org Bill.Bennett@sealaska.com jshearer@ncmachinery.com	321-7673 206-866-5365 463-4415 523-1877 796-6141 523-4355 755-2502 789-0181

Meeting Summaries		
Date:	Attendees:	Outcome:
12/17/12	CWG Monthly call-in	• The team met and had a productive conversation about how to determine the demand and skills required for mining services and supply jobs and how to visualize this information • Carin Smolin is more than willing to host speakers from the

		mining services and supply industry in high school classrooms to speak with students • JEDC to explore using a tool to display information about the skillset required for certain jobs in the mining services and supply sector (e.g. quadrant analysis tool from Junior Achievement module) • JEDC to contact DOL to see what data is available regarding demand and skills required for jobs in the mining services and supply sector • JEDC to draft survey to be distributed at Innovation Summit and AMA to gather data regarding what firms need regarding skills of workforce
12/11/12	Fred Sayre Mike Bell Elaine Price Amy Dieffenbacher Carin Smolin Robin Gilcrest Aaron Ferguson	• Need to complete survey of openings and the type of jobs • Need projections of the number of jobs from DOL • Any survey should include support positions • We should get a list of upcoming summer internships from mines (Ron Plants is a good contact at Hecla Greens Creek for this) • There is currently no training available for people who are already employed and/or not Alaskan residents • An apprenticeship fair is occurring • A poster that describes all the jobs associated with a mine and mine support and the skills and education required for each job would be useful for job fairs, schools, teachers, and school counselors • JEDC to explore using a tool to display information about the skillset required for certain jobs in the mining services and supply sector (e.g. quadrant analysis tool from Junior Achievement module) • There is a Hecla Academy in June, a two week course ○ Mike will talk with UCore too • Next steps were discussed for activities 2, 6, and 7. See Next Steps for more details.
10/5/12	CWG Meeting #3	• Six entities in the region are trying to come into training, need coordination. • UAS needs feedback for what pipeline looks like for jobs for this industry. • Hecla Greens Creek gave $300k to create a high school program to train mechanics which was expanded to other trades. • Mining service providers and suppliers are also concerned with

		basic career skills training and employee retention. • This initiative should not just focus on Juneau; can conduct webinars for regional training. • Enrollment for high school vocational programs is lower than previously; these programs need to be promoted.

Initiative Action Plan Update		
Activity 1:	Identify gaps and current efforts	Activity Date:
• No work on this activity to date.		
Activity 2:	Quantify regional demand for skilled trades workers: determine what kind of jobs need to be filled, how many positions exist and are expected to be needed, and what kind of training is needed.	Activity Date:
• No work on this activity to date.		
Activity 2.a:	Contact/work with DOL to see if they have already done a survey, or if we can adapt a needs/positions survey from another industry for this industry.	Activity Date:
• JEDC to contact DOL to see what data is available regarding demand and skills required for jobs in the mining services and supply sector		12/12
Activity 2.b:	Design a survey if one does not exist	Activity Date:
• JEDC to draft survey to be distributed at Innovation Summit and AMA to gather data regarding what firms need regarding skills of workforce		12/12
Activity 2.c:	Work with DOL, AMA and JEDC to conduct survey.	Activity Date:
• No work on this activity to date.		

Activity 3:	Investigate possibility of expanding mine training program to offer a choice of training tracks and fee/tuition-based classes.	Activity Date:
• No work on this activity to date.		
Activity 4:	Investigate possibility of expanding career skills classes.	Activity Date:
• No work on this activity to date.		
Activity 5:	Identify and promote opportunities for jobs in the community.	Activity Date:
• No work on this activity to date.		
Activity 6:	Create community PR for high school programs. Join advisory councils and Juneau Workforce Councils	Activity Date:
• JEDC to explore using a tool to display information about the skillset required for certain jobs in the mining services and supply sector (e.g. quadrant analysis tool from Junior Achievement module)		12/12
Activity 7:	Recruit and use more industry adjuncts in the high school programs.	Activity Date:
• Carin Smolin with JSD said JSD is happy to host people from the Mining Services and Supply industry to speak with students		12/12

Other Informational Items

- JEDC reach out to DOL to see if they have pertinent information
- Carin to mention the opportunity for speaking to high school students to the Mining Services and Supply CWG
- JEDC to explore the poster idea
    - See if AMA has anything like this
- Robin to speak with unions to see if more firms could be represented at the Apprenticeship fair
- Mike to send Robin a map of all the mines in SE AK
- Mike and Fred to look at types of jobs list and group them by category
- Fred to find out what kind jobs were available last year at Hecla Greens Creek, the skills/education required for each position, and which positions were subcontracted

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information			
Cluster:	Mining Services and Supply Cluster Working Group		
Initiative:	Develop Industrial Land Within CBJ		
Goal:	Undertake a comprehensive needs assessment of industrial land in CBJ. This assessment includes an inventory of current and projected demand by location and cost. Work with CBJ and private owners to identify and set aside new parcels of low cost land to be zoned industrial.		
Champion:	Dylan Ashe – Channel Construction	dylan@channelak.com	789-0200
Team:	Amy Dieffenbacher – Aurora Geosci Chris Gerondale – CMI Rick Shattuck– S. & G. Insurance Michael Wilson – Coastal Heli. Heather Marlow – CBJ Marquam George, UAS	amy.dieffenbacher@aurorageosciences.com chris.gerondale@cmiak.com rick@sginc.com mwilson@coastalhelicopters.com Heather_Marlow@ci.juneau.ak.us marquam.george@uas.alaska.edu	321-7673 321-4403 523-3760 789-5600 586-5252 796-6124

Previous Meetings		
Date:	Attendees:	Outcome:
12/17/12	CWG Monthly call-in	• The group decided that the best way to determine the demand for industrial land is to survey firms attending the Innovation Summit • Dylan reached out to CBJ to see if they could help create an inventory of industrial land that meets certain criteria
12/11/12	Dylan Ashe Amy Dieffenbacher Hal Hart Michael Wilson Rick Shattuck Brian Holst Aaron Ferguson	• The group that was pushing for the W. Douglas development completed an assessment of demand • Rick Shattuck spoke with Carlton Smith who indicated that: o The price of industrial land in Juneau is relatively reasonable (industrial land in Anchorage that is close to the airport costs about $20/sq. ft. and similar land in Juneau costs $9-15/sq. ft.) o The real issue associated with industrial land in Juneau is not necessarily cost but is actually associated with the

		features of the land; there is a demand for well-drained land with better access to infrastructure (e.g. proximity to airport) (Hal Hart concurs) • This group still needs to answer the question as to whether or not demand for more industrial land exists • The Innovation Summit might be a good time to survey companies about their demand for industrial land and how Juneau might otherwise help them • The AMA trade show might be a good time to ask companies how Juneau could become their base of operations • Amy to look into who is organizing AMA trade show. • One task that should be completed is to identify land that could be used by interested parties in the Mining Services and Supply industry • Dylan to send Hal Hart formal request for information to create an inventory of industrial land that fits certain attributes, e.g.: o Good drainage o Various parcel sizes o Relatively flat o Access to road o Utilities (e.g. water, sewer) o Proximity to airport • The prospector tool is one option for displaying commercial and industrial land that is for sale (the group agreed that this tool was not that useful given the small size and homogeneity of Juneau)
10/15/12	Dylan Ashe Amy Dieffenbacher Chris Gerondale Hal Hart Heather Marlow Michael Wilson Mary Becker Brian Holst Aaron Ferguson	The group decided to: 1. Examine prices of industrial land in other locations 2. Determine the type of and volume of work that mines outsource outside of Juneau o Chris Gerondale to acquire this information from mining companies 3. Review uses of industrial land in CBJ over last 10-15 years o Hal Hart to gather this information 4. Review why companies that considered moving to Juneau over last 10-15 years chose not to 5. Review why CJB denied applications from any companies that considered moving to Juneau over last 10-15 years o Heather Marlow to gather this information

		6. Identify and reach out to other industries that might be interested in industrial land JEDC to identify and reach out to firms and contacts in the marine industry (e.g. Jim Becker)
10/5/12	CWG Meeting #3	• This initiative does not expect that CBJ will sell land below market value. • According to a Mayoral Taskforce's demand assessment W Douglas development would barely meet the demand for industrial land. • This isn't the only group that is interested in this issue; consider opening this initiative to more industries. • CBJ is aware of the issue as a priority and is already working on many of the tasks, would welcome working with this group. • There are some current opportunities: o W Douglas is in good shape with a 2.5 mi extension to highway to a shallow-medium port at Gold Belt land. o With sewer access around Industrial Blvd allows a different development profile o CJB owns a lot of land at back of Anka St. • There are also some challenges: o Visitors/tourists need to be considered in addition to housing o A study of the demand for industrial land showed that demand was not high enough to warrant an industrial land sale by CBJ

Initiative Action Plan Update		
Activity 1:	Review CBJ zoning code for allowable uses under each zoning designation. See if allowable uses are appropriate for industrial zoning or if changes to the code should be recommended, particularly to limit housing.	Activity Date:
• No work on this activity to date.		
Activity 2:	Develop projections of demand for industrial land: identify businesses who currently have a need or anticipate a need for	Activity Date:

	industrial land, identify potential uses, preferred locations and cost	
• Rick Shattuck spoke with Carlton Smith who indicated that: ○ The price of industrial land in Juneau is relatively reasonable (industrial land in Anchorage that is close to the airport costs about $20/sq. ft. and similar land in Juneau costs $9-15/sq. ft.)		12/12
Activity 3:	Review 2012 CBJ Comp Plan and look at where industrial designations are and see if the demand matches those locations.	Activity Date:
• Dylan Ashe to work with Hal Hart with CBJ to formally request for information to create an inventory of industrial land that fits certain attributes.		12/12
Activity 4:	For those areas that match demand, push for infrastructure development and protection of designated areas, including the appropriateness of neighboring border zones to industrial activity.	Activity Date:
• No work on this activity to date.		
Activity 5:	Go to planning commission to set aside land in areas that would be in demand if available.	Activity Date:
• No work on this activity to date.		
Activity 6:	Look at options for trading or purchasing industrial land if CBJ designated areas do not match future demand.	Activity Date:
• No work on this activity to date.		

Other Informational Items

- Chris Gerondale said he would attempt to figure out the type and volume of work that mines outsource outside of Juneau
- Dylan to check with Chris and then distribute info to group and Hal Hart
- Dylan to send Hal Hart formal request for information to create an inventory of industrial land that fits certain attributes, e.g.:
  - Good drainage
  - Various parcel sizes
  - Relatively flat
  - Access to road
  - Utilities (e.g. water, sewer)

- Proximity to airport
- Amy to look into who is organizing AMA trade show
- Prospector tool: http://anchorageprospector.com/

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information			
Cluster:	Mining Services and Supply Cluster Working Group		
Initiative:	Career Building in Environmental Science and Engineering		
Goal:	To provide in-region training for Environmental Engineering Technician jobs with industry and government through coursework/program development at UAS. The objective is a two-year AA degree program that stands alone but will transition directly into the four year engineering programs at UAF, UAA, and most other engineering schools around the nation. Programs should be developed at UAS due to their closeness to several major mining operations in Alaska.		
Champion:	Chris Gianotti – PND Engineers	cgianotti@pndengineers.com	586-2093
Team:	Lori Sowa – UAS Sigrid Dahlberg – Carson Dorn Amy Dieffenbacher – Aurora Geosci David Wetzel – Admiralty Env. Mike Bell – UASs Kurt Fredriksson – JEDC Board	Lori.sowa@uas.alaska.edu sdahlberg@carsondorn.com amy.dieffenbacher@aurorageosciences.com dwetzel@admiraltyenv.com mike.bell@uas.alaska.edu fredriksson@gci.net	796-6274 723-8896 321-7673 463-4415 796-6140 789-7616

Previous Meetings		
Date:	Attendees:	Outcome:
12/17/12	CWG Monthly call-in	• There is a new license for environmental engineers in AK (civil engineers used to do this work) • UA is considering creating an environmental engineering degree program • UAS now offers a 2 + 2 program that feeds into the engineering programs at UAA/UAF; this is a big success • Oil companies have requested that UAA/UAF start an environmental engineering degree program • Lori Sowa to attend meeting of oil companies and UA and to ask them about their needs in terms of skills of new hires • Chris Gianotti to draft a survey to gather information about needs of mines and services • Amy Dieffenbacher to develop list of mines and service

		providers to distribute survey to
12/12/12	Chris Gianotti Lori Sowa Sigrid Dahlberg Amy Dieffenbacher Aaron Ferguson	• Chris Gianotti will take a first stab at writing up survey questions • The survey should include a question regarding internships • Lori Sowa will try to attend a meeting of interested stakeholders (e.g. Conoco, BP) that are discussing their training needs; Lori will distribute the survey at this meeting; Lori will keep the team updated on the results of the meeting • Lori will distribute the survey at this meeting • Lori will keep the team updated on the results of the meeting • Amy Dieffenbacher will compile a list of other firms (plus contact info) to distribute the survey to • Amy Dieffenbacher will compile a list of other firms (plus contact info) to distribute the survey to • Lori Sowa will look into ABET/board of registration requirements for curriculum
10/5/12	CWG Meeting #3	• The idea is a 2-year program where environmental technicians can start at UAS and then go to UAF, UAA or other schools for the remainder of a four year program, or into the workplace with a two year technician degree. • Department of Labor projects increased demand for more environmental engineers and environmental techs; we need to look at the long term job projections before we move this initiative forward. • Need to know if a degree is needed or just on the job training; need to talk with industry to see what they prefer to hire. UAS had an environmental tech program in the past that was not supported by industry which preferred to hire without a degree at that time. • Paid internships are what works to get people to SE and to move here, but there also has to be career training before internships. • The main difference between this initiative and Initiative 3 “Create and Promote Vocational/Trades Training Opportunities and High School Career Pathways” is that this initiative is focused on training environmental engineering technicians.

Initiative Action Plan Update		
Activity 1:	Design a survey instrument to identify mining industry needs including those of agencies, labs and consultants, career opportunities, type of training needed (certificate, AA, BS, etc) and skill sets needed. The amount of turnover and growth also needs to be identified.	Activity Date:
• Chris Gianotti will take a first stab at writing up survey questions.		12/12
Activity 2:	Disseminate and conduct survey with producing mines, exploration and development companies, consultants, laboratories and regulatory agencies to determine their needs. Survey other needs for this skill set - who else needs skilled positions – environmental technician, environmental scientist or specialist and environmental engineer - and create an industry career/education matrix.	Activity Date:
• To be disseminated at Innovation Summit.		2/13
Activity 3:	Analyze results. Determine if there is enough demand from mining industry, local offices for the EPA, DEC, labs, consultants and related science folks to build a program.	Activity Date:
• No work completed on this activity to date.		
Activity 4:	Meet with Dean, Chancellor, and Dept. Chairs at UAS to review results and identify university programs that already exist.	Activity Date:
• No work completed on this activity to date.		
Activity 5:	Contact Alaska professional board of registration and possibly ABET (Accreditation Board for Engineering Technology) to determine what curriculum is needed for a professional program.	Activity Date:
• Lori Sowa will look into these requirements for curriculum		1/13
Activity 6:	Develop steps to put together a curriculum and build a program where a gap is identified. Coordinate with UAA, UAF and other non-university training.	Activity Date:

• No work completed on this activity to date.		
Activity 7:	Coordinate with industry/UAS program to develop local internship opportunities to bridge the gap between school and the workplace.	Activity Date:
• No work completed on this activity to date.		

Other Informational Items

- Chris Gianotti will take a first stab at writing up survey questions
- Lori Sowa will try to attend a meeting of interested stakeholders (e.g. Conoco, BP) that are discussing their training needs; Lori will distribute the survey at this meeting; Lori will keep the team updated on the results of the meeting
- Amy Dieffenbacher will compile a list of other firms (plus contact info) to distribute the survey to
- Lori Sowa will look into ABET/board of registration requirements for curriculum

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information			
Cluster:	Mining Services and Supply Cluster Working Group		
Initiative:	Hold Mining Procurement Event		
Goal:	Expand the quantity and quality of services and supplies provided to the Mining Industry from firms in Southeast Alaska through an event that brings together several key elements: • Details on supplies that the mining industry in the region needs and an opportunity to present offers. • Details on supplies that the mining industry in the region needs and an opportunity to present offers. • Training/orientation from mine procurement officials regarding how they prefer to interact with suppliers. • Provide opportunities for larger contractors and engineering firms to work with smaller sub-contractors for services and supplies.		
Champion:	Mike Satre – Council of AK Producers	msatre@alaskaproducers.org	957-2149
Team:	Jason Hart – Hecla Greens Creek Graham Neale – Heatherdale Res Eric Holst – Hecla Greens Creek Justin Shearer – NC Machinery	jhart@hecla-mining.com GrahamNeale@hdimining.com eholst@hecla-mining.com jshearer@ncmachinery.com	723-2065 206-866-5365 789-0181

Meeting Summaries		
Date:	Attendees:	Outcome:
12/17/12	CWG Monthly call-in	• A procurement event has been scheduled Friday afternoon of AMA conference at which there will be: ▪ Presentation ▪ Q&A session ▪ Information tables • Non-AMA members will be allowed to attend this event • Mike Satre and Chris Gerondale will continue to work on the details of this event

10/5/12	CWG Meeting #3	• The event is one where the mines present what they need. • This event should utilize an existing format - could be held when the AMA event is happening in Juneau.

Initiative Action Plan Update		
Activity 1:	Identify speakers from mines to talk about procurement needs/trends/opportunities/challenges of producing mines and exploration activities.	Activity Date:
• No work completed on this activity to date.		
Activity 2:	Write a promotional piece for the Alaska Miner and other venues to promote the opportunity to learn about this procurement event.	Activity Date:
• No work completed on this activity to date.		
Activity 3:	Identify what is being purchased from local firms by current operating mines and exploration firms: Greens Creek, Kensington, Niblack (Heatherdale), Bokan (Ucore), and possibly others….	Activity Date:
• No work completed on this activity to date.		
Activity 4:	Identify what is not being purchased from local firms by current operating mines and exploration firms.	Activity Date:
• No work completed on this activity to date.		
Activity 5:	Work with AMA to form a list of suppliers and service organizations in the region. Work with local chambers of commerce to identify other firms that provide services that could also meet needs of the mines (producing and exploration)	Activity Date:
• No work completed on this activity to date.		
Activity 6:	Interview mining procurement officials at the operating mines to develop a series of training seminar topics that can be delivered at	Activity Date:

	the event.	
• No work completed on this activity to date.		
Activity 7:	Produce display materials of procurement requirements (RFPs) of the mine.	Activity Date:
• No work completed on this activity to date.		
Activity 8:	Identify contractors of the mines that use sub-contracts to acquire various services to see where more local firms can participate.	Activity Date:
• No work completed on this activity to date.		
Activity 9:	Contact Engineering Firms working with the mines to learn about procurement opportunities for their work.	Activity Date:
• No work completed on this activity to date.		
Activity 10:	Identify time/place for an event. Consider co-locating the procurement event with another mining event in Southeast Alaska (e.g. AMA event that is happening in Juneau next year)	Activity Date:

• A procurement event has been scheduled Friday afternoon of AMA conference at which there will be:
  ○ Presentation
  ○ Q&A session
  ○ Information tables
• Non-AMA members will be allowed to attend this event
		2/13

Other Informational Items

- Mike Satre and Chris Gerondale will continue to work on the details of this event

JEDC.org
612 West Willoughby Ave. Suite A
Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

Mining Services and Supply Working Group Monthly Meeting

DATE: **Monday, December 17, 2012**
TIME: **2:00PM**
LOCATION: **JEDC Conference Room and Teleconference**

Teleconference #: 1-800-747-5150
Access Code: 5232300#

2:00PM **Welcome, objectives and introductions – Jason Hart and Chris Gerondale**

- Objective:
  - Hear progress reports and plans for future work for each active action initiative

General updates from SE Cluster Initiative – Brian Holst

- Ocean Products, Visitor Products, Renewable Energy
- Innovation Summit, February 11-13, 2013
  - Day 2 – Mining Services and Supply CWG meeting; agenda items needed
  - Day 3 – Available for initiative team meetings

2:40PM **Champions report on progress and future work plans of action initiative teams**

1. Develop Juneau as a Regional Rebuild Service Center Through Favorable Tax Treatment – Chris Gerondale
2. Identify, Develop, and Market Services and Products for Mines –Jason Ginter
3. Create and Promote Vocational/Trades Training Opportunities and High School Career –Mike Bell and Fred Sayre
4. Develop Industrial Land within CBJ –Dylan Ashe
5. Career Building in Environmental Science and Engineering –Chris Gianotti
6. Hold Mining Procurement Event –Mike Satre

Summit Planning Discussion

- Any agenda items for Mining Services and Supply CWG meeting at Summit?
- Any initiative teams wish to schedule meetings for Day 3 of the Summit?

4:00PM **Meeting Wrap-up & Adjournment**

- Tentative date for next teleconference?

Southeast Cluster Initiative
Mining Services and Supply CWG Monthly Status Report
December 2012

Cluster Information	
Goal:	To create private-public partnerships as a catalyst for job creation and business growth in Southeast Alaska.
Co-chairs:	Jason Hart, Hecla Greens Creek Mining Company Chris Gerondale, Construction Machinery Industrial

Previous Meetings		
Date:	Attendees:	Purpose:
12/17/12	Jason Hart Chris Gerondale Carin Smolin Chris Gianotti Chuck Hawley Dylan Ashe Jason Ginter Ken Collison Kurt Fredriksson Lance Stevens Lisa Harbo Mike Satre Randy Wanamaker Brian Holst Aaron Ferguson	• Review progress reports and plans for future work for each active action initiative • Learn about the work of the other cluster working groups • Discuss the Innovation Summit (February 11-13) and the cluster working group's role in the Summit

Initiative Activity Update	
Initiative 1:	Develop Juneau as a Regional Rebuild Service Center Through Favorable Sales Tax Treatment
Champion:	Chris Gerondale

- Progress:
  - The team held two meetings to work on this initiative over the last couple weeks

- Chris Gerondale is working on figuring out the total value of rebuilds
  - He spoke with several firms including the Vancouver BC Chamber of Commerce and a helicopter trades association
  - He spoke with John Pugh at UAS to see if UAS could assist the team in analyzing the impact of sales tax/rebuilds on the revenue of CBJ
- There is not much of an appetite for favorable sales tax treatment on the purchasing of parts

- Work plan:
  - The helicopter trades association will give the team information within a couple weeks
  - Chris will follow up with UAS in a couple of weeks
  - The team needs to identify a lawyer to work with to draft language to submit to CBJ but this is a task for further down the road

Initiative 2: Identify, Develop and Market Services and Products for Mines
Champion: Jason Ginter

- Progress:
  - The team met once and discussed how best to distribute information about the services of mining support firms
  - Jason Ginter spoke with Amanda Shaw with AMA to see if this information could be made available on AMA's website
    - According to Amanda the AMA was not interested in this idea because they are concerned that they would not receive as much revenue from their journal
  - Chris Gerondale believes the directory is different from the journal and might be the better target
    - Chris to bring this idea to the AMA planning committee, which is currently discussing this idea
- Work plan:
  - Chris Gerondale to bring this idea to the AMA planning committee, which is currently discussing this idea
  - Jason Ginter will join Chris Gerondale in attending a meeting of the AMA planning committee at 7AM on 1/11/12

Initiative 3: Create and Promote Vocational/Trades Training Opportunities and High School Career Pathways
Champion: Mike Bell and Fred Sayre

- Progress:
  - The team met and had a productive conversation about how to determine the demand and skills required for mining services and supply jobs and how to visualize

this information
    - Carin Smolin is more than willing to host speakers from the mining services and supply industry in high school classrooms to speak with students
- Work plan:
    - JEDC to explore using a tool to display information about the skillset required for certain jobs in the mining services and supply sector (e.g. quadrant analysis tool from Junior Achievement module)
    - JEDC to contact DOL to see what data is available regarding demand and skills required for jobs in the mining services and supply sector
    - JEDC to draft survey to be distributed at Innovation Summit and AMA to gather data regarding what firms need regarding skills of workforce

Initiative 4:	Develop Industrial Land Within CBJ
Champion:	Dylan Ashe

- Progress:
    - Two productive meetings have been held recently
        - The group decided that the best way to determine the demand for industrial land is to survey firms attending the Innovation Summit
        - Dylan reached out to CBJ to see if they could help create an inventory of industrial land that meets certain criteria
- Work plan:
    - JEDC to work with team to develop survey instrument to be distributed at Innovation Summit and AMA to gather data regarding demand for industrial land

Initiative 5:	Career Building in Environmental Science and Engineering
Champion:	Chris Gianotti

- Progress:
    - There is a new license for environmental engineers in AK (civil engineers used to do this work)
    - UA is considering creating an environmental engineering degree program
    - UAS now offers a 2 + 2 program that feeds into the engineering programs at UAA/UAF; this is a big success
    - Oil companies have requested that UAA/UAF start an environmental engineering degree program
- Work plan:
    - Lori Sowa to attend meeting of oil companies and UA and to ask them about their needs in terms of skills of new hires
    - Chris Gianotti to draft a survey to gather information about needs of mines and services
    - Amy Dieffenbacher to develop list of mines and service providers to distribute

survey to

Initiative 6: Hold Mining Procurement Event
Champion: Mike Satre

- Progress:
  - A procurement event has been scheduled Friday afternoon of AMA conference at which there will be:
    - Presentation
    - Q&A session
    - Information tables
  - Non-AMA members will be allowed to attend this event
- Work plan:
  - Mike Satre and Chris Gerondale will continue to work on the details of this event

Other Informational items

- Brian Holst
  - Information about other CWGs:
    - Visitor Products met today, December 17, and are making good progress
      - This cluster is actively recruiting new members from Sitka
    - Ocean Products meets this Thursday, December 20
      - They consolidated the number of initiatives during their last meeting
    - Renewable Energy meets this Wednesday, December 19, 2012
      - The Woody Biomass Initiative is the one that is most active in this cluster
    - Members of the mining services and supply cluster should let JEDC staff know if they are interested in other clusters
  - Innovation Summit
    - February 11-13
      - No conflict with schedule of AMA meetings
    - Planning partners are providing good support
    - Possible speakers include Richard Bendis who speaks on Innovation and Dane Smith who speaks on Shared Value
    - Clusters will have the opportunity to meet on the day two
    - Federal representatives will participate via video conference thanks to Alaska Communications
    - There will also be an opportunity to speak with state representatives

Next steps
• The next meeting of the Mining Services and Supply Cluster working group is tentatively scheduled for 2PM on Thursday, January 24; please save the date and try to meet with your implementation teams beforehand.

Resources
NA

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MINING SERVICES AND SUPPLY
CLUSTER WORKING GROUP MEETING 3

DATE: **Friday, October 5, 2012**
TIME: **8:15AM - 1:00PM**
LOCATION: **Centennial Hall, Juneau, Egan Room**

Teleconference Call-in: 1-800-747-5150
Access Code: 5232300#

8:15AM	**Welcome** • Brief Review of Work to Date • Objectives of Today's Meeting • Regional Updates from Mines • Questions
8:45AM	**Champions Present Possible Action Initiatives** • Develop Juneau as a Regional Rebuild Service Center Through Favorable Tax Treatment – Chris Gerondale, CMI Construction • Identify, Develop and Market Products and Services for Mining Industry – Eric Vance, Waste Management • Create and Promote Vocational/Trades Training Opportunities and High School Career Pathways – Mike Bell, Director of UAS Center for Mine Training
9:45AM	**Break**
10:00AM	**Champions Present Possible Action Initiatives** • Develop Industrial Land within CBJ – Dylan Ashe, Channel Construction • Increase Trade with Canadian Mining and Mineral Exploration Firms – Amy Dieffenbacher, Aurora Geosciences • Career Building in Environmental Sciences and Engineering – Sigrid Dahlberg, Carson Dorn • Hold Mine Procurement Event – Jason Hart, Hecla Greens Creek Mining Company
11:30AM	**Break--Sandwiches** • Group Work to Incorporate Feedback
12:15PM	**Next Steps for each Initiative** **Election of Cluster Co-Chairs**
12:45PM	**Meeting Wrap-up & Adjourn**

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Meeting Summary
Mining Services and Supply Cluster Working Group Meeting 3
October 5, 2012

Background

The Mining Services and Supply Cluster Working Group (CWG) is organized primarily with resources under a contract with the US Forest Services as well as some additional resources provided by the City and Borough of Juneau, executed by the Juneau Economic Development Council (JEDC). This document is a summary of the third meeting of the Mining Services and Supply CWG. A list of meeting attendees is included.

During the second CWG meeting (May 4, 2012), participants ranked the 17 Possible Action Initiatives (PAI) proposed at the first CWG meeting (March 30, 2012) by priority. Through this ranking activity and discussions, the CWG chose 7 PAI for which to develop draft action plans for implementation. Subsequently, seven development teams met one or more times to define objectives, action steps and outcomes for each PAI.

Goals

The goals of the third Mining Services and Supply CWG meeting were to:

- Review the draft action plans developed for the 7 PAI that the CWG selected at the second CWG meeting
- Determine if each PAI is ready to be implemented
- Organize teams to implement each initiative
- Establish next steps for the implementation teams

Process

Brian Holst, Executive Director of JEDC, welcomed all to the third Mining Services and Supply Cluster Working Group (CWG) meeting, which was held on October 5, 2012, at Centennial Hall in Juneau, Alaska from 8:15AM to 1:00PM. Brian then presented the agenda and goals for the meeting and a brief overview of the concept of economic clusters.

Next, champions for each PAI presented the motivation, objective, and action plan of each respective PAI for the group's review. The Mining Services and Supply CWG gave feedback and suggested improvements and concluded each discussion by raising different colored cards to indicate whether each PAI (a) was ready for immediate action or implementation (green), (b) needed more detail and/or work and then could be launched (yellow), or (c) needed more work and a group reevaluation (red). After reviewing all of the PAI, the CWG agreed to combine 2 PAI so there are now 6 action initiatives that the CWG will implement. After the CWG gave feedback for each PAI, Brian asked for volunteers from the CWG to serve on initiative implementation teams for each PAI.

Midway through the meeting, Graham Neale, Project Manager, Heatherdale Resources Ltd., gave a brief overview of the Niblack Project, a copper-gold-zinc-silver project located on Prince of Wales Island. The project is currently in the scoping phase and Heatherdale, which has owned 100% interest in the project since 2009, hopes to break ground in 2015. Ken Collision, Chief Operating Officer, Ucore Rare Metals Inc., then spoke by teleconference about the Bokan Mountain project, a Rare Earth Elements project located on Prince of Wales Island. Ucore will conduct scoping and feasibility studies for this project soon. The McDowell Group is currently completing a study to try to figure out if it is feasible to develop a manufacturing component at the mine site. Ken will send this study to the CWG via JEDC once the McDowell Group completes it.

At the conclusion of the action initiative review, the group met in their action initiative teams to discuss next steps for implementation and to select champions to lead and organize each initiative implementation team. All teams committed to meeting again by the end of October to start implementation work.

Finally, the Mining Services and Supply CWG elected co-chairs to lead the CWG through the implementation phase. The co-chairs selected were Chris Gerondale, CMI Construction Machinery, Inc., and Jason Hart, Hecla Greens Creek Mining Company.

PAI Discussion Notes and Feedback Count

The following are the points of discussion for each of the 6 PAI and the group feedback results:

1. **Develop Juneau as a Regional Rebuild Service Center Through Favorable Tax Treatment** (Green: 17, Yellow: 3, Red: 0)
    - Presented by Chris Gerondale, CMI
    - There was a question as to whether this initiative should only be focused on the mining service or does it also apply to other industries.
    - This is a high industry priority because mines have a preference for local work where they can see and review progress.
    - A rebuild job is over $100,000 per year, so has a high potential for job creation, but will create training needs for qualified employees.
    - Assembly action is how tax exemptions are determined, not through a general vote
    - Mines do not currently take sales tax into consideration into procurement decisions but they will have to once the price of metals goes down.
    - Feedback from those who raised a yellow card:
        - Action steps need to be more refined

2. **Identify, Develop, and Market Services and Products for Mines** (Green: 20, Yellow: 1, Red: 0)
    - Present by Jason Ginter, NORTECH
    - Many mine companies do not know what services are available in the region and do not know who to call.
    - This is a priority because situations escalate to an emergency before local calls are made.
    - There needs to be a way for mines and supplier/providers to connect and meet
    - Register of businesses and services should be internet based
    - Despite the efforts of this initiative, there will be no guarantee that any one service provider or supplier will get a contract

- The scope of this initiative is regional, not just Juneau
- The PAI "Increase Trade with Canadian Mining and Mineral Exploration Firms" (Green: 2, Yellow: 15, Red: 2) is now incorporated as an action step of Initiative 2.
    - Long term this is a good idea after have gotten local networking worked out.
- Feedback from those who raised a yellow card:
    - No additional feedback

3. **Create and Promote Vocational/Trades Training Opportunities and High School Career Pathways** (Green: 19, Yellow: 2, Red: 0)
    - Presented by Mike Bell, UAS
    - Six entities in the region are trying to come into training, need coordination.
    - UAS needs feedback for what the pipeline looks like for jobs for this industry.
    - Hecla Greens Creek gave $300k to create a high school program to train mechanics which was expanded to other trades.
    - Mining service providers and suppliers are also concerned with basic career skills training and employee retention.
    - This initiative should include webinars to meet regional training needs.
    - Enrollment for high school vocational programs is lower than previously; these programs need to be promoted.
    - Feedback from those who raised a yellow card:
        - The focus of this initiative should be on career building skills
        - We need to define how this initiative helps this CWG

4. **Develop Industrial Land within CBJ** (Green: 20, Yellow: 1, Red: 0)
    - Presented by Dylan Ashe, Channel Construction
    - This initiative does not expect that CBJ will sell land below market value.
    - This isn't the only group that is interested in this issue; consider opening this initiative to more industries.
    - CBJ is aware of the issue as a priority and is already working on many of the tasks and would welcome working with this group.
    - There are some current opportunities:
        - West Douglas Development is moving forward again with a 2.5 mile extension of the highway
        - With sewer access around Industrial Boulevard, there is a different development profile
        - CBJ owns a considerable amount of land at back of Anka St.
    - There are also some challenges:
        - Housing is encroaching on designated industrial land sites. Tourism encroachment is another concern.
        - A study of the demand for industrial land showed that demand was not high enough to warrant an industrial land sale by CBJ
    - Feedback from those who raised a yellow card:
        - We need to look at more than just land in West Douglas

5. **Career Building in Environmental Science and Engineering** (Green: 4, Yellow: 14, Red: 0)
    - Presented by Sigrid Dahlberg, Carson Dorn
    - The idea is for a 2-year program where environmental technicians can start at UAS and then go to UAF, UAA or other schools for the remainder of a four year program, or into the workplace with a two year technician degree.

- Department of Labor projects increased demand for more environmental engineers and environmental techs; we need to look at the long term job projections as we move this initiative forward.
- Need to know if a degree is needed or just on the job training; need to talk with industry to see what they prefer to hire. UAS had an environmental tech program in the past that was not supported by industry which preferred to hire without a degree at that time.
- Paid internships is what works to get people to SE and to move here, but there also has to be career training before internships.
- The main difference between this initiative and Initiative 3 "Create and Promote Vocational/Trades Training Opportunities and High School Career Pathways" is that this initiative is focused on training environmental engineering technicians (post-high school) versus high school age students.
- Feedback from those who raised a yellow card:
    - No additional feedback

6. **Hold Mining Procurement Event** (Green: 20, Yellow: 0, Red: 0)
    - Presented by Jason Hart, Hecla Greens Creek
    - The event is one where the mines present what they need.
    - This event should use an existing format - could be held when the AMA event is happening in the region.

Next Steps for Implementation Teams

1. Develop Juneau as a Regional Rebuild Service Center Through Favorable Tax Treatment
    - Will get together 3rd week of October
    - Will identify other people that will help with this
2. Identify, Develop, and Market Services and Products for Mines
    - Look into what is available electronically (internet)
    - Will get together 3rd week of October
    - Might get involved in AMA's efforts (6th of November—AMA is having a meeting on website redesign)
3. Create and Promote Vocational/Trades Training Opportunities and High School Career
    - Will get together October 17
    - Will need to identify gaps and current efforts
4. Develop Industrial Land within CBJ
    - Meet on October18 or 19
    - Will determine course of action
5. Career Building in Environmental Science and Engineering
    - Meet end of October or beginning of November
    - Put together survey
    - Check in with Environmental Engineering License Board to ask about demand
    - Check in with UAF and UAA re: overlap of AI at UAS
6. Hold Mining Procurement Event
    - Meet before mid- November
    - Plan for event

Mining Services and Supply Cluster Working Group, October 2012

CWG Co-Chairs

- Chris Gerondale, CMI Construction Machinery, Inc.,
- Jason Hart, Hecla Greens Creek Mining Company.

Initiative Implementation Teams

Action Initiative	Champion	Team
Develop Juneau as a Regional Rebuild Service Center Through Favorable Tax Treatment	• Chris Gerondale, CMI Construction	• Jason Hart, Hecla Greens Creek
Identify, Develop, and Market Services and Products for Mines	• Jason Ginter, NORTECH	• Chris Gerondale, CMI Construction • Mike Bell, UAS • Graham Neale, Heatherdale Resources Ltd. • Jason Hart, Hecla Greens Creek • Michael Wilson, Coastal Helicopters • Eric Vance, Waste Management • Roger Calloway, Reliable Transfer • Amy Dieffenbacher, Aurora Geosciences
Create and Promote Vocational/Trades Training Opportunities and High School Career Pathways	• Mike Bell, UAS • Fred Sayre, Hecla Greens Creek Mining Company	• Graham Neale, Heatherdale Resources Ltd. • David Wetzel, Admiralty Environmental • Carin Smolin, Juneau School District • Robin Gilcrist, UAS • Amy Dieffenbacher, Aurora Geosciences • Bill Bennett, Alaska Coastal Aggregates • Justin Shearer, NC Machinery • Elaine Price, Southeast Conference
Develop Industrial Land within CBJ	• Dylan Ashe, Channel Construction	• Chris Gerondale, CMI Construction • Heather Marlow, Lands & Resources Manager • Mike Wilson, Coastal Helicopters • Rick Shattuck, Shattuck & Grummet Insurance • Amy Dieffenbacher, Aurora Geosciences • Marquam George, UAS
Career Building in Environmental Science and Engineering	• Chris Gianotti, PND Engineers, Inc.	• Mike Bell, UAS • Dave Wetzel, Admiralty Environmental • Lori Sowa, UAS • Sigrid Dahlberg, Carson Dorn, Inc • Kurt Fredriksson, JEDC Board Chair
Hold Mining Procurement Event	• Mike Satre, Council of Alaska Producers	• Graham Neale, Heatherdale Resources Ltd. • Eric Holst, Hecla Greens Creek • Jason Hart, Hecla Greens Creek • Justin Shearer, NC Machinery

List of Attendees

First	Last	Company
Amy	Dieffenbacher	Aurora Geosciences
Bill	Bennett	Alaska Coastal Aggregates
Carin	Smolin	Juneau School District
Chris	Gerondale	CMI Construction Machinery Industrial
Connie	McKenzie	Office of Congressman Don Young
David	Wetzel	Admiralty Environmental
Dylan	Ashe	Channel Construction
Elaine	Price	SEC
Eric	Holst	Hecla Greens Creek Mining Company
Fred	Sayre	Hecla Greens Creek Mining Company
Graham	Neale	Heatherdale Resources Ltd.
Heather	Marlow	CBJ
Heather	Parker	Office of Senator Begich
Jason	Ginter	NORTECH
Jason	Hart	Hecla Greens Creek Mining Company
Jeff	Wray	Tyler Rental
Jessica	Lopez Pearce	USFS
Joan	Roomsburg	CBJ
John	Pugh	JEDC Board
Justin	Shearer	NC Machinery
Ken	Collison	Ucore Rare Metals, Inc
Kurt	Fredriksson	JEDC Board
Kyle	Moselle	DNR/Office of Project Management & Permitting
Lisa	Harbo	DCCED/DED/Minerals
Lori	Sowa	UAS
Michael	Wilson	Coastal Helicopters
Mike	Bell	UAS
Mike	Satre	Council of Alaska Producers
Rick	Shattuck	Shattuck & Grummet Insurance
Robin	Gilcrist	UAS
Roger	Calloway	Reliable Transfer
Sally	Smith	Office of Senator Begich
Sigrid	Dahlberg	Carson Dorn, Inc
Steve	Kikendall	Tyler Rental

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SOUTHEAST ALASKA MINING SERVICES AND SUPPLY CLUSTER WORKING GROUP – MEETING 2

DATE:	Friday, May 4, 2012
TIME:	8:30 AM - 1:00 PM (lunch provided)
LOCATION:	Centennial Hall, Egan Room Juneau, Alaska
Teleconference Line:	1-800-747-5150
Access Code:	5232300#

8:30 AM – 8:45 PM	**Welcome and Review** • Review: Project Purpose and Work Completed to Date • Structure of Today's Meeting • Questions
8:45 AM – 9:00 PM	**Update on Regional Mining Activity – What's in our Future?** • Kyle Moselle, Large Project Coordinator, Department of Natural Resources, Office of Project Management and Permitting
9:00 AM – 12:00 PM	**Focusing Our Time** • Explore Possible Action Initiatives in more detail to gain common understanding. • Which Possible Action Initiatives seem most useful in terms of job creation and regional opportunity, near-term victories, or plausibility to accomplish?
12:00-1:00 PM	**Selecting Action Initiatives to Work on Further** • Break into CWG Initiative Teams to develop action steps • Report back to group
1:00 PM	**Meeting Wrap-up & Adjourn**
	Next Meeting Date • TBA, Centennial Hall, Juneau

Meeting Summary
Mining Services and Supply – Cluster Working Group Meeting 2
(May 4, 2012)

This Mining Services and Supply Cluster Working Group (CWG) is organized by the Juneau Economic Development Council. This document is a summary of the second meeting of the CWG. A list of meeting attendees is included.

After the first CWG meeting (March 30), four volunteers met with JEDC staff on April 20 to help create Possible Action Initiatives (PAI) that became the 'starting point' for discussion at Meeting Two. A draft document with 17 Possible Action Initiatives was distributed to all via email prior to the cluster group meeting.

Meeting Process

Brian Holst, Executive Director of the Juneau Economic Development Council (JEDC), welcomed all to the second Mining Services and Supply Cluster Working Group (CWG) meeting, which was held on May 4, 2012, at Centennial Hall in Juneau, Alaska from 8:30 am to 1:00 pm.

The goal of the second Mining Services and Supply CWG meeting was to work through 17 proposed Possible Action Initiatives (PAI) and identify 5-10 for more detailed consideration by small teams. Objectives of this effort are to: strengthen the industry through a cluster approach and help answer "what are the needs of the Southeast Alaska mining services and supply businesses?"

Before discussion focused on the PAI, Kyle Moselle, Large Project Coordinator, Alaska Department of Natural Resources, Office of Project Management and Permitting, gave a brief update on mining activity in Southeast Alaska and areas adjacent in the Yukon and British Columbia. Chuck Hawley, Hawley Resource Group, then spoke by teleconference about the possible delay of exploration at the Herbert Glacier due to an appeal filed against the exploration permit.

Next, each of the 17 PAI was discussed by the group to ensure there was a common understanding of what each meant, refine the language if needed, and ask clarifying questions. As a result of this discussion, all PAI were better understood, some were reworded, and some were grouped together for further consideration. Next, the group was asked to indicate a priority ranking for the PAI by the process of 'dot' voting.

Several of the PAI with low dot count were grouped with higher scoring PAI by category, resulting in eight initiative "topics" such as "venues for interaction" or "vocational/trades training." Participants broke into small groups around each topic to begin the process of action plan development. Each group was given an Action Plan template to fill in. Four topics were explored in a first round of discussion and four topics in the second round, so that each participant was able to select two initiatives to work on. One final combination of initiatives took place, leaving seven potential action initiatives. These seven are listed in the table below. After each initiative title, if an initiative is the combination of more than one PAI from the original list of 17, the PAI item numbers are indicated.

PAI Meeting Discussion Notes and Dot Count

The following are the points of discussion for each of the 17 PAI and the dot-vote count results:

1. Possible Action Initiative: Broaden offerings/expand curriculum of MAPTS in Southeast for certificate training and degree training in trades. (7 dots)
    - Any contractor on mine site needs MAPTS (Mining and Petroleum Training Service) training – now send employees to Anchorage. Can the university do it here?
    - Group should look at other training providers in town, for example T&H Vocational Training and Resource Center, for training for mine services – could they take it on? There are other groups that could do safety training.
2. Create High School careers pathway program for trades similar to Greens Creek program. (3 dots)
    - Engineering, auto mechanics, and construction career pathways (bundled courses) already exist at JDHS, but the problem is that kids are not taking them.
3. Possible Action Initiative: Work with UAS to develop Bachelors degree in Environmental Engineering. (5 dots)
    - The course of action here should be to augment the capacity of the state to train environmental engineers - Working with UAA and UAF.
4. Possible Action Initiative: Expand Vo Tech training program to other trades at UAS. (2 dots)
    - The issue is to train in those trades that service mines, such as dealing with specialty pieces of equipment. Should expand this look at other options for training, not only UAS. POW has created a regional tech center and also Ketchikan and Sitka
5. Possible Action Initiative: Expand High School vocational training programs. (4 dots)
    - What about other High Schools in Southeast?
6. Possible Action Initiative: Work with CBJ to identify new parcels of land for industrial park (consider North Douglas). (9 dots)
    - The issue here is shop space for custom rebuilds for mines.
7. Possible Action Initiative: Develop training program for customer service to understand mine procurement dynamics. (1 dot)
    - Local businesses don't know how to get hold of mines to get into the procurement process. Find a way to facilitate how to get through process.
    - Need to educate vendors on how to deal with mining companies. Procurement operations are different from what companies here are familiar with.

8. Possible Action Initiative: Assess needs and volume of real demand from mines for professional and technical services. (6 dots)
    - Assessing scope of need can help firms decide whether to make an investment.
9. Possible Action Initiative: Find firms with needed skill set in professional and technical services and recruit to Juneau. (4 dots)
    - At each stage of mine (exploration, development or production) need different professional or technical services provided by different types of companies.
10. Possible Action Initiative: Organize a mining procurement event for region with service and supply trade show and workshops such as customer service and procurement. (10 dots)
    - Combine with number 7.
11. Possible Action Initiative: Provide better web presence through an on-line directory. (2 dots)
    - No discussion.
12. Possible Action Initiative: Take better advantage of existing networking organizations such as AMA. (8 dots)
    - The idea is to bring the Spring miner's meeting to Juneau (or Southeast) on a regular basis.
13. Possible Action Initiative: Conduct a trade visit to the Yukon Territory. (3 dots)
    - Expand this to look at opportunities in BC, too.
14. Possible Action Initiative: Determine if there is a need and the volume of recycle and volume of hazardous waste. (6 dots)
    - No discussion.
15. Possible Action Initiative: Conduct a feasibility study for smelting: determine volume of material and evaluate economic feasibility. (0 dots)
    - This is a long shot.
16. Possible Action Initiative: Promote affordable housing in Juneau. (5 dots)
    - Expand this beyond Juneau. Remote communities have high cost of living because of energy costs.
17. Possible Action Initiative: Work with CBJ to address sales tax reform to address competitive disadvantage (by applying sales tax fairly). (8 dots)
    - If rebuild equipment in Juneau need to charge sales tax. FOB Seattle then there is no sales tax. There is no sales tax cap. The tax structure is different in other Southeast communities.

Next Steps

To continue the action initiative development, a volunteer was asked to 'champion' (lead) the efforts of a small team to meet over the summer to further flesh-out each of the seven PAI action plans. Each champion will be assisted by a volunteer team. The names of other participants who might have an interest in joining the team were solicited from the group. Each team will meet once or twice in the next several weeks at the JEDC offices and/or by teleconference in order to prepare an Action Initiative Plan. The full Cluster Working Group will meet in the to review the work of each team and decide which are ready for launch.

Teams are as follows:

Possible Action Initiative	Champion	Team	Other Suggested Participants
Improved Technical Services for Mines *(PAI #s 8, 9, and 14)*	Eric Vance; Waste Management	Jason Hart, Hecla Greens Creek; Tim McDonnell, TEMPSCO; Dylan Ashe, Channel Construction	Jason Ginter, NORTECH
Create and Promote High School Career Pathways and Vocational/Trades Training Opportunities *(PAI #s 1, 2, 4, and 5)*	Vacant	Carin Smolin, JSD; Robin Gilcrest, UAS	Mike Bell, UAS; Elaine Price, SEC; Career training center in Klawack; Leslie Isaacks; Karen Martinson, Sitka; Carrie Sykes, Laird Jones, T&H; Jaz Edwards, KIC
Provide a Collaboration Forum for the Mining Support Industry and Trade Mission to Canada *(PAI #s 11, 12 and 13)*	Roger Calloway, Reliable Transfer	Mike Satre, Council of Alaska Producers; Eric Badger, AML; Amy Dieffenbacher, Aurora Geosciences in Whitehorse	Tony Barajas, Austin Powder; Chris Gerondale, CMI Construction
Hold Mining Procurement Event *(PAI #s 7 and 10)*	Jason Hart, Hecla Greens Creek	Bill Bennett, Alaska Coastal Aggregate; Dylan Ashe, Channel Construction; Roger Calloway, Reliable Transfer; Alan Wilson, Alaska Renovators	Rick Wolk, UAS; Ernie Hard, Kensington; Pat Smith, Heatherdale
Industrial Land Development within CBJ *(PAI #6)*	Vacant - Chris Gerondale, CMI Construction?	Marquam George, UAS; Amy Dieffenbacher, Aurora Geosciences	Geoff, Marcy, Linda; AK Brewing; Mike Satre, CAP; Heather Marlow, CBJ
Sales Tax Uniformity Study *(PAI #17)*	Chris Gerondale, CMI Construction	Joan Roomsburg, CBJ; Roger Calloway, Reliable Transfer	Merrill Stanford/Jesse Kiehl, CBJ Assembly

Career Building in Environmental Science and Engineering *(PAI #3)*	Vacant – Dave Wetzel, Admiralty Environmental?	Lori Sowa, UAS; Kurt Fredriksson, JEDC; Amy Dieffenbach, Aurora Geosciences	Chris Gianotti, PND Engineers; Sigrid Dahlberg, Carson Dorn; Jennifer Saran; Jan Trigg, Kensington

List of Attendees: Mining Services and Supply CWG #2 (May 4,2012)

Dylan	Ashe	Channel Construction
Eric	Badger	Alaska Marine Lines
Bill	Bennett	Alaska Coastal Aggregates
Roger	Calloway	Reliable Transfer
Michael	Catsi	AIDEA
Amy	Dieffenbacher	Aurora Geosciences
John	Eason	Innospec
Kurt	Fredriksson	JEDC Board
Marquam	George	UAS
Chris	Gerondale	CMI Construction Machinery Industrial
Robin	Gilcrist	UAS
Lisa	Harbo	DCCED/DED/Minerals
Jason	Hart	Hecla Greens Creek Mining Company
Tim	McDonnell	TEMSCO Helicopters
Mark	Mickelson	JEDC Board
Kyle	Moselle	DNR/Office of Project Management & Permitting
Joan	Roomsburg	CBJ
Mike	Satre	Council of Alaska Producers
Carin	Smolin	Juneau School District
Lori	Sowa	UAS
Eric	Vance	Waste Management
Brian	Holst	JEDC, Facilitator

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SOUTHEAST ALASKA MINING SUPPLY AND SERVICES CLUSTER WORKING GROUP

SOUTHEAST ALASKA ECONOMIC DEVELOPMENT

DATE: March 30, 2012
TIME: 8:15AM – 12:45PM
LOCATION: Prospector Hotel, Juneau, Alaska

8:15AM	**Welcome and Group Introductions**
8:30AM	**Cluster Working Groups: What Is It All About?** • What is a Cluster? • Why economic development efforts are turning to the Cluster Working Group approach? • Cluster Working Group Process, Why it's Different • Desired Outcomes – General and This Meeting
9:15AM	**Support and Services to the Mines and Mine Exploration--Opportunities** • What Services and Supplies are being provided now to the mining industry? • What Opportunities exist that firms could pursue?
10:30AM	**Break**
11:00AM	**Obstacles** • What is holding us back?
11:45AM	**The Long View**
12:15PM	**Next Steps** • What must happen to make progress? • Who needs to be here that is missing? **Next Meeting Dates** • May • July
12:45PM	**Wrap-Up and Adjourn**

Meeting Summary
Mining Services and Support Cluster Working Group Meeting 1 (March 30, 2012)

This Mining Services and Supply Cluster Working Group (CWG) is organized with resources under a contract with the US Forest Service, executed by the Juneau Economic Development Council. This document is a summary of the first meeting of the Mining Services and Supply CWG. A list of meeting attendees is attached.

Meeting Introduction

Executive Director of the Juneau Economic Development Council (JEDC), Brian Holst, welcomed all and provided an overview of JEDC's Cluster Working Group (CWG) approach to regional economic development. CWGs are facilitated business collaborations with a goal of increasing jobs in the region and thus creating more wealth and prosperity. The process is designed to facilitate communication and problem-solving among businessmen and women and other key industry stakeholders to enable removing barriers and making connections. This meeting is the first of three leading to the development and articulation of action initiatives that those in the CWG believe hold the most promise for growth in jobs and businesses.

Next, consultant Barbara Sheinberg worked with the group to map the existing regional mining supply and service sector. The rest of the morning focused on identifying areas where opportunity for job creation and industry development may exist. The day concluded with an identification of obstacles that stand in the way of the identified opportunities.

Industry Cluster Map

Question: The mining services and supply sector is a bright spot in the Southeast economy. Industry participants serve producing mines, exploration and development projects and active mineral exploration in the region. What mining and exploration supplies and services (broadly defined) are now being successfully provided by the Southeast Alaska businesses?

End Users: Producing Mines, Exploration and Development Companies, Drilling Companies – Growth dependent on global markets
Local supply chain: Many firms, small and medium size, selling raw supplies, resale of supplies, value-added manufacturing, services. – Impacted by mine procurement policies and strategies, price and service based competition – Growth dependent on selling into an expanding regional market

Southeast Alaska Mining Services and Supply Industry Cluster

Value Added Construction	Equipment Resale, Repair and Customization	Raw Materials Resale	Support Services/ Consulting Services	Camp Services	Logistics	Management Services	Education
Steel fabrication	Resale: Generators, compressors, vehicles, earth moving, milling, drill steels, tires, parts	Explosives	Engineering	Health Services	Freight and personnel transport: Boats, helicopters, barges, fixed wing	HR	Mine Training Center: segment specific skills
Timber fabrication	Repair: Industrial, equipment	Fuel	Surveying	Food services	Waste manage-ment	Relocation	UAS: general skills (accounting, HR, engineering, geologists)
Concrete (forms and precast)	Milling	Aggregate	Environ-mental testing, monitoring, consulting	Security services		Accounting	State of Alaska workforce development: vocational skills (electrician, plumbing, construction)
	Customization and rebuilding	Safety	Laboratory testing	Custodial services		Data	Lab technicians
			3rd party inspections	Health and Safety			

Industry Opportunities to Build Upon

Question: Where can we do more, or what could local businesses be supplying in the future that they are not currently?

Education and training to grow the local workforce. There is a shortage of skilled workers, and it is hard to relocate workers here from outside the region. There is an opportunity to grow the local workforce through training. Vocational training gaps include mechanics, electronics, hydraulics, fabrication, drilling, IT. Could have a local training academy and bring trainers here from Anchorage rather than send people out.

There has been a recent change in state licensing – could develop a 4 year bachelors in environmental engineering at UAS. Currently there is no environmental engineering degree in the UA system so this could be located here without duplication of programs.

Value added customization and high end rebuilding of equipment. Demand exceeds supply in specialty equipment rebuilding and customizing. There is an opportunity in the specialty rebuild business to take old equipment from the mines to rebuild and sell.

Value added manufacturing. Concrete, timber and steel fabrication are already done locally. Modular housing construction and floating camp construction are opportunities.

Resale of mine supplies and move-through items. Local supply businesses need to take initiative to build relationships with mines through customer service based on reliability and product knowledge. Business should have staff dedicated to understanding the needs of the mines. Don't just sit and take orders.

Professional/Technical Services. Refrigeration repair is needed and not available in Juneau. Safety consulting and equipment is another opportunity. Analytical support, such as a high production assay lab and process testing, is not available locally. Exploration samples are sent out, but production samples are done in house. Samples are sent to a centralized location to assay. Consulting services in safety, inspections and IT are needed. There is a need for geologists and environmental services.

Customer Service. Training for local businesses to go out and sell is needed. For example, when equipment is shut down then don't just fix immediate problem but look out for other problems and sell more services. This is a benefit to the mines in saving money. Service providers should be proactive in how they can help mines. Safety, communication and customer service is responsibility of local businesses. Need to build a relationship.

Factory trained personnel are needed on specific pieces of equipment. Need people trained in high level hydraulics, high level IT, and high level electronics. Need to know diagnostics.

Recycling and waste management. Shipping of hazardous waste is a priority for the mines. Hazardous waste is currently shipped down South to a facility that can handle it. Bio-waste and trash come to CBJ, and recycled commodities go underground or to CBJ. Niblack ships non-hazardous waste down South and rest goes to Ketchikan.

Venues for interaction/networking. The industry would like the mines to broadcast their future needs (out a year), and then community can partner to meet their needs. A venue for service/supply to connect with mines to establish needs would help. For the mines, doing this is problematic because mines must use a transparent process to broadcast needs. One networking opportunity is the Alaska Miners Association annual meeting: hold conference more often in Juneau. Also helpful would be a web presence such as an on-line regional directory of suppliers.

Smelting. Take what is coming out of Yukon and smelt it here.

Northern Southeast and Southern Southeast collaboration. With better communication, partnerships could be formed based on skills and local knowledge.

Yukon – Juneau connection. There is opportunity to expand into markets for mines in the Yukon.

Industry Challenges to Address

Question: What is generally preventing the opportunities cited above from occurring?

High cost of living/doing business in region

- The high cost of living requires businesses to pay a premium in wages to attract workers to live here. This makes cost of doing business higher than for outside competition.
- The 5% Juneau sales tax creates a competitive disadvantage against outside bidders.
- Cost of energy is high.
- The high cost of land and real estate results in limited shop space. Need low cost real estate to put in shops for specialty repair and recycle.

Workforce shortage

- Need more training and internships here for professional and vocational needs.
- Need scholarships to send local residents out to training programs.
- Lack of skilled workforce is preventing expansion in service sector.
- Turnover at mines: new employees don't know what is available locally.

Poor inter-region commerce connections

- Turnaround time is too long in Juneau compared to down south.
- Freight cost within region more expensive than to Seattle and shipping time is much longer.
- Networking does not exist between firms in northern and southern Southeast so don't know what is going on. Miss opportunities for partnering.

Regulation for hazardous waste disposal

- There are regulatory hoops to ship it out.
- Canadian documentation is complex. Specialty firm, not in Juneau, does paper work for mine.

Lack of loyalty at mines

- When find a cheaper source will drop local supplier.

Volatility of mineral prices

- The highs and lows of mineral prices make mines uncertain, therefore it is risky to start a business to service the mines.
- Assay lab cost of infrastructure and equipment and uncertainty of mining prevents lab from opening here. Volume may not be high enough.

Next Steps

The next meeting of the Mining Services and Supply Cluster Working Group is scheduled for Friday, May 4, 2012 at 8:30AM to 1:00PM at Centennial Hall The JEDC team will develop a package of possible action initiatives to discuss and develop more fully at the next meeting.

Attached: List of attendees

List of Attendees Mining Services and Supply CWG #1 3/30/2012

Dylan	Ashe	Channel Construction
Eric	Badger	Alaska Marine Lines
Mike	Bell	UAS
Roger	Calloway	Reliable Transfer
Amy	Dieffenbacher	Aurora Geosciences
Jeff	Duvernay	Harri Plumbing & Heating
Kurt	Fredriksson	JEDC Board
Corine	Geldhof	DLWD/Division of Business Partnerships
Marquam	George	UAS
Chris	Gerondale	CMI Construction Machinery Industrial
Chris	Gianotti	PND Engineers, Inc
Chris	Gilberto	North Pacific Erectors, Inc
Robin	Gilcrist	UAS
Rick	Harris	Sealaska
Jason	Hart	Hecla Greens Creek Mining Company
Scott	Hartman	Hecla Greens Creek Mining Company
Eric	Holst	Hecla Greens Creek Mining Company
Howard	Lockwood	AMEX Mining
Joe	Manning	USFS
Mark	Mickelson	JEDC Board
Peter	Naoroz	Kootznoowoo
Elaine	Price	SEC
Stan	Roemmich	Coeur Alaska Kensington
Cathie	Roemmich	Juneau Chamber of Commerce
Fred	Sayre	Hecla Greens Creek Mining Company
Lori	Sowa	UAS
Jan	Trigg	Coeur Alaska Kensington
Randy	Wanamaker	Berners Bay Consortium
David	Wetzel	Admiralty Environmental
David	Wilfong	DNR/Office of Project Management & Permitting
Jim	Williams	F&H Mine Supply
Michael	Wilson	Coastal Helicopters
Lisa	Harbo	DCCED/DED/Minerals
Dave	Stone	Heatherdale Resources/ Hunter Dickinson, Inc

OCEAN
PRODUCTS

CLUSTER WORKING GROUP

Co-chairs: Julie Decker and John Sund

Cluster Working Group Meetings	
February 22, 2012	Teleconference
April 11, 2012	Ketchikan CWG Meeting
April 12, 2012	Wrangell Informational Meeting
May 30, 2012	Teleconference
November 20, 2012	Teleconference
December 20, 2012	Teleconference

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information			
Cluster:	Ocean Products		
Initiative:	Establish a Marine Industry Technology and Workforce Improvement Consortium		
Goal:	Improve employment and economic opportunities in the region's marine industries.		
Champion:	Jason Custer	ketchikanMIC@gmail.com	225-4166 x 13
Team:	Doug Ward Deborah Hayden Patricia Phillips	dward@akship.com dh@swiftventure.com pacific@hughes.net	228-5302 254-5300 735-2240

Meeting Summaries		
Date:	Attendees:	Outcome:
12/20/12	CWG Monthly call-in	• Brian Holst traveled to Iceland and met with the manager of Iceland's Ocean Cluster. He learned that the Ocean Cluster in Iceland keeps marine trades and seafood together as one cluster because of the synergies that are created by helping these industries to collaborate. Therefore, Brian advises the Ocean Products CWG to proceed with caution regarding narrowing the mandate of the CWG to just seafood to the exclusion of marine trades. • John Sund noted that there is currently a $20 million cod boat in the shipyard in Ketchikan; it appears that there is some interest from businesses in Seattle to have boats worked on in Southeast Alaska but the workforce lacks qualified workers. • Julie Decker said that businesses are actively working on their vessels because the price of salmon has rebounded. She also indicated that a group made up of the Economic Development Committee, the Port Commission, and the city economic development director have been working in Wrangell to help the marine repair facility attract talent and underrepresented businesses and develop the local workforce needed. • Stefanie Moreland mentioned that the University of Alaska Fisheries, Seafood and Maritime Initiative (FSMI) is working on

		completing an assessment of the workforce development needs of this industry and that she would be happy to communicate the interests of the Ocean Products CWG to the FSMI. • Several members of the CWG pointed out that SE Conference is also working on workforce development issues as they related to the marine industry. • John Sund suggested that the CWG needs to figure out how to move this initiative forward so that it helps the private firms in this industry. • Julie Decker proposed that we contact Doug Ward with the Ketchikan Marine Industry Council to see how his organization's work is going. The Ketchikan Marine Industry Council (KMIC) identified marine industry firms in Ketchikan, figured out what service each firm provides, mapped where each is located, and put all of this information on the Internet. Julie believes that completing something like the work of the KMIC for the rest of Southeast Alaska is a good place to start for this initiative because it helps increase the visibility of firms in the marine trades industry. • CWG to maintain contact with FSMI. • CWG to contact Doug Ward to get an update on the work of the KMIC. • CWG to explore having a conversation with folks from the marine trades industry on the third day of the Innovation Summit.
11/20/12	CWG Monthly call-in	• The Ketchikan Marine Industry Council (focused on Ketchikan) is working on this initiative as is the UA Fisheries, Seafood and Maritime Initiative (focused on workforce development) • JEDC has discussed creating a Marine Trades CWG • CWG to monitor the work of KMIC and UA FSMI • Brian Holst will meet with contacts in Iceland next week and report back about their perspective regarding a separate Marine Trades CWG • CWG will consider refocusing once Brian reports back to the group
4/11/12	CWG Meeting #5 in Ketchikan	• A gap analysis is still being considered to determine where training opportunities for the industry can be developed. University of Alaska, Southeast will be involved with that gap analysis. Additional funding through the Jobs Accelerator grant is being pursued to develop a workforce plan for the sector. • Work continues on the Ketchikan Gateway Borough-funded

		project to define the cluster, and create a set of tools and a roadmap to showcase those businesses in the Ketchikan area. These tools and roadmap could then be transferrable and scalable to other jurisdictions. As a result of this work, it is possible a full separate cluster could be developed in the region, or even expanded to other coastal areas of the state. • The Alaska Department of Commerce and Workforce Development currently has a survey out to marine industry trade businesses statewide to determine ideas and concerns about business retention and expansion in their field. The results of this survey will be available in fall of 2012.

Initiative Action Plan Update		
Activity 1:	Asset mapping and gap analysis.	Activity Date:
• Private maritime businesses and Ketchikan Gateway Borough have combined to fund completion of this item. Ketchikan Chamber of Commerce is recipient and overseer of the funds, and an industry-lead steering committee serves as advisor for the project. Work began in January 2012. • A gap analysis is still being considered to determine where training opportunities for the industry can be developed. University of Alaska, Southeast will be involved with that gap analysis. Additional funding through the Jobs Accelerator grant is being pursued to develop a workforce plan for the sector.		1/12 4/12
Activity 2:	ID opportunities and policy/planning efforts impacting the regional maritime industries. Post on interactive website.	Activity Date:
• Website developed by Ketchikan Group • Work continues on the Ketchikan Gateway Borough-funded project to define the cluster, and create a set of tools and a roadmap to showcase those businesses in the Ketchikan area. These tools and roadmap could then be transferrable and scalable to other jurisdictions. As a result of this work, it is possible a full separate cluster could be developed in the region, or even expanded to other coastal areas of the state. • The Alaska Department of Commerce and Workforce Development currently has a survey out to marine industry trade businesses statewide to		1/12 4/12 4/12

determine ideas and concerns about business retention and expansion in their field. The results of this survey will be available in fall of 2012.		
Activity 3:	ID projects and programs to accelerate expansion of regional maritime industries – test drive criteria.	Activity Date:
No work on this activity to date		
Activity 4:	Regional workforce investment system supporting maritime industries; could include another industry sector.	Activity Date:
No work on this activity to date.		
Activity 5:	Recommendations and advocacy for State of Alaska Maritime Policy – selection criteria.	Activity Date:
No work on this activity to date.		

Other Informational Items

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information			
Cluster:	Ocean Products		
Initiative:	Develop a Sea Otter Management Program in Southeast Alaska		
Goal:	Develop an effective SE Alaska sea otter management plan for increased subsistence use by Alaska Natives.		
Champion:	Phil Doherty	sardfa@kpunet.net	225-2853
Team:	names	emails	phone

Meeting Summaries		
Date:	Attendees:	Outcome:
12/20/12	CWG Monthly call-in	• Phil Doherty indicated that, unlike last winter, none of the stakeholder groups regarding sea otter management plan to meet this winter. • Phil indicated that he will remain in touch with Verena Gill (Wildlife Biologist, U.S. Fish and Wildlife Service) who, along with Sunny Rice (Marine Advisory Program, University of Alaska Fairbanks, Petersburg office) and Zachary Hoyt (Ph.D. Student, Fisheries Division, School of Fisheries and Ocean Sciences, University of Alaska Fairbanks) are tracking sea otters and their diets. This team will probably finish a report about this work by summer of 2013. • On September 12, 2012, Dan Ashe (Director of the U.S. Fish and Wildlife Service) hosted a teleconference to address the definition of sea otter use and "significantly altered" for native tribes. He initially said that this work would be completed by January but the date has been pushed back until February (Phil noted that folks in the U.S. Fish and Wildlife Service have been working on this issue for decades). • Phil spoke with contacts in AK Department of Fish and Game about sea otter management. However, there has been lots of staff turnover in the Douglas office so some inertia has been lost there.

		• According an article in the LA Times, the U.S. Fish and Wildlife Service has lost its battle to manage sea otters in Southern California, which does not bode well for dive fisheries. • Southeast Alaska Regional Dive Fisheries Association has hired a consultant to serve as a lobbyist in Washington, DC. Phil asserted that officials in Washington, DC are aware of this issue with sea otters. • Julie Decker pointed out that this year is the 30-year anniversary of the Marine Mammal Protection Act. At the last Board meeting, UFA discussed requesting Senator Lisa Murkowski hold a briefing in the Senate Oceans Caucus to start a conversation about the problems associated with the Marine Mammal Protection Act. • Phil said that SARDFA has not tried to sue the U.S. Fish and Wildlife Service and has instead focused on pushing the State of Alaska to do something about this issue. • Stefanie Moreland (Special Assistant to the Governor for Fisheries, Oceans and Arctic policy) indicated that the Office of the Governor is aware of the sea otter issue. Stefanie said that she will follow up with the Alaska Department of Fish and Game regarding the timeline of the decision regarding the definition of "significantly altered". • Phil said that he contacted tribal governments and corporations to try to collaborate to address this issue but that he has not been allowed to attend any of the tribal meetings. • Julie heard that Central Council of the Tlingit and Haida Indian Tribes of Alaska hired someone to work on a sea otter management plan. • Stefanie Moreland stated that she would try to get an update from Carrie Sykes with Central Council regarding their work on a sea otter management plan.
11/20/12	CWG Monthly call-in	• Phil Doherty met with the USFWS & wrote follow-up letter to meeting • The definition of "significantly altered" is to be worked on by the USFWS in 2013
5/30/12	CWG Monthly call-in	• The letter of support for the ***Sea Otter Traditional Use Revitalization Project*** was signed and sent out.
4/11/12	CWG Meeting #5 in Ketchikan	• Between January and March of 2012, members of the Sea Otter Task Force have met with the Alaska Board of Fisheries, the

		Marine Mammal Commission, and the Federal Subsistence Board. Verna Gill (USFWS), Dr. Ginny Eckert (University of Alaska), and Phil Doherty (SARDFA) have put together a Power Point presentation updating the latest information on sea otters. • Central Council of Tlingit and Haida Tribes of Alaska and others are working with Rep. Young regarding changes to laws regarding existing management plans, definitions of "traditional" sea otter products and sales of pelts, and enforcement issues. • Rep. Peggy Wilson introduced HJR 26 Sea Otter Management in the House of Representatives. The resolution urges the federal agencies to work with the Alaska Department of Fish and Game, Southeast Alaska Native leaders, and other interested parties to establish strategies and plans for the sustainable management of the reintroduced sea otter population of Southeast Alaska. The resolution passed the House and is now on the Senate side. • Tlingit and Haida Central Council has hired Myrna Gardner to develop a draft sea otter management plan with co-management options, and will hold a check and balance assessment five years after a plan is put into place. They are working with the tribes for local management, and are working to increase pelt production (more artists, more training, more tanning and sewing capacity, etc.). They have spoken with USFS Regional Forester, and although they claim no jurisdiction, they may soon hold a "sea otter conference". • Southeast Alaska Regional Dive Fishery Association (SARDFA) is in negotiations with the Sitka Science Center to hire a summer intern to work on compiling sea otter information in SE AK. At this time the details of what the intern would work on has not been decided.

Initiative Action Plan Update		
Activity 1:	Establish a working Task Force to develop a sea otter management plan for SE Alaska.	Activity Date:

• Sea Otter Task Force established.		1/12
Activity 2:	Support clarifying the definition or changing regulation to allow Alaska Native people the traditional right to make further use of subsistence sea otter catches.	Activity Date:
• The letter of support for the ***Sea Otter Traditional Use Revitalization Project*** was signed and sent out. • Met with Dan Ashe (Director of the U.S. Fish and Wildlife Service) on September 12, 2012 via teleconference to address the definition of sea otter use and "significantly altered" for native tribes. • Southeast Alaska Regional Dive Fisheries Association has hired a consultant to serve as a lobbyist in Washington, DC. Phil asserted that officials in Washington, DC are aware of this issue with sea otters.		5/12 9/12/12 12/12
Activity 3:	Develop an effective sea otter management plan to allow increased subsistence take of sea otters by Alaska Native people.	Activity Date:
• Tlingit and Haida Central Council has hired Myrna Gardner to develop a draft sea otter management plan with co-management options • Rep. Peggy Wilson has introduced HJR 26 Sea Otter Management in the House of Representatives. The resolution urges the federal agencies to work with the Alaska Department of Fish and Game, Southeast Alaska Native leaders, and other interested parties to establish strategies and plans for the sustainable management of the reintroduced sea otter population of Southeast Alaska. • Phil spoke with contacts in AK Department of Fish and Game about sea otter management. • Phil said that he contacted tribal governments and corporations to try to collaborate to address this issue but that he has not been allowed to attend any of the tribal meetings.		4/12 4/12 12/12 12/12
Activity 4:	Support continued University of Alaska and USFWS research on SE Alaska sea otters.	Activity Date:
• Phil has remained in touch with Verena Gill (Wildlife Biologist, U.S. Fish and Wildlife Service) who, along with Sunny Rice (Marine Advisory Program, University of Alaska Fairbanks, Petersburg office) and Zachary Hoyt (Ph.D. Student, Fisheries Division, School of Fisheries and Ocean Sciences, University of Alaska Fairbanks) are		12/12

tracking sea otters and their diets. This team will probably finish a report about this work by summer of 2013.	

Other Informational Items

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information			
Cluster:	Ocean Products		
Initiative:	Ensure Southeast's Fishing Future through Targeted Education and Training		
Goal:	Educate young Southeast Alaskans about fisheries technology, business, and investment concepts to ensure increased local ownership in fisheries businesses.		
Champion:	Jim Seeland	james.seeland@uas.alaska.edu	747-7742
Team:	Keith Criddle Kathy Hansen Bruce Wallace Galen Tromble Tom Fletcher	kcriddle@sfos.uaf.edu seafa@gci.net wallace.bruce44@gmail.com galen.tromble@noaa.gov tfletcher@resdat.com	796-5449 586-6652 254-0593 240-271-7596 586-6831

Meeting Summaries		
Date:	Attendees:	Outcome:
12/20/12	CWG Monthly call-in	• Jim Seeland spoke with Kris Norosz, Keith Criddle, and Sunny Rice about this initiative and they all determined that perhaps it is best if this initiative is altered so that the focus becomes education and recruitment instead of on the flight of quotas from Southeast Alaskan communities. • Julie Decker noted that she has not problem with letting initiatives evolve—especially if someone is willing to work on the newly evolved initiative—and thought that Jim would be a good champion for this initiative if the focus became education. She did assert that maintaining a focus on the financing aspects of the seafood industry would be important for any education initiative.
11/20/12	CWG Monthly call-in	• Jim Seeland, Kris Norosz, Sunny Rice & Glenn Haight to work on refocusing this initiative and forming a new implementation team, as need (Tom Fletcher, UAF graduate student, volunteered to help) • UAS is working on this issue to a degree through their Marine

		Fisheries Program • There is still work to be done in addressing the out-migration of permits and in training young people in what they need to do to acquire permits and fishery businesses
4/11/12	CWG Meeting #5 in Ketchikan	• The University of Alaska, Southeast could be involved, and some funding may be available through the private sector. There is interest in these education initiatives across the state.
2/22/12	CWG Monthly call-in	• Over 50 Alaskans recently attended the "Alaska Young Fisherman's Summit" put on by the Alaska Sea Grant Program (University of Alaska) in February. This program has been ongoing for several years. • The "Alaska Young Fishermen's Summit" is well publicized and attended.

Initiative Action Plan Update		
Activity 1:	Identify knowledge gaps.	Activity Date:
No work on this activity to date.		
Activity 2:	Develop targeted training to address knowledge gaps with the business community.	Activity Date:
• Over 50 Alaskans recently attended the "Alaska Young Fisherman's Summit" put on by the Alaska Sea Grant Program (University of Alaska) in February. This program has been ongoing for several years.		2/12
Activity 3:	Implement education/training programs within the school systems. Also consider after school programs such as DECA.	Activity Date:
• UAS is working on this issue to a degree through their Marine Fisheries Program		
Activity 4:	Publicize training and education programs.	Activity Date:
No work on this activity to date.		

Activity 5:		Activity Date:
No work on this activity to date.		

Other Informational Items

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information			
Cluster:	Ocean Products		
Initiative:	Refinement of USDA programs applicable to the seafood industry		
Goal:	Change the U.S. Department of Agriculture regulatory definitions to allow the seafood industry to be included in their programs, and to have access to funding and other assistance afforded other U.S. food producers.		
Champion:	Julie Decker	jdecker@afdf.org	305-0586
Team:	Julianne Curry Patricia Phillips	pvoa@gci.net pacific@hughes.net	928-380-3250 735-2240

Meeting Summaries		
Date:	Attendees:	Outcome:
12/20/12	CWG Monthly call-in	• Julie Decker proposed to alter the title and direction of this initiative to be "Refinement of USDA programs applicable to the seafood industry" because USDA has not been receptive to completing an analysis of how it might creatively include the seafood industry in more of its programs. Stefanie Moreland agrees with Julie's approach because it is Stefanie's understanding that USDA is not willing to be that creative right now. • Julie is also working to complete narratives and grant proposals for three of the USDA interest areas that apply to the ocean products. • Jeff Weltzin with OceansAlaska said that he submitted an application to USDA to help increase mariculture production in rural Southeast Alaska. • Consider having workshop about opportunities in USDA programs at Innovation Summit.
11/20/12	CWG Monthly call-in	• The focus of this initiative has now shifted to raising awareness regarding USDA programs that ocean products are eligible for • In late August, Senator Begich introduced legislation to start a

		national seafood marketing campaign and will introduce this bill again during the next session • CWG to encourage USDA to present at the Innovation Summit
4/11/12	CWG Meeting #5 in Ketchikan	• There has been some discussion about having the USDA research center look into this review. Nothing has been decided to date.
2/22/12	CWG Monthly call-in	• USDA suggested writing 1 to 2 page white papers outlining purpose, actions requested, and potential costs of the request. This initial step can start a discussion with the agency about how to fit into their programs and process.

Initiative Action Plan Update		
Activity 1:	Form stakeholder working group to conduct USDA regulatory review.	Activity Date:
No work on this activity to date.		
Activity 2:	Complete exhaustive delineation of USDA regulations and programs, identifying area where the seafood industry is currently excluded and potential regulatory fixes.	Activity Date:
No work on this activity to date.		
Activity 3:	Report to stakeholder working group on results of step 2, discuss potential regulatory fixes, and agree on package of fixes to present to the Secretary of USDA.	Activity Date:
• USDA Rural Development matrix regarding programs distributed to CWG via email		11/12
Activity 4:	Complete internal USDA process required to change regulations.	Activity Date:
No work on this activity to date.		

Other Informational Items

Southeast Cluster Initiative
Action Initiative Status Report
Updated December 2012

Action Initiative Information			
Cluster:	Ocean Products		
Initiative:	Enhance Salmon Production		
Goal:	Improve the SE Alaska economy by increasing hatchery and/or lake-based salmon production.		
Champion:	Steve Reifenstuhl	steve.reifenstuhl@gmail.com	747-6850
Team:	John Sund Kathy Hansen Bart Watson	JohnLSund@yahoo.com seafa@gci.net aki@ak.net	206-295-5457 586-6652 723-2222

Meeting Summaries		
Date:	Attendees:	Outcome:
12/20/12	CWG Monthly call-in	• There have been some reports that have been released recently that explain the economic value of hatcheries. For example, the McDowell group released a report that discusses the economic impact of the Prince William Sound Aquaculture Corporation in October 2012. • Brian Holst indicated that a team from the USFS is going to meet during the Innovation Summit and that this might be a good platform for the cluster to present its ideas for how to enhance salmon production. • Debbie Hart provided an update on the Southeast Alaska Fish Habitat Partnership: she said that the Partnership's science and data committee is working to get a sense of all the work on habitat enhancement that is currently being completed so that the Partnership can attempt to align these efforts. She also mentioned that the Southeast Watershed Coalition and Central Council are hosting a symposium on habitat enhancement through partnerships in March 2013. • Julie Decker noted that Greg Killinger, Fisheries, Watershed and Soils Staff Officer, Tongass National Forest had provided an her an update about the major watershed restoration and

		fisheries enhancement projects accomplished in 2012 and those planned in 2013 in the Tongass National Forest. Please see the "Other Informational Items" section for this information. • John Sund committed to thinking about this initiative regarding how the cluster might help.
11/20/12	CWG Monthly call-in	• There is an RFP out right now to conduct an 11-year study of the interaction of hatchery stock with wild stock.
4/11/12	CWG Meeting #5 in Ketchikan	• A science panel of eight was formed in early 2011 to develop a research study plan. We met several times in 2011 and the plan is in final draft and circulating for completion. $2.5 million has been requested by the PNPs through legislative grant and $2.5 has been requested by ADF&G via a capital increment and is in the governor's budget. Work could begin in 2013. • The study design includes components to address each of these areas. The proposal: Research Program to Address Interactions of Wild and Hatchery Pink and Chum Salmon in Prince William Sound and Southeast Alaska. If funding is secured in the current legislative session, straying studies, genetic stock identification, and pedigree research will be initiated in 2013. • Yakutat Regional Aquaculture Association was formed and acknowledged by ADFG to be the regional enhancement association in Fall of 2011. First step towards an enhancement in the Yakutat region that has no enhancement efforts to date. • The USFS has permitted blasting the barrier falls of the Kanalku outlet stream in the Admiralty Wilderness Area under the provision extant in Title 13. This revelation became known to the Cluster participants at the Federal Subsistence Board meeting on March 22, 2012. It is clear in Title 13 that enhancement is legal on the Tongass and now that the USFS has provided an example, precedent has been set. This is expected to clear the way for enhancement programs on West Chichagof and South Baranof Wilderness Areas.

Initiative Action Plan Update		
Activity 1:	Work with ADF&G on policy and biological/management/science	Activity Date:

	side to develop research, monitoring, and evaluation.	
• A science panel of eight was formed in early 2011 to develop a research study plan.		2011
Activity 2:	Design a research program that addresses genetic concerns about hatchery & wild salmon crosses. Document straying salmon and research the meta-concept population concept for chum.	Activity Date:
• The study design includes components to address each of these areas.		2011
Activity 3:	If solutions can be found in the policy arena expand production at current and new facilities.	Activity Date:
No work on this activity to date.		
Activity 4:	Use results of research to increase salmon production.	Activity Date:
No work on this activity to date.		
Activity 5:	Work with USFS to adopt clear guidelines for ANILCA Title 13 law for wilderness area enhancement activities and new Roadless Rule areas.	Activity Date:
No work on this activity to date.		

Other Informational Items

Southeast Cluster Initiative
Action Initiative Status Report
December 2012

Action Initiative Information			
Cluster:	Ocean Products		
Initiative:	Support the Regional Mariculture Industry		
Goal:	Create a strong and sustainable mariculture industry that supports vibrant coastal communities.		
Champion:	John Sund	JohnLSund@yahoo.com	206-295-5457
Team:	Mike Round Ray RaLonde Casey Havens Rodger Painter David Mitchell Tom Henderson	mikeround@ssraa.org afrlr@uaa.alaska.edu caseyhavens@yak-tatkwaan.com	225-9605 274-9697 784-3335

Meeting Summaries		
Date:	Attendees:	Outcome:
12/20/12	CWG Monthly call-in	• According to Cynthia Pring-Ham, Ray RaLonde is trying to get funds to upgrade mariculture nurseries that currently exist. • Cynthia also said that the Department of Fish and Game is trying to grant permission for OceansAlaska to begin propogation of geoducks and oysters. • John Sund mentioned that Sealaska's Haa Aani is working to attract new mariculture farmers and representatives from Haa Aani traveled to BC to visit Keith Reed's successful mariculture farm.
11/20/12	CWG Monthly call-in	• The implementation team for this initiative met during the Alaska Shellfish Growers Assocation meeting on November 8, 2012 after workshop presentations by Ray RaLonde. About 30 people met. The group identified 2 issues as the major issues facing the mariculture industry (lack of availability of seed and difficulty in recruiting farmers). • Discord related to regulation is much lower than it has been

		thanks to the work of Cynthia Pring-Ham, Mariculture Program Coordinator, ADF&G • There is now a mariculture loan available through the State of Alaska. Haa Anni is trying to to work with Kake, Yukatat, Angoon, and Hoonah to start mariculture farms. • SE AK is uniquely situated to produce and sell seed because its waters have not been affected by ocean acidification and there is no prohibition on exporting see out of AK.
11/8/12	Action Initiative team meeting with attendees of the ASGA meeting	• Challenges facing the mariculture industry (group discussion): ○ **Access to secure seed supply is one of the biggest challenges (the group identified this as one of the main challenges)** ○ **There are not enough qualified personnel working in the field (the group identified this as one of the main challenges)** • People do not see a future in the industry • A culture of success is not prevalent in the industry as it is in Maine • People are too risk averse to enter the industry ○ Start-up costs are high ○ The price of the product is too low ○ Farmers make their operations too labor intensive ○ Farmers try to grow too large of oysters and wholesalers do not want small oysters ○ The grading system is dysfunctional ○ Farms are not located near transportation hubs which adds to logistical costs ○ Farms are geographically dispersed so the transfer of knowledge is quite slow ○ Some farmers are not working their permits • Opportunities in the mariculture industry (group discussion): ○ There is a new mariculture loan available through the Division of Economic Development ○ Co-ops are an intriguing way to structure business ○ There are opportunities out there to: ▪ find new markets ▪ educate the public about AK shellfish ▪ start hatcheries in AK ▪ subleasing permit sites

4/11/12	CWG Meeting #5 in Ketchikan	• Oceans Alaska Marine Science Center just put its new facility into place, and is in the process of getting all the systems up and running. It will be growing their own algae and oyster seed. It intends to develop programs to provide education and training to growers, including a best practices program, and assistance with business plans. It is developing MOUs with vocational training facilities, the University of Alaska Southeast, and local school districts. • Sealaska's Haa Aani has partnered with other entities to develop oyster farms. Haa Aani sees a major bottleneck to the industry as being consistent access to a source of oyster seed. It is building Flupsys (upwelling shellfish nursery systems) and will place one somewhere on Prince of Wales Island. As there is demand for them, more Flupsys will be built. • Haa Aani uses the Department of Labor and Workforce Development's apprenticeship program to train workers for its farms.

Initiative Action Plan Update		
Activity 1:	Secure seed supply for oyster farms. A seed setting facility, algae production and developing cost models are needed.	Activity Date:
No work on this activity to date.		
Activity 2:	Education and training for oyster farmers.	Activity Date:
No work on this activity to date.		
Activity 3:	Funding that supports expansion of a seed nursery/hatchery, including development of a locally prolific brood-stock program.	Activity Date:
No work on this activity to date.		
Activity 4:	Funding for PSP monitoring.	Activity Date:

No work on this activity to date.		
Activity 5:	Funding for shelf-life extension during transportation (live holding) to smooth out and extend the fishery's cash flow.	Activity Date:
No work on this activity to date.		
Activity 6:	Funding for seaweed production.	Activity Date:
No work on this activity to date.		
Activity 7:	Funding for northern latitude algae production.	Activity Date:
No work on this activity to date.		
Activity 8:	Streamlining the permitting process to allow use of uplands.	Activity Date:
No work on this activity to date.		

Other Informational Items

JEDC.org
612 West Willoughby Ave. Suite A
Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

Ocean Products Cluster Working Group Meeting

DATE: **Thursday, December 20, 2012**
TIME: **9:00 - 11:00AM**
LOCATION: **JEDC Conference Room or Teleconference**

Teleconference #: 1-800-747-5150
Access Code: 1509107#

9:00AM **Welcome, objectives and introductions – Julie Decker and John Sund**

- Objectives:
  - Hear progress reports and plans for future work for each active action initiative
  - Discuss participation of Ocean Products CWG at Innovation Summit

Update for SE Cluster Initiative – Brian Holst

- Mining Services and Supply, Visitor Products, Renewable Energy
- Innovation Summit, February 11-13, 2013

9:30AM **Champions Report on Progress and Future Work Plans of Action Initiative Implementation Teams**

1. Develop Sea Otter Management Program in SE AK – Phil Doherty, SARDFA
2. Establish a Marine Industry Technology and Workforce Improvement Consortium – Report from Brian Holst about information gleaned from Ocean Cluster in Iceland
3. Ensure SE AK's Fishing Future: Targeted Education and Training in the Acquisition and Financing of Fishing Permits, Quota and Fishery Businesses – Report from Jim Seeland
4. Include the Seafood Industry in USDA Programs – Julie Decker
5. Enhance Salmon Production – Steve Reifenstuhl, Northern Southeast Regional Aquaculture Association
6. Support the Regional Mariculture Industry – John Sund

Summit Planning Discussion

- Day 2 –Ocean Products CWG meeting; agenda items needed
- Day 3 –Available for initiative team meetings

11:00AM **Meeting Wrap-up & Adjournment**

Southeast Cluster Initiative
Ocean Products CWG Status Report
December 2012

Cluster Information	
Goal:	To create private-public partnerships as a catalyst for job creation and business growth in Southeast Alaska.
Co-chairs:	Julie Decker, Development Director, Alaska Fisheries Development Foundation John Sund, Mariculture Advocate

Previous Meetings		
Date:	Attendees:	Purpose:
12/20/12	Cynthia Pring-Ham, Debbie Hart, Jeff Weltzin, Jim Seeland, John Sund, Julie Decker, Patricia Phillips, Phil Doherty, Stefanie Moreland, Brian Holst, Marie Franklin, Aaron Ferguson	Monthly teleconference
11/20/12	Cynthia Pring-Ham, Debbie Hart, Jeff Weltzin, Jim Seeland, John Sund, Jon Martin, Julie Decker, Karen Hardigg, Kathy Hansen, Keith Criddle, Keith Perkins, Kris Norosz, Patricia Phillips, Tom Fletcher, Brian Holst, Zach Wilkinson, Aaron Ferguson	Monthly teleconference
11/8/12	Cynthia Pring-Ham, John Sund, Rodger Painter, Ray RaLonde, Tom Henderson, Tom Fletcher, Aaron Ferguson, other attendees of the Shellfish Technology Workshop and Alaska Shellfish Growers Association meeting	Initiative 10: Support the Regional Mariculture Industry

Initiative Activity Update:

Initiative 1: Develop a Sea Otter Management Program in Southeast Alaska
Champion: Phil Doherty

- Progress:
  - Phil Doherty indicated that, unlike last winter, none of the stakeholder groups regarding

sea otter management plan to meet this winter.

- Phil indicated that he will remain in touch with Verena Gill (Wildlife Biologist, U.S. Fish and Wildlife Service) who, along with Sunny Rice (Marine Advisory Program, University of Alaska Fairbanks, Petersburg office) and Zachary Hoyt (Ph.D. Student, Fisheries Division, School of Fisheries and Ocean Sciences, University of Alaska Fairbanks) are tracking sea otters and their diets. This team will probably finish a report about this work by summer of 2013.
- On September 12, 2012, Dan Ashe (Director of the U.S. Fish and Wildlife Service) hosted a teleconference to address the definition of sea otter use and "significantly altered" for native tribes. He initially said that this work would be completed by January but the date has been pushed back until February (Phil noted that folks in the U.S. Fish and Wildlife Service have been working on this issue for decades).
- Phil spoke with contacts in AK Department of Fish and Game about sea otter management. However, there has been lots of staff turnover in the Douglas office so some inertia has been lost there.
- According an article in the LA Times, the U.S. Fish and Wildlife Service has lost its battle to manage sea otters in Southern California, which does not bode well for dive fisheries.
- Southeast Alaska Regional Dive Fisheries Association has hired a consultant to serve as a lobbyist in Washington, DC. Phil asserted that officials in Washington, DC are aware of this issue with sea otters.
- Julie Decker pointed out that this year is the 30-year anniversary of the Marine Mammal Protection Act. At the last Board meeting, UFA discussed requesting Senator Lisa Murkowski hold a briefing in the Senate Oceans Caucus to start a conversation about the problems associated with the Marine Mammal Protection Act.
- Phil said that SARDFA has not tried to sue the U.S. Fish and Wildlife Service and has instead focused on pushing the State of Alaska to do something about this issue.
- Stefanie Moreland (Special Assistant to the Governor for Fisheries, Oceans and Arctic policy) indicated that the Office of the Governor is aware of the sea otter issue. Stefanie said that she will follow up with the Alaska Department of Fish and Game regarding the timeline of the decision regarding the definition of "significantly altered".
- Phil said that he contacted tribal governments and corporations to try to collaborate to address this issue but that he has not been allowed to attend any of the tribal meetings.
- Julie heard that Central Council of the Tlingit and Haida Indian Tribes of Alaska hired someone to work on a sea otter management plan.

- Work plan:
  - Stefanie Moreland stated that she would try to get an update from Carrie Sykes with Central Council regarding their work on a sea otter management plan.

Initiative 2: Establish a Marine Industry Technology and Workforce Improvement Consortium
Champion: Jason Custer

- Progress:
  - Brian Holst traveled to Iceland and met with the manager of Iceland's Ocean Cluster. He learned that the Ocean Cluster in Iceland keeps marine trades and seafood together as one cluster because of the synergies that are created by helping these industries to collaborate. Therefore, Brian advises the Ocean Products CWG to proceed with caution regarding narrowing the mandate of the CWG to just seafood to the exclusion of marine trades.
  - John Sund noted that there is currently a $20 million cod boat in the shipyard in Ketchikan; it appears that there is some interest from businesses in Seattle to have boats worked on in Southeast Alaska but the workforce lacks qualified workers.
  - Julie Decker said that businesses are actively working on their vessels because the price of salmon has rebounded. She also indicated that a group made up of the Economic Development Committee, the Port Commission, and the city economic development director have been working in Wrangell to help the marine repair facility attract talent and underrepresented businesses and develop the local workforce needed.
  - Stefanie Moreland mentioned that the University of Alaska Fisheries, Seafood and Maritime Initiative (FSMI) is working on completing an assessment of the workforce development needs of this industry and that she would be happy to communicate the interests of the Ocean Products CWG to the FSMI.
  - Several members of the CWG pointed out that SE Conference is also working on workforce development issues as they related to the marine industry.
  - John Sund suggested that the CWG needs to figure out how to move this initiative forward so that it helps the private firms in this industry.
  - Julie Decker proposed that we contact Doug Ward with the Ketchikan Marine Industry Council to see how his organization's work is going. The Ketchikan Marine Industry Council (KMIC) identified marine industry firms in Ketchikan, figured out what service each firm provides, mapped where each is located, and put all of this information on the Internet. Julie believes that completing something like the work of the KMIC for the rest of Southeast Alaska is a good place to start for this initiative because it helps increase the visibility of firms in the marine trades industry.

- Work plan:
  - Maintain contact with FSMI.
  - Contact Doug Ward to get an update on the work of the KMIC.
  - Explore having a conversation with folks from the marine trades industry on the third day of the Innovation Summit.

Initiative 3:	Ensure Southeast's Fishing Future through Targeted Education and Training
Champion:	Vacant

- Progress:

- Jim Seeland spoke with Kris Norosz, Keith Criddle, and Sunny Rice about this initiative and they all determined that perhaps it is best if this initiative is altered so that the focus becomes education and recruitment instead of on the flight of quotas from Southeast Alaskan communities.
- Julie Decker noted that she has not problem with letting initiatives evolve—especially if someone is willing to work on the newly evolved initiative—and thought that Jim would be a good champion for this initiative if the focus became education. She did assert that maintaining a focus on the financing aspects of the seafood industry would be important for any education initiative.

- Work plan:
  - Jim Seeland to work with Aaron Ferguson to redefine this initiative and figure out a plan of action.

Initiative 4: Include the Seafood Industry in USDA Programs
Champion: Julie Decker

- Progress:
  - Julie Decker proposed to alter the title and direction of this initiative to be "Refinement of USDA programs applicable to the seafood industry" because USDA has not been receptive to completing an analysis of how it might creatively include the seafood industry in more of its programs. Stefanie Moreland agrees with Julie's approach because it is Stefanie's understanding that USDA is not willing to be that creative right now.
  - Julie is also working to complete narratives and grant proposals for three of the USDA interest areas that apply to the ocean products.
  - Jeff Weltzin with OceansAlaska said that he submitted an application to USDA to help increase mariculture production in rural Southeast Alaska.

- Work plan:
  - Consider having workshop about opportunities in USDA programs at Innovation Summit

Initiative 5: Enhance Salmon Production
Champion: Steve Reifenstuhl

- Progress:
  - There have been some reports that have been released recently that explain the economic value of hatcheries. For example, the McDowell group released a report that discusses the economic impact of the Prince William Sound Aquaculture Corporation in October 2012.
  - Brian Holst indicated that a team from the USFS is going to meet during the Innovation

Summit and that this might be a good platform for the cluster to present its ideas for how to enhance salmon production.
  - Debbie Hart provided an update on the Southeast Alaska Fish Habitat Partnership: she said that the Partnership's science and data committee is working to get a sense of all the work on habitat enhancement that is currently being completed so that the Partnership can attempt to align these efforts. She also mentioned that the Southeast Watershed Coalition and Central Council are hosting a symposium on habitat enhancement through partnerships in March 2013.
  - Julie Decker noted that Greg Killinger, Fisheries, Watershed and Soils Staff Officer, Tongass National Forest had provided an her an update about the major watershed restoration and fisheries enhancement projects accomplished in 2012 and those planned in 2013 in the Tongass National Forest. Please see the "Other Informational Items" section for this information.

- Work plan:
  - John Sund committed to thinking about this initiative regarding how the cluster might help.

Initiative 6: Support the Regional Mariculture Industry
Champion: John Sund

- Progress:
  - According to Cynthia Pring-Ham, Ray RaLonde is trying to get funds to upgrade mariculture nurseries that currently exist.
  - Cynthia also said that the Department of Fish and Game is trying to grant permission for OceansAlaska to begin propogation of geoducks and oysters.
  - John Sund mentioned that Sealaska's Haa Aani is working to attract new mariculture farmers and representatives from Haa Aani traveled to BC to visit Keith Reed's successful mariculture farm.

- Work plan:
  - No specific plan was identified.

Other Informational Items

- Brian Holst visited Iceland on a trip organized by the Institute of the North and had the opportunity to meet with Iceland's Ocean Cluster. Brian noted that Iceland is, in many ways (e.g. latitude, major industries, size of population), very similar to Alaska.
  - Brian learned about a couple gems of the Icelandic economy:

- Geothermal energy:
  - Iceland generates so much geothermal energy that it is able to export energy
  - There is a Geothermal Cluster that served as a mechanism for developing Iceland's ability to sell geothermal technology to other nations
- Seafood industry:
  - The seafood industry is Iceland's highest paying industry
  - This industry does a very good job of extracting a lot of value from each fish (e.g. $72 worth of products is generated from an $8 cod)

- Brian also learned more about the Ocean Cluster. This cluster is hosted in a physical location, the "Cluster House", where representatives from around 20 firms have offices. Also, the membership of this cluster is formalized by requiring participants to contribute financial resources.

- Note from Greg Killinger, Fisheries, Watershed and Soils Staff Officer, Tongass National Forest about the major watershed restoration and fisheries enhancement projects accomplished in 2012 and planned in 2013 on the Tongass National Forest:

  - From Greg: "Please note that most if not all of this work is dependent on major partnership efforts with several groups, local communities and the state (ADF&G). It also has been and is dependent on additional support from grants often via [Forest Service] partners' efforts."

  - Major watershed restoration and fisheries habitat enhancement related projects that occurred on the Tongass National Forest in 2012:

    - **Twelvemile Watershed Restoration (Phase I of II) in partnership with National Forest Foundation (+ grant funding), The Nature Conservancy, Prince of Wales Communities (+ Secure Rural Schools - Title II RAC funding), and USFS:** Completed a variety of resource restoration work including: major main-channel and tributary in-stream restoration - coho, steelhead, pink and chum salmon habitat; riparian and upland thinning; and road storage (+ removal of barrier pipes) and some conversion to ATV trail. Project included media coverage.

    - **Sitkoh River Watershed Restoration – Peril IRMP - Partnership with Sitka Conservation Society (+Sustainable Salmon Fund grant), Trout Unlimited, Alaska Dept Fish & Game and USFS:** Completed extensive work including: major main-channel in-stream restoration and connections – primary coho, steelhead, pink and chum producing system; riparian and upland thinning; and road storage. Impressive variety of media coverage (Radio, newspaper, magazines and various web sites) with a host of partners, State, Regional Office and Commercial Fishing "gear group" representatives.

- **NFWF Grant:** Collaborated with the National Fish and Wildlife Foundation, Regional Office, The Nature Conservancy, Pacific Northwest Research Station - USFS and others to successfully secure a million dollar ($400,000 in hand to date) Watershed Restoration grant (FY2013-2014), partly based on our recent history of major restoration accomplishments and looking ahead at some great future opportunities. Note: we still need more funding to accomplish needed major salmon stream and watershed restoration work planned for the next several years.

- **Forest Plan, BMP and Watershed Restoration Effectiveness Monitoring (WREM):** Completed monitoring of road drainage structures, riparian area windthrow – buffer stability, Management Indicator Species and watershed restoration effectiveness monitoring in 2012. The WREM protocols are also being re-assessed in cooperation with PNW, State and other scientists and partners in FY 2013 to strengthen the long term results and ability to answer key questions about the effectiveness of watershed and stream restoration work.

- **Tongass Fisheries and Watershed Program Media Coverage and Public Awareness:** Completed substantial efforts with several restoration partners to document and highlight the extraordinary value of the fisheries produced from the Tongass NF and the major work being completed to restore key salmon fisheries and watersheds. Along with media coverage noted above, this effort includes the following brochures, documents and stories:
  - Tongass Salmon Factsheet – 1 page: completed
  - Tongass Salmon Factbook – larger effort in progress with $80,000 secured from partners in FY2012 for PNW led effort to document the salmon systems, fisheries and use in Southeast Alaska – expected completion late 2013.
  - Faces of the Tongass National Forest – color brochure completed August 2012 (brochures available)
  - Salmon in the Tongass National Forest – 4 page color brochure completed August 2012 (brochures available)
  - Story about Fish Passes on the Tongass: http://sitkawild.org/2012/09/fish-passes/ completed September 2012
  - Story about the Subsistence Fisheries Information Program and values to small communities on the Tongass: expected completion by spring 2013

- **Fisheries, Hydrology and Soils support to a variety of high priority Tongass projects involving all resource program areas including, but not limited to the following:**
  - Big Thorne Timber Sale EIS – Stewardship Area (includes planned major Luck Lake watershed restoration effort)
  - Major Road Storage and Maintenance including many removal of many fish barrier pipes (Prince of Wales Island and Sitka Ranger District)
  - Greens Creek Mine Tailings Expansion EIS

- Outfitter Guide EIS
- Invasive Plant (PRD/WRD) EA
- Climate Change Scenario Planning – Vulnerability Assessment work with stakeholders

- Some of the major watershed restoration and fisheries habitat enhancement related projects planned on the Tongass National Forest in 2013:

  - **Twelvemile Watershed Restoration (Phase II of II) in partnership with National Forest Foundation (+ grant funding), The Nature Conservancy (NFWF and Sustainable Salmon grant funding), Prince of Wales Communities, and USFS:** Implement Phase II restoration work including: major main-channel and tributary in-stream restoration - coho, steelhead, pink and chum salmon habitat; riparian and upland thinning; and remaining road storage (+ removal of barrier pipes).

  - **North Kuiu & Saginaw Creek Watershed Restoration (Stewardship Area) - Partnership with The Nature Conservancy (NFWF and Sustainable Salmon grant funding) and USFS with possible additional partners:** Implement the 1st Phase of a multi-year extensive watershed restoration project in several streams on North Kuiu Island. Planned multi-year work includes: major main-channel in-stream restoration and connections – primary coho, steelhead, pink and chum producing system; riparian and upland thinning; and road storage. Work planned in 2013 includes gathering up to 1,000 trees/logs needed for the restoration work and road stabilization and improvement.

  - **Kanalku Fish Passage in partnership with the State of Alaska (major funder) and Angoon:** This 2013 project will improve survival of returning sockeye salmon by blasting step pools in the partial barrier falls on the outlet of Kanalku creek and lake, a primary sockeye subsistence fishery for the local community.

  - **Luck Lake/Eagle Creek Watershed Restoration (Big Thorne Stewardship Area) in partnership with The Nature Conservancy and others yet to be named**: Complete NEPA and Design in 2013, and possibly a contract for large wood collection in preparation for major stream restoration and road storage + barrier pipe removal work planned in 2014 and beyond. More funding still needed for implementation.

Next Steps

- The date of the next Ocean Products Cluster Working Group is TBD.

Resources

LA Times article about the end of sea otter management in Southern California: http://www.latimes.com/news/local/la-me-otters-20121220,0,6969607.story

Marine Mammal Protection Act: http://www.nmfs.noaa.gov/pr/pdfs/laws/mmpa.pdf

Economic Impact of the Prince William Sound Aquaculture Corporation: http://pwsac.com/wp-content/uploads/2012/11/PWSAC-Economic-Impact-Study-2012.pdf

JEDC.org
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Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

Ocean Products Cluster Working Group Meeting #8

DATE: **Tuesday, November 20, 2012**
TIME: **9:00 - 11:00AM**
LOCATION: **JEDC Conference Room or Teleconference**

Teleconference #: 1-800-747-5150
Access Code: 5232300#

9:00AM

Welcome, objectives and introductions – Julie Decker and John Sund

- Objectives:
  - Hear progress reports and plans for future work for each active action initiative
  - Declare success and/or consolidate initiatives, as appropriate
  - Select new champions for vacant positions, as needed

SE Cluster Initiative—General Update – Brian Holst

Innovation Summit "Save the Date", February 11-13, 2013 – Brian Holst

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9:30AM

Champions Report on Progress and Future Work Plans of Action Initiative Implementation Teams

1. Develop Sea Otter Management Program in SE AK – Phil Doherty, SARDFA
2. Establish a Marine Industry Technology and Workforce Improvement Consortium – Jason Custer, Ketchikan Marine Industry Council
3. Ensure SE AK's Fishing Future: Targeted Education and Training in the Acquisition and Financing of Fishing Permits, Quota and Fishery Businesses – Vacant
4. Increase Wild Salmon Production Through Habitat Restoration – Tom Gemmell
5. Include the Seafood Industry in USDA Programs – Julie Decker
6. Enhance Salmon Production – Steve Reifenstuhl, Northern Southeast Regional Aquaculture Association (not in attendance)
7. Study the Conversion of Fish Byproduct to Biogas and Fertilizer via Anaerobic Digestion – Heather Hardcastle, Trout Unlimited
8. Further Develop Renewable Energy Production – Bart Watson, Armstrong-Keta, Inc.
9. Protect Long-Term Assured access to Fishery Resources for Both Current and Developing Fisheries – Kathy Hansen, Southeast Alaska Fishermen's Alliance
10. Support the Regional Mariculture Industry – John Sund

10:20AM	**Declare success or consolidate initiatives, as appropriate** • Does #1 require further work by the cluster? • Declare success for #2 through involvement of Marine Trades Cluster, University's Allied Fisheries Initiative, and KMIC? • Declare success for #3 through involvement of University's Allied Fisheries Initiative? • Declare success for #4 through involvement of SE AK Fish Habitat Partnership? • Combine #7 and #8 under the umbrella title of ***"Energy Issues in the Seafood Industry – Efficiency, Technology, & Alternative Sources"***? • Designate #9 as inactive, or further work by the cluster? • Others?
10:40AM	**Select new champions for vacant positions, as needed** • Remaining initiatives with vacant chairs need to be filled
11:00AM	**Meeting Wrap-up & Adjournment**

Southeast Cluster Initiative
Ocean Products CWG Monthly Status Report
November 2012

Cluster Information	
Goal:	To create private-public partnerships as a catalyst for job creation and business growth in Southeast Alaska.
Co-chairs:	Julie Decker, Development Director, Alaska Fisheries Development Foundation John Sund, Mariculture Advocate

Previous Meetings		
Date:	Attendees:	Purpose:
11/20/12	Cynthia Pring-Ham, Debbie Hart, Jeff Weltzin, Jim Seeland, John Sund, Jon Martin, Julie Decker, Karen Hardigg, Kathy Hansen, Keith Criddle, Keith Perkins, Kris Norosz, Patricia Phillips, Tom Fletcher, Brian Holst, Zach Wilkinson	Monthly teleconference
11/8/12	Cynthia Pring-Ham, John Sund, Rodger Painter, Ray RaLonde, Tom Henderson, Tom Fletcher, Aaron Ferguson, other attendees of the Shellfish Technology Workshop and Alaska Shellfish Growers Association	Initiative 10: Support the Regional Mariculture Industry

Initiative Activity Update:

Initiative 1: Develop a Sea Otter Management Program in Southeast Alaska
Champion: Phil Doherty

- Progress:
  - Phil Doherty met with the USFWS & wrote follow-up letter to meeting
  - The definition of "significantly altered" is to be worked on by the USFWS in 2013
- Work plan:
  - Monitor work of USFWS
  - Follow work of Central Council contractor on drafting management plan

Initiative 2: Establish a Marine Industry Technology and Workforce Improvement Consortium
Champion: Jason Custer

- Progress:
  - The Ketchikan Marine Industry Council (focused on Ketchikan) is working on this initiative as is the UA Fisheries, Seafood and Maritime Initiative (focused on workforce development)
  - JEDC has discussed creating a Marine Trades CWG
- Work plan:
  - Monitor the work of KMIC and UA FSMI
  - Brian Holst will meet with contacts in Iceland next week and report back about their perspective regarding a separate Marine Trades CWG
  - CWG will consider refocusing once Brian reports back to the group

Initiative 3: Ensure Southeast's Fishing Future through Targeted Education and Training
Champion: Vacant

- Progress:
  - UAS is working on this issue to a degree through their Marine Fisheries Program
  - There is still work to be done in addressing the out-migration of permits and in training young people in what they need to do to acquire permits and fishery businesses
- Work plan:
  - Jim Seeland, Kris Norosz, Sunny Rice & Glenn Haight to work on refocusing this initiative and forming a new implementation team, as needed (Tom Fletcher, UAF graduate student, volunteered to help)

Initiative 4:	Increase Wild Salmon Production through Habitat Enhancement
Champion:	Vacant

- Progress:
  - There is now a Fish Habitat Partnership in SE AK (see notes below)
- Work plan:
  - The group moves to mark this initiative as a success because there is another group completing this work
  - The CWG will monitor the work of SEAKFHP because the CWG still considers this initiative to be important
  - Debbie Hart with SEAKFHP encourages the CWG to communicate with SEAKFHP to ensure that the CWG's concerns are factored into SEAKFHP's strategic planning process

Initiative 5:	Include the Seafood Industry in USDA Programs
Champion:	Julie Decker

- Progress:
  - The focus of this initiative has now shifted to raising awareness regarding USDA programs that ocean products are eligible for
  - In late August, Senator Begich introduced legislation to start a national seafood marketing campaign and will introduce this bill again during the next session
- Work plan:
  - Distribute USDA Rural matrix regarding programs via email again
  - Encourage USDA to present at the Innovation Summit

Initiative 6:	Enhance Salmon Production
Champion:	Steve Reifenstuhl

- Progress:
  - There is an RFP out right now to conduct an 11-year study of the interaction of hatchery stock with wild stock
- Work plan:
  - The group thinks we need to move ahead with this initiative and connect those on both sides of the issue

Initiative 7:	Study the Conversion of Southeast Alaska Fish Byproduct to Biogas and Fertilizer via Anaerobic Digestion
Champion:	Vacant

- Progress:
  - This initiative needs a new champion if it is to remain active
  - Alaska Fisheries Development Foundation is working on this issue, including:
    - Investigating the feasibility of making fish waste into oil/meal for smaller facilities
    - Analyzing the price point where it would make sense for fishermen to use biofuel (algae) as an additive
    - Exploring strategies for increasing energy efficiency, including fish vessel energy audits
- Work plan:
  - The group moves to consolidate this initiative into the Renewable Energy CWG

Initiative 8:	Further Develop Renewable Energy
Champion:	Bart Watson

- Progress:
  - There is no work to report except that a separate CWG is working on this subject
- Work plan:
  - The group moves to consolidate this initiative into the Renewable Energy CWG

Initiative 9:	Protect Long-term Access to Fishery Resources for Both Current and Developing Fisheries
Champion:	Kathy Hansen

- Progress:
  - There is no work to report for this initiative and there has been none over the last 2 years
- Work plan:
  - The group moves to set this initiative aside as important but inactive

Initiative 10:	Support the Regional Mariculture Industry
Champion:	John Sund

- Progress:
  - The implementation team for this initiative met during the Alaska Shellfish Growers

Association meeting on November 8, 2012 after workshop presentations by Ray RaLonde
  - About 30 people met
  - The group identified 2 issues as the major issues facing the mariculture industry in SE AK:
    - Lack of availability of seed
    - Difficulty in recruiting farmers
  - Discord related to regulation is much lower than it has been thanks to the work of Cynthia Pring-Ham, Mariculture Program Coordinator, ADF&G
  - There is now a mariculture loan available through the State of Alaska
  - Haa Aaní is trying to work with Kake, Yukatat, Angoon, and Hoonah to start mariculture farms
  - SE AK is uniquely situated to produce and sell seed because its waters have not been as affected by ocean acidification and there is no prohibition on exporting seed out of AK

- Work plan:
  - Supporting and tracking the work of OceansAlaska to address nursery issues
  - Support moving water testing to SE AK

Other Informational Items

- Brian Holst, Executive Director of JEDC, gave a brief update regarding the other CWGs:
  - The Mining Services and Supply CWG finalized action items, selected co-chairs, and organized implementation teams.
  - The biomass energy team from the Renewable Energy CWG will next week.

- Brian then introduced the Innovation Summit, the next summit when all CWGs will meet. The Innovation Summit is scheduled for February 11-13, 2013 in Juneau, Alaska. The summit will have five goals: strengthen regional industry clusters, develop talent, encourage entrepreneurship, link research to economic development, and create linkages to new markets. Cluster co-chairs are invited to help with the planning.

- Debbie Hart, Coordinator of Southeast Alaska Fish Habitat Partnership, presented an overview the organization:
  - Background of Southeast Alaska Fish Habitat Partnership (SEAKFHP):
    - SEAKFHP is part of a national organization called the National Fish Habitat Partnership
    - There are other partnerships in Alaska, including:
    - Kenai Peninsula Fish Habitat Partnership

- Southwest Alaska Salmon Habitat Partnership
- Matanuska-Susitna Basin Salmon Habitat Partnership
- SEAKFHP is funded through the Alaska Sustainable Salmon Fund

- The four core functions of SEAKFHP are:
  - Build partnership base
  - Obtain long-term funding support
  - Provide services for collaboration
  - Align interagency actions, e.g.:
  - Rank watershed restoration projects
  - Guide public policy
  - Obtain funding
  - Host a symposium (e.g. watershed forum in March)
- There are open seats on the steering committee of SEAKFHP including:
  - At-large seat
  - Tribal seat
  - Municipal seat

Next Steps

- The next Ocean Products Cluster Working Group meeting will be on 12/20/12 at 9AM at JEDC's conference room or via teleconference (1-800-747-5150 Access Code: 1509107#)
- Initiative champions are encouraged to try to meet with their implementation teams prior to the meeting on 12/20/12

Resources

Alaska Economic Trends (Nov. 2012) – Alaska's Fishermen: Harvesting, Earnings & their other jobs:
http://labor.state.ak.us/trends/nov12.pdf

U of A Fisheries, Seafood & Maritime Initiative:
http://www.alaska.edu/fsmi/

San Diego: Fast-growing maritime technology cluster (Oct., 2012 - article on pg. 30):
http://issuu.com/marinelog/docs/marine_log_october_2012

A Maritime Jobs Plan for Washington State (June, 2012):
http://www.pacificfisheriesreview.com/pfr_june12_story5.php

Northwest Washington Marine Industry Cluster Study (2007):
http://www.sanjuansedc.org/Reports/Regional%20Marine%20Cluster%20Final%20Report.pdf

The Importance of the Ocean Cluster for the Icelandic Economy (2012):
http://www.sjavarklasinn.is/wp-content/uploads/2012/03/Sjavarklasinn_Skyrsla-enska-low.pdf

North Atlantic Ocean Clusters (2012):
http://www.sjavarklasinn.is/wp-content/uploads/2012/08/North-Atlantic-Ocean-Clusters_report.pdf

Iceland Ocean Clusters:
http://www.sjavarklasinn.is/en/um-sjavarklasan/

Industry's jobs boost Alaska, but fleet is growing older:
http://www.adn.com/2012/11/24/2703519/laine-welch-industrys-jobs-boost.html

Study shows Prince William Sound Hatcheries provide huge economic returns to Alaska:
http://pwsac.com/wp-content/uploads/2012/11/PWSAC-Economic-Impact-Study-2012.pdf

Contact info for Debbie Hart, Coordinator, Southeast Alaska Fish Habitat Partnership:

Deborah Hart, Coordinator
Southeast Alaska Fish Habitat Partnership
419 6th Street, Suite 200
Juneau, Alaska 99801
(907) 723-0258
coordinator@SEAlaskaFishHabitat.org

Salmon 2100 Project and the future of wild salmon in the Pacific Northwest:

- Written and audio stories on presentation by Dr. Robert Lackey
  http://www.ktoo.org/2012/11/13/new-partnership-seeks-to-protect-and-maintain-salmon-habitat/
- Salmon 2100 web site:
  http://oregonstate.edu/dept/fw/lackey/Salmon2100.htm

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Alaska Shellfish Growers Association Meeting Summary
November 8-9, 2012

Shellfish Aquaculture in Alaska – Raymond RaLonde

- The mariculture industry has developed in fits and starts over the last hundred years
  - Oysters were first brought into SE AK from Japan in 1910 but this industry folded in 1961
  - Oyster farming started in Wrangell in the '70s
    - Started with surface trays (these were a nightmare)
    - Switched to long-line lantern nets eventually but most farmers in Wrangell had ceased operations by 1991
  - The Aquatic Farm Act of 1988 was an important impetus for the most recent wave of mariculture activity in AK
    - This act designated (a) the Department of Natural Resources as the permitting agency for farm sites and (b) the Department of Fish and Game as the permitting agency for the construction or operation of aquatic farms and hatcheries
    - This act limited aquatic farming to shellfish and aquatic plans; farming of finfish is prohibited in AK
    - By 2002, there were 72 shellfish farms
- The realities of being a mariculture farmer in AK
  - Concern for the environment
  - Common property fisheries
  - Traditional use has top priority
  - Mariculture is a newcomer
  - Some shellfish farmers have become negligent of their farms/equipment
  - Locations of farms can be remote
  - Lack of knowledge on the part of farmers
  - Shellfish seed cannot be imported from outside of AK (except oysters)
    - This is something that has been protested against before the Board of Fish before to no avail; it is something that might need to
- FLUPSYs (Floating Upwelling Systems) have helped
  - FLUPSYs helped to:
    - double the size of seed
    - decreased operational cost by 20%
- Candidate species for mariculture operations include:
  - Native little neck clam
  - Purple hinge rock scallop
  - Geoduck clam
  - Basket cockle

    - Blue mussel
    - Oysters
- Mariculture as an economic opportunity started in 2000
    - Other industries are now engaged with this industry including:
        - Shellfish hatcheries
        - Nurseries
        - Purchasing and sales
        - Marketing
        - Maintenance service
        - Gear sales and fabrication

Support the Regional Mariculture Industry Action Initiative Implementation Team Meeting – John Sund

- Challenges facing the mariculture industry (group discussion):
    - **Access to secure seed supply is one of the biggest challenges (the group identified this as one of the main challenges)**
    - **There are not enough qualified personnel working in the field (the group identified this as one of the main challenges)**
        - People do not see a future in the industry
        - A culture of success is not prevalent in the industry as it is in Maine
        - People are too risk averse to enter the industry
    - Start-up costs are high
    - The price of the product is too low
    - Farmers make their operations too labor intensive
    - Farmers try to grow too large of oysters and wholesalers do not want small oysters
    - The grading system is dysfunctional
    - Farms are not located near transportation hubs which adds to logistical costs
    - Farms are geographically dispersed so the transfer of knowledge is quite slow
    - Some farmers are not working their permits
- Opportunities in the mariculture industry (group discussion):
    - There is a new mariculture loan available through the Division of Economic Development
        - John Sund pointed out several issues with this program:
            - "The issue is the requirement to be turned down by a traditional financial institution (a bank) before qualifying for a loan from the mariculture loan program. As you heard in the ensuing discussion this is not all that hard of a hurdle to cross. Just have to find the right bank (one that won't loan for mariculture projects) and ask the right questions. My concern is with people with some assets (the type you want to make investments in this high risk venture) being shut out of the state loan program.

              For example if you own a home with no or very little mortgage debt you are eligible for a home equity loan. Basically the bank doesn't really care how you use the funds. The terms are interest only on a variable interest rate. You will qualify for outside financing and may be deemed ineligible for the mariculture loan program.

              It just makes a mess of the issues. As Greg Fisk explained this provision is put into the state loan programs by the banks – just to make

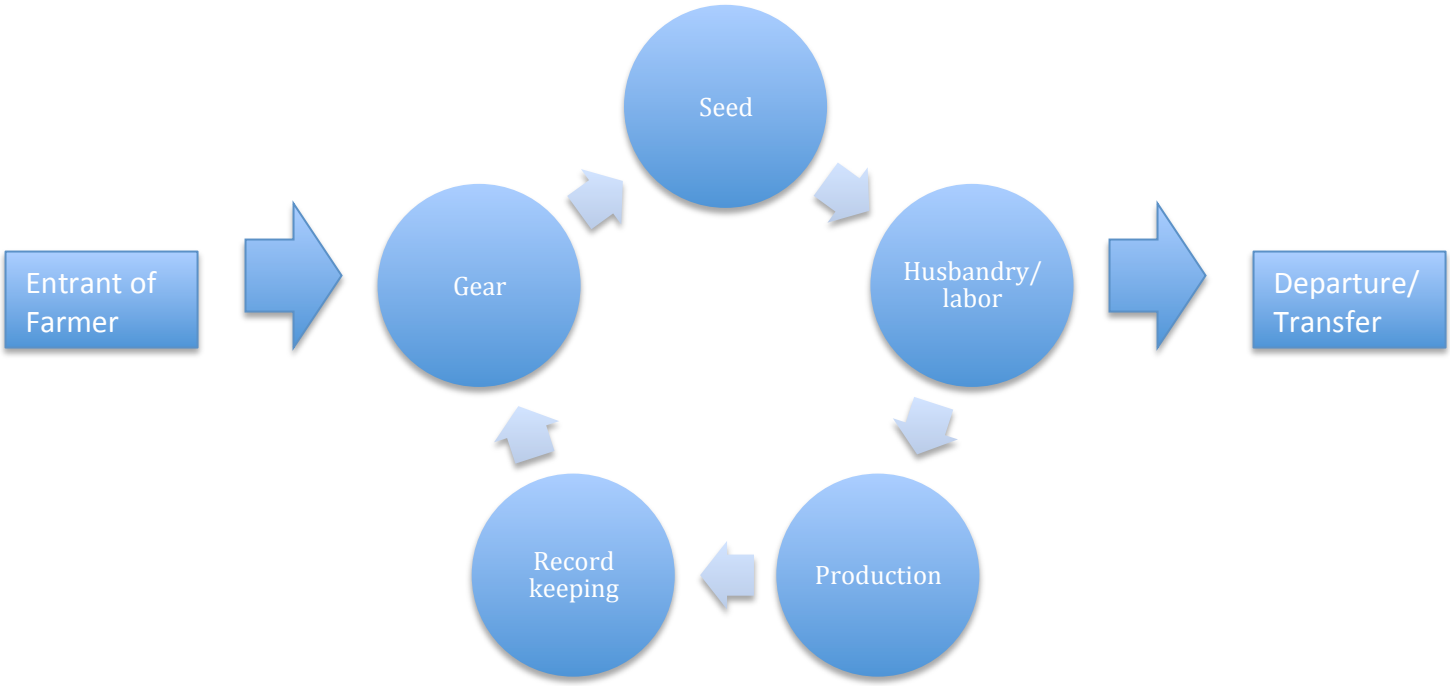
it hard for the state loan programs to operate. The banks have no intention of ever lending money for mariculture projects.

The other issue was the failure of the mariculture loan program to use "inventory" as collateral. And at some point I thought she said they don't like to loan on equipment. Thus I am not really sure how the loan program is going to work. What will they take as security??"

- Co-ops are an intriguing way to structure business
- There are opportunities out there to:
  - find new markets
  - educate the public about AK shellfish
  - start hatcheries in AK
  - subleasing permit sites

Status of Aquatic Farming in AK – Cynthia Pring-Ham

- Geographic concentration of mariculture farms in AK:
  - 31% in south central
  - 69% in southeast
  - This trend is a complete switch from 10 years ago, when most farms were in south central
- Type of farms:
  - 51% are suspended
  - 32% are sub-tidal
  - 15% are intertidal
  - 2% other
- Cycle of aquatic farming:



- Applications/permits
  - There has been a steady decline of application per year

        - Only 2 in 2012
        - 7 or so in 2011
        - Over 20 in 1999
    - Influences in the # of permits over the years include:
        - Aquatic farm bill of 1989
        - ASGA Nursery 1997
        - HB208 2003
        - NSN 2004
        - Weekend Warrior 2009
    - People with older permits are generally not as active as those with newer permits
        - In 2001 there were 54 permits and 44 active operations
        - In 2011 there were 67 permits and 46 active operations
- Gear:
    - Longlines and latern nets represented 42% of gear in 2011 (84% in 2000)
    - There is a new fad of using rafts and trays/cages (22% in 2011) because they allow for more production
    - On-bottom culture is also becoming more popular
- Seed:
    - There has been a seed shortage for a long time
        - In 2001, there was a 54% shortage of oyster seed
        - In 2011, there was a 48% shortage of oyster seed
        - In 2001, there was a 86% shortage of geoduck seed
        - In 2011, there was a 50% shortage of geoduck seed
        - In 2001, there was not a shortage of littleneck clam seed
        - In 2011, there was a 90% shortage of littleneck clam seed
- Labor/husbandry:

Location	# of productive farms	# of workers	% fulltime workers	% workers seasonal	% part time workers	Total hours worked
SE AK	**13**	**42**	**14**	**10**	**21**	**3888**
SC AK	**16**	**50**	**7**	**17**	**31**	**2483**
AK	**29**	**92**	**21**	**28**	**52**	**6371**

    - 138 people total work in aquaculture in AK
    - 7357 workdays
    - 28 FTEs
- Production:
    - $432,381 total sales in 2001, $617,077 total sales in 2011
    - price per unit has gone up considerably
    - 46% of farms sold product in 2001, 43% of farms sold product in 2011
    - Sales averaged $2,638/active acre in 2001 and $3,931/active acre in 2011
    - Most sites are less than 10 years old, 30% are less than 5 years old
    - 28% of sites have no reported inventory
    - Production projects for 2012-15
        - Production is expected to peak in 2013

Details of Mariculture Revolving Loan Program – Sandy Holst

- This loan program started operations in 10/12

- There is a maximum of $100,000/year available or with a maximum balance of $300,000
- Applicants must be AK residents for at least 24 months before applying
- The applicant must apply to and be rejected from a bank loan before applying to the revolving loan program
- The applicant can defer payment for 6 years interest free; after that the rate is 5%
- There is a $100 application fee and 1% deposit

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Ocean Products Cluster Working Group
Teleconference Agenda

DATE: Wednesday, May 30, 2012
TIME: 1:30PM
LOCATION: Teleconference

For those joining by teleconference:
Dial: 1-800-747-5150
Access Code: 5232300#

Wednesday, May 30

1:30PM	Welcome, introductions, announcements, review of agenda
1:35PM	Updates from champions on initiatives, starting from end
2:05PM	Continued Discussions with Forest Products Cluster
2:35PM	Additional Science research and innovation needs for SE Alaska
2:45PM	Action Items: Items as come up in the meeting

Attachments:

1) Notes from Previous Meeting (April 11, 2012)
2) Initiative Updates from Previous Meeting (April 11, 2012)
3) Update on Habitat Restoration Initiative (for discussion with Forest Products group)
4) Article: Salmon Grow on Trees
5) Summary of ocean-related research from last meeting

Notes from Ocean Products CWG Teleconference
May 30, 2012

Attendees: Ron Medel – USFS, Patty Phillips – Pacific Fishing, Austin Williams – The Wilderness Society, Jon Martin – USFS, Andrew Thoms – The Sitka Conservation Society, Karen Hardigg – USFS, Julie Decker – Co-Chair, Lisa Busch – Sitka Sound Science Center, John Sund – Oceans Alaska, Geron Bruce – Alaska Department of Fish and Game, Sheila Jacobson – USFS, Kris Norosz – Icicle Seafoods, Dennis Watson – City of Craig, Greg Killinger – USFS, Zach Wilkinson – JEDC, Brian Holst – JEDC, Linda Snow – JEDC

The meeting began at about 1:36 PM.

The letter of support for the ***Sea Otter Traditional Use Revitalization Project*** was signed and sent out.

A Co-Chair meeting with agencies (USFS, USDA Rural Development, USDA Farm Services Agency, DCCED) was held on May 2 to review progress of the Cluster Initiatives, and determine steps forward. The meeting went well, and the agencies are tracking the progress of the initiatives. In addition to the four original CWGs, there is a new Mining Supply and Services cluster being developed.

Possible dates for the Economic Summit this year are the week of November 26 (that is the week of Fish Expo), or the week of November 12.

Initiative updates were given, and are available in the May 30 Initiative Update report.

Discussions with Forest Products Cluster –

Attention was brought to the May 16 KTUU news article referring to a "controversy" between loggers and fishers in the region. The article had erroneous data, and the reporter will be contacted.

Some positive discussions with the Forest Products cluster Co-Chairs have occurred. The fishing season is here, and everyone is busy. This issue can be addressed again this fall, maybe at the Economic Summit. In the mean time, keep reaching out, and be aware of your communications.

Research –

A group of agencies and entities doing research in the region has been meeting, and is developing coordination and a research agenda for Southeast Alaska. The group is interested in finding out what kind of research support industry groups in the region need. The Ocean Products CWG was asked about their research needs in April, and a list from all the CWGs was developed. This list is not comprehensive, and the group is still seeking input about what research can be helpful to the regional industries. Some of this research is currently occurring, and some is planned for the future. Zach Wilkinson (JEDC) is offering to perform introductions between parties (research entities, and those needing research).

Research needs mentioned included testing water quality at aquaculture farm sites and geoduck dive sites, with testing taking place in the region or locally. Currently, samples must be sent to a lab in Anchorage.

Ocean acidification study is being done at University of Alaska Fairbanks, and possibly at Oceans Alaska in Ketchikan. The Sitka Science Center, in conjunction with NOAA, is doing monthly basic water sampling in Juneau.

There is a need for research on Sea Otter predation and PSP issues – the University of Alaska Fairbanks is doing some work on both.

More research needs to be done on marine mammal predation on fisheries. Other possible subjects for research are the feasibility of farming seaweed for energy, and creative ways to use fish waste. Conversations are just beginning.

Action items:
It was agreed that a letter requesting USDA presentations on existing programs which can be accessed by the commercial fishing industry will be circulated to the Cluster via email for signatures, according to the agreed upon procedures for letters from the Cluster members.

The next meeting will likely be a teleconference in late September, early October. A face to face meeting will be planned then.

The meeting adjourned about 3:10 PM.

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Ocean Products Cluster Working Group
Wrangell Meeting Agenda

DATE: Thursday, April 12, 2012
TIME: 10:30AM to 12:30PM
LOCATION: Nolan Center, Wrangell

Thursday, April 12@ 10:30 AM – 12:30 PM

10:00AM	Welcome, introductions, review of agenda – Brian Host
10:40AM	Overview of cluster process and work to date
11:00AM	Opportunities and obstacles discussion
12:30PM	Adjourn

Draft Meeting Summary
Ocean Products and Visitor Products Joint Cluster Working Group Meeting
Nolan Civic Center, Wrangell
April 12, 2012

The meeting commenced at about 11:10AM

Attended by: Ocean Products Co-Chair Julie Decker – Alaska Fisheries Development Foundation, Tim Gillen, Sr. – Wrangell Cooperative Association, Bob Dalrymple – U.S. Forest Service, Tis Peterman – Wrangell Cooperative Association, Katlyn McAry (sp?) – Wrangell Sentinel, Tim Rooney – Wrangell Borough, Dave Sweat – Klondike Bike, Jeremy Maxand – Wrangell Borough, Keith Appleman – U.S. Forest Service, Carol Rushmore – Wrangell Borough, Dee Galla – U.S. Forest Service, Kipha Valveda (sp?) – EDC Wrangell, Brian Holst – JEDC, Eva Bornstein – JEDC, and Linda Snow – JEDC.

The meeting began with introductions and a few comments. Of note, Wrangell Borough Mayor Maxand is on the Seatrails Board, and the Wrangell Cooperative Association is renovating Shakes Island, and so has a tourism interest.

Brian Holst of JEDC gave a brief presentation of the cluster initiative process. There was discussion about whether clusters can impact government policy. Government policy certainly affects industry, but cluster work has had some success in molding government policy. All that happens in the economy is driven by the Federal Government. The government does not rely on clusters to tell them how to loan money and set other policy. Can clusters impact policy? Government policy certainly impacts industry.

Eva Bornstein gave an overview of the cluster process and action initiatives developed by the Visitor Products Cluster.

Julie Decker gave an overview of the cluster process and action initiatives developed by the Ocean Products Cluster.

There was discussion of opportunities and barriers in the region for Ocean and Visitor Products businesses. Comments were taken from the group.

Visitor Products Opportunities:

- World class natural environment ("wow" factor). Opportunity to build business around a variety of emphasis areas: sportfishing; glaciers; bears; etc. (fits into VP Initiative #3).
- Potential for a steady stream of visitors in the summer season.
- Guided or self-guided bike tours on the many roads and trails – enhance campsites and develop transportation to other islands to lengthen the trails (fits into VP Initiative #3).

- People travel light – may rent vehicles (cars, ATVs, snow machines, etc.) for self-guided road and trail tours (fits into VP Initiative #3).
- Seatrails – market kayak and land trails beyond jurisdictional lines. Market interconnectivity. Communities could compete. Use existing assets. Seatrails has a new modern website to show trails in depth. Tap into the National Park Service land and water trails system (fits into VP Initiative #3).
- Huge potential to grow cooperative efforts of regional tourism groups (fits into VP Initiative #3). Lack of funding, however.
- We have lots of assets, we just need to pull together and market them.
- Local input on use of fees (fits in with VP Initiative #4).
- Develop a tourism plan for the tribe (Wrangell Cooperative Association).
- Build a carving/cultural center.
- Train younger people to lead cultural tours (akin to VP Initiative #5?).
- Provide training to community artists in Native art to sell (akin to VP Initiative #5?).
- A more streamlined and timely process to get permits from Federal and State agencies to operate commercially on the National Forest as outfitters/guides. Better enforcement of permits, rules, and regulations for those who do things legally so "outlaw" companies don't take away "our business" (fits in with expanded Initiative #2).
- Cultural opportunities.
- Training opportunities for small business – workforce and customer service (akin to VP Initiative #5?).
- Set up zip lines and small tram to small restaurant on top of mountain – view and gift shop.

Visitor Products Barriers:

- Need a more streamlined process for access to Federal lands (for tours)
- There seems to be a push to have the private sector pay the USFS back for its investment with revenue from increased business.
- USFS fees are used for enhancement in local areas. Need a concrete push from the private sector to invest in the local areas. USFS competes for funds for local investment – get private sector support for projects.
- USFS fee policy – they need industry support.
- Need less regulation in this industry.
- Lack of marketing of recreational opportunities.
- Halibut restrictions for guided fishing.
- Lack of cooperation between commercial fishermen and commercial fishing guides who let the paying tourist catch the fish.
- Fisheries are not being managed for the maximum value of a fish – i.e., a guided sport-caught fish brings much higher economic value to the regional economy then a commercial caught fish.
- Securing a reliable and predictable number of visitors to anticipate so businesses can expand with confidence (cruise ship passengers).
- Lack of funding.
- Keep a local look – avoid a cookie cutter look.

Ocean Products Opportunities:

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- Encourage young people to become fishermen – maybe help with loans or other financial assistance (fits with OP Initiative #3).
- Rework how sport fish are allocated. Maybe make those who benefit more pay more – one fee for 1 fish, higher fee for 2 fish, etc.
- More salmon in school meals.
- Covered shops for rent for boat repair/maintenance.
- Better skilled workforce in marine technology (fits with OP Initiative #2).
- Use of non-fishhead fish waste (biogas, fertilizer, fish powder, etc.) (fits with OP Initiative #7).
- Enhance fish and shellfish production in the Wrangell Borough – oyster farms, "ocean ranching" salmon (fits with OP Initiatives #6 and #10).
- Sea otter management – make plans to remove them from the protected status (fits with OP Initiative #1).
- Develop fish sauce for export to Asia (uses fish stomachs).
- Send crew to retrieve old paddle wheeler from island off Yukon River – bring here and rebuild with local timber & ship builders. Drydock as a museum.

Ocean Products Barriers:

- Need less regulation in sport fishing.

Other opportunities:

- Biobrick manufacturing from wood waste (fits in with biomass initiative).

The meeting adjourned at about 2:00PM.

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Ocean Products Cluster Working Group
Ketchikan Meeting Agenda

DATE: Wednesday, April 11, 2012
TIME: 8:00AM to 4:00PM
LOCATION: Ted Ferry Civic Center, Naha Bay Room

For those joining by teleconference:
Dial: 1-800-747-5150
Code 5232300

Tuesday, April 10, 5:30PM - Joint reception with Visitor Products Cluster Working Group – Cape Fox Lodge – Shaa Hit Room (appetizers will be served - no host bar)

Wednesday, April 11

8:00AM	Welcome, introductions, announcements, review of agenda
8:30AM	Updates from champions on initiatives
10:30AM	Discussion on of Habitat Restoration Initiative with Forest Product Cluster Co-Chairs Wade Zammit and Bill Thomason
11:30AM	Working Lunch and discussion about re-organizing/amending the list of initiatives
1:00PM	Marine Trades Business Retention Survey update – Glenn Haight, Alaska Dept. of Commerce, Community and Economic Development
1:30PM	Science research and innovation needs for SE Alaska
2:00PM	Danny Consenstein – USDA Farm Agency
3:00PM	Action Items: 1) Request USDA to give a presentation regarding programs and funding opportunities 2) Approve amended initiatives 3) Other items as come up in the meeting
4:00PM	Tour of Alaska Ship and Drydock Facility (transportation provided)

Meeting Summary
Ocean Products Cluster Working Group Meeting
Ted Ferry Civic Center, Ketchikan
April 11, 2012

The meeting commenced at 8:30AM

Attended by: Greg Killinger – U.S. Forest Service, Bill Auger – United Southeast Alaska Gillnetters Assn, Co-Chair Julie Decker – Alaska Fisheries Development Foundation, John Sund - Oceans Alaska, Mike Round – OceansAlaska and SSRAA, Jeff DeFreest – U.S. Forest Service, Deborah Hayden – Ketchikan Indian Community, Barbara Morgan – OceansAlaska, Heather Hardcastle – Trout Unlimited and Taku River Reds, Forrest Cole – U.S. Forest Service, Carrie Sykes – Central Council, Tlingit and Haida Tribes of Alaska, Ron Medal – U.S. Forest Service, Linda Coons Auger – Alaska Small Business Development Center, Shelley Wright – Southeast Conference, Clarence Clark – Alaska Department of Natural Resources, Jon Martin – U.S. Forest Service (via teleconference), Phil Doherty – SARDFA (Dive Fisheries Assoc.), Wade Zammit – Sealaska Timber Corp., Bill Thomason – Alaska Wood Cuts, Inc. (via teleconference), Dennis Watson – City of Craig (via teleconference), Danny Consenstein – USDA Farm Agency (via teleconference), Glenn Haight – Alaska Dept. of Commerce, Community, and Economic Development (via teleconference), Bob Weinstein – Sen. Begich's Office, Jim Seeland - University of Alaska, Southeast, Anthony Lindoff – Ha'ani Sealaska, Austin Williams – The Wilderness Society, Brian Holst – JEDC, Eva Bornstein – JEDC, and Linda Snow – JEDC.

The meeting began with a brief discussion of the cluster initiative process. While the first 18 to 24 months is critical, this is a long-term process. It is an industry-led process, yet many of the activities seem to deal with government policy and infrastructure projects. The government must be involved because they own and manage most of the land. Industry can have an impact by giving their voice to the land managers. These are privately-driven initiatives; some of the initiatives impact management. The process is all about actions. There can be actions tied to policies, but it does not deal with general policy statements. They also address where the private sector should invest their money.

Action Initiative Updates

Initiative updates were given, and for the most part are summarized in the Initiatives Update form. However, the Co-Chairs and other members of the Forest Products cluster joined the meeting for a discussion of Initiative #4 - Increase Wild Salmon Production through Habitat Enhancement, and a reporting of that conversation is provided here.

Members of the Forest Products Cluster were invited to join the discussion. Co-Chair Wade Zammit was in the room, and Co-Chair Bill Thomason was on teleconference. Clarence Clark from the Alaska Department of Natural Resources was in attendance, and Dennis Watson was on teleconference.

The discussion centered around perceived competition for USFS funds spent in the Tongass, and competing land uses and policies regarding fish habitat and timber harvest lands. It was agreed that words matter, and "restoration" indicates prior destruction/damage that must be fixed. Not all habitat problems were caused by one industry; and timber harvest management and practices have improved greatly over time with regard to habitat impacts. Southeast Alaska had a record salmon harvest in 2011, so the stream habitats seem to be healthy. The discussion also touched on "habitat restoration" as an alternative economy, its sustainability, and inability to fully replace timber harvest jobs or sustain them long term. It was mentioned that there is a need for research to substantiate the claim that restoration activities will increase salmon production and/or by how much. It was agreed that both Ocean Products and Forest Products industries are resource extractors, and must share the forest. Improved communication, and care with how each group is characterized will move us forward as a region.

The Regional Forester reported to Ocean Products Co-Chair Decker that the USFS is working on funding for this initiative from outside partnerships, and is hoping for a 5 to 1 funding match. In addition, the USFS is working to retain more of its revenues earned on the Tongass through Stewardship contracts and other means, to be used for habitat enhancement among other things. Decker noted the list of habitat restoration/enhancement activities listed in the 2012 Schedule of Proposed Action and hope that this may be an area in which the Ocean and Forest Products Clusters can work together.

Alaska DCCED Marine Trades Business Retention Survey

Glenn Haight, Division of Economic Development, Alaska Department of Commerce, Community, and Economic Development reported on the Marine Trades Business Retention Survey that is currently being undertaken statewide. His division is focusing on keeping and expanding existing marine trades businesses. The survey asks what are the obstacles to success in those businesses. With this information, the State can assist the private sector with things such as marketing assistance, training assistance, and help with infrastructure needs. When the survey is complete and compiled in the fall, the information will be available.

Science and Research needs in Southeast Alaska

The following is a result of both the discussion at the Ocean Products April 11, 2012 meeting in Ketchikan, and comments that were handed in after that session.

1. Identify research priorities that support key industries (Tourism, Seafood, Timber, Mining, Marine Trades….) located in our region. (Task: Define the extent of the region).

2. Identify local priorities that can be addressed by the research community related to the region.
   - Assist with updating and maintaining anadromous waters catalog (ADF&G)
   - Study of Effectiveness of Watershed restoration efforts
   - Water quality testing to support shellfish farming
   - Impact of sea otter population on predation of shellfish

- Research to support the Alaska Department of Health's Section of Epidemiology's investigation into some of highest levels of toxin responsible for paralytic shellfish poisoning (PSP) ever recorded. (Examine reasons for plankton blooms)
- Impacts of trash, radiation from 2011Tōhoku tsunami.

3. Identify global issues that can be addressed by local research.
- Improved byproduct utilization from fisheries, including:
  - Biofuels/energy sources (including thermal energy scavenging from anaerobic microbial decomposition)
  - Scavenging protein for livestock feed and human uses
  - Fish bone reclamation for mine tailing heavy metal remediation
- Engage local observers in small communities to capture to garner traditional knowledge and engage in arctic research.
- Fishing Fleet fuel consumption improvement
  - Opportunity to work with Division of Defense (DoD) laboratories through JEDC/SpringBoard
- Fishing Fleet fuel consumption improvement
  - Opportunity to work with DoD laboratories through JEDC/SpringBoard

2&3 Issues of both local and global interest
- Handling & remediation of radioactive mine waste from processing rare earth mineral ores
- Monitoring atmospheric and stream temperatures to track effects of climate change, and the effects on Oxygen carrying capacity of freshwater streams
- Track climate change impacts on Cedar trees
- Ocean acidification and impacts on marine animals (mariculture and wild stocks)

4. Consider creation of a coordination mechanism to:

a. Identify major research themes as key nodes of integration among research projects
   - Industries should be made aware of the wide variety of resources beyond the obvious large institutions. Likewise, these institutions should be made aware of industry needs.

b. Share information amongst researchers working on the region, and
   - There are various Science centers around the region that need coordination to maximize resources. These include:
     - Tongass National Forest (Major land manager in S.E. AK ~ 17 million acres). Forestry Sciences Laboratory (Juneau) - Issues: Employs only one aquatic biologist (& no designated Fish biologist). Given that the Tongass generates more salmon fry that all other National Forests combined, indicates that the Forest service should be more involved in fisheries research in S.E. AK
     - Alaska Wood Utilization Research and Development Center (Sitka)
     - Sitka Sound Research Center
     - Juneau Center of the School of Fisheries and Ocean Sciences (UAF)
     - National Oceanic and Atmospheric Administration's National Marine Fisheries Service, Alaska Regional Office
     - University of Alaska, Southeast
     - Oceans Alaska Marine Science Center

c. Seek input from research clients (including industry groups) within the region and beyond.
   - Industries should be made aware of the wide variety of resources beyond the obvious large institutions. Likewise, these institutions should be made aware of industry needs.

Action Items

What is the status of getting fishers defined as farmers through the USDA Farm Service Agency? Co-Chair Decker will work on the issue with Keith Perkins in the USDA Rural Development Sitka Office, and with the Alaska Congressional delegation. She will also work with Keith to set up a presentation on USDA programs.

Jim Seeland is interested in being involved in initiative #2, potential new champion.

Enhancement Salmon Product (initiative #6) – will work with Forrest Cole to discuss list of past permitting problems for salmon hatcheries and list of future potential projects in hopes of increasing salmon hatchery production.

Deborah Hayden will create an initiative around basic manufacturing in the maritime sector.

Agreed to the following process for signing support letters: drafter will circulate letter to Ocean Cluster members, individuals interested in signing the letter have 7-days to respond in the affirmative, after that time, the letter will move forward with only those who have positively responded. Sample boiler-plate language will be circulated by JEDC, regarding cluster process. Potential opening language: "We, the following members of the Ocean Products Cluster, believe…".

The group will proceed with teleconferences through the summer, as this is the busy season for Ocean Products. Teleconferences are planned for around May 30, and August 30. The next face to face meeting will be held in the fall potentially around the Shellfish Festival in Ketchikan in late Oct/early Nov.

The meeting adjourned at about 3:20 pm. A tour of the Alaska Ship and Drydock Shipyard followed.

JEDC.org
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Phone 907-523-2300
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Ocean Cluster Meeting Agenda

DATE: **Wed., February 22, 2012**
TIME: **1:00 PM – 2:30 PM**
LOCATION: **via teleconference, number to be distributed by email**

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1) Call meeting to order, co-chairs John Sund & Julie Decker
2) Attendance
3) Discuss Ocean Cluster organizational issues (30 mins)
    a. What do we expect from meetings?
        i. Written updates prior to meeting
        ii. Written agenda
        iii. Set date of next meeting
    b. Discuss next meeting
        i. Invitation from SEC, in Juneau on Mar. 13 @ 3pm
        ii. Plan for next face-to-face meeting
        iii. Do we want to request a presentation on USDA programs?
    c. Discuss revising initiatives into more appropriate categories/headings
        i. Designate person to do this
    d. How do we best move initiatives forward?
        i. Champions write 1-pg whitepapers & submit to USDA
        ii. Potential for JEDC "Fund"

4) Updates from champions on initiatives (45 mins)
5) Other new business
6) Set date of next meeting
7) Adjourn meeting

Meeting Summary
Ocean Products Cluster Working Group Teleconference
February 22, 2012

The meeting commenced at 1:03 pm.

Attended by: Greg Killinger – U.S. Forest Service, Khris Norosz – Icicle Seafoods, Co-Chair Julie Decker – Alaska Fisheries Development Foundation, Patricia Phillips – Pacific Fishing, Inc., Shannon Stevens – Alaska Airlines, Jon Martin – U.S. Forest Service, Karen Hardigg – U.S. Forest Service, Phil Doherty – SARDFA (Dive Fisheries Assoc.), Anthony Lindoff – Ha'ani Sealaska, Austin Williams – The Wilderness Society, Andrew Thoms – Sitka Conservation Society, Tom Gemmell – United SE Alaska Gillnetter's Association, Tom Fletcher – Consultant, and CBJ Fishery Development Committee member, Brian Holst – JEDC, and Linda Snow – JEDC.

Co-Chair Decker presented several questions of the group pertaining to organizational issues.

- What should we expect from CWG meetings?
- How should we structure CWG meetings?
- Should we have a face to face meeting?

The subsequent discussion brought out the following points:

- There are separate projects (initiatives), and each have their own pace, process, etc.
    - Co-Chair Decker stated that she understood the process can be confusing, but it is not set in stone and is meant to be flexible. That is at the same time the beauty and the frustration of the process. The flexibility is important. We can act without process, but the process helps bring others into the action. The heavy lifting is not done by the group. The champions take the lead, and bring the others along.

- How might they go about communicating on behalf of the Ocean Cluster (such as letters of support, legislative testimony, white papers, etc.)?
    - If a member of the Cluster (most likely the Champions of initiatives) wants the support of the Cluster on communication, please draft the letter/whitepaper/etc and email to Linda Snow for distribution to the entire Cluster. As the Cluster agreed yesterday, we will all have 48 hours to object. If there are no objections,

the communication can move forward in a timely manner. Please keep the original intent of the initiatives in mind while drafting communication on behalf of the group.

- The group should expect written minutes of meetings, agendas sent prior to meetings with potential action items noted, written updates submitted by champions prior to meetings, and try to set dates of meetings in advance.

- Should we have a face to face meeting, and when?
    - SE Conference has invited initiative champions to speak at their mid-Session Summit – would that be an appropriate time for a face to face meeting? We would also like to meet with USDA and maybe other agencies about their programs. There is a meeting in early May with federal agencies, and it might be good to have had a face to face meeting before that. Norosz also suggested to plan what the agenda should look like, who should be invited to attend from outside the Cluster, and suggest a few dates to Cluster in email before setting the date. Julie will talk to USDA, and since issues are evolving, the group will look into reviewing, and possibly reworking and/or consolidating some initiatives

- How can we move forward on some of these initiatives?
    - USDA suggested writing 1 to 2 page white papers outlining purpose, actions requested, and potential costs of the request. This initial step can start a discussion with the agency about how to fit into their programs and process. An example white paper by Steve Reifenstuhl (Initiative #6) is in the packet for the meeting.

Brian Holst reminded the group that JEDC can help the group with administration, process, and other types of assistance. They are looking into developing a small pool of funds available for all clusters for research, expertise, web sites, tests, and tools, and as seed capital for small projects. Several sources of funds are being considered, though nothing is firm yet. This concept has worked in other venues. He also stated that we have garnered partners since the action initiatives were developed. Some may provide funds, and some may offer close working relationships to aid in achieving our goals.

The initiative champions provided updates on their progress. These updates are provided in the attached Initiative Activity Summary.

No date was set for the next meeting, but Julie will be investigating the best scenario for a face to face meeting.

The meeting adjourned at about 2:40 pm.

CLUSTER WORKING GROUP

Co-Chairs: Brandon Smith and Bill Leighty

Cluster Working Group Meetings	
August 29, 2012	Teleconference
November 28, 2012	Wood – 2 – Energy Conference
November 29, 2012	Wood – 2 – Energy Conference
December 19, 2012	Teleconference

Southeast Cluster Initiative
Action Initiative Status Report
December 2012

Action Initiative Information		
Cluster:	Renewable Energy Seed Industry Cluster Working Group	
Initiative#1:	Review Current Net Metering, Cogeneration and Small Power Production Regulation and Promote Modifications to Enhance Renewable Energy Applications	
Goal:	The goals of this initiative are to: • Research, understand and define improved legislation proposed to expedite application of renewable energy and CHP resources • Better understand the technical limitations experienced by the utilities • Foster technical solutions and promote better education of both the utilities and the ratepayers • Develop new legislation improving the opportunities for application of renewable energy and CHP resources	
Champion:	Ben Haight	ben@haight-assoc.com
Team:	Heather Hardcastle Bart Watson Bill Leighty	salmongal@mac.com bwatsoncom@gmail.com wleighty@earthlink.net

Meeting Summaries		
Date:	Attendees:	Outcome:
2/7/12	Adrien Lopez Louie Flora	Louie Flora (Legislative Aide to Rep. Paul Seaton) sent more info on latest related to net metering in Alaska

Initiative Action Plan Update		
Activity 1:	Review and understand current Alaska Statutes, as well as those of the other states where regulations for such have been implemented.	Activity Date:
Discussed topic with Louie Flora while lobbying for AI# 2 Revolving Loan Fund, Legislative Aide to Representative Paul Seaton. He sent information related to House Bills on net metering as well as the Database of State Incentives for Renewable Energy (DSIRE). (see email)		
Activity 2:	Determine limitations of current regulations	Activity Date:
No work on this activity to date.		
Activity 3:	Determine desired modifications to the legislation improving integration of renewable resources and CHP generation.	Activity Date:
No work on this activity to date.		
Activity 4:	Develop an education program and analysis of minimum technical requirements to allow connection to the utility grid.	Activity Date:
No work on this activity to date.		
Activity 5:	Develop new legislation for regulation rehabilitation, to promote utility technical support, and to promote education.	Activity Date:
No work on this activity to date.		
Activity 6:	Develop legislative champions.	Activity Date:
No work on this activity to date.		

Other Informational Items

Southeast Cluster Initiative
Action Initiative Status Report
December 2012

Action Initiative Information		
Cluster:	Renewable Energy Seed Industry Cluster Working group	
Initiative #2:	Establish a Renewable Energy Revolving Loan Fund for Residences and Small Businesses to Promote Local Installation and Fueling Industries	
Goal:	One of the fundamental steps in moving Southeast Alaska to a renewable energy economy is for residences and small businesses to convert from fossil fuels to using renewable energy sources such as heat pumps and pellet stoves. These renewable fuels have many advantages: they can be relatively inexpensive, the supply is local and, therefore, more reliable, and the consumer is protected against future oil price shocks and supply disruptions. However, despite potential significant savings on fuel costs, the initial equipment installation costs can be high and create a significant impediment to adoption for most potential users. While performance contracting is widely available for large businesses, no similar financing mechanism exists for small businesses and residences. A revolving loan fund would provide a very attractive means for enabling the installation of or conversion to renewable energy heating systems with the savings in utility costs being used to pay back the capital improvement loans. This revolving loan fund could be designed to assist in converting from gas to electric vehicles as well.	
Champion:	Bart Watson	bwatsoncom@gmail.com
Team:	Jackie Stewart Bob Deering	cbc@alaska.net rcdeering@gmail.com

Meeting Summaries		
Date:	Attendees:	Outcome:
2/7/2012	Bart Watson Adrien Lopez Louie Flora (Rep. Seaton) Grier Hopkins (Senator Joe Thomas) Rep. Bryce Edgmon Patricia Walker (Senator Lyman Hoffman) Paul Lebolle (Rep. Neal Foster) Rep. Bill Thomas	Held meetings with key legislators to raise awareness and seek information on the best way to create a Revolving Loan fund for residences in SE Alaska.

	Trevor Fulton (Senator Bert Stedman)	
2/6/2012	Bart Watson Adrien Lopez Louie Flora (Rep. Seaton) Grier Hopkins (Senator Joe Thomas) Rep. Bryce Edgmon Patricia Walker (Senator Lyman Hoffman) Paul Lebolle (Rep. Neal Foster) Rep. Bill Thomas Trevor Fulton (Senator Bert Stedman)	Held meetings with key legislators to raise awareness and seek information on the best way to create a Revolving Loan fund for residences in SE Alaska.
1/24/2012	Bart Watson Adrien Lopez	Reviewed Action Initiative template, update on Bart's discussion with Chris Rose and set a goal of talking with relevant Legislators in the Energy Committee in February.

Initiative Action Plan Update

Activity 1:	Research what specific plans other utilities, municipalities, and states have adopted for similar revolving loan funds.	Activity Date:
	Met on January 24 to review Action Initiative template, get an update on Bart's discussion with Chris Rose and set a goal of talking with relevant Legislators in the Energy Committee in February.	1/24/12
	Carried out meetings with various legislators on 2/6 and 2/7 to discuss Revolving Loan Fund residence idea. Met with Louie Flora (Rep. Seaton), Grier Hopkins (Senator Joe Thomas), Adam XX (Rep. Bryce Edgmon), Patricia Walker (Senator Lyman Hoffman), Paul Lebolle (Rep. Neal Foster), Kaci XX (Rep. Bill Thomas), and Trevor Fulton (Senator Bert Stedman)	2/6/12 and 2/7/12
	Analyzed second Mortgage Program for Energy Conservation of AHFC to see if Loan Fund fits: www.ahfc.us/loans/second_energy_conserv.cfm	
Activity 2:	Contact potential funders and administrators, including utilities and government agencies, to discuss concepts and structures for the revolving loan funds that would best suit local conditions and statutes.	Activity Date:

No work on this activity to date.		
Activity 3:	Research whether enabling legislation to establish appropriate revolving loan funds is required of the Alaska Legislature. If so, draft the legislation and recruit sponsors in the legislature.	Activity Date:
No work on this activity to date.		
Activity 4:	Formulate specific language to establish appropriate revolving loan funds at the state and/or local level.	Activity Date:
No work on this activity to date.		
Activity 5:	Seek funding from the state legislature, municipal governments, utilities and other potential sources to secure financing for the revolving loan fund(s).	Activity Date:
No work on this activity to date.		
Activity 6:	Involve public interest groups such as REAP and private special interest groups such as Sealaska along with as many of the utilities as possible to push for adoption of the legislation at the state and local levels.	Activity Date:
No work on this activity to date.		
Activity 7:	Market the revolving loan fund to homeowners and small businesses to encourage high participation rates; track participation rates.	Activity Date:
No work on this activity to date.		

Other Informational Items

Southeast Cluster Initiative
Action Initiative Status Report
December 2012

Action Initiative Information			
Cluster:	Renewable Energy Seed Industry Cluster Working group		
Initiative #3:	Conduct Market-driven Renewable Energy Economic Modeling for Southeast Alaska, including Multiple Transmission and Energy Storage Strategies		
Goal:	This initiative will develop credible business cases for profitably harvesting diverse renewable energy (RE) resources in Southeast Alaska (SE AK) and delivering firm energy to markets in Southeast, and perhaps beyond. The RE may be delivered as electricity or via other transmission, storage, and delivery schemes. We need to help private enterprise understand the extant and future markets for all energy – not only for electricity – within and perhaps beyond SE,that might be served at competitive prices from SE AK RE resources.		
Champion:	Bill Leighty	wleighty@earthlink.net	907-586-1426
Team:	Zach Wilkinson Bryan Farrell Kirk Hardcastle Julie Estey Peter Naoroz Duff Mitchell Brad Ewing Alec Mesdag Bob Deering	zwilkinson@jedc.org bryan.farrell@aelp.com salmonguy@mac.com julie.estey@alaska.edu peter.naoroz@gmail.com duff.mitchell@juneauhydro.com bradrewing@gmail.com rcdeering@gmail.com alec.mesdag@aelp.com	

Meeting Summaries		
Date:	Attendees:	Outcome:
12/19/12	Bill Leighty Angel Drobnica Bob Deering Brian Holst Zach Wilkinson Nathan Soboleff Merrill Sanford Wendy Zirngible	Bill gave an update on the status of the initiative referencing the recent work that Brad Ewing has been performing and the overall project Brad is working on. Brad is working to develop a comprehensive documentation of the region's complete energy demand profile (all energy types). This data will be broken down by energy type and by community. The expectation is that this will be a useful tool and easily consumable. This project is to be completed prior to the summit and will hopefully be available at

	Kirk Hardcastle Alec Mesdag Pierre Khalil Bob Loescher Larry Miles Duff Mitchel Dan Parrent Clarence Clark Dave Harris Deveny Plentovich Al Roskam Shaina Kilcoyne Al Brackly Renne Claggett	the summit. This is an effort that originated as a pro bono research/data gathering project by Brad. Due to the cross-cutting value of this information, JEDC contracted Brad to complete the project. Brad Ewing was not present for the meeting.
8/29/12	Bill Leighty Robert Venables Angel Drobnica Bart Watson Milt Barker Bob Deering Mike Goldstein Brian Holst Zach Wilkinson	Bill gave an update on the status of the initiative referencing the document that has been drafted by Gregg Erikson, and the ongoing effort to find funding for the initiative. Bart Watson suggested some potential places to solicit funding and offered to work with Bill on this effort going forward
8/21/12	Bill Leighty Brad Ewing Brian Holst Gregg Erickson Zach Wilkinson	Reviewed draft RFP written by Gregg Erickson and Bill Leighty and discussed possible funding ideas/possibilities with Brian. The group decided that, given the funding restrictions of the group and the primarily volunteer pro bono nature of the group, it might be best to break the effort into smaller pieces that can be accomplished with small amounts of money. Based on that conclusion, it was identified that an informational gap exists for a comprehensive report off energy demand in our region, including all types of energy consumed, broken down by energy type and by community. Brad determined that he had already completed a large portion of this work pro bono and would be interested in completing the task and producing a comprehensive report that would be in a form that could be useful to business, policy makers, and cluster working groups, etc. Brad said he would be able to complete this work for a relatively small some if we could find the funding. Brian offered to hire Brad on contract to complete this project, for delivery prior to our February Innovation Summit in

		the hopes that a final draft of this could be presented and or distributed at the summit.
8/17/12	Brad Ewing, Bill Leighty Gregg Erickson	Our Aug 17 meeting with Brad, Bill and Gregg was very useful. Brad has assembled much valuable data, while revealing what we still need to gather or process to thoroughly treat Action Initiative 3. Brad is willing to continue supporting this effort with a limited amount of his pro bono time. Gregg has drafted an RFP component for market supply side: "... the response of energy consumption to changes in energy prices". We need to reconsider who will support the RFP, should we complete and release it. Is USFS our "customer"? Will they "buy"? What do they want and need? How best to add value to their objectives in their "Tongass Transition" strategy?
8/8/2012	Brad Ewing Bill Leighty Zach Wilkinson Gregg Erickson,	Gregg and Bill met with Zach Wilkinson regarding AI-3 strategy. Gregg will proceed drafting description of effort he thinks we need on demand side, to explore price elasticity of demand, with substitution. Gregg and Bill would like to meet with Brad on Aug. 17 for a tour of Brad's inventory on the Google drive, which none of us has had success accessing. Then, agree on how each of us should proceed on Action Initiative 3 (AI-3) and prepare for a probable Aug. 21 meeting including Brad, Gregg, Bill, Brian Holst, Brandon Smith, Zach, and perhaps others to discuss the likely cost of the effort we're working to propose, and who's to pay for it: Gregg's estimate $50-100K. Info from Brad: Future efforts should include (1) performing a detailed QA/QC and refine the model structure to improve usability, documentation, and detail, (2) collaborating with energy data experts to improve the detail and quality of the data, (3) increasing the frequency of data to show seasonal and daily fluctuations (e.g. RE potential, storage capacity, and demand), (4) disaggregating consumption type (e.g. residential, commercial, and government) for all communities, (5) determining a more effective way to obtain data directly from energy providers to reduce time spent requesting

		and then processing poorly delivered/structured data sets, especially for heating and transportation fuel data not included in the annual or bi-annual AEA data sets, ISER reports, DCRA fuel surveys, etc.; (6) documenting a complete list of sources and the frequency that each source should be updated, (7) expanding on the historical time series as well as projections, (8) highlighting and prioritizing the renewable energy opportunities that have the most sustained value for each community, (9) posting the model and report on a website after the funded portion of the project, (10) using the completed model and report as a template for researchers to follow in other southeast Alaska cluster working groups (e.g. Forest Products and Ocean Products), and an example to show potential funders, and (11) integrating the research from Forest Products CWG AI 6 (biomass to energy), Ocean Products CWG AI 7 (study the conversion of fish byproduct to biogas and fertilizer via anaerobic digestion), and Ocean Products CWG AI 8 (further develop renewable energy production). It is suggested that the RFP obtain funding for 3-6 months full-time equivalent to perform these tasks.
6/18/12	Brad Ewing Bill Leighty Eva Bornstein Zach Wilkinson Gregg Erickson Milt Barker	Discussed the status of the pro bono work Brad Ewing was doing to research and compile energy demand data for the region. Also heard a presentation from Bill Leighty about the initiative and generated interest from Gregg Erickson to discuss writing an RFP that could be used if funding was found to support the effort. Determined to meet again in early August.
3/19/12	Brad Ewing Bill Leighty Adrien Lopez	Discussed further research needs related to Action initiative #3; Distributed Bill Leighty's comments on draft IRP to the rest of the RE CWG members and informed group of final deadline to submit comments.
2/24/12	Bill Leighty Mike Goldstein Brad Ewing Scott Miller Larry Edwards Nancy Waterman Eva Bornstein Linda Snow	The group decided to move forward by dividing up the four components of the project. Brad will prepare a report on components one and two in the following order: 2 - RE resources survey and then 1 - Markets survey. Bill will contribute an evaluation of component 4 - Transmission and storage alternatives survey. Component 3 - Cash flow model will not be meaningful at a generic regional overview level. A better question is under what conditions and at what scale would a specific technology be profitable. For this, a scale up analysis is needed rather than a financial analysis. This was deferred until the report

		on components 1, 2, and 4 are complete. A meeting of the whole RE Cluster Working Group will be scheduled in May-June to hear a presentation on Brad's report. Date and time TBA.
2/14/12	Brad Ewing Michael Goldstein Eva Bornstein	Held meeting on 2/14 with Brad Ewing & Michael Goldstein (ACRC), and Eva Bornstein and Adrien Lopez (JEDC) to discuss the best way the Alaska Coastal Rainforest Center could fill a niche in relation to research and documentation of the Renewable Energy Cluster; specific discussion focused on Action Initiative #3.
1/27/12	Zach Wilkinson Brian Holst Adrien Lopez Bill Leighty Kirk Hardcastle Duff Mitchell Greg Erickson Milt Barker Scott Miller Steve Colt	Discussed next tasks involved in implementing action initiative during 2012, invited key players in SE Community to weigh in.

Initiative Action Plan Update		
Activity 1:	Collaborate, now, to describe the Action Initiative and compose a credible RFP for the required work; release the RFP	Activity Date:
Activity 2:	Secure funding, select contractor(s), and proceed with 3-6 and 7 below	Activity Date:11/1/2012
Phase one of this activity is complete and underway		
Activity 3:	Inventory all energy markets: estimates of total energy used, by type, sector, and price, for the "internal" energy economies of SE	Activity Date:

	communities, mines, and other demands	
This is underway, and should be complete by February 2013.		2/11/2013
Activity 4:	Assess and inventory the diverse RE resources, by type, location, and total annual energy production potential	Activity Date:
This will be phase two. Discussions are underway and appear positive to secure funding for this work.		
Activity 5:	Assuming RE transmission, storage, and utilization as electricity, cash flow modeling for a set of potentially-profitable cases; ranking cases by NPV, IRR, capital investment required, and risk	Activity Date:
No work complete on this activity to date.		
Activity 6:	Assuming one or more alternatives to electricity for RE transmission, storage, and utilization, cash flow modeling for a set of potentially-profitable cases; ranking cases by NPV, IRR, capital investment required, and risk; describe the alternative(s) considered, technically and economically; consider whether these alternative(s) might facilitate RE export	Activity Date:
No work complete on this activity to date.		
Activity 7:	Widely disseminate the results of 1-5, above, to private enterprise and other stakeholders, including as conference papers and presentations, to entice and shepherd any cluster industry interest.	Activity Date:
No work complete on this activity to date.		
Activity 8:		Activity Date:
No work complete on this activity to date.		

Other Informational Items

Action Initiative Information			
Cluster:	Renewable Energy Seed Industry Cluster Working group		
Initiative #4:	Wood 2 Energy Demand Development Initiative (Formerly titled, Support Biomass Energy Demand Development in Southeast Alaska)		
Goal:	The goal of this initiative is to identify a transition strategy to biomass energy to complement our hydroelectric energy supply. The specific objective of this initiative is to 'Replace 30% of heating oil usage with renewable biomass fuel within the next ten years.' What this initiative will NOT be focusing on is the biomass supply side of the equation.		
Champion:	Bob Deering Dan Parrent	rcdeering@gmail.com djparrent@fs.fed.us	(907) 957-1077 (907) 743-9467
Team:	Alec Mesdag Alice Edwards Allen Brackley Andrew Gamble Bill Leighty Bob Claus Brad Ewing Brian Kleinhenz Darsie Culbeck David Harris Elaine Price Erica Hupp Eva Bornstein Jessica Beck Jim Penor Joanne Wiita Keith Rush Norman Cohen Pierre Khalil Ray Wilson Teresa Haugh Trevor Sande Wendy Zirngibl Weston Eiler Zach Wilkinson	alec.mesdag@aelp.com alice.edwards@alaska.gov abrackley@fs.fed.us wleighty@earthlink.net bob@seacc.org bradrewing@gmail.com brian.kleinhenz@sealaska.com dculbeck@haines.ak.us dpharris@fs.fed.us elaine@seconference.org ebornstein@jedc.org jessica_beck@ci.juneau.ak.u jim.penor@ci.juneau.ak.us jwiita@thrha.org krush@tnc.org ncohen@tnc.org pierre.c.khalil@uscg.mil thaugh@fs.fed.us trevorsande@rmketchikan.com wmzirngibl@fs.fed.us weston_eiler@legis.state.ak.us zwilkinson@jedc.org	

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	Misty Smith	
	Devany Plentovich	

Meeting Summaries		
Date:	Attendees:	Outcome
12/19/12 CWG Meeting	Bill Leighty Angel Drobnica Bob Deering Brian Holst Zach Wilkinson Nathan Soboleff Merrill Sanford Wendy Zirngible Kirk Hardcastle Alec Mesdag Pierre Khalil Bob Loescher Larry Miles Duff Mitchel Dan Parrent Clarence Clark Dave Harris Deveny Plentovich Al Roskam Shaina Kilcoyne Al Brackly Renne Claggett	Bob Deering and Dan Parrent are co-champions for this effort. Bob was present in person and Dan called in from Anchorage. Bob gave an extensive update on the progress of the new Wood 2 Energy Demand Development Initiative, beginning with his temporary position at the Forest Service, the most recent Wood 2 Energy kick-off meeting that was held in November 2012, and the vision of the initiative group (30% thermal energy conversion from oil to wood energy over the next ten years). Bob also described the implementation “roadmap” project, and the process that is being employed to develop the roadmap including a series of upcoming focus group meetings for various critical business and policy sectors. In addition Bob gave updates on recent and near term wood energy conversion projects around the region in areas such as Ketchikan and Haines. Feel free to contact JEDC, Bob Deering or Dan Parrent for more info about this initiative.

11/29/12	Alec Mesdag Alice Edwards Allen Brackley Bill Leighty Bob Claus Bob Deering Brad Ewing Brian Kleinhenz Dan Parrent Darsie Culbeck David Harris Elaine Price Erica Hupp Eva Bornstein, Jessica Beck Jim Penor Joanne Wiita Pierre Khalil Teresa Haugh Zach Wilkinson Karen Petersen Larry Dunham Misty Smith Devany Plentovich Nathan Ratz	The purpose of day two of the Southeast Alaska Wood-to-Energy Planning Workgroup meeting was to discuss the sectors to be engaged in developing the roadmap to biomass energy implementation. The sectors discussed were the following: 1. Financing 2. Facility Management 3. Engineering/Technical Support 4. Permitting/Regulatory 5. Environmental/Sustainability 6. System Supply/Installation 7. Fuel Supply 8. Transportation/Storage/Distribution 9. Education/Public Outreach 10. Policy Development The following questions were applied to each sector. Discussion notes follow: ○ Content – What comprises each Sector? ○ Members – Who represents these Sectors? ○ Market Opportunities – What business opportunities exist for each Sector? ○ Barriers & Challenges? ○ Sector Data Acquisition – What information do we need to capture for the Sectors, and how? The following are the combined bulleted notes of the input that was captured from the attendees at the meeting, broken down by sector. **Financing** • Property Tax Incentives or State Tax incentives • State Loan Program ○ Alternative Energy Conservation Loan Fund (AECLF) ○ 50k limit? ○ State has new program – loans for businesses to

		make renewable energy conversions – alternative energy conservation loan fund – Dept of Commerce loan program ○ What is available for fed, state and local programs? • Performance Contracting ○ Way of borrowing money from the private sector • Bulk Fuel Loan Program for wood ○ State bulk fuel loan program is for petroleum only ○ Small Village Cash flow issue • Energy Services Contractors (ESCO's) • In some countries boiler is owned by utility – could be model for SE • Barriers for Low income Residential ○ AHFC? ○ AHFC weatherization program does not allow replacement of one system by another • Politicos / Cash Flow from Policy • Layers of restrictions/incentives when use several financing programs – complicates ownership – makes projects difficult to complete – and even begin • Public Interest Energy Research – CA program could be a model • Permits • Energy Trust of Oregon – consider this Model – Alec has contacts • RDL "RED LEG" USDA Rural Development –need more research ○ Rural Electric programs – RDLG? No interest loan program from? • Local Banks • Credit Unions • Oregon – Umpqua Bank-find a contact, has experience, talk

		to Alec
		• Who should participate?
		  ○ Misty Smith
		  ○ Jim Strandberg
		  ○ Banks
		  ○ USDA Loan Program
		  ○ State Bonding
		  ○ AHFC
		  ○ DCCED
		  ○ Appraisers
		  ○ Rural Cap
		  ○ US DOE / NREL
		  ○ Banks and appraisers, USDA/NREL, AHFC, DCCED, State and Federal delegation, State department of commerce, rural cap
		• USDA source of financing used by Ketchikan
		Facilities Management
		• What matters to the facility operator?
		• Who pays the Bills?
		  ○ Big facility operators may not see the energy bill
		• Experienced Operators / current Operators
		  ○ Learn from others Mistakes
		  ○ Want operators that have experience with running these systems
		• User Friendly equipment/service
		  ○ Systems need to become plug and play
		• Should this be a separate sector? Yes need to address their concerns – need to know what these are
		• AHFC and AK Association of Housing – create a pool of experienced people who operate these systems
		• Need to develop expertise in wood pellet repair

		• Design – to contractor - to facility manager need a feedback loop
		• Decision making Process / People
		• Workforce development
		  ○ Training
		  ○ Maintenance
		• Technical Support / Education
		• Experience Sharing
		• Education
		• Service
		• "Need to know" info
		• Biomass Users group meeting?
		• Social Media
		• Village Champion training
		  ○ Doe/AEA/City of Tanana
		• Industry tradeshows and conferences
		  ○ Networking and education
		• De-Mystify the operations process
		• Purpose of this sector - Identify information that owners need to know to create educational piece – gather lessons learned from facility managers that run biomass facilities
		• Who should be involved
		  ○ Deana Strait
		  ▪ AHFC
		  ○ Public works directors
		  ○ Fuels for school annual meeting
		  ○ Fuels for schools – held annual meetings for facility directors to talk about challenges – create biomass users group
		  ○ Facility managers are not the decision makers to install the biomass systems – need information for those that are making the decisions to convert – this

roadmap intends to provide that information

- Village Champion training program has this information – needs to be pull together into a document – City of Tanana with DOE and AEA funding

Engineering / Technical Support

- SE limited in engineers with biomass experience – big players are after bigger projects – maybe the Willoughby District
- ESCOS – After Big Projects
  - Siemens
- Engineering Options for Decision makers
- Standards/Consistency
- Good case Studies
- Cost Effective Data Capture - ACEP
  - Funding for Data Capture
- Equipment Suppliers
- Mechanical Contractors
- Building Codes
- Market Opportunity – seed industry cluster working group
- Who needs to be involved?
  - Engineering firms already engaged in AK
  - AE&E – specialize in simple conversions
  - Kaufman Engineering
  - Murray and associates
  - Tetratech
  - AK Energy Engineering (J Reified)
  - Alaska Energy and Engineering
    - Steve Seisel
    - Brian Grey
- Feasibility of different systems – studies use different

		assumption – standardization needed
		• Capture data as projects go in – but capturing data adds expenses to the system that can make it too expensive – AEA working with UAF to fund data capture separately
		• Education component needed for engineers new to biomass
		• City building codes are outdated for modern pellet systems – based on old wood stoves
		Permitting and regulatory
		• Building Codes
		• Fire Codes
		• Air Emissions Issues
		• Fire marshal
		• Boiler / project size effects permitting
		  ○ Cheat sheet or flow chart related to permitting based on size of project
		  ○ need flow chart of who to talk to for permits
		• Who needs to be involved?
		  ○ Building code officials
		  ○ Fire marshals need to be involved early
		  ○ ADEC air permitting
		• Permitting thresholds can trigger added expenses
		Environmental / Sustainability
		• Should not combine with permitting – sustainability is a different issue relating to supply
		• Need to define sustainability? Carbon emissions/air quality issues are regulatory also – don't want to degrade air quality to point where get into regulations
		• Geography/topography, weather, size of units, quality of equipment all affect air quality/emissions – if do a good job of education do not need regulation
		• Cordwood systems – is a local supply issue and need to address sustainability of this resource cordwood only

		appropriate for communities that have the resource
		• burning inappropriate materials is environmental concern
		  ○ Burning of inappropriate materials (education)
		• Non Pellet – local supply sustainability issue (cord wood)
		  ○ Poaching becomes a problem where cordwood resources are limited
		• Air Quality
		• Market / Economics
		• *Proactive – environmental to avoid regulatory problems
		• Balanced air quality / biomass conversion plan
		• Business risk – Sustainability
		• Who is the opposition (education) look at who is opposing biomass and why – to create educational piece on environmental – need to know what the public is thinking – is it health/safety concerns, environmental concerns?
		• Present Biomass is a transitional technology – for next 50 years
		• How best to capture public perceptions? Are there surveys?
		• Are there concerns about sustainability of supply? Need to quantify availability of supply – break out by type of biomass fuel
		• Al Brackley and Brian Kleinhenz could provide position statement on supply availability from Tongass – SE fuel independence is possible from Tongass
		  ○ Brian and Al can write a paper about sustainability to address that issue
		  ○ Sustainability is case by case depending on fuel form –be specific
		  ○ We must address the local supply issue rather than "not going there"
		  ○ Fuel Supply Sustainability
		  ○ Unbiased data and success stories
		  ○ Credible Data

		○ Accurate Quantification • Local supply programs – fed micro sales • Managing public expectations • Energy Efficiency • Public Perception • Should we question 30% reduction used in IRP? • Commercial sector is only 40% of fuel use. All programs so far are focused on this sector. Will not get to 30% if focus only on commercial sector • Should we combine this sector with public outreach/education? • Sustainability needs a database on fiber source – to demonstrate that there is available supply • Bring in environmental organizations to help deliver sustainability message – and to get sustainability questions/hurdles • Conservation Organizations involved **<u>Fuel Supply</u>** • Short term – Supply from anywhere • Long Term – Local Supply ○ Short term is to find supply anywhere – long term is to generate it locally • Infrastructure /transportation / logistics ○ Need transportation and distribution system and have storage issues • *Must address the local supply issue • Retail Supply • Bulk delivered • Cordwood • Bricks • Fuel Supply V.S. Timber Supply

- Wood Chips – Commercial only
  - Chips supply – not used for residential – commercial or large institutional only
- Micro chips
- Fuel Quality and Moisture
  - Quality – moisture is issue in SE, storage affects moisture
- Cordwood market supply, brickets

Transportation / Storage and Distribution

- Transportation is huge cost
  - And a market opportunity for someone
  - Pellets – One third of cost embedded is transportation of bringing in supply – driver for locally sourced supply
- Limited number of Barge Lines
- Inter-regional transportation vs. Outside
  - Barging costs need to be looked at community to community – should the ferry system be involved?
  - Expensive part is getting it on a barge – moving it around regionally is just as expensive as bringing it up from down south – limited barge lines in region – Petromarine has its own barges for bringing in fuel
- Ferry System
  - Rates?
  - Routes?
- Identify Challenges
- Back haul opportunities coming North into SE
  - Transportation is a hurdle that needs to be solved – southeast solid waste authority has put out an RFP for contract to ship waste out of SE for its members – containers will be empty coming back to region
  - Chips will be coming to Juneau in containers that take metal recycling? out –

		○ Allied Republic ▪ Matt Henry ▪ Rick Franklin ▪ Get contact for above via Jim Penor ○ Waste wood recycler ○ Solid waste authority – has been funded by legislature for last three years - could be model for a wood fuel authority? • Facility mangers want assurance that fuel supply is available when need to resupply • Chips will be coming to Juneau in containers that take metal recycling out • Storage Bulk ○ Silos ○ Dry • Cord Wood ○ Moisture ○ Storage ○ Seasoning • Water front access for barges ○ Bringing supply in requires marine access – Juneau could make land available to bring a barge in and store fuel need to survey other communities for what they have available • Land/space for storage • Transportation for current fuel oil suppliers ○ Petro marine • Ward Cove ○ Regional Storage? • People ○ Steve Sealy

		○ AML ○ Channel Construction ○ Petro marine ▪ Bring in Petro marine – could be just another fuel type for them but without spill cleanup issues that petro fuel has **<u>Policy Development</u>** • Property or state tax incentives • Bulk fuel loan program for word ○ Village cash flow issue • Permits Building codes • DCCED • Public works directors association? • Commission on sustainability • Cultural sensitivity • Department od Education • Municipal league of cities • Southeast Conference • Private Sector ○ Suppliers ○ Business Development / JEDC/ SEDC (Sitka)/ SEDC (Skagway)/ other economic development orgs in the region • Local Chambers of Commerce • Native Corporations • Environmental Conservation Orgs • DNR / Forestry • Elected officials – staffers • Traditional Clan Leaders (Joanne) • Revolving Loan Fund?

		○ Revolving loan fund for stove change out • Policy to require *consideration* of Biomass as a heating option tied to ○ Funding or ○ Loan programs ▪ Mandate that Biomass should be looked at as an alternative in new construction at the state level – and in order to get state money • Packets of Pellets on Legislative Desks • Who ○ State ○ Fed ○ City ○ Village ○ Tribal ○ DCCED, Forest Service, associations, JCOS, state department of education, Alaska municipal league, chambers of commerce, SEC, fuel suppliers, JEDC, SEDA, Skagway EDC, Carol Rushmore (Wrangell), Ketchikan?, Tribal corporations, DNR forestry, elected delegation, mayors and city elected officials, traditional clan leaders, state tribal specialist Lillian? **Education and Public Outreach** • Website – forest Service ○ Website development needed to reach out and provide information • Social Media (Dan Tweeting) • Home show • Traveling Roadshow outreach • Community Workshops on pellet stoves • Success Stories • Energy Workshops

		• Work through local utilities (AELP, AP&E)
		• JEDC – Newsletter
		• Get on the agenda for meetings of facility owners, chambers of commerce – need a calendar of these events
		  ○ Education – School boards
		  ○ School superintendents / Hospital directors
		  ○ Chambers / Econ Development orgs
		  ○ Ketchikan Hospital Expansion
		• "Message"? What are we going to present? Financial justification given future oil prices. Success stories, inform on roadmap project
		  ○ Is it consistent
		  ○ Should it be refined?
		  ○ What is it exactly?
		  ○ Important Component top successful plan
		• WHO
		  ○ DEC
		  ○ DNR
		  ○ AEA
		  ○ REAP
		  ○ Cluster Working Groups
		  ○ Tribal Department of Energy
		  ▪ Trace Lebough (spelling?)
		  ▪ Pillar Thomas
		  ○ NREL
		  ▪ Brian Hirsch
		  ▪ Lezana Pierce
		<u>System Supply and Installation</u>
		• Limited Suppliers / technicians in the region
		  ○ Limited sales and service for pellet stoves in smaller communities – barrier for residential market

		○ Pellet boiler - Haines has a new office for business called Pacific Rim Mechanical – have seen a business opportunity in SE • State Legislative help – (stimulate) ○ Can state help get local market going by having a supply for sale? Valdez has an initiative to buy pellet stoves in bulk at a discount and pellets, too. Could be a model • What are barriers to local businesses picking up a line of pellet stoves to sell? But businesses need to carry stoves with a range of options, including programmable thermostats, not just basic models • Many grades or variations of equipment- consumers need to be educated • * Consumer education & data about equipment ○ Commercial / government sector ○ Boiler database ▪ In 40% commercial sector – what is low hanging fruit? Is it government installations? State has a database of all boilers in state – SE has 1600 boilers – 500 are more than 20 years old and approx.. 300 are 30 years old. This is the low hanging fruit. ○ Education is needed for consumer on the stove features, brands and options to make an educated purchase. Burden of research is on the consumer. • Dealers/ manufacturers/ Distributors of Equipment • Local Dealerships • Residential market - not replacing boilers but adding room space heating ie Toyo market - this is low hanging fruit – barrier to entry for these systems is low ○ “Converting one room at a time” – Toyo stove “model” for pellet stoves • Home builders – educate that this as an option for installing in new construction

- Building codes
  - Modify building codes to require biomass heating system in all construction
- Hydronic heating systems

- Who needs to be involved? Manufacturers - Alaska is the big market for manufacturers
- John Crouch – responsible wood burning presentation– can educate on options, but only if the product is sold by a member of his association

Other

- Education
- Perceived barriers from owners standpoint (property owners or facility managers)
  - Joanne list (Wendy)
  - Simple Clear message
  - Easily consumable message
  - Boiler data
  - Relevance
- Is 30% the right number?
- Brad Ewing/JEDC putting database together about fuel usage by community Transportation, heating, electric
- CHP opportunities – Juneau's Willoughby district, AELP biomass system for electricity can be also a district thermal distribution system
- CHP opportunities could also encompass fish waste and geothermal
- Prioritization of sectors:
- Accurate and credible data on cost of operations and maintenance, liability and safety, how to store biomass?
- Need simple presentation for outreach that targets barriers
- Boiler replacement return on investment calculations needed for the boilers identified in the boiler database that are due for replacement – can champion for replacement

		with this data • Case studies and personal stories - need to be presented in a way that decision makers can understand what's in it for them – how to message is key – use professionals
11/28/12	Alec Mesdag Alice Edwards Allen Brackley Andrew Gamble Bill Leighty Bob Claus Bob Deering Brad Ewing Brian Kleinhenz, Dan Parrent Darsie Culbeck David Harris Elaine Price Erica Hupp Eva Bornstein Jessica Beck Jim Penor Joanne Wiita Keith Rush Norman Cohen Pierre Khalil Ray Wilson Teresa Haugh Trevor Sande Wendy Zirngibl Weston Eiler Zach Wilkinson Al Roskam Brian Hirsch Cindy Bremner Duff Mitchell Jess Daniels Karen Petersen Maxine Thompson Richard George Larry Dunham Misty Smith	This meeting of the Southeast Alaska Wood-to-Energy Planning Workgroup was held Wednesday, November 28, from 1:00PM to 5:00PM and Thursday, November 29, from 8:00AM to noon. It was organized with resources provided under a contract with the USDA Forest Service and executed by the Juneau Economic Development Council. **Background** Development of a Southeast Alaska Biomass Strategic Plan is based on the unification of two Action Initiatives developed through the Southeast Alaska Cluster Initiative: the Forest Products CWG Action Initiative #6, Substitute Biomass for Diesel to Meet Energy Needs of Southeast Alaska and the Renewable Energy Seed CWG Action Initiative #6, Support Biomass Energy Demand Development in Southeast Alaska. These two action initiatives have merged into one initiative to develop a strategic plan, reflecting priorities and steps needed to achieve broad biomass energy implementation in Southeast Alaska. Bob Deering and Dan Parrent, with funding by the USDA Forest Service, co-chair this initiative. **Meeting Process** Zach Wilkinson of the Juneau Economic Development Council (JEDC), opened the meeting with introductions and provided background on the Southeast Cluster Initiative and this effort. The goal of this meeting was to review the vision statement and strategic goals for displacement of oil with biomass, review sectors to be engaged in the plan, discuss the challenges, opportunities and participants to be engaged in each sector and decide on next steps. Sectors considered could include financing, facility management, engineering and technical support, permitting and regulation, environment/sustainability, system supply/installation, fuel supply, transportation/storage/distribution, education/public outreach, policy development. **Day 1: Meeting Discussion Notes**

	Devany Plentovich	Vision Statement: *We propose that 30% of all thermal energy currently derived from fossil fuels in Southeast Alaska be met with renewable biomass in ten years and that an additional 2% be met each year thereafter to the extent sustainable by regional resources.* Discussion: • 30% of thermal energy is equivalent to displacement of 6.6 million gallons of fuel oil. This is approximately the equivalent of 150,000 tons of green wood, or 60,000 tons of pellets. • Logging residues and young growth are more than sufficient to meet that level of demand from within the region if local supply were developed. • 40% of thermal energy is consumed by the commercial sector and 60% in the residential sector. A suggestion was made to create separate commercial and residential goals within the vision statement. It was decided to keep the vision broad but to address this in the implementation plan. • Scale of displacement of 6.6 million gallons of fuel oil is equivalent to about 10 projects the size of the Tok school – which is one of the largest projects in the state to date and has displaced 60,000 gallons of oil per year. • 30% is a good goal, don't need 2% added after that. • Vision statement should say that any public building built in SE should consider a biomass option in payback calculations. Long-term Outcomes: 1. *Lower energy costs* 2. *Preserve hydroelectric capacity - use electricity to power economic development and transportation rather than heat* 3. *Grow regional biomass demand – to justify development of regional biomass fuel production capability* 4. *Strengthen regional economy – spend energy dollars locally*

5. *Create local jobs and support healthy communities*
6. *Reduce carbon emissions – biomass carbon 'advantaged'*
7. *Complement related efforts – biomass development plays supportive role to other endeavors such as forest products, forest habitat enhancement, urban planning & development, etc.*
8. *Recognize biomass as a legitimate component of Southeast Alaska's energy portfolio*

Discussion:

- If 30% of thermal energy demand switched from fuel oil to electric in Juneau, AELP could not meet that demand without Lake Dorothy Phase 2 – leading to higher electric rates.
- Electric generation from our hydro resource is best used for displacing gasoline through electric cars - because they use electricity for power generation more efficiently than gasoline – rather than for converting oil heating systems to electric. Electric heating is the least efficient way to heat a house.
- Education will be needed that hydro is for electricity needs and biomass is for thermal heating.
- New construction can use heat pumps, but retrofits cannot because internal heat distribution systems that currently use fuel oil require higher heat than provided by heat pumps.
- The biomass roadmap will include a recommended a list of boiler conversion projects in SE to reach the 30% goal. It is estimated that a capital investment of $100 million dollars is needed to get to 30% conversion to biomass.
- The cost advantage to making pellets locally is that don't have transportation costs. Exporting pellets from region has a cost disadvantage due to shipping costs. Local production has no quality issues, but needs more drying. This adds to export cost disadvantage.
- The goal of the initiative is to increase demand. Even with imported supply the region will still benefit from reduced

		heating costs. • Particulate matter can create air quality issues. For 30% conversion – need to consider air quality issues closely. The technology available to remove particulate matter lends itself to larger installations and is not cost effective for residential use. • The biomass roadmap will need to quantify reduced carbon emissions. A carbon analysis by the Nature Conservancy for POW found carbon savings for biomass utilization versus bringing fossil fuel to the region. • Communities need help valuing auxiliary costs (i.e. removing underground storage tanks) into payback and determining tipping points such as buying in larger quantity and putting in a storage tank. • Biomass shift will create a business opportunity to sell pellets.
11/20/12	Bob Deering Dan Parrent Zach Wilkinson	Strategic planning meeting planning meeting
10/26/12	Bob Deering Dan Parrent Zach Wilkinson	Strategic planning meeting planning meeting
10/24/12	Bob Deering Dan Parrent Zach Wilkinson	Strategic planning meeting planning meeting
8/29/12 CWG Meeting	Bill Leighty Robert Venables Angel Drobnica Bart Watson Milt Barker Bob Deering Mike Goldstein Brian Holst Zach Wilkinson	Progress has been made on this initiative in the form of Bob's new position at the forest service to support biomass energy demand in Southeast Alaska.
9/10/12	Bob Deering Zach Wilkinson	Bob and Zach met to discuss steps to moving forward. Results of this discussion are below

		1. We will wait for the comprehensive energy demand document that is expected to come out of the AI#3 in the near future and leverage that to analyze the opportunity of energy that can be replaced with pellets 2. Bob has a meeting with the forest service on September 24th, following that meeting we will meet again to discuss how we should collaborate based on how his role there is defined. 3. JEDC will assist Bob with organizing and facilitating a meeting of a "steering" committee for Wood pellets in SE AK. This committee will be made up of direct stakeholders such as business that sell pellets, pellet stoves, or boilers, facilities that currently use pellets, facilities that could potentially use pellets, and business that might service pellet boilers. Bob is working on the list of people. When the list seems complete, we will meet again (most likely after the meeting on the 24th) to work out the details of who is invited. We both agree that this should be a small group.
9/7/12	Bob Deering Zach Wilkinson Brian Holst Jon Martin	We had a discussion involving how this initiative will move forward with regards to Bob Deering's new role at the forest service. It was established that this initiative will continue to be associated with the RE CWG and that Bob will leverage the assistance of the Cluster working group and the JEDC. Bob discussed the need to examine current demand that could be replaced by pellets in the region, putting together a steering committee, and a list of boilers in the state that could be potentials for replacement.

Initiative Action Plan Update		
Activity 1:	Secure Bob Deering in a one year full time assignment dedicated to this effort	Activity Date:
Completed.		10/2012
Activity 2:	Hold a Kick-off meeting for Wood 2 Energy initiative and gain strategic planning information from the group	Activity Date:

Completed. Report of this meeting is included in notes above		11/28-29/2012
Activity 3:	Identify Key focus group "sectors" and hold meetings with people from those sectors to gain detailed understanding of the opportunities and challenges	Activity Date:
Initially we developed the following list of sector focus groups: 1. Financing 2. Facility Management 3. Engineering/Technical Support 4. Permitting/Regulatory 5. Environmental/Sustainability 6. System Supply/Installation 7. Fuel Supply 8. Transportation/Storage/Distribution 9. Education/Public Outreach Policy Development These have been further refined to the following: 1. Financing 2. Technical Sector/Facilities Managers 3. Logistics and Infrastructure 4. Environmental 5. Education, Outreach, and Public Policy Meetings will be scheduled and held for each of these sectors		
Activity 4:	Financing Sector Focus group meeting	Activity Date:
Scheduled for 2/13/13		2/13/2013
Activity 5:	Technical/ Facilities Managers Focus Group Meeting	Activity Date:
Scheduled for 2/28/13		2/28/2013

		(tentative)
Activity 6:	Logistics and Infrastructure Focus group meeting	Activity Date:
No work completed on this activity to date.		
Activity 7:	Environmental Sector Focus Group meeting	Activity Date:
No work completed on this activity to date.		
Activity 8:	Education, Outreach, Public Policy Focus Group Meeting	Activity Date:
No work completed on this activity to date.		
Activity 9:	Completion of Strategic Implementation plan, or "Roadmap"	Activity Date:
No work completed on this activity to date.		
Activity 10:	Begin Implementation phase	Activity Date:
No work completed on this activity to date.		

Other Informational Items

This initiative has evolved over the time it has been active. Significant milestones to note have been the US Forest Service hiring Bob Deering on a temporary assignment from his regular position at the US Coast Guard to complete a strategic plan, or roadmap. In addition, the US Forest Service has allocated some if Dan Parent's time to this effort. This group has re-titled itself the "Wood 2 Energy Initiative" (W2E). The goal of the initiative has been more clearly defined as reflected in the Goal section above. The details of this goal are based in part on the results of the Southeast Alaska Integrated Resource Plan Findings. Based on these changes, the initiative action steps or "Activities" have also been redefined as reflected above.

Southeast Cluster Initiative
Action Initiative Status Report
December 2012

Action Initiative Information		
Cluster:	Renewable Energy Seed Industry Cluster Working group	
Initiative #5:	Develop Renewable Energy Education for SE Alaska Residents, Students and Businesses	
Goal:	Increase the awareness of the public—including municipal and State leadership--of renewable energy through fact-driven informational campaigns. This education will increase public support for renewable energy issues and projects, which is especially important when public policy changes (regulations, etc.) will be required for the successful development of a renewable energy industry in Southeast Alaska.	
Champion:	Angel Drobnica	angel@seacc.org
Team:	Vacant	

Meeting Summaries		
Date:	Attendees:	Outcome:
12/19/12 CWG Meeting	Bill Leighty Angel Drobnica Bob Deering Brian Holst Zach Wilkinson Nathan Soboleff Merrill Sanford Wend Zirngible Kirk Hardcastle Alec Mesdag Pierre Khalil Bob Loescher Larry Miles Duff Mitchel Dan Parrent Clarence Clark Dave Harris Deveny	Zach and Angel discussed meeting in the near future to compile a list of potential partners to invite to this initiative as well as a list of potential collaborating programs/efforts that we might be able to assist. This meeting will likely take place around the end of January or the beginning of February 2013.

	Plentovich Al Roskam Shaina Kilcoyne Al Brackly Renne Claggett	
9/12/12	Zach Wilkinson Angel Drobnica	Contacted original group to organize a meeting. At this point, this group has never met. All champions and members were unavailable for the foreseeable future with the exception of Angel. Angel agreed to stand in as champion. This is an effort that remains important to the group but will require a re-work of the action plan by a new implementation team in order to move forward. Some progress has been made on this front, however, as the other action initiatives have successfully been educating and reaching out to the public, business, policy makers and others throughout the cluster effort and they continue to do so. In addition, the other initiatives are producing documents for the purpose of making important information to the renewable energy effort publically available. Several other organizations such as REAP and Tlingit and Haida Regional Housing Authority have also made progress on education since the time this initiative developed. While this initiative cannot claim credit for the development for any of those programs, we remain in support of them and will be looking into ways to help coordinate, support, or compliment the education efforts in the region.

Initiative Action Plan Update		
Activity 1:	Research existing programs that can be used as sources of ideas, resources and/or models for the development and implementation of renewable energy education programs for Southeast Alaska residents, students and businesses.	Activity Date:
No work on this activity to date.		
Activity 2:	Develop and implement renewable energy public awareness campaign for Southeast Alaska	Activity Date:

No work on this activity to date.		
Activity 3:	Develop and implement multi-level education programs for the State educational system	Activity Date:
No work on this activity to date.		
Activity 4:	Develop and utilize business-focused renewable energy educational materials	Activity Date:
No work on this activity to date.		

Other Informational Items

JEDC.org
612 West Willoughby Ave. Suite A
Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

Renewable Energy Seed Industry Cluster Working group

DATE: **Wednesday, December 19, 2012**
TIME: **2:00 - 3:30PM**
LOCATION: **JEDC Conference Room or Teleconference**

Teleconference #: 1-800-747-5150
Access Code: 1683107#

2:00PM **Welcome, objectives and introductions – Zach Wilkinson and Bill Leighty**

a. Objectives:
b. Hear progress reports and plans for future work for each active action initiative

SE Cluster Initiative—General Update – Brian Holst

2:15PM **Champions Report on Progress and Future Work Plans of Action Initiative Implementation Teams**

1. Conduct Market-driven Renewable Energy Economic Modeling for Southeast Alaska, including Multiple Transmission and Energy Storage Strategies
   - Bill Leighty, refresh and redefine
   - Brad Ewing – Demand project
2. Support Biomass Energy Demand Development in Southeast Alaska – Bob Deering, Dan Parrent
3. Wood 2 Energy Demand Development Strategic Planning Workgroup
4. Renewable Energy Education – New Champion?
5. Revolving Loan Fund - Bart Watson
6. Net Metering - Ben Haight
7. Thermal Energy Storage & District Heating with Heat Pumps – Larry Edwards

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2:30PM	**Agenda for Renewable Energy Cluster Meeting during Innovation Summit, February 11-13, 2013 – Brian Holst** 1. Alec Mesdag / Bob Deering , AELP Workshop or breakout session? 2. W2E focus group Meeting
2:45PM	1. Hear from Bill Leighty about AEA grant. 2. Presentation by Bill Leighty on the potential for a new, low-cost, hard rock boring method being developed in Norway. Affordable energy to Alaska communities, large and small?
3:00PM	**Other RE CWG Business** 1. New Co-Chair? a. Who is interested? Who might we recruit? 2. New "direction" or purpose from last meeting capturing short term local goal and long term industry goal. (See previous meeting notes -attached) Purpose: "Create the conditions to allow a SE AK renewable energy industry to meet some needs of the local energy demand market, as a foundation for growth and development of a renewable energy industry that may eventually export knowledge, product or service." 3. Status of Willoughby District, District heating
3:30PM	**Wrap-Up**

Cluster Information	
Cluster:	Renewable Energy
Goal:	Create the conditions to allow a SE AK renewable energy industry to meet needs of the local energy demand market, as a foundation for growth and development of a renewable energy industry that may eventually export knowledge, product or service.
Chair:	Bill Leighty

Meetings Held Since Last Update		
Date:	Purpose:	Attendees:
12/19/12	Full CWG Meeting	Bill Leighty, Angel Drobnica, Bob Deering, Brian Holst, Zach Wilkinson, Nathan Soboleff, Merrill Sanford, Wendy Zirngible, Kirk Hardcastle, Alec Mesdag, Pierre Khalil, Bob Loescher, Larry Miles, Duff Mitchel, (telecom) Dan Parrent, Clarence Clark, Dave Harris, Deveny Plentovich, Al Roskam, Shaina Kilcoyne, Al Brackly, Renne Claggett

Initiative Activity Update

Initiative 1: **Propose Net Metering Legislation**
Champion: Ben Haight

Ben Haight did not attend the meeting however we did have a brief discussion regarding Net metering law specifically in our region. This topic was raised by Bill Leighty. Alec Mesdag from AEL&P was present and provided some information on the topic.

Initiative 2: **Establish a Renewable Energy Revolving Loan Fund for Residences and Small Businesses to Promote Local Installation and Fueling Industries**

Champion: Bart Watson

Bart Watson was not present.

Initiative 3: **Market-driven Renewable Energy Economic Modeling for Southeast Alaska, including Multiple Transmission and Energy Storage Strategies**

Champion:	Bill Leighty

Bill gave an update on the status of the initiative, referencing the recent work that Brad Ewing has been performing and the over-all project Brad is working on. Brad is working to develop a comprehensive documentation of the regions complete energy demand profile (all energy types). This data will be broken down by energy type and by community. The expectation is that this will be a useful tool, and easily consumable. This project is to be completed prior to the summit and will hopefully be available at the summit. This is an effort that originated as a pro-bono research/data gathering project by Brad. Due to the cross-cutting value of this information, JEDC contracted Brad to complete the project. Brad Ewing was not present for the meeting.

Initiative 4:	**Support Biomass Energy Demand Development in Southeast Alaska**
Champion:	Bob Deering and Dan Parrent

Bob Deering and Dan Parrent Co-Champion this effort. Bob was present in person and Dan called in from Anchorage. Bob gave an extensive update on the progress of the new Wood 2 Energy Demand Development Initiative, beginning with his temporary position at the Forest Service, the most recent Wood 2 Energy kick-off meeting that was held in November 2012, and the vision of the initiative group (30% thermal energy conversion from oil to wood energy over the next ten years). Bob also described the implementation "roadmap" project, and the process that is being employed to develop the roadmap, including a series of upcoming focus group meetings for various critical business and policy sectors. In addition Bob gave updates on recent and near term wood energy conversion projects around the region in areas such as Ketchikan and Haines. Feel free to contact JEDC, or Bob Deering, or Dan Parrent for more information about this initiative.

Initiative 5:	**Develop Renewable Energy Education for SE Alaska Residents, Students and Businesses**
Champion:	Angel Drobnica

Angel Drobnica has volunteered as a stand in as Champion for this effort, and was present at the meeting. Due to time constraints in the meeting we were not able to discuss this topic so it was moved to the January meeting Agenda. Angel Drobnica and Zach Wilkinson will coordinate this effort before the January meeting.

Other Informational items

Proposed meetings for day three of the Innovation Summit
The group discussed meeting ideas for the third day of the innovation summit (Wednesday February 13th 2013. Three ideas were discussed.

1. Alec Mesdag of AEL&P presented an idea to invite a colleague of his, Bill Connor, to discuss a potential business model to assist in the financing of new wood pellet boilers for public or private facilities called third party ownership. Third-party ownership of energy systems allows

investors to install, own, and maintain an energy system for a host, who purchases energy generated by the installed equipment through some type of energy sales agreement. The third-party owner typically earns a return by utilizing incentives the host cannot. The host receives the benefit of having new equipment installed at no upfront cost, and the energy sales agreement may include other benefits including low escalation rates and a purchase option for the equipment after a period of time. This is a model they have used in other states that might work for our region. The group generally agreed that this would be a good meeting to proceed with.

2. Wood 2 Energy Focus group meeting. The Wood 2 Energy initiative would like to take advantage of this time to hold one of their sector focus group meetings.

3. A session with Brad Ewing to discuss the energy demand project he is currently working on, and expects to complete by that time, would be valuable.

Willoughby District-district heat plan
A brief group discussion was led by Bob Deering about pursuing a district heating project for the Willoughby district. From the perspective of the Wood 2 Energy Initiative, the project would involve a central biomass boiler creating thermal energy that would be distributed throughout the district via hot water. The group views this as a cross-cutting opportunity due to the fact that a system such as this could be somewhat heating technology agnostic. In the long term, future technologies could be employed by connecting to this system without the expense of replacing the entire infrastructure. Bob gave a an overview of the many benefits to this kind of system as well as examples of existing systems Juneau could model after in other states. Brian Holst also gave some input from a recent energy tour he attended. The RE CWG is generally in support of this project.

Electro Pulse Hard Rock Drilling
Bill Leighty gave a presentation to the group about a new electro-pulse hard rock drilling method he learned about during a recent trip to China. This method allows for a very deep hard rock well to be drilled that can allow access to geothermal heat at a reasonably low cost.

Next steps

The following items were noted as agenda items for January's meeting.

1. State and federal legislative questions for the summit
2. Planning agenda for the RE CWG meeting that will take place during the summit
3. Volunteer for RE CWG co-chair seat
4. Action Initiative #5: Develop Renewable Energy Education for SE Alaska Residents, Students and Businesses
    a. Industry Champion?
    b. Re-define purpose and implementation plan
    c. Implementation team
5. Day three Innovation summit meetings

Resources

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Renewable Energy Cluster Working Group Meeting

DATE: **Wednesday, August 29th, 2012**
TIME: **2:00 - 3:00PM**
LOCATION: **JEDC Conference Room**

We would like to invite you all to discuss a new direction that we believe the Renewable Energy CWG needs to take. Cluster Co-Chair Bill Leighty, some JEDC Staff and a few others concluded that we need to consider a change of direction/emphasis if we are going to have a meaningful, positive impact on our region in the renewable energy arena. To date, we have been focused exclusively on trying to establish the conditions to foster a renewable energy INDUSTRY in our region. This is an ambitious goal that we all agreed was worthy to pursue. Over the last year, we have engaged in several efforts but have made little progress. It has become apparent to a few of us (and maybe was more obvious to many others from the get-go) that perhaps we have set ourselves a goal that, while worthy, might be a bit too long term. At the same time, we keep coming back to the issue of how to address the current needs/opportunities to meet the (renewable) energy requirements of communities and businesses throughout our region TODAY. Maybe a bigger push from a group like this should be on developing the current renewable energy market in our region, with a special emphasis on meeting the needs of rural communities?

We would like to Discuss the following:

1. Share with all of you how our thinking has evolved over the last 12 months regarding this Seed Cluster and get your input/feedback
2. Discuss how best to re-direct the efforts of the RE CWG based on what we have learned so far in this process
3. Review the current action initiatives in light of a new direction
4. Prepare to recruit new players (partners) to the effort, and re-recruit previous participants
5. Outline a plan of action in line with this new direction

Please note that Zach Wilkinson is replacing Adrien Lopez (who took a job in DC) in supporting the Renewable Energy Cluster. Please let Zach or me know if you will be able to attend on Wednesday.

Renewable Energy CWG Update Meeting, August 29th, 2012 Meeting Summary

Thank you again for your participation at our August 29th , small group planning meeting. Here is a summary of our meeting. I have also attached these notes as a Word document. Attendance included the following people: Bill Leighty, Robert Venables, Angel Drobnica, Bart Watson, Milt Barker, Bob Deering, Mike Goldstein, Brian Holst, Zach Wilkinson.

Action Initiative #1: Propose Net Metering Legislation – Ben Haight
At this time, no progress that we are aware of has taken place on this initiative, however, several of the first steps lined out in the initiative plan were research related and may have been carried out by the Champion. Ben Haight is the champion of this initiative and was not present to comment on any progress. This is generally a legislative challenge, and we started a little bit late in the session last year to be impactful.

Action Initiative #2: Establish a Renewable Energy Revolving Loan Fund for Residences and Small Businesses to Promote Local Installation and Fueling Industries – Bart Watson
Bart Watson is the champion of this initiative and was present. Bart expressed that while some effort was made, this is mostly a legislative issue and the effort got started too late in last year's session to be impactful

Action Initiative #3: Market-driven Renewable Energy Economic Modeling for Southeast Alaska, including Multiple Transmission and Energy Storage Strategies – Bill Leighty
Bill Leighty is the champion and was present. Bill gave an update on the status of the initiative referencing the document that has been drafted by Gregg Erikson, and the ongoing effort to find funding for the initiative. Bart Watson suggested some potential places to solicit funding and offered to work with Bill on this effort going forward

Action Initiative #4: Support Biomass Energy Demand Development in Southeast Alaska – Bob Deering Bob Deering is the Champion of this effort and he was present. Progress has been made on this initiative in the form of Bob's new position at the forest service to support biomass energy demand in Southeast Alaska.

Action Initiative #5: Develop Renewable Energy Education for SE Alaska Residents, Students and Businesses – This effort is lacking a Champion since Heather Hardcastle and Brandon Smith have not been active in the CWG recently. Angel Drobnica offered to be a stand in Champion because she is involved in the RE CWG and is very supportive of this effort. However it is understood that for this initiative to make progress, it will require recruitment of a group for implementation, and ideally a private sector champion. This initiative remains a point of interest at meetings.

Revised "Direction" for the RE CWG

In our meeting we decided to consider a new direction or purpose for the RE CWG. The former Purpose was: "Create the conditions to allow a Renewable Energy Industry to be developed in Southeast Alaska".

While the group still finds this purpose accurate and relevant, we are recognizing that creating the conditions to allow a renewable energy industry to be developed, requires developing a market, and that supplying our local market will be a critical first step for an industry to exist, that may then grow. Therefore, at this meeting we decided to expand our purpose by distinguishing short term and long term goals.

Purpose: "Create the conditions to allow a SE AK renewable energy industry to meet needs of the local energy demand market, as a foundation for growth and development of a renewable energy industry that may eventually export knowledge, product or service."

Southeast Cluster Initiative
Renewable Energy CWG Monthly Status Report

Date: January 2012

Goal*:* To create private-public partnerships as a catalyst for job creation and business growth in Southeast Alaska.

Co-Chair Names: Brandon Smith and Kirk Hardcastle (Kirk may be resigning)

Meetings held:

Date:	Purpose:	Attendees:
1/24	Review tasks of Action Plan AI #2	Bart Watson/Adrien Lopez
1/27	AI #3 Progress meeting	Zach Wilkinson, Brian Holst, Adrien Lopez, Bill Leighty, Kirk Hardcastle and Duff Mitchell, as well as special guests Greg Erickson, Milt Barker, Scott Miller and Steve Colt (ICER).
2/6	Lobby legislators on Revolving Loan Fund	Bart Watson/Adrien Lopez
2/7	Lobby legislators on Revolving Loan Fund	Bart Watson/Adrien Lopez

Initiative Activity Update

Initiative 1: Review Current Net Metering, Cogeneration and Small Power Production Regulation and Promote Modifications to Enhance Renewable Energy Applications

Email communication with Action Initiative Champion to find a meeting time to discuss ways forward for net metering topic.

Also discussed topic with Louie Flora while lobbying for AI# 2 Revolving Loan Fund, Legislative Aide to Representative Paul Seaton. He sent information related to House Bills on net metering as well as the Database of State Incentives for Renewable Energy (DSIRE).

Initiative 2: Establish a Renewable Energy Revolving Loan Fund for Residences and Small Businesses to Promote Local Installation and Fueling Industries

Met on January 24 to review Action Initiative template, get an update on Bart's discussion with Chris Rose and set a goal of talking with relevant Legislators in the Energy Committee in February.

Carried out meetings with various legislators on 2/6 and 2/7 to discuss Revolving Loan Fund residence idea. Met with Louie Flora (Rep. Seaton), Grier Hopkins (Senator Joe Thomas), Adam XX (Rep. Bryce Edgmon), Patricia Walker (Senator Lyman Hoffman), Paul Lebolle (Rep. Neal Foster), Kaci XX (Rep. Bill Thomas), and Trevor Fulton (Senator Bert Stedman)

Second Mortgage Program for Energy Conservation of AHFC to see if Loan Fund fits: www.ahfc.us/loans/second_energy_conserv.cfm

Initiative 3: Conduct Market-driven Renewable Energy Economic Modeling for Southeast Alaska, including Multiple Transmission and Energy Storage Strategies

Southeast Cluster Initiative
Renewable Energy CWG Monthly Status Report

Meeting on 1/27 discussed financing modeling study and input from local economists on how to move forward with cataloging renewable energy resources. (BILL will add a bit extra here) Zach Wilkinson, Brian Holst, Adrien Lopez, Bill Leighty, Kirk Hardcastle and Duff Mitchell, as well as special guests Greg Erickson, Milt Barker, Scott Miller and Steve Colt (ICER).
Initiative 4: : Support Biomass Energy Demand Development in Southeast Alaska
Sent Action Initiative Status Report to Co-Chairs to be filled out with latest updates from Biomass group, then will organize meeting to discuss.
Initiative 5: Develop Renewable Energy Education for SE Alaska Residents, Students and Businesses
Heather Hardcastle resigned as Co-champion of this initiative. Trying to confirm a meeting with Brandon Smith to discuss recent publication, "Recommendations for Alaka Energy Efficiency and Conservation, Public Education and Outreach"
Initiative 6:
Initiative 7:
Initiative 8:
Initiative 9:
Initiative 10:
Next Steps:

RESEARCH

CLUSTER WORKING GROUP

Co-chairs: Shannon Atkinson and David D'Amore

Cluster Working Group Meetings	
April 16, 2012	Coordination Team Meeting
May 22, 2012	Coordination Team Meeting
June 7, 2012	Agenda Team Meeting
June 20, 2012	Agenda Team Meeting

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Support a Collaborative Research Framework for the Alaskan Coastal Forests

DATE: **Tuesday, May 22, 2012**
TIME: **9:00AM – Noon**
LOCATION: **Glacier View Room, University of Alaska Southeast Campus**

Mission: Facilitate research opportunities in Southeast Alaska
Goals:

1. *Identify research priorities that support key industries (Tourism, Seafood, Timber, Mining, Marine Trades, Energy, Health….) located in our region. (Task: Define the extent of the region).*
2. *Identify local priorities that can be addressed by the research community related to the region.*
3. *Identify global issues that can be addressed by local research.*
4. *Consider creation of a coordination mechanism to:*
   a. *Identify major research themes as key nodes of integration among research projects*
   b. *Share information amongst researchers working on the region, and*
   c. *Seek input from research clients (including industry groups) within the region and beyond.*

9:00AM	**Welcome and Group Introductions** • Group Introductions • Recap of April 16 Meeting (Review of Goals)
9:30AM	**Industry Priorities, Zach Wilkinson** • Review research needs of select industries in SE Alaska (Ocean Products, Renewable Energy, Visitor Products, Forest Products, Mining) • Develop mechanism to for ongoing collaboration with industry groups
10:00AM	**Central Research Themes for SE Alaska, Dave D'Amore** • Identify one or more areas of major significance and importance to our region to help focus research coordination
10:30AM	**Break**
10:45AM	**Annual Meeting on Research, Shannon Atkinson** • Meeting annually or every other year
11:15AM	**Collaboration Tools** • Mechanisms (data base?) for sharing information on existing research efforts • Monthly Research Seminars
11:45AM	**Next Steps**
Noon	**Adjourn**

Southeast Cluster Initiative
Southeast Research Collaboration Working Group
Meeting 2 Summary Report

Date of Report: 6/4/2012

Goal*:* Support a Collaborative Research Framework for the Southeast Alaska Coastal Forests

Meeting held:

Date:	Location:	Purpose:	Attendees:
5/22/12	UAS	To evaluate which industry research needs are already being met, which ones could be performed peripherally through current studies, and to connect related current research projects with the industry personnel that are requesting the information/study.	Alana Peterson -*Central Council Tlingit Haida Tribes Alaska* Anne Beaudreau -*UAF Fisheries* Bill Hanson -*USFWS* Bill Leighty -*The Leighty Foundation/AK Applied Sciences Inc.* Brian Holst -*JEDC* Chris Sergeant –*National Park Service* Dan Monteith –*UAS* Dave D'Amore –*PNW Research Station* Eran Hood –*UAS* Eva Bornstein –*JEDC* Jeff Guyon –*NMFS/ABL* Jon Martin –*USFS* Leilani Knight –*Central Council Tlingit Haida Tribes Alaska* Linda Shaw –*NMFS/AKR* Lyman Thorsteinson –*USGS* Marsha Sousa –*UAF* Mike Goldstein –*FS/ACRC* Rick Caulfield –*UAS* Rick Edwards –*USFS/PNW* Shannon Atkinson –*UAF/SFOS* Tom Ainsworth –*N.W.S.* Tom Fletcher –*RDI* Zach Wilkinson -*JEDC*

Meeting Summary

This document is a summary of the second meeting of the Research and Science Agenda Working Group. This group is organized with resources under a contract with the US Forest Service, executed by the Juneau Economic Development Council.

Meeting Introduction

Brian Holst of JEDC led the group introductions, recapped the previous meeting (April, 2012), and outlined the goals for this meeting, which included addressing the industry research priorities and reviewing methods to bring industry priorities to the forefront of research activity in Southeast Alaska. Most of the people present were at the first Cluster Working Groups meeting, and the review was abbreviated.

Industry Priorities: Zach Wilkinson

Zach Wilkinson first reviewed the industry priorities (handout) and led a group brainstorm on which research priorities were currently being researched without industry awareness, and which industry priorities align with the interests of local researchers. Then Zach Wilkinson also discussed briefly some potential mechanisms to encourage real time collaboration about common ground within the priorities of industries and researchers. The idea with the most support seemed to be a collaborative website where members of both parties can post needs and interests on a website, somewhat resembling an online bulletin board to coordinate research projects and funding. A rough list of research projects currently happening that align with industry goals was compiled as follows.

- **OCEAN PRODUCTS**
- Ginny Eckert of UAF working in Petersburg on fuels and impacts on sea otters(1A/E), also some research on PSP
- Forrest service has studies on ocean acidification(1O), traditional knowledge (1M), and stream studies (2A)
    - Study of the ocean near Pribilof islands and Chilkat to be completed by June 1st

- NOAA has study in Seattle about climate impacts of fuels
- UAS has work related to traditional knowledge (1M)
- Tlingit & Haida has work related to traditional knowledge (1M)
- USFS Linda Krueger is currently writing a grant for college and high school aged students to do research
- Auke Bay labs has been working on tagging 3 million+ fish, working on conservation with hatcheries, etc. for the past 30 years
    - Already have a comprehensive study on diseases in hatchery fish, monitoring aquarium fish, climate change
- Northern Southeast study on stream temperature in mainland Chichagoff, by UAS (1C/D)
- **FOREST PRODUCTS**
- SEAK is working on economic modeling of lumber industry already
- CIRP is working on home heating efficiency of wood versus Hydro power (2B)
- Forest service will consider a future study on cedar trees (2D)
- **VISITOR PRODUCTS**
- Marine invasive species study in progress in Ketchikan, through Allen marine (green crab) – involves tourists collecting data, setting traps, expanding data availability, all contributing to monitoring the green crab population and its impacts on Dungeness and King crab populations
- UAF and ABL working on Whales and the impacts of tourist industry
- Discovery southeast working on citizen science research projects
- **RENEWABLE ENERGY**
- Glacier Bay Interpretive Rangers (forest service) working on renewable energy study (4A), also creating youtube videos and other educational projects to educate the public
- There is a New climate change exhibit at glacier visitor center
- Bill Hansen Fish and Wildlife service: study by SNAP on hydroelectric power, and the climate effects of hydro power, downscaling climate data ex) snow load effects on hydropower
- UAS and CCTHITA collaboration on retrofits on housing in cold climates.
- Forest service big on supply side of researching biomass energy ash uses (4C)

Although the list is a good starting point, it is by no means comprehensive and will need to regular updating to make sure this data is accurate and readily available. A considerable amount of time was spent on the Ocean Products brainstorm, and per general consensus, less time was spent brainstorming for the subsequent topics.

Central Research Themes for SE Alaska: Dave D'Amore

Dave D'Amore presented slides on how collaboration between industry and researchers could be more effective if efforts were coordinated under a few central research themes (ie. salmon, or sustainable energy). Around each problem a "team" of researchers coming from different administrative structures could be created. He proposed a middle-out approach, starting with the interests of researchers and expanding to encompass industry needs, rather than the top-down method of researchers doing work based on who is hiring for/funding the project. The proposed collaborative matrix approach would eliminate redundant projects as well as pool funding to further the effectiveness of the project. He then led into how we need a formal network to connect these researchers so they can expand their funding opportunities and coordinate their projects with industry needs.

Annual Meeting on Research: Shannon Atkinson

Shannon Atkinson transitioned from Dave's conclusion into the actual organizing of a meeting/symposium (likely by cluster group), so that researchers and industry leaders can discuss the commonalities within their priorities and coordinate their goals. A group brainstorm regarding the size, scope, format, frequency, and other specifics about the potential meeting ensued. The conclusion was that research priority meetings should occur on three different levels: 1) Smaller, more frequent, cluster-specific research meetings, in which research goals can be discussed, evaluated, and streamlined in a relaxed environment. 2) Middle sized collaboration meetings between industry leaders of each cluster group, and researchers in the corresponding areas of focus, can coordinate under central themes. 3) Less frequent and larger scale "research update" meetings between cluster groups to evaluate overlapping ground for coordinating projects and reducing redundancies.

Collaboration Tools:

Although the potential for annual (and more frequent) meetings were discussed in great length, by the end of the meeting most attendants agreed that more tools were necessary to increase correspondence before jumping directly into meetings that may lack direction. Of the tools discussed, a contact list was decided essential, and there was a fair amount of interest in a web blog, or "webinar" area. LinkedIn and Sharepoint captured the most interest, although responsibility for setting up either of these tools was not allocated. JEDC has recorded previous contact information for a contact list, but is still working on expanding the list to include anyone who may choose to cooperate in this cluster work group.

Next Steps:

Moving forward with Dave D'Amore's idea of Central Themes, it was concluded that the list of industry priorities should be refined into broader categories, with the current list of topics serving as subsections to the bigger themes. Members of ACRC, along with a few other volunteers, were tasked as a smaller committee to carry out the construction of the central themes. It was noted that this list of industry priorities and interests should be more of a base to provide direction, but the

industries should consider providing more than just direction, but also necessities such as funding, facilities, workers, etc. The next meeting should have a more focused goal next time, with emphasis on the central themes created by ACRC and the additional volunteers. JEDC was tasked with preparing a white paper to describe research as an "industry" in Southeast, documenting the money and jobs research brings to the region, and the research related spending on payroll, goods, services and construction.
Marsha Sousa, Shannon Atkinson, Jon Martin, Mike Goldstein, Carrie Sykes, Alana Peterson and Brian Holst volunteered to form an agenda team and meet to develop the agenda for the next meeting.

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Southeast Alaska Industry Research Priorities
Compiled by JEDC: May 21, 2012

Contact: zwilkinson@jedc.org, 907-523-2329

This document contains a list of research priorities developed by industry cluster working groups in the SE Alaska region. The priorities are organized by industry, but are otherwise in no particular order. This list has been developed with input from local industry leaders and is not comprehensive.

Research topics listed below that begin with an * have been listed as priorities for multiple industries in the region.

I. Ocean Products

a. *Independent, unbiased research to test the variety of energy or fuel, and emissions efficiency technologies/products on the market for commercial marine vessels. (Michael Neussl, Julie Decker, Linda Behnken, many others)
b. Assist with updating and maintaining anadromous waters catalog (ADF&G)
c. Research effectiveness of watershed restoration efforts
d. Water quality testing to support shellfish farming
e. Impact of sea otter population on predation of shellfish
f. Research to support the Alaska Department of Health's Section of Epidemiology's investigation into some of highest levels of toxin responsible for paralytic shellfish poisoning (PSP) ever recorded. (Examine reasons for plankton blooms)
g. Location, projection, volume, and impacts of marine debris, and or radiation from 2011 Tōhoku tsunami. (NOAA, Federal/State Politicians, Coast Guard).
h. Improved byproduct utilization from fisheries, including:
i. *Biofuels/energy sources (including thermal energy scavenging from anaerobic microbial decomposition). Fish waste to energy. Likely funding available via USDA. East coast partners have already started. Several businesses are interested. (JEDC, USDA, need research and local commercial partners).
j. Low temperature organic Rankine Cycle…
k. Scavenging protein for livestock feed and human uses
l. *Fish bone reclamation for mine tailing heavy metal remediation. (JEDC, DOD, USDA, ETS)
m. Engage local observers in small communities to capture and garner traditional knowledge
n. *Monitoring atmospheric and stream temperatures to track effects of climate change, and the effects on Oxygen carrying capacity of freshwater streams
o. Ocean acidification and impacts on marine animals (mariculture and wild stocks)

II. Forest Products

a. *Monitoring atmospheric and stream temperatures to track effects of climate change, and the effects on Oxygen carrying capacity of freshwater streams.
b. *Biomass assessment - What is the volume (green tons) per acre of biomass in the region? (SDMI (State Digital Mapping Initiative), Dewberry, Fugro SAR mapping).
c. How resilient is the land (soils, etc.) to multiple rotations of young growth? What is its long-term resiliency?
d. Track climate change impacts on Cedar trees.

III. Visitor Products

a. Coursework on climate change needed for tourism providers (Faith Duncan)
b. Researching economic impact of tourism in the region, specifically related to "off the road travelers, and independent travelers. Going beyond Cruise ship and airport data. This request is related to the visitors to remote fishing lodges, and the impact on availability of fish to those charter operations, and the research that leads to decision making about managing those fish. (Gordy Wrobel)
c. Researching the workforce that provides visitor services-Where are they from (in state, out of state), how any of them end up moving to SE AK, and staying here, how many visitors come to the region as a direct result of one of these workers moving here (friends or family visitors of the worker). (Gordy Wrobel)
d. *Monitoring atmospheric and stream temperatures to track effects of climate change, and the effects on Oxygen carrying capacity of freshwater streams

IV. Renewable Energy

a. Conduct Market-driven Renewable Energy Economic Modeling for Southeast Alaska, including Multiple Transmission and Energy Storage Strategies
b. The purpose of this initiative is to develop credible business case(s) to encourage firms to consider investing in a nascent Southeast Alaska Renewable Energy industry, credibly promote Southeast Alaska as an R+D+Demo Site, and raise funds for the modeling consulting study (IFS) necessary to accomplish the above.
c. Research alternative uses for ash created as a by-product of biomass fuelled furnaces and generators that is currently destined for landfills. As an example, coal fly ash is sometimes used in concrete, perhaps biomass ash could have other uses locally, or economically. (Alaskan Brewery)
d. Research and develop solid state ammonia synthesis (SSAS) from patented laboratory device to a proof-of-concept, to pre-commercialization as a means for transmission and storage of stranded renewable energy/
e. Research the state of Net-Metering practice elsewhere in the nation so that we might emulate that here in SE Alaska via legislative action.
f. *Independent, unbiased research to test the variety of energy or fuel, and emissions efficiency technologies/products on the market for commercial marine vessels. (Michael Neussl, Julie Decker, Linda Behnken, many others)
g. *Biofuels/energy sources (including thermal energy scavenging from anaerobic microbial decomposition). Fish waste to energy. Likely funding available via USDA. East coast partners have already started. Several businesses are interested. (JEDC, USDA, need research and local commercial partners).
h. Low temperature organic Rankine Cycle…
i. *Biomass assessment - What it the volume (green tons) per acre of biomass in the region?

V. Mining (the Mining Services and Supply Cluster Working Group is still in formation, so this list is very preliminary).

a. *Fish bone reclamation for mine tailing heavy metal remediation. (JEDC, DOD, USDA, ETS)
b. Handling & remediation of mine waste from processing rare earth mineral ores.
c. *Monitoring atmospheric and stream temperatures to track effects of climate change, and the effects on Oxygen carrying capacity of freshwater streams.

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Research and Science Agenda for our Region: Support a Collaborative Research Framework for the Alaskan Coastal Forests

DATE: **April 16, 2012**
TIME: **2:00-5:00PM**
LOCATION: **Bill Ray Center**

Goals:

1. Identify research priorities that support key industries (Tourism, Seafood, Timber, Mining, Marine Trades, Energy, Health….) located in our region. (Task: Define the extent of the region).
2. Identify local priorities that can be addressed by the research community related to the region.
3. Identify global issues that can be addressed by local research.
4. Consider creation of a coordination mechanism to:
   a. Identify major research themes as key nodes of integration among research projects
   b. Share information amongst researchers working on the region, and
   c. Seek input from research clients (including industry groups) within the region and beyond.

2:00PM	**Welcome and Group Introductions** • Review Goals and Expected Outcomes • Group Introductions
2:15PM	**Vision for role(s) of Research in our Region** • Mayor Bruce Botelho • Chancellor John Pugh • Your Vision!
2:45PM	**The Collaborative Research Framework in our Region** • Identify the key elements. What are the mechanisms? Are there opportunities for greater collaboration?
3:30PM	**Research Priorities in our Region (who are the Clients?)** • Local Priorities • Industry Priorities • Global Issues
4:15PM	**Revisit** Goals: Add, delete, adjust…
4:45PM	**Next Steps** • Who needs to be present? • Date for a next meeting?
5:00PM	**Adjourn**

Meeting Summary
Research and Science Agenda for Southeast Alaska
April 16, 2012, 2-5PM

Thank you to all who joined us for the research and science meeting in support of establishing a collaborative research framework for the Alaskan coastal forests held on April 16, 2012 at the UAS Bill Ray Center in Juneau Alaska. This document is a summary of the proceedings of this meeting.

The Juneau Economic Development Council convened a workshop of a small number of people with research interests applicable to our temperate coastal rainforest. The goal was to facilitate an initial dialogue to better anticipate and align research interests in support of both local and worldwide research clients. The meeting was held on the eve of the Alaska Coastal Rainforest Symposium to facilitate interaction with researchers and other interested parties that are visiting Juneau to attend the meeting.

Objective of the meeting: Create a collaborative research framework for the Alaskan coastal forests and Gulf of Alaska (area to be defined).

Stated Goals (to be reconfirmed/modified by the group):

1. Identify research priorities that support key industries (Tourism, Seafood, Timber, Mining, Marine Trades, Energy….) located in our region. (Task: Define the extent of the region).
2. Identify local priorities that can be addressed by the research community related to the region.
3. Identify global issues that can be addressed by local research.
4. Consider creation of a coordination mechanism to:
    a. Identify major research themes as key nodes of integration among research projects
    b. Share information amongst researchers working on the region, and
    c. Seek input from research clients (including industry groups) within the region and beyond.

The meeting attendees are listed in the table below:

Name	Organization	Phone number	e-mail
Rick Caulfield	UAS Provost	(907)-796-6486	racaulfield@uas.alaska.edu
Jeff Guyon	NOAA/NFMS	(907)-789-6079	Jeff.guyon@noaa.gov
Mark Wipfli	UAF/USGS	(907)-474-6654	mwipfli@alaska.edu
Bill Leighty	The Leighty Foundation & Alaska Applied Sciences, Inc.	(907)-586-1426, (206)-719-5554	wleighty@earthlink.net
Megan McPhee	SFOS UAF	(907)-796-5464	mvmcphee@alaska.edu
Dan Monteith	UAS	(907)-796-6413	dbmonteith@uas.alaska.edu
Yumi Arimitsu	USGS	(907)-364-1593	marimitsu@usgu.gov

Bruce Bothello	CBJ	(907)-	
John Pugh	UAS	(907)-	
Lyman Throsteinson	USFS	(206)-220-4572	lthorsteinson@usgs.gov
Jon Martin	USFS	(907)-738-7119	jrmartin@fs.fed.us
Keith Criddle	SFOS UAF	(907)-796-5449	kcriddle@alaska.edu
Shannon Atkinson	SFOS UAF	(907)-796-5453	skatkinson@alaska.edu
Dave D'Amore	PNW Research Station	(907)-586-7955	ddamore@fs.fed.us
Zach Wilkinson	JEDC / SpringBoard	(907)-523-2329	zwilkinson@jedc.org
Paul Moran	JEDC / SpringBoard	(907)-523-2340	pmoran@jedc.org
Bob Vieth	JEDC / STEMAK	(907)-523-2342	rvieth@jedc.org
Brian Holst	JEDC	(907)-523-2330	bholst@jedc.org
Mike Goldstein	UAS ACRC	(907)-796-6269	m.goldstein@uas.alaska.edu
Marsha Sousa	UAS	(907)-796-6531	mcsousa@uas.alaska.edu
Colin Shanley	TNC	(907)-	cshanley@tnc.org
Alana Peterson	CCTHITA (Central Council)	(907)-738-2843	apeterson@ccthita.org
Carl Dierking	National Weather Service	(907)-790-6806	Carl.dierking@noaa.gov
Tom Ainsworth	National Weather Service	(907)-790-6804	Tom.ainsworth@noaa.gov

The first topic explored at this meeting was a roundtable discussion about the Role of Research in our region (and interest in promoting research in S.E. Alaska). Mayor Bruce Botehlo and Chancellor John Pugh were asked to kick-off this discussion by stating their view on the role of research in our region. Some of the valuations given by the attendees regarding the ROLE and VALUE of research were as follows:

- Researchers are an asset to the community
- Insure that research is valued sufficiently
- Sustain/increase competitiveness of our region
- Avoid ecological errors
- Avoid "stranded" opportunities by creating links between research efforts
- Be prepared for unknowns
- Develop information necessary for government agencies to budget appropriately
- Improve ability to make decisions and form policies
- Integration of land/water research efforts as these are sub-components necessary to understand littoral environment & associated fisheries
- Research promotes economic development and is can also be an economic driver in our region
- Collaboration (synergy without expending extra resources)
- Service specific important needs (Such as climate change)
- Provide service to the region ("Steward of Place")
- Develop Workforce
- Engage with industry cluster groups to support economic development

A short collaborative exercise was conducted to show graphically the current ways or mechanisms for coordination of research efforts in our region. The interactions quickly became too complicated to easily capture graphically highlighting the need for a more effective collaboration mechanism. A list of the potential stake holders engaged in research in the regions were suggested:

- Pacific Northwest Research Station
- UAF fisheries division
- UAS and UAS/ACRC
- NOAA and NOAA/NFMS
- USGS
- Traditional Ecological Knowledge
- Independent Scientists
- NGOs
- Alaska Energy
- Sitka Sound Science Center
- ADF&G
- Tribal Governments
- BLM
- AK DNR
- AK DOT
- NSF
- DoD
- Pertinent industry groups
- Sea Alaska
- Education and Outreach

Considering the answers to these two questions led the discussion to the original goals put forth for the meeting agenda.

The topics were addressed by the following suggestions:

Define the Region: the region was defined to be the temperate rain forest region spanning from Ketchikan to Icy bay, north of Yakutat.

<u>1. Industry Needs</u>

- Ask the representatives of each cluster group for suggestions for their research needs as starting point for this discussion
- The specific intermediary needs would be best identified by University/Industry interaction (rather than just stating the ultimate problem resolution desired by industry)
- Implementation of the Marine Advisory Program
- Assistance for industries with regards to compliance
- Resource Forecasting

2. Local Priorities to be addressed by local research

- Local government advocacy
- Creation of workgroups
- Interaction with tribes to identify priorities
- Healthy communities
- Jobs
- Encourage agencies engage local groups
- Assistance with environmental impact statements

3. Global Issues that can be addressed by local research

- Interaction/collaboration of region with Canadian resources
- Biodiversity
- Biomass use for energy and other uses
- Renewable energy
- Salmon farming/mariculture
- New technologies
- Geography

4. Creation of a Coordination mechanism/ Agency missions

- State committee on Research
- Agency priorities need to be aligned when an overlap exists
- EPSCOR Project NOAA
- Regional collaboration (including Canada)

The group was then asked to reaffirm/modify/eliminate the overall goals of this effort:

These original four goals were re-affirmed as adequate for the group moving forward:

1. Identify research priorities that support key industries (Tourism, Seafood, Timber, Mining, Marine Trades, Energy….) located in our region. (Task: Define the extent of the region).
2. Identify local priorities that can be addressed by the research community related to the region.
3. Identify global issues that can be addressed by local research.
4. Consider creation of a coordination mechanism to:
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In addition to the original 4 goals defined initially, it was suggested the following be added or addressed in some way:

5. Model a consensus case- For example, a crisis case to spur discussion. Such as, "How does rising gas prices trigger renewable energy opportunities in S.E. Alaska?" (Determined to belong in discussion of local priorities at 18 April meeting)
6. Identify Major research initiatives
7. Create "X" Private-Public partnerships. (i.e., use the number of partnerships created as a success metric.)
8. Coordinate with existing coordinated research initiatives and bodies
9. Outreach

After which discussion, the meeting adjourned at 5:30PM. The following attendees volunteered to set the agenda and organize the next large group meeting:

- Marsha Sousa
- Shannon Atkinson
- David D'Amore
- JonMartin
- Michael Goldstein

It was also decided to invite participation of Tlingit Haida (Carrie Sykes) and Doug Larson to assist in the organization of the next full scale research meeting. This small steering group will meet in the evening of April 18th at 5PM.