

MAY 2012

ALASKA STATE
CHAMBER
OF COMMERCE

BUSINESS to BUSINESS



Business Week is taking place on the University of Alaska Fairbanks campus July 14-21, 2012. To learn more about this great program for high school aged kids, see page 6.

Message from the CEO: Alaska's Economic Future Hangs on a Fiscal Cliff

By Rachael Petro

The 27th Alaska Legislative Session and a special session concluded without offering any real hope for securing Alaska's economic future. That's right, the Legislature gavelled out without changing Alaska's competitiveness in the global oil and gas market. The government has deposited cash into savings and produced another record capital budget. Worry? Why worry? I'd like to explain.

In a May 4 press release Sen. Bill Wielechowski touts record revenues from oil tax revenue under "Alaska's Clear and Equitable Share" (ACES) which has allowed record State capital budgets since 2007. Additionally, the Senator credits the capital budget with the creation of 18,209 private sector jobs.

Before delving into the matter of whether or not State government spend-

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Save The Date! Plan To Attend!

Rural Outreach Trip

Kodiak, Alaska
July 10-11, 2012

Alaska Business Week

University of Alaska Fairbanks
July 14-21, 2012

Annual Conference and Policy Forum

Egan Center - Anchorage, Alaska
October 1-4, 2012

Mark your calendars and check our website for
details in the coming months, www.alaskachamber.com.

Message From The Chairman: Session Over, the Alaska Chamber Mission continues

By Renee Schofield

Here it comes! Summer is headed our way, finally. I am sure most of us are ready for the gifts of summer and the heat that comes with it. Summer also brings lots of topics for this report.

First, another legislative session has come to an end. The Alaska Chamber and its members have worked hard to express our priorities to the body. The top three being:

1. Reform Oil Tax Policy to Encourage New Production
2. Support Litigation Reform Relating to Resource Development In Alaska
3. Reduce the High Cost of Energy

Alaska Chamber members met in Anchorage last October to hear the position proposals and set the priority list. It is an open forum with each member allowed one vote. These three items came to the surface as being the most needed by our membership. With a flourish of adjournments and finger pointing, none of the priorities met with resolution.

Soon the Alaska Chamber will work with other organization leaders to establish grades for the Alaska Business Report Card for members of the 27th Alaska Legislature based off their performance this past legislative session.

It will be interesting to see what reactions and harsh remarks are bandied about, as a result. The Alaska Business Report Card is a measuring tool assessing whether the needs of the business community have been met.

Simply said, has the legislator voted favorably to move business forward in Alaska? What goals have been met? Has the legislator been diligent in creating healthy policy to attract new business to Alaska? And just how focused has the legislator been on keeping it real?

Clearly, with our top three priorities having no resolution, there might be some grumbling when the grade cards come out. With elections approaching

this fall, this report card is certain to be reviewed and as a business owner, you should be asking your legislator the hard questions of why.

You need solid answers for your expectations. It's hard to grow small business without those answers. The Alaska Business Report Card will be out in a few weeks. Watch for it!!

Summer also brings the Alaska Chamber Outreach Trip. This year we are heading to beautiful Kodiak! So much has been packed into that trip, which happens July 10 and 11.

Registration is limited, due to space constraints, so don't put this one off. Getting to rural communi-

ties to support small business owners is important to me. I am a small business owner and understand how the cost of travel can be prohibitive in networking.

Even with technology, it is so valuable to be "in the room" with your colleagues to brainstorm the future. You can visit the Alaska Chamber web site for information on registering, getting there and the agenda our time there. Let's get to Kodiak!

Summer also means BUSINESS WEEK! For our future leaders, business camp can be one of the most inspiring events of the summer. Business Week will be at the University of Fairbanks, the week of July 14. Space is limited to 100 kids, aged high school sophomore (incoming) to just graduated seniors.

The attendees will be challenged to run a successful business venture, which is judged at the end of the week. They'll enjoy campus life at UAF, while learning necessary skills of entrepreneurship. AND earn college credit while having some great fun.

Perhaps your business would like to sponsor a youth from your community to attend? Contact Anne Ringstad, program director at 907-474-5922 or ann.ringstad@gmail.com for more information on how to sponsor travel and/or attendance. The Alaska State Chamber is very proud of this program to inspire new leaders for our future.



Schofield

Cliff

Continued from Page 1

ing is responsible for creating private sector jobs — let’s get something straight. Generally speaking the Alaska Chamber absolutely supports state capital projects that facilitate resource and economic development. To be sure, many projects within this year’s capital budget provide much needed infrastructure maintenance as well as new infrastructure. The Alaska Chamber also supports fiscal responsibility.

We are gravely concerned about the ability of the State of Alaska to continue to grow programs, services and capital budgets at a time when the amount of oil flowing through the pipeline continues to decline. While infrastructure is critical to economic development in Alaska, doubling State spending in ten years without increasing Alaska’s competitive edge in the industry which funds the growing budget presents an ugly picture: Alaska’s future dangling off a fiscal cliff.

Back to the issue of whether or not government spending creates private sector jobs. Sen. Wielchowksi clearly believes State spending drives private sector job growth. In his May 4 release he states that, “...a staggering number of private industry jobs for Alaskans,” have been created “with our expanded oil tax revenue.” According to the Senator we can expect “upwards of 19,000 jobs” to be created this year.

The claim that the State’s capital budget since the passage of ACES is responsible for an average of addition of 18,209 private sector jobs simply does not add up. From 2007 to 2011 (the last year for which complete data is available from the Alaska Department of Labor and Workforce Development) the total number of jobs rose by almost 11,000 jobs. Of those 11,000 jobs, government jobs (local, state and federal) accounted for 4,600 jobs. That means the total number of private sector jobs created between 2007 and 2011 in Alaska totals 6,000 jobs.

Six thousand jobs is indeed an increase, and for that

we ought to be grateful, but 6,000 jobs is a far cry from the claimed creation of 91,045 jobs (or an average of 18,209 a year) since ACES was passed in 2007. Alaska Department of Labor employment data clearly debunks Sen. Wielchowski’s claim that State capital spending has created over 90,000 private sector jobs. At best, it is fair to say that the State’s extraordinary capital budgets have bolstered Alaska’s economy by preserving jobs.

The cost? Besides billions of dollars – these capital budgets simply veil the reality of Alaska’s impending economic cliff.

Still, the question remains – is government spending responsible for job growth? A look at who funds the capital budget quickly answers that question. Taxpayers fund it. In Alaska that means the oil industry funds the capital budget and any job growth associated with it. The real question.

Alaskans and business owners should ask is whether or the private sector or the government is more efficient at creating wealth. Again, easy answer: the government does not create wealth, it only consumes it.

Sen. Wielechowski is absolutely correct when he states that Alaskans and businesses throughout Alaska will benefit from this year’s capital

budget since those dollars reach every corner of the state. It is in this context he urges Alaskans to weigh the pros and cons of reducing taxes on the oil industry claiming that reforming oil taxes and making Alaska oil industry competitive would “rob the State of the funds needed to build roads and schools and grow Alaska’s economy.”

This is why I worry!

The Senator, and like minded colleagues, have it exactly backwards.

He and like-minded fellow policy makers are robbing Alaska’s economic future by failing to think beyond the next budget or election cycle. Alaskan’s oil and gas resources are worth absolutely nothing in the ground.

Those resources are likely to be worth less than \$120 per barrel in the future, robbing Alaskans of the opportunity of maximizing the return on their oil. It takes tremendous capital to locate and extract those resources. Instead of the government consuming wealth, Alaskans should be focused on keeping capital in the market where the private sector can create wealth.

Missing from Sen. Wielchowski’s press release is the reality of basic math. Assuming a continued average annual 6 percent production decline, and a 7 percent increase in the state budget, Alaska will need an oil price of \$142 per barrel by 2016 to balance its budget.

Worried yet?

If you’re not willing to gamble on \$142 oil, then there are several options:

1. reduce spending;
2. increase production; or
3. reduce spending and increase production.

Alaskans’ appetite for reduced spending is limited, and increasing oil production throughput will take time and increased private sector investment. Securing Alaska’s economic future requires Alaskans, and especially our policymakers, commit to making Alaska’s oil and gas market competitive and to fiscal restraint

Instead of talking about oil tax reform in terms of “giving away” money (back to the private sector), Alaskans need to be discussing it in the context of an investment in securing Alaska’s economic future. If Alaska can be competitive in the oil and gas market at \$120 per barrel, there will be ample funds for necessary infrastructure as well as job growth.

Are you worried about Alaska’s future? Well, now that election season is upon us it presents a perfect opportunity to have a conversation about Alaska’s economic future. In a few weeks, the Alaska Business Report Card group will issue grades for all policy makers. Engage with your legislators and candidates and ask them how they plan to improve Alaska’s business climate and secure Alaska’s future.

Legislation Alaska Chamber Supported or Opposed during 27th Alaska Legislature

	Short Title	Position	Status
HB 9	In state gasline dev. Team duties	S	Failed
HB 13	Worker's Compensation: Medical Fees	S	Law
HB 17	Oil & Gas Taxation	S	Failed
HB 24	Extend RCA sunset	S	Law
HB 25	Price Gouging Involving Energy Resources	O	Failed
HB 30	Transportation Infrastructure Fund	S	Failed
HB 31	Approp: Transportation Infrastructure Fund	S	Failed
HB 58	Mining Taxes, Royalties & Fees	O	Failed
HB 62	Passenger Vehicle Rental Tax (Companion SB 19)	S	Failed
HB 85	Mixing Zones/Sewage Systems	O	Failed
HB 86	Ban Mixing Zone in Spawning Areas	O	Failed
HB 97	Noxious Weeds & Invasive Plants	S	Law
HB 105	Southeast State Forest (Companion SB 44)	S	Law
HB 106	Coastal Zone Management Program (Companion SB 45)	S	Failed
HB 110	Production Tax on Oil & Gas (Companion SB 49)	S	Failed
HB 118	Tax Credit for Qualified Research & Development (Companion SB 64)	S	Failed
HB 124	Security for Injunction	S	Failed
HB 155	Public Construction Contracts	S	Law
HB 164	Insurance: Health Care & Other	S	Law
HB 168	Injunction Security: Industrial Operation	S	Failed
HB 174	Extending Stayed Permits	S	Failed
HB 204	State Procurement Code	S	Failed
HB 205	Public Procurement	S	Failed
HB 252	Income Tax Exemption	S	Law through SB 23
HB 325	Coastal Management Program	O	Failed
HB 358	ANWR Advertising Contract	S	Failed
HJR 9	Endorsing ANWR leasing	S	Law
HJR 11	Urging Congress NOT to designate ANWR as Wilderness	S	Law
HJR 12	Endorsing ANWR leasing	S	Failed
HJR 20	Roadless Rule & Chugach & Tongass Hydro	S	Passed - Resolution
HJR 29	BLM Legacy Oil Well Clean Up	S	Passed - Resolution
SB 19	Passenger Vehicle Rental Tax (Companion HB 62)	S	Failed

That’s a Wrap 27th Alaska Legislature Sine Die

By Rachael Petro

Early Monday April 16, the Alaska Legislature adjourned the 27th Legislative Session of the Alaska State Legislature. The Alaska Chamber’s top priorities of oil tax reform, litigation reform as it relates to natural resources and the high cost of energy were all discussed by the Legislature this year, but were unfortunately not resolved.

During the 27th Alaska Legislative Session the Alaska Chamber tracked almost 90 pieces of legislation. Of the bills tracked, the Alaska Chamber supported 36 pro-business bills and opposed 9 anti-business bills.

In total, roughly 30 percent of the bills we supported passed, improving Alaska’s business climate. It is important to note that many bills we supported were duplicative in nature, some were even “companion bills” (same bills in both legislative bodies). With only 30 percent of our positions and priorities advancing it is important to stay focused on why they did not pass. Was it lack of effort? Lack of communication to elected officials?

The Alaska Chamber and its members were very active during this legislative cycle - with every event selling out, including a sold out Legislative Policy Forum, two record-number Legislative Fly Ins, and incredible statewide sup-

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port from local chambers on top priorities.

There was no lack of effort or communication with legislators about advancing a pro-Alaska, pro-business agenda. There were just enough elected officials to stymie these efforts. Watch your inbox for the Alaska Business Report Card results. The Report Card is a tool to use when evaluating elected officials stance on important business issues.

The excellent news is that 100 percent of the bills the Alaska Chamber opposed failed to pass!

These statistics demonstrate the true value of your membership and participation in the Alaska Chamber. Alaska business owners working together to improve Alaska’s business climate is powerful.

Below is an update on the three top priorities Alaska Chamber membership voted on at the annual legislative policy forum last October.

Reform Oil Tax Policy to Encourage New Oil Production

The issue of oil tax reform once again rightly dominated the session. As Alaska’s economic engine, oil production and the revenue it produces are key to Alaska’s future.

The Senate failed to reach agreement on its own oil tax bill even after rejecting outright the bill the House passed last year (HB 110) and working on its own bill throughout this session (SB 192). During the inevitable end games that are played during the final hours of a legislative session, the Senate attempted to wrap a portion of SB 192 into a House bill which enjoyed broad support in the House.

Ultimately, without having any opportunity to vet that portion of SB 192 the House rejected it.

Gov. Sean Parnell called the Alaska Legislature into a special session, which began April 19 to continue work on reforming oil and gas production taxes in the form of House Bill 3001 and Senate Bill 3001. The House immediately rolled up its sleeves and began hearings on HB 3001. The Senate, already deeply divided on the issue, held two hearings.

Within those first two hearings it became quickly apparent that the Legislature and some in the

Senate particularly were too fragmented on finding a comprehensive solution during the special session. The Governor pulled HB and SB 3001 eight days into the special session.

The Alaska Chamber supports meaningful tax reform, making Alaska highly competitive nationally and globally. Oil tax reform should be comprehensive, recognizing rich resource potential in the legacy fields as well as their importance in making new fields economic to produce.

As business owners, Alaska Chamber members know there are no guarantees when it comes to business investments. We know that tax policies do have an effect on business decisions and the oil and gas industry is no different. Business goes where the market is most attractive and where the risk is minimized.

It is critically important that we, as Alaskans, make our market as attractive as possible. We’ll know we’ve done our job correctly if new investment, like what we’re seeing in other jurisdictions, begins to happen in Alaska. Oil tax reform should be comprehensive, recognizing rich resource potential in the legacy fields as well as their importance in making new fields economic to produce.

Litigation Reform Relating to Resource Development in Alaska

Litigation reform as it relates to natural resources advanced this year, but slowed down and eventually died in the Senate. The main vehicle, House Bill (HB) 168, Injunction Security for Industrial Operations advanced to Senate Judiciary, and had a hearing the last week of session. This is unfortunate as HB 168 enjoyed strong bipartisan support in the House last year and should have received the same in the Senate.

Alaska is a resource rich state and a sound regulatory, permitting and judicial system are crucial to ensuring Alaska’s business climate welcomes new investments. The Alaska Chamber will continue to support measures like HB 168 that strengthen Alaska’s business environment.

Reduce the High Cost of Energy

The high cost of energy affects all Alaskans, from the largest businesses to individuals. Rural and Interior residents and businesses are feeling it the most this year. There were numerous measures considered during session this year in an attempt to reduce the high cost of energy in Alaska.

The Alaska Chamber encouraged the Legislature and the Governor to support initiatives that lower the high cost of energy in Alaska. To alleviate this situation, the Alaska Chamber generally supported initiatives that lower energy costs by developing energy resources. The nature of such initiatives are long term rather than short term which is frustrating to individuals and businesses struggling to pay their energy costs.

The legislature did approve many measures designed to affect the cost of energy in Alaska – some short, medium and long term. Short term assistance available to individuals (not businesses) includes funding of the Power Cost Equalization Program (\$38.2 million); funding for the Low-Income Energy Assistance Program (LIHEAP at \$48 million); and funding for home energy rebates (\$20 million). Longer term, or longer lasting, assistance includes funding for home weatherization (\$31.5 million).

Longer term solutions for all energy users included funding for the Renewable Energy Fund (\$25.9 million) and expansion of the Alaska Industrial Development and Export Authority (AIDEA) to facilitate financing,

or to finance energy infrastructure projects. Additionally, a bill to subsidize construction of above ground LNG storage tanks to assist business to truck cleaner, cheaper fuel to Fairbanks passed.

When the Governor called the Legislature back into a special session he asked them to continue their work on House Bill (HB) 9. Unfortunately, the bill was not moving in the Senate and died when the Senate decided to gavel out.

The Alaska Chamber supported HB 9, which would have allowed the Alaska Gasline Development Corporation (AGDC) advance an in state pipeline to the construction stage. Such a process would have identified opportunities for getting natural gas to Alaskans in a commercially and economically viable manner. Additionally, should it be an option, HB 9 would have allowed AGDC to participate in a large diameter export gasline project.

Clearly, much work remains to reduce the cost of energy in Alaska. Economies of scale will continue to challenge the situation to find real economic lasting solutions.

Rachel Petro is the CEO of the Alaska State Chamber of Commerce.

	Short Title	Position	Status
SB 28	Price Gouging Involving Energy Resources	O	Failed
SB 37	Transportation Infrastructure Fund	S	Failed
SB 44	Southeast State Forest (Companion HB 105)	S	Law (HB 105)
SB 45	Coastal Zone Management Program (Companion HB 106)	S	Failed
SB 49	Production Tax on Oil and Gas (Companion HB 110)	S	Failed (Companion HB 110)
SB 56	Delay Sunset of Coast Management Program	S	Failed
SB 63	Establish a Renewable Energy Tax Credit	S	Failed
SB 64	Tax Credit for Qualified Research & Development (Companion HB 118)	S	Failed
SB 101	Model Entities Transaction Act	S	Failed
SB 152	Leg Approval of Bristol Bay Sulfide Mine	O	Failed
SB 159	Susitna State Forest	S	Failed
SB174	Oil & Gas Industry Job Notifications	O	Failed
SB 192	Oil & Gas Production Rates	O	Failed
SJR 2	Appreciation to Gov Parnell for challenging DOI	S	Law
HB 3001	Oil & Gas Production Rates	S	Failed
SB 3001	Oil & Gas Production Rates	S	Failed

S = support, O = oppose

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EPA’s Bristol Bay watershed assessment challenged

This article was originally featured in Resource Development Council’s “Resource Review” in April.

The State of Alaska has charged that the Environmental Protection Agency’s ongoing assessment of the Bristol Bay watershed is unlawful, preemptive and premature.

Alaska Attorney General Michael Geraghty has asked the EPA to cease its work on the Bristol Bay Watershed Assessment and refrain from exercising its Section 404(c) authority under the Clean Water Act until a permit application has been submitted for a large-scale mining project and other regulatory reviews are conducted.

In a letter to Region 10 Administrator Dennis McLerran, the attorney general raised substantial legal and process concerns the state has with the EPA’s work on the watershed assessment. The EPA initiated the assessment to inform its decision-making on a May 2010 petition it received asking the agency to invoke its Clean Water Act Section 404(c) authority.

The petition asks the EPA to prohibit the disposal of fill into watersheds near Bristol Bay in which large mine development may occur in the future.

EPA’s exercise of its 404(c) authority has the potential to extinguish both the State’s mineral rights under the Statehood Compact and the mineral interests held by locators and lessees, Geraghty said.

“The State will explore all available legal options in response to an exercise by EPA of its Section 404(c) authority, including remedy from the federal government for breach of the Statehood Act,” he warned. “EPA’s actions in using the watershed assessment to address the pending petition are unlawfully preemptive, premature, arbitrary, capricious, and vague.

“Neither a petition process nor EPA’s process for developing a response are described in the CWA or its associated regulations. EPA’s watershed assessment effort reaches well beyond any process or authority contemplated by the CWA.”

The assessment encompasses approximately 15 million acres of largely state-owned land, an area

comparable in size to West Virginia. Much of that land, including the area of the proposed Pebble prospect, is designated for mining under the current state land management regime.

Geraghty said the State has a vital interest in assuring that an action affecting natural resources and an area of this magnitude is consistent with law.

EPA has stated it intends to release a final assessment by fall 2012.

“This aggressive schedule further undercuts the reliability of this premature assessment, when compared to the intensive, multi-year NEPA review schedules that are required to address specifically-proposed projects,” Geraghty said. “EPA’s entire Section 404(c) pro-

cess may be completed in as little as 111 days. This rushed process is woefully insufficient for a final decision that could significantly affect the economic future of such a large region. – Michael Geraghty, Alaska Attorney General

describing a potential project, EPA will be speculating and prematurely determining unavoidable adverse impacts based on hypotheticals and inapplicable modeling, rather than waiting to evaluate real information on specific proposals, as Congress clearly intended,” Geraghty said.

Lack of EPA Authority

Although the purpose of the assessment is to provide a basis for a response to the Section 404(c) petition, EPA’s ongoing watershed assessment process is neither delineated in the Section 404 statute, nor is it set forth in EPA’s implementing regulations, the attorney general noted. EPA has stated that its assessment will review potential

on the State’s management and use of its lands.

“The State selected lands with natural resource potential to provide for the economic welfare of the residents of Alaska,” Geraghty said. “A premature decision could thwart those objectives, as established by both Congress in the Alaska Statehood Act and the Alaska Legislature in a myriad of State laws.”

The attorney general said that the formation of alternatives, the consideration of direct and cumulative impacts, and the formulation of mitigation measures are the responsibility of the Corps.

“But the EPA’s watershed assessment would usurp the Corps’ role,” Geraghty warned.

priate modeling and documents that are internal or commissioned reports that have limited distribution and that have not been subject to external peer review. The State also charged that EPA has contracted with at least one consultant who has publically expressed actual bias against the Pebble project.

“These aspects of the assessment are troubling, will undermine the scientific credibility of the watershed assessment, and will yield unreliable conclusions,” the attorney general said.

Disregard of federal and state laws

Geraghty enclosed a list of laws and other documents that EPA should recognize in considering whether it is even appropriate for it to evaluate potential impacts of hypothetical development prior to submittal of a Section 404 permit application.

“This host of federal and state permitting authorities, including the Alaska Water Quality Standards and the Bristol Bay Area Plan, clearly apply to protect waters, watersheds, fish, wildlife, fisheries, subsistence, and public uses of the Bristol Bay watershed,” he said.

Disregard of potential benefits

EPA has indicated that the watershed assessment will not consider any potential benefits of large-scale development to water quality or to human health, safety, and welfare. As a result, the assessment will present a very limited and biased assessment of only negative impacts, and will fail to disclose the state and regional benefits that might result from mine development, Geraghty said.

Alaska Chamber Comments

Recently, the Alaska Chamber sent a letter to EPA Region 10 Administrator Dennis McLerran, expressing its grave concerns for this unprecedented action.

“Alaska Chamber members, whether in retail, finance, transportation or natural resource extraction, support efficient, predictable regulatory and permitting processes. It is upon such a baseline that businesses evaluate the risk and cost of investing their dollars in any business endeavor. For this reason, the EPA’s watershed assessment action and the potential to initiate a 404(c) process on a project that has not initiated permitting in the Bristol Bay is extremely disconcerting since it vacates known regulatory and permitting processes,” stated Rachael Petro, President/CEO of Alaska Chamber.

Petro continued, “Fundamentally, your agency’s actions on a potential project in Bristol Bay may have a chilling effect on the State’s ability to develop its land designated for resource development anywhere in Alaska by bypassing the well established State and Federal permitting processes. We urge you to promptly and completely respond to the requests of the State and Senator Murkowski and to halt the watershed assessment currently underway.”

The full letter sent by Alaska Chamber may be viewed at www.alaskachamber.com.

This aggressive schedule further undercuts the reliability of this premature assessment, when compared to the intensive, multi-year NEPA review schedules that are required to address specifically-proposed projects. EPA’s entire Section 404(c) process may be completed in as little as 111 days. This rushed process is woefully insufficient for a final decision that could significantly affect the economic future of such a large region. – Michael Geraghty, Alaska Attorney General

cess may be completed in as little as 111 days. This rushed process is woefully insufficient for a final decision that could significantly affect the economic future of such a large region.”

Premature assessment

Both the EPA’s watershed assessment and its potential exercise of its 404(c) veto authority over large projects in the absence of an actual Section 404 permit application from a project sponsor are “premature and unprecedented,” the attorney general wrote.

He explained that a permit application for a potential project will trigger state and federal regulatory permitting authority reviews, including an impact analysis by the Army Corps of Engineers. The reviews will address the same issues EPA is attempting to consider in its “premature” assessment, Geraghty said.

“Until an application is filed

impacts of hypothetical mining alternatives and activities.

However, “the unrestricted analysis of alternatives and activities appears to overstep the Section 404 authority Congress granted EPA,” Geraghty said.

He pointed out that the Corps – the agency charged with issuing Section 404 permits – is not even listed among the federal agencies EPA has enlisted to develop the assessment.

Conflict with federal and state law

The attorney general said “the watershed assessment and a premature 404(c) determination by EPA conflict with other laws, including the Alaska Statehood Act, the CWA, and the National Environmental Policy Act (NEPA).”

He said deciding the 404(c) petition without the benefit of a project application and substantial, scientifically vetted project-specific information would infringe

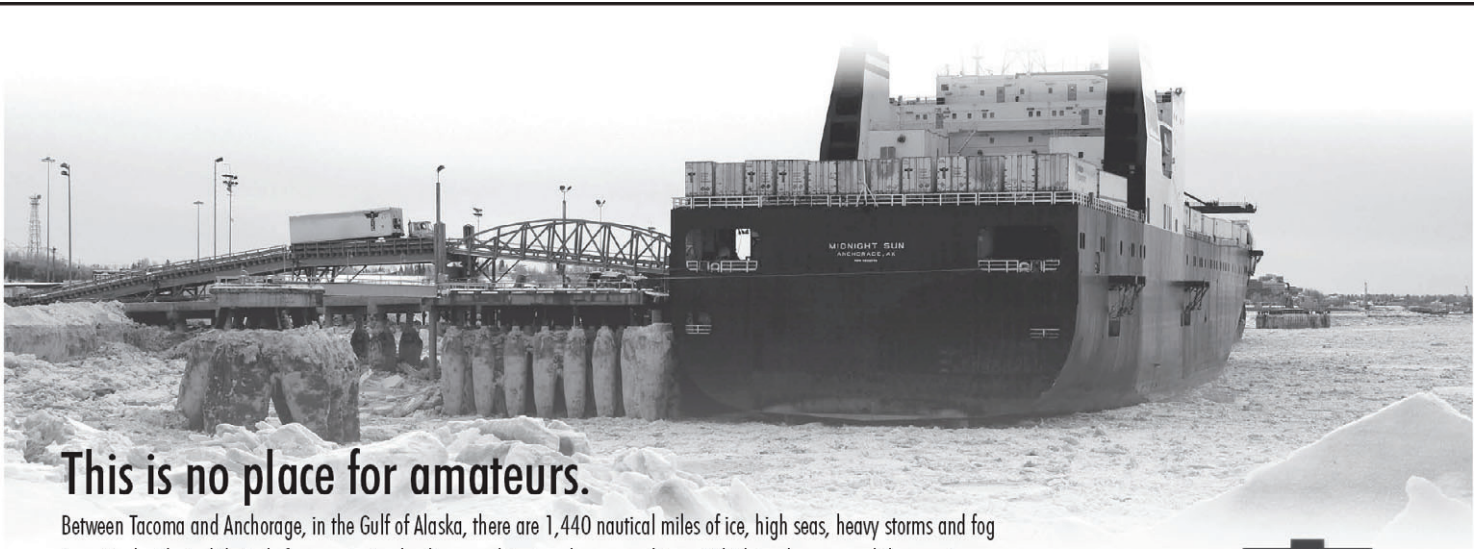
Reliance on draft guidance

Geraghty wrote McLerran that the watershed assessment appears to inappropriately rely on draft guidance relating to the delineation of “waters of the U.S.”

The draft guidance was released by the EPA and the Corps last spring, but has never been adopted. Many commenters, including the State and RDC, objected that the draft guidance illegally expands the scope of federal CWA jurisdiction. Geraghty said EPA should not rely on the draft guidance for its assessment.

Lack of scientific credibility

The State has previously advised the EPA that the agency may not currently have sufficient scientifically vetted water quality and hydrological data for the area to conduct the review EPA proposes for its watershed assessment. The State charged that EPA also proposes to use inappro-



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Summer Safety Tips

Alaska Chamber Chairman Renee Schofield, owner of TSS, Inc.

- Check your CPR/FA cards. One never knows when an emergency will happen. If it's been awhile since you had a class, now is the time. CPR has changed and so have some of the First Aid recommendations.
- Check your First Aid kit. You know how it is, you just need a band-aid, so you pull it out of the kit. And so does everyone else. We keep TWO kits in our office. One to use and one to have for emergencies. If your company has them in vehicles, check them out.
- Know the Poison Control hotline 800-222-1222. Fast, reliable and so



very valuable. Make sure your babysitter has this number posted while you are away.

- Summer events might find you enjoying an alcoholic beverage. Plan first for your designated driver. Don't be a statistic and never assume you can do it "just this once". Lives are forever changed by buzzed drivers every day. Arrive alive.
- Lifejackets. Wear them.
- Alaskans love their beautiful hiking environment. Make sure you (and someone else) know where you'll be. Planning always reduces emergencies. Pay attention to heat, surroundings and weather. Things change quickly in the wilderness. Don't let the beauty become your beast!



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Alaska State Chamber of Commerce

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- Live on a college campus and experience college life.
- **Earn college credits!**
- Make lifelong friends and **Have Fun!**

"Hands down the best opportunity of my life! This program has really put a spark in me."
Cassandra S., Thunder Mt. High School and ABW 2011 grad

The objective of this program is to give students a hands-on learning opportunity to explore their leadership skills and future career choices, as well as getting a head start in college.

This simulated business environment immerses students in an actual business scenario of running a business. Competing with other teams, students will also discover their own leadership talents and strengths.

A team of dedicated business executives works directly with students throughout the week to advise and coach the teams in their pursuit of a winning strategy. Participants also receive in-depth briefings from a long roster of entrepreneurs and business leaders covering topics such as leadership, corporate ethics, marketing, and finances.

"This program has opened my eyes to new and exciting ideas for my future!"
Chelsea S., Raven Correspondence and ABW 2010 grad

July 14 – 21, 2012 at UAF

2012 enrollment limited to first 100 applicants



"I came to this program not knowing what to expect and I left as an entrepreneur. This experience has changed me in ways I will never forget." Kevin S., Thunder Mt. High School and ABW 2011 grad

The Alaska State Chamber of Commerce has teamed up with the very successful Washington Business Week program and the University of Alaska Fairbanks School of Management to bring the Alaska Business Week program to Alaska for the third year.

This program is designed especially for high school students finishing 9th through 12th grade as of May 2012.

This program is made possible by many generous businesses and organizations that understand you will be running the show in the near future.

Tuition is \$450 for the entire week including room, food, program materials and fees - scholarships available.

Free transportation may also be available if you sign up early.

Whether you are home-schooled, attend public or private high school, this program focuses on leadership development and will give you a great start to your future, and help you to consider all the many possibilities available to you to achieve your goals and dreams.



Don't Delay – Apply Today!
www.uaf.edu/abw

One short week next summer may just give you the answer to your question:

"What will I do with my life?"

Visit us on Facebook!

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Business Week 2012: Get Involved!

By Ann Ringstad

Business Week 2012 is right around the corner and we're entering our third year of hosting talented high school age kids from all corners of the state at the University of Alaska Fairbanks campus for an intense week of "Business Bootcamp." I encourage you to get involved in developing the next generation of Alaskan entrepreneurs and business owners.

What is the Alaska State Chamber's Alaska Business Week program?

The Alaska Business Week program is modeled after the very successful and long-running Washington Business Week program, and we work very closely with them to assure all aspects of the program are covered. We have utilized their curriculum, crafting it to make it applicable to Alaska and Alaskan high school students. It has now been incorporated into a college-level program, endorsed by the UAF School of Management as a two-credit elective course. Students must earn these credits by being actively involved in team efforts to run a complex business model, while striving to attain new heights in their leadership capabilities. We have also developed a relationship with UAF and the UA Foundation to provide education tax credits for contributions to this program.

Why is this program important?

Alaska businesses will need qualified, educated young Alaskans to assume leadership positions in the future. Alaska high school students will some day become our future leaders. This is one way members can take an active role in grooming future leaders of our state. What better way to address this need than to actively participate in this endeavor!

Alaska Chamber membership participation is especially important because this program gives students a hands-on experience in running a business – something some of them will aspire to do in their long-term careers. What better way to get them started on this track to groom them for future leadership positions - a very wise investment indeed!

We encourage high school students from all over the state to participate – home schooled, private or public schools – they are all encouraged to take advantage of this opportunity. Free transportation opportunities are available for early registrants. Applications are now being taken on-line at: www.uaf.edu/abw.

Over the past two years we have experienced a 55% growth rate in our program, and anticipate over 100 students will participate this coming summer. Students have come from over 35 Alaskan communities over the past two years.

Statistics show a similar academic program at UAF encourages students to excel in their pursuit of higher education, and a very high percentage of them complete at least one college degree. Although the Alaska Business Week program is still young, we are starting to hear antidotal evidence from our graduates that they too are taking their future educational options very seriously. The results of this one-week program are paying off already.

Commissioner of Labor & Workforce Development Click Bishop met with all the students during the course of the program and asked each of them to describe their aspirations. One student in

particular, Tessa Baldwin, stood up and declared she wanted to be the president of her Native Corporation some day! She has gone on to be appointed to the Governor's Taskforce on Suicide Prevention, and has attained both AFN and national honors in this regard. She was also developing her own non-profit organization for this mission during the course of the Business Week program last summer.

As Tessa has demonstrated so clearly, these students are the leaders of tomorrow. Anyone who participates in the Alaska Business Week program can take pride in what transpires during this short period in the summer. It's truly remarkable.

How can I get actively involved in this worthwhile program?

Many businesses and individuals have contributed to this program over the past two years. To date, we have raised over \$338,000 in cash and in-kind contributions to make this program work, and we are diversifying our funding sources as this program gains a reputation for successful results. This is not an inexpensive endeavor. We estimate it costs approximately \$1,800 per student to cover expenses, and many students rely on partial or full scholarships in order to be able to participate. Tuition is \$450 for the entire week in and is in line with other similar summer leadership programs. It includes housing, food, program materials, and tuition and activity fees.

Many students would not be able to attend this program if it weren't for the generous sponsorship of many benefactors. Here are some ways you can contribute to this worthwhile program:

- Provide scholarships
- Share your success stories – be a speaker
- Be a company advisor!
- Act as a chaperone - get a free trip on July 14 and/or July 21 on the Alaska Railroad.
- Consider what your company can provide in-kind

• Program sponsorship
Whether you contribute \$1,000 or \$50,000, your contributions benefit the students. Your active participation provides our future leaders with a head start in developing their talents and dreams. And they receive college credits for successfully completing the program – an inspiration to keep going!

Note: Your contribution may be eligible for the education tax credit. Funds are held by the UA Foundation for use by the Alaska Business Week program for educational purposes. Please see: www.alaska.edu/uafoundation for more information.

We are fortunate to have many generous benefactors to keep this program running, and encourage Alaska Chamber members to join this effort.

We encourage direct participation in the way of monetary contributions as well as identifying students, company advisors, speakers and in-kind support.

Thank you for your consideration to support this worthwhile program and your efforts to encourage our Alaska youth to consider future leadership roles in our state. Please contact me with any additional questions you may have or if you are interested in becoming involved.

Sincerely,
Ann Ringstad
Program Director
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You're Invited! Outreach Trip To Kodiak Island

July 10-12, 2012

This year, the Events Committee has chosen Kodiak, Alaska's 'Emerald Isle', for the outreach trip location. Located on the Aleutian Chain, Kodiak Island is the largest in the state and second largest in the country. Kodiak's role as a center for transportation, governmental offices, timber, and tourism complements its role as one of the Nation's largest producers of seafood. The City of Kodiak has the largest and most diversified fishing port in Alaska and is consistently ranked in the top three largest fishing ports in the U.S. in terms of value landed.

The Events Committee has been hard at work crafting an agenda that will be engaging, educational and last but certainly not least – fun! The two-day outreach trip is slated to include tours of the state of the art missile launch complex, Coast Guard base, Kodiak Fisheries Research Center and fish processing plant. Additionally, members will have the opportunity to meet and hear from business leaders in the community and the second Board Meeting of the year will take place. Of course, the community of Kodiak and Kodiak Chamber of Commerce are excited to host our group and are working with local companies to secure some great deals on tourist activities.

All Alaska Chamber members are invited and encouraged to participate in our outreach trips. Registration and additional information including the most up to date agenda and sponsorship opportunities can be found online at www.AlaskaChamber.com.

We look forward to seeing you in Kodiak!



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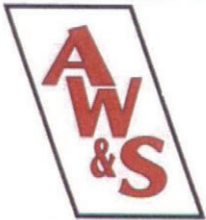


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