



BUSINESS to BUSINESS

# ALASKA CHAMBER

DECEMBER 2013

## Message from the President: The cost of doing business is your business

By Rachael Petro

More than one hundred business leaders met to consider over forty policy positions and yet three issues rose to the top. Alaska Chamber members met in October to adopt policy positions for the 2014 legislative session. When asked to prioritize these policies, members selected opposition to the referendum to repeal oil tax reform, support for comprehensive workers' compensation reform, and support for Medicaid expansion provided the promised federal appropriation commitment is maintained.



Petro

The Alaska Chamber Board ratified these priorities and decided to keep the high cost of energy, permitting efficiencies and access to resources as top priorities. While each of these top priorities is distinct, the fundamental underlying issue is the same — the cost of doing business matters to Alaskans.

The Alaska Chamber's core mission is to make Alaska the best place to do business. It's about making Alaska competitive. There are many factors businesses consider when deciding if, when and where they invest. We want that choice to be "yes." We want that choice to be "now." And — now more than ever —

we want that choice to be Alaska. That takes work and the Alaska Chamber exists to ensure that our state is the best choice for the companies that generate wealth and jobs in Alaska.

The decision of the Alaska Chamber to add support of Medicaid expansion to our advocacy agenda took many Alaskans by surprise. Members, non-members and partisans alike came out of the woodwork reacting to the Alaska Chamber's position.

There are some important lessons to extract from these reactions.

Membership in the Alaska Chamber is influential. If you don't have a seat at the table, you're probably on the menu. For businesses with a 907 area code, the Alaska Chamber is your seat at the table.

Here's a stat that backs that up: During the last legislative session 70 percent of the Alaska Chamber's advocacy agenda advanced.

Here's a bit of realism: We can't and won't win them all.

However, we can and we will ensure a healthy debate.

Many different constituency groups worked hard to highlight the issue of Medicaid expansion long before the Alaska Chamber considered the topic.

However, it wasn't until the Alaska Chamber took a position that the issue demanded attention in public discourse. And while the Governor announced his decision not to expand Medicaid in early November, he did so *after* consulting with the Alaska Chamber.

Alaska Chamber provides access to decision makers. How does your business capitalize on that access? How do you?

There are plenty of opportunities and a big one is right around the corner.

Alaska is a small state. This means many businesses have relationships with their legislators, but that's not enough. It takes a minimum of 32 votes to pass a law, and then the Governor must sign it.

On Jan. 22-23 Alaska Chamber members will gather in Juneau for our annual Legislative Fly-In. The Fly-In agenda is packed full of meetings with elected officials and issue briefings that advance the collective advocacy agenda of the Alaska Chamber.

The Fly-In is a key opportunity for businesses across the state to effectively personalize the voice of Alaska business. Improving Alaska's business climate doesn't happen by accident. It takes consistent, persistent and broad-based effort. Position topics vary widely from seafood to insurance, from health care to finance, and from access to our natural resources to fiscal responsibility. Every industry sector should partici-

pate in Fly-In.

While its important for "subject matter experts" to participate in the Fly-In, it's just as important for those who aren't experts to articulate the problem and demand solutions. Legislators need to hear the concerns of their constituents - as well as their constituent's business partners — from across the state and around the world. After all It's Your Business.

Alaska Chamber member participation matters.

After the Fly-In, Alaska Chamber members will be asked to continue weighing in during legislative hearings, but the work doesn't magically stop at the end of session. 2014 is an election year. Pro-business candidates need to be elected, and the effort to repeal new investment in Alaska's oil and gas sector spurred by SB 21 (oil tax reform) must be defeated. Every Alaska Chamber event supports our advocacy agenda. Check out the schedule of events below. Mark your calendar. Plan to participate.

To compete, to grow, and to secure a future for Alaska, Alaska businesses know costs must be controlled. Whether that means providing reasonable tax structures, efficient permitting systems, increased access to resources, or a workers' comp system that gets injured workers back on the job, it's the Alaska Chamber's business to support the health and growth of Alaska business.

## Message from the Chair

By Brad Osborne

The Alaska Chamber is unique in that we represent the interests of Alaska's private sector businesses regardless of region or industry. Representing these disparate interests is a significant challenge but when there is alignment between such divergent business and regional interests it lends credibility to the consensus opinion.



Osborne

Clear, concisely stated positions keep objectives in focus. Policy positions allow us as an

organization to refocus our efforts and concentrate on the goal of generating success for Alaska business.

This year Alaska Chamber members adopted 15 new policy positions and two current positions were updated. These positions join positions established in 2013 to bring the total number of policy positions to 40.

They include federal positions on Alaskan's rights to access our own lands, promoting access to development opportunities on federal

lands and opposition to federal overreach of emissions controls on our tourism and shipping industries.

State positions call for the opposition of repealing SB21, consistent and predictable permitting process and addressing in-state energy costs.

Alaska's employers, the companies and organizations that provide a livelihood for Alaskan families in every community, agree that policies and projects that enhance economic growth must be advanced. The Alaska Chamber will work toward that end throughout 2014.

And you can help too. Join your fellow Alaska Chamber

members in Juneau, Jan. 22-23 for the 2014 legislative Fly-In to make your voice heard. Reach out to a fellow business owner and encourage them to join the Alaska Chamber. Discuss the policy positions adopted by the

Alaska Chamber for 2014 with your fellow Alaskans.

All of these things support a positive business climate in Alaska and will help us to succeed. Remember... "It's not just my business, it's your business too."

## Save The Date! Plan To Attend!

### Outreach Trip

Nome, Alaska  
June 24-25, 2014

### Alaska Business Week

Fairbanks, Alaska  
July 19-26, 2014

### Annual Fall Conference & Policy Forum

Anchorage, Alaska  
October 2014

Mark your calendars and check our website for details in the coming months, [www.alaskachamber.com](http://www.alaskachamber.com).

## LEGISLATIVE FLY-IN

Juneau, Alaska • January 22-23, 2014

Register Today!  
Deadline is  
Jan. 3, 2014

The annual Alaska Chamber Fly-In is designed to give members the chance to influence public policy effectively by meeting directly with state legislators and the administration. The Fly-In is your chance to seek support for the priority positions established at the Legislative Policy Forum and get to know your elected officials personally. Every member who attends the Fly-In can make a difference for Alaska's business community.

Visit [www.alaskachamber.com](http://www.alaskachamber.com) and register today!



# Alaska Chamber Announces Top Business Award Winners

This year's recipients for the William A. Egan Alaskan of The Year, Bill Bivin Small Business of The Year, and Local Chamber of Commerce of The Year were announced Oct. 15 at the Alaska Chamber annual conference in Fairbanks. In addition to the annual awards, the prestigious North Star Award was presented.

Margy Johnson is the recipient of the 2013 William A. Egan Alaskan of The Year award. The celebrated and prestigious William A. Egan award is presented to individuals who have made substantial and continual contributions of statewide significance while working in the private sector.

Johnson was the first woman elected chairman of the Alaska Chamber, bringing all her energy and imagination to the job of expanding the organization and helping Alaska businesses see the value of joining together to represent their interests to state and local governing bodies, and to strengthen local ties.

Johnson also served as the Oncology Marketing Coordinator for the Providence Cancer Center. Using her position to become an "ambassador" for the center, Johnson brought a message of hope to patients and often hosted a "tea" (she's known for them) in her home, putting patients at ease while letting them know all the resources available to them.

Madden Real Estate is the Bill Bivin Small Business of The Year Award recipient. The Bill Bivin Small Business of The Year Award, established in 1993, pays tribute to businesses that exemplify leadership, ethics and organization.

Madden Real Estate opened its doors in 2009 and has less than 30 employees. In the less than five years it has been in business, it has established itself as a leader in its industry in Alaska. Madden Real Estate practices what it preaches and is an active participant in its local chamber, and its local trade association, advocating for good business policies.

The owner and its employees volunteer for American Heart Association events, sponsor toy drives and athletes (sometimes with a GPA requirement) and encourage employees to serve in the community.

The Chugiak-Eagle River Chamber of Commerce is the recipient of the 2013 Local Chamber of Commerce of The Year award. The award recognizes the consistent community involvement and excellent business reputation. The Chugiak-Eagle River Chamber hosts one of the largest community events in Alaska, the Bear Paw Festival, and serves as the de-facto visitor center for the Chugiak/Eagle River area, providing practical business support to its members and is a powerful force advocating for the community before local, state and federal



PHOTOS/FRANK FLAVIN

**TOP:** The Chugiak-Eagle River Chamber of Commerce is the recipient of the 2013 Local Chamber of Commerce of The Year award.

**ABOVE:** Margy Johnson is the recipient of the 2013 William A. Egan Alaskan of The Year award.

**ABOVE RIGHT:** Madden Real Estate is the Bill Bivin Small Business of The Year Award recipient.

**BELOW RIGHT:** Carl Portman was awarded the North Star Award this evening reflecting his lifetime of service and thousands of outstanding tasks performed to support economic growth in our state.

governments.

When the situation warrants it, the Alaska Chamber awards a North Star Award to an individual or organization in Alaska, who through a special project, action, or concern, developed or pursued the endeavor for the betterment of all Alaska residents.

These individuals or organizations provide a significant contribution to the future of the Great State of Alaska.

Carl Portman was awarded

the North Star Award reflecting his lifetime of service and thousands of outstanding tasks performed to support economic growth in our state.

He has devoted his life to environmental protection and responsible economic development in Alaska and has worked for over 30 years to ensure Alaska's resources were developed in a manner consistent with our Constitution's mandate of maximum use consistent with the public interest.

# The Alaska Chamber Priorities and Positions for 2014

The Alaska Chamber held their annual Legislative Policy Forum on October 16th at the Fairbanks Westmark Hotel in Fairbanks. The purpose of the policy forum is to establish legislative positions and priorities of the organization for the upcoming year based on proposals submitted by the general membership of the Alaska Chamber.

Alaska Chamber members adopted 15 new policy positions and two current positions were updated. These positions join positions established in 2013 to bring the total number of policy positions to 40. Of the positions approved, Alaska Chamber members selected five state priorities and four top federal priorities.

## State Priorities

### Oppose the Referendum to Repeal Senate Bill 21

### Support Comprehensive Workers' Compensation Reform

Enact systemic changes to the Alaska workers' compensation insurance statutes to reduce the cost of insurance for employers while emphasizing effective treatment programs that promote injury recovery and the return to full employment of injured workers.

### Support Medicaid Expansion Provided Federal Match Maintained and/or Alternative Pilot Program Implemented

The Alaska Chamber supports Medicaid Expansion in Alaska provided the State of Alaska continues to receive at least a 90 percent federal match and/or the State participates through an alternative pilot program.

### Reduce the High Cost of Energy

The Alaska Chamber supports initiatives that lower the cost of energy and ensures adequate and reliable deliverability in Alaska including continued support for advancing state renewable energy goals.

### Increase Responsible Natural Resource Development by Improving the Efficiencies of the Permitting Process and Gaining Access to Resources

The Alaska Chamber supports a significant increase in responsible natural resource development and encourages the Alaska State Legislature and the Parnell administration to uphold Alaska's strong regulatory and permitting laws and policies that will facilitate additional exploration, site development, employment, infrastructure, research and natural resource production in Alaska.

## Federal Priorities

### Support Oil and Gas Exploration and Development in Alaska's Federal Arctic

The Alaska Chamber supports oil and gas exploration and production in Alaska's federal Arctic areas; including the Beaufort Sea, Chukchi Sea, NPR-A, and the 10-02 area of ANWR.

### The Alaska Chamber opposes the implementation of

### Emission Control Area regulations in Alaska.

### Oppose Any Further Federal Land Withdrawals in Alaska, Other Restrictive Land Management Designations, and Preemptive Actions by Regulatory Agencies

The Alaska Chamber opposes any further federal land withdrawals, marine protected areas, Antiquities Act designations and wilderness studies on federal lands in Alaska. The Alaska Chamber will further oppose unreasonable critical habitat designations under the Endangered Species Act and other restrictive land management areas.

The Alaska Chamber also opposes preemptive actions by regulatory agencies that make premature decisions outside the context of a well-established permitting process.

### Support Small Business Administration Native 8(a) Contracting Program

The Alaska Chamber will support Native 8(a) contracting by demonstrating the impact the program has on the Alaska economy and the benefits to Alaska Native Corporations and tribal entities across the country.

## State Policy Positions

### Capital Project Position

The Alaska Chamber supports state capital projects that facilitate resource and economic development in a cost effective manner.

### Support FAO Based Certification for Alaska Seafood Fisheries

The Alaska Chamber supports the Alaska Seafood Marketing Institute's (ASMI's) sustainability certification program to bring a consistent process based on United Nations' Food and Agriculture Organization (UN FAO) criteria across the variety of fisheries, and reduce confusion and ongoing costs incurred in an increasing number of competing third-party certification schemes.

### Support Sustainable Sea Otter Harvest and Sale of Handicrafts

Increased legal harvest of sea otters by Alaska Natives for subsistence and handicrafts can help alleviate impacts of rapidly expanding sea otter populations on Southeast Alaska marine resources, and economic impacts to commercial and subsistence fisheries and communities.

### Support Streamlining Fisheries Landing Tax Regulations

The Alaska Chamber supports streamlining fisheries landing tax regulations, simplifying the paperwork burden on self-marketing fishermen, and to align timing of reporting with the timing of payments due.

### Support Workforce Development to Increase the Number of Qualified Employees Needed to Fill Positions in Resource Industries

The Alaska Chamber supports

workforce development in the state, particularly as it relates to resource development in basins like Cook Inlet. As oil and gas exploration and development in Alaska continues to grow, more qualified Alaska employees are needed to take jobs created as a result.

### Support Permitting by Making the Number of State of Alaska Permitters Commensurate with Levels of Exploration and Development Activity

The Alaska Chamber supports a rigorous but efficient oil and gas permitting process in Alaska.

### Support Keeping Alaska State Chartered Financial Institutions Competitive

The Alaska Chamber supports updates to statutes effecting commerce including Title 6 regarding financial institutions

### Support Transfer or Sale of Land to Private Entities

The Alaska Chamber supports the sale or transfer of a proportionate percentage of government-owned lands, at all levels, to privately held taxable entities, so as to provide development opportunities for the citizenry of the State of Alaska.

### Oppose New Vessel Restrictions Not Based on Science with Regard to Harbor Seals

The Alaska Chamber opposes any new vessel restrictions with regard to harbor seals until additional research can demonstrate a direct connection between vessels visiting glacial habitats and a proven decline in harbor seal populations.

### Support Clarifying Alaska's Credit Scoring Law

Support clarification of Alaska's credit scoring law for the purpose of protecting insurance consumers.

### Support Raising Pick.Click. Give. Audit Level

The Alaska Chamber supports raising the Pick Click Give level of requirement for audit to cur-

rent federal levels.

### Support Regulatory Reform Regarding Reimbursement in Thin Medical Markets

The Alaska Chamber supports regulatory reform regarding reimbursement in thin medical markets.

### Support Reduction of Spending to Sustainable Levels

The Alaska Chamber supports a state budget with total General Fund spending (exclusive of PFD disbursements) of \$5.5 billion or less, which is higher than years prior to Fiscal Year 2012, but significantly below spending levels approved for Fiscal Years 2012, 2013 and 2014.

### Support for Litigation Reform Relating to Resource Development Projects in Alaska

The Alaska Chamber supports efforts to bring accountability to the legal processes for community and resource development projects. The Alaska Chamber supports changes to the public litigant, legal environment that will discourage frivolous lawsuits.

### Support the University of Alaska

The Alaska Chamber urges the Alaska State Legislature and the governor to maintain strong support and funding for cost effective and responsive programs at the University of Alaska.

### Support Royalty Oil Sales

The Alaska Chamber supports state administrative and legislative approval of royalty oil contracts that use the same net back value as if the oil was sold out of state.

### Privatization of Construction Projects

The Alaska Chamber supports reducing the activities of state government in traditionally private sector industries particularly the construction industry.

### Oppose All New Unfunded

### Property Tax Exemptions as Introduced on the State Level

The Alaska Chamber opposes all new unfunded property tax exemptions and will work to educate the governor and Alaska legislators on the effect of proposed exemptions on those individuals or businesses to which the tax burden would be shifted.

### Support Procurement Reform

The Alaska Chamber will engage with the legislature to ensure that the preferences currently in Alaska's procurement regulations are protected and continue to provide a competitive advantage to Alaska-based or Alaska-owned businesses.

### Establish a State Fund for Transportation

The Alaska Chamber supports creation of a funding mechanism for maintenance of and capital improvements to Alaska's transportation systems.

### Support Affordable Energy for Alaska's Rural Communities

The Alaska Chamber encourages the Alaska Legislature and the Parnell administration to support and expand efforts to reduce energy costs in rural communities. The Alaska Chamber supports continued funding for the Alaska Energy Authority Power Cost Equalization and Renewable Energy Grant Fund programs, and increased funding for the Alaska Housing Finance Corporation Enhanced Weatherization program and the Alaska Energy Authority Emerging Energy Technology Fund. Through these actions, the Alaska Chamber encourages the State of Alaska to adopt a long-term, affordable energy plan that reduces the immediate financial burden on rural citizens, while developing sustainable infrastructure for rural communities.

### Cruise Ship Wastewater Point of Discharge

The Alaska Chamber supports

*See Priorities, Page 6*

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 LOS ANGELES SINGAPORE WHITTIER ANCHORAGE PORTLAND  
 DUTCH HARBOR IRAQ OLYMPIA SEWARD NIGERIA HOUSTON  
 ENSENADA GRAYS HARBOR TAMPICO ANACORTES  
 LONG BEACH BREMERTON SACRAMENTO NEAH BAY  
 VANCOUVER, B.C. ULSAN  
 ASTORIA TACOMA  
 LONGVIEW WAKE ISLAND  
 VALDEZ LEWISTON  
 PUERTO PEÑASCO ANGOLA RAINIER SAN CLEMENTE ISLAND SAN DIEGO  
 KALAMA BENICIA COOS BAY SHANGHAI HONOLULU FREEPORT  
 SAN FRANCISCO VANCOUVER, WA BUENOS AIRES SAKHALIN ISLAND  
 OAKLAND RICHMOND MARTINEZ ST. JOHN MISSISSIPPI AFRICA ADAK  
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# It's Your Business: Industry Overview

## Access to fish may be our biggest hurdle

By Tyson Fick  
 Communications Director,  
 Alaska Seafood Marketing Institute

Access to fish may be one of the biggest challenges facing the American fisherman in the coming years. Why? Not because the fish aren't there, they are. They are responsibly and well managed for long-term sustainability at both the federal and state levels. Sure, there are issues, no system is perfect, but ours is the best around and is only getting better.

So what's the problem? There are many but I will only address two here.

The federal budget crises will likely restrict funding for fisheries research, management and enforcement of our fisheries laws. If National Oceanic and Atmospheric Administration, National Marine Fisheries Service, the U.S. Coast Guard and state management agencies don't have the funding to do their jobs then the "precautionary principle" will come into play in a big way.

That means reduced catches because you can't scientifically prove how much you can legitimately har-

vest. Fish will unnecessarily be left in the water, jobs lost and some of the world's best protein not available to feed our people. Budget support for fisheries research, management and enforcement needs to be the top priority for the seafood industry, harvesters and processors alike. Without them there is no fishery.



Fick

In addition, some environmental non-governmental organization, or ENGO, activism aims to restrict methods of fishing and locations where we can fish. These groups work both within and outside the governance process to achieve their goals and are well funded.

Environmental activism is a natural by-catch of the U.S. management system, which is an open, public process, providing a place for all views to be aired. The use of the marketplace to circumvent the governance process through intimidation and denial of access is a growing concern.

ENGOs are emerging as the self-appointed final authority on what is and what is not sustainable ... even though they don't all agree on exactly what that means. Eco-logos, where you get

to pay for the privilege of taking your fish to market, assuage some but not all of the ENGOs.

Because the governing agencies are focused on management, as they should be, and not marketing, they have left a huge empty space for the ENGOs who have effectively moved in to capture the market for defining sustainable fisheries.

This is especially true in places like Europe where poor management has created a "target-rich environment" for using fish as the preferred vehicle for environmental activism. Unlike many of our foreign counterparts, in Alaska, and with the passage of Magnusson-Stevens, in the entire United States, we are not mismanaging our fisheries.

However, the loudest voices are the ENGOs', creating doubts and demanding that retailers and foodservice operators have their third party certification and their eco-logo to prove what is already the law of the land.

At the same time, these same groups are encouraging weaker managed fisheries to enter into eco-logo programs through "conditional assessments," asking them to improve over the next half a decade, giving them parity with well managed fisheries, like ours. They are hooked with a promise of a

market premium if they have an eco-logo ... that promise is made to you as well but truth is, it rings very hollow; very few consumers will pay more for eco-logoed seafood.

What is really happening is poorly managed fisheries are being given a competitive advantage in the market place bringing us all down to the lowest common denominator, eroding our ability to separate our well managed products from the global pack. Alaska's customers have been very forceful in saying that they will not pay extra for an eco-logo. They also say that independent, third party certification is required to keep the ENGOs at bay.

What can be done? At the Alaska Seafood Marketing Institute we have been telling the story of Alaska's Responsible Fisheries Management for a number of years. Recently, at the request of our customers and industry, for a less costly alternative to the MSC, we embarked on a third-party certification program using the United Nations Food and Agricultural Organization Code of Conduct for Responsible Fisheries as our standard and certified to ISO requirements. You can find out more about this at the ASMI website ([www.alaskaseafood.org](http://www.alaskaseafood.org)).

## Homegrown Usibelli Coal Mine turns 70

By Lorali Simon  
 Vice President, External  
 Affairs, Usibelli Coal Mine

Usibelli Coal Mine, Inc., or UCM, is proud to be the longest, continually operating large mine in Alaska. This family-owned and operated company was founded in 1943 by Emil Usibelli, and is the only operational coal mine in the state. Emil's son, Joe Usibelli, is the chairman of the board of directors. Joe Usibelli Jr., Emil's grandson, is president of UCM.

UCM is located near the town of Healy. UCM is 115 miles south of Fairbanks and 250 miles north of Anchorage adjacent to the Parks Highway and the Alaska Railroad.

The year 2013 marked an exciting milestone for UCM as they celebrated their 70th year in operation. What began as a one-year contract to supply 10,000 tons of coal to the U.S. Army's Ladd Army Air Field (known today as Fort Wainwright U.S. Army post), has become Alaska's only operating coal mine producing about

two million tons per year.

Coal is delivered to six Interior Alaska power plants including three military sites: Golden Valley Electric Association's plant in Healy; Aurora Energy LLC — a wholesale supplier of electricity and provider of district heat in Fairbanks; and the University of Alaska Fairbanks power plant. UCM also exports about one million tons of coal annually through the Seward Coal Terminal to Chile, South Korea, and Japan.

UCM is also excited about moving into a new mining area in Healy called the Jumbo Dome Mine. There are approximately 80 million tons of ultra-low sulfur, sub-bituminous, coal reserves permitted. After several years of data collection and permit writing, the Jumbo Dome Mine permit application was reviewed by eight state and federal agencies. The permit was granted on Jan. 31, 2012.

In Southcentral Alaska, UCM holds leases and permits in the Matanuska Coal Field.

Similar to Healy, coal mining in the Matanuska Coal Field began in the early 1900s. The Wishbone Hill Mine is located about 10 miles north of Palmer, close to the town of Sutton. Exploration at Wishbone Hill began in 1983.

Wishbone Hill is unique because it is the only bituminous coal deposit on the road



system, making transportation more economic. While the company continues to secure the renewal of the mining permit, UCM maintains an active monitoring program to enhance environmental baseline data.

UCM employed an average of about 140 workers in 2012. UCM's steady employ-

ment is particularly important to the Healy economy. In the visitor industry-dominated Denali Borough, overall 2012 employment ranged between a high of 3,636 in July and a low of 832 in January. For the months November through March, UCM directly accounts for one in six jobs in the Denali Borough.

Wages at UCM are on par with the rest of Alaska's mining industry. Mining wages are among the highest in the state, averaging \$101,100 in 2012. In fact mining is second only to the oil and gas industry, where annual wages averaged \$127,200 in 2012. Mining wages are more than double the 2012 average annual for all workers in Alaska. These wage comparisons illustrate the value of UCM providing family-wage jobs.

UCM spent approximately \$82 million in support of its operations in 2012, including personnel and non-personnel expenditures. This spending had a total annual employment impact in Alaska of approximately 470 jobs

and \$34 million in total annual payroll. Approximately three-quarters of those jobs and income are in the Interior Alaska economy: 355 jobs and \$27 million in annual payroll.

Finally, it is important to note that UCM's economic impact includes support of non-profit organizations. The Usibelli Foundation's mission is to provide funds to facilitate learning by supporting education, preserve Alaska's uniqueness by supporting its heritage, and strengthen communities.

The Foundation contributes to over 100 nonprofit organizations statewide. The average pay-out over the past few years has been approximately \$112,000 annually. Grants are made in the areas of education, health and social services, the arts, youth programs, and civic organizations and activities. The Usibelli Foundation also matches employee donations to United Way and several other community organizations in Healy.

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# It's Your Business: Industry Overview

## The lifeblood of Alaska

By Richard Schok  
President, Flowline Alaska Inc.

It's often said that the oil industry is the lifeblood of the Alaska economy. While that is undeniably true, most people usually think of oil rig workers, suited executives or heavy equipment operators when they think about the industry, like they are somehow disconnected from what goes on in the oil fields.

I'm here to tell you that the oil business is my business, too. Not directly, of course. I'm not an oil company employee. But my employees and I absolutely depend on the health of the oil industry to keep things humming in our shop.

Flowline Alaska Inc. provides pipe corrosion coatings, pipe insulation, pipe spool fabrication, double joint welding and module/skid fabrication to our clients, all of whom explore and operate on the North Slope. We are a privately held, family-owned and operated company that employs dozens of Alaskans, most of whom live in Fairbanks.

We are proud of our ability to hire local residents and retain them by providing a good living for local families. Our foreman of 30 years just retired this past week after a long and distinguished career.

It goes without saying that it benefits us to stay busy. For years, we thrived right alongside the booming Alaska oil industry. Back in the mid-2000s, we handled several dozen inquiries every year for new projects planned for our clients on the North Slope. At our peak, we employed 90 full-time workers, most of them from local labor organizations.

When the state increased oil taxes in 2007, it was like someone turned off a faucet; the inquiries for new projects dwindled to a half dozen in as many years. Today, our full-time staff numbers close to 37, more than a 40 percent loss.



We have survived as a company by trimming staff and becoming efficient, but that's not our goal. We want to grow and prosper and provide opportunities for Alaskans. That's why I am so supportive of the oil tax reform passed by the legislature and signed into law this year. Without question, the signal to the oil industry was, "let's get going."

I can say that with such certainty because I have already witnessed renewed interest in new projects on the Slope. We are already receiving requests for bids for projects planned for this winter, and the winter after that. It's not quite as busy as it was before the slump, but it's an encouraging start and I

am confident more new work will come our way. Our employees are happy with the increased activity, too. As a manager, that is gratifying to see.

My takeaway from this experience is simple: the oil business is ALL of our business. Whether you work in a fab shop or balance the books for a non-profit, we are all directly impacted by the health of the oil industry. With the billions of barrels left in the ground to produce, there's no reason why Alaska should not be part of the energy boom going on across the rest of the United States. On a more local level, it's about jobs, and providing a comfortable living for our families both now and in the future.

## Cruise industry investing to grow Alaska market

By Bruce Bustamante  
Holland America Princess Alaska

With a positive change to the business climate in Alaska comes a large investment from the cruise industry. CLIA Alaska member lines have moved more ships back to the Alaska market and two member lines in particular have made major investments for their land tour operations.

Holland America Princess Alaska is working to elevate land tours as cruise passengers continue to expect the latest and greatest on sea and on land. They are renovating the recently-acquired McKinley Chalets, remodeling the Westmark Fairbanks hotel and working on an interior remodel for the Fairbanks Princess Lodge.

Princess Cruises, along with about 50 other business leaders, elected officials, park administrators, local residents, and business owners celebrated the start of phase one of the South Denali Visitors Center in June of this year. The groundbreaking ceremony kicked off construction of an access road to a 32-site RV campground and 15-site walk-in tent area. The location, on Denali State Park land at Mile Post 135, will boast a maintenance and ranger station, parking lot, trailhead and more than six miles of new trails.

Phase one of South Denali was born out of the need to create additional access for Alaska's growing visitor numbers and alternate views of Mount McKinley (a.k.a. Denali). A private land donation of 104 acres by United Companies Inc. LLC, a subsidiary of the



**The groundbreaking ceremony for phase one of the South Denali Visitors Center** took place in June of this year. The ceremony kicked off construction of an access road to a 32-site RV campground and 15-site walk-in tent area. Pictured from left to right, Lt. Gov. Mead Treadwell, Senate President Charlie Huggins and Bruce Bustamante, Vice President, Community and Public Affairs for Holland America Princess Cruises Alaska.

Sea Lion Corp., was a key piece of the puzzle. The donated land allows access to the proposed South Denali Visitor Center on Curry Ridge.

Princess Cruises has been a strong advocate of the project, as well as the extension of three-phase power to the site, supporting the latter with \$1 million. The upgrade from single-phase

to three-phase power gives the South Denali site the capacity to build a visitor center on a bench of land adjacent to Curry Ridge. It also opens the possibility of the Mt. McKinley Princess Lodge at MilePost 131, to tap into the power grid. Currently, the 460-room lodge operates off costly diesel generators.

In the Yukon, replacing a

two-day motorcoach trek with a two-hour flight between Dawson City and Fairbanks is one way HAP is responding to guests' request to spend "less time getting there and more time at a destination." The same holds true along the railbelt. Rail service between Denali National Park and Fairbanks will be replaced with faster moving

motorcoaches. Another change, altering rail service departure and arrival times in both Fairbanks and Anchorage, will be a boon to both cities by giving cruise passengers more time in each locale to explore restaurants and shops.

With these investments, HAP Alaska is on the way to creating a world-class visitor destination.

PHOTO/COURTESY

# The Alaska Chamber adds Alaska Business Week Program director to team

The Alaska Chamber recently named Nicole Schuh Alaska Business Week Program Director.



Schuh

Schuh joined the Alaska Chamber in October 2013. Prior to joining the Chamber, Schuh worked at the Alaska Aviation Museum as Operations Manager. She holds a bachelor's degree advertising and a master's degree in recreation from the University of Idaho.

Schuh was born and raised in the Pacific Northwest and made the move to Alaska soon after college.

ABW gives high school students hands-on learning opportunities that explore their leadership skills and future career choices, while learning about the world of business. ABW simulates a business environment, immersing students in scenarios faced daily by business owners. Students are broken up into different "companies" which compete against each other. A team of business executives works directly with students throughout the week, advising and coaching each company in its pursuit of a winning strategy. In addition to the practical business skills students gain during the week, ABW graduates understand how their regular coursework is relevant in preparing them for life after high school.

## Ways to support Alaska Business Week:

ABW is an expensive endeavor. Tuition for the program is only \$475, which puts ABW in line with other weeklong summer programs. However, the actual cost for each student exceeds \$1,900. Costs include housing, food, program materials, tuition and activity fees. It is only through our sponsors in the business community that we are able to offer this great program. There are lots of ways businesses

can help — either through sponsorship or providing volunteers.

## Program sponsorship

ABW program sponsorship at any level benefits Alaska's future business leaders. ABW is fortunate to have many generous benefactors to keep this program running, and hope you will consider becoming a sponsor of ABW.

## In-kind gifts

ABW can use all types of support. Examples of in-kind donations include supplies for the week (office supplies, ABW t-shirts, banners, etc.) and transportation for students to and from the program.

## Student scholarships

Interested in sponsoring ABW but want to help a specific high school student get involved or get high school students from your area involved? Your sponsorship can be directed as a scholarship for a student or multiple students who may not be able to go otherwise. Donating \$2000 can cover a student's actual cost for attending the camp including their tuition fee.

## Provide a company advisor

Company Advisors, or CAs, mentor a team

of high school students during the program. Each team works in a simulated environment to learn real life business principles. A CA's role is to help motivate the team to get involved in the week's activities by asking engaging questions, empowering the students to make decisions and sharing their own real world experiences. CA's are key to the ABW program as the mentorship they give to their team is irreplaceable.

## Speak or Judge

ABW relies on volunteer support from professionals at every level of business to deliver keynote addresses, and role-play shareholders and investors during the week. These are both great opportunities for businesses that are interested in helping ABW but unable to commit for a week as a CA. Judges serve as members of the board of directors each team of students report to at the end of the week.

## More Info?

[alaskachamber.com/pages/AlaskaBusinessWeek](http://alaskachamber.com/pages/AlaskaBusinessWeek)

Contact Nicole Schuh, Alaska Business Week Program Director:  
[nschuh@alaskachamber.com](mailto:nschuh@alaskachamber.com)  
 (907) 278-2744



Schuh will be responsible for management of the program, event marketing, sponsorship and development.

## New Members

### Alaska Flour Company

PO Box 1036  
 Delta Junction, AK 99737  
 (907) 895-4033  
<http://www.alaskaflourcompany.com>

### Effective Health Design

2100 Belmont Dr  
 Anchorage, AK 99517  
 (907) 529-6730

### Kenai River Sportfishing Association

224 Kenai Avenue, Suite 102  
 Soldotna, AK 99669  
 (907) 262-8588  
<http://www.krsa.com>

### Alaska Native Health Board

4000 Ambassador Drive, Suite 101  
 Anchorage, AK 99508  
 (907) 562-6006  
<http://www.anhb.org>

### AARP Alaska

3601 C Street, Suite 1420  
 Anchorage, AK 99503  
 (907) 762-3314  
<http://states.aarp.org/category/alaska>

### All Wire Electric

140 E. 45th Ave  
 Anchorage, AK 99503  
 (907) 339-9473  
<http://allwireak.com>

### Interior Community Health Center

1606 23rd Ave.  
 Fairbanks, AK 99701  
 (907) 455-4567  
<http://www.myhealthclinic.org>

### Bettisworth North Architects and Planners Inc.

2600 Denali St., Ste. 710  
 Anchorage, AK 99503  
 (907) 561-5780  
<http://www.bettisworthnorth.com>

### Northern Economics, Inc.

880 H Street  
 Suite 210  
 Anchorage, AK 99501  
 (907) 274-5600  
<http://www.northerneconomics.com>

### Reid Brothers Construction

PO Box 1187  
 Petersburg, AK 99833  
 (907) 772-3755  
<http://www.reidbroconstruction.com>

### North Star Behavioral Health System

2530 DeBarr Rd.  
 Anchorage, AK 99508  
 (907) 258-7575  
<http://northstarbehavioral.com>

### Greater Fairbanks Community Hospital Foundation

PO Box 71396  
 Fairbanks, AK 99707  
 (907) 458-5552  
<http://fairbankshospitalfoundation.com>

### Arctic Slope Native Association

PO Box 1232  
 Barrow, AK 99723  
 (907) 852-4611  
<http://arcticslope.org>

### Fairbanks Resource Agency

805 Airport Way  
 Fairbanks, AK 99701  
 (907) 456-8901  
<http://fra-alaska.net>

### Norton Sound Health Corporation

PO Box 966  
 Nome, AK 99762  
 (907) 443-3311  
<http://nshcorp.org>

### Sonosky, Chambers, Sachse, Miller & Munson LLP

302 Gold St.  
 Suite 201  
 Juneau, AK 99801  
 (907) 586-5880  
<http://www.sonosky.com>

### Alaska Native Medical Center

4315 Diplomacy Drive  
 Anchorage, AK 99508  
 (907) 563-2662  
<http://www.anmc.org/>

### NEA-Alaska

4100 Spenard Road  
 Anchorage, AK 99517  
 (907) 274-0536  
<http://www.neaalaska.org>

### Ryder Truck Rental

2345 E 4th Avenue  
 Anchorage, AK 99501  
 (907) 929-9500  
<http://ryder.com>

### Linc Energy

3000 C Street  
 Suite #103  
 Anchorage, AK 99503  
 907-868-8660  
<http://www.lincenergy.com>

### Delta Leasing LLC

8101 Dimond Hook Dr.  
 Anchorage, AK 99507  
 (907) 771-1300  
<http://deltaleasing.net>

## Priorities Continued from Page 3

changing the cruise ship wastewater "point of discharge" regulation to a standard that is both attainable and protects the environment.

### Federal Policy Positions

#### Support the Bypass Mail Program

The Alaska Chamber will help preserve Bypass Mail Program by demonstrating the impact the program has on the Alaska economy and the benefits to rural Alaska.

#### Oppose National Ocean Policy (NOP) Implementation in Alaska, Particularly Coastal and Marine Spatial Planning (CMSP)

#### Support for Overturning the Application of the Roadless Rule in Alaska

#### Support for Litigation Reform Relating to Resource

### Development Projects in Alaska

The Alaska Chamber supports efforts to bring accountability to the legal processes for community and resource development projects. The Alaska Chamber supports changes to the public litigant, legal environment that will discourage frivolous lawsuits.

#### Support the Expansion of the Military Presence in Alaska

The Alaska Chamber encourages the Alaska Legislature and the governor to work with the U.S. Military to maintain current military investment and force structure in Alaska and to increase military missions, staffing, activity, and investment.

#### Support Development of Environmental Policies Based on Sound Scientific Basis Over the Precautionary Method

The Alaska Chamber supports protecting public health

and the environment through reasonable, carefully considered programs that are developed and implemented based on sound scientific arguments, credible, reproducible studies and economic analysis. The Alaska Chamber opposes efforts to implement the "precautionary principle" in developing or implementing environmental programs.

The precautionary principle presumes that many activities pose a risk to health and the environment, even without the presence of any scientific evidence that such risks are in fact present or related to a specific activity, and requires that precautionary measures be adopted or implemented to mitigate those assumed risks.

#### Support for Converting Two Million Acres of the Tongass National Forest to a State Forest

The Alaska Chamber supports efforts to convert two million acres of the Tongass National Forest to a State Forest.



# 2013 Alaska Chamber Board of Directors



## Executive Committee

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## Senate District Members

<b>Russell Dick</b> Sealaska Corporation District C	<b>Wendy Lindskoog</b> Alaska Railroad Corporation District L
<b>Jeff Cook</b> Flint Hills Resources District D	<b>Michelle Egan</b> Alyeska Pipeline Service Company District M
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<b>Larry J Cooper</b> Cooper & Associates, LLC District I	<b>Lisa Parker</b> Parker Horn Company District Q
<b>Annette Sheppard</b> Carlile Transportation Systems District J	<b>Tara Reimer Jones</b> Alaska SeaLife Center District R
<b>Matt Gill</b> Tesoro Alaska Company District K	

## Outside Chamber of Commerce

**Phil Woare**  
Seattle Metropolitan Chamber of Commerce

## At Large

<b>Gregory J Galik</b> Alaska Brands Group LLC	<b>Ann Ringstad</b> University of Alaska Fairbanks
<b>Gerad Godfrey</b> Afognak Native Corporation	<b>Marilyn Romano</b> Alaska Airlines
<b>James W Mendenhall</b> James W. Mendenhall, P.E.	<b>Andrew Teuber</b> Kodiak Area Native Association
<b>Kim Reitmeier</b> ANCSA Regional Association	

## Appointed by the Chair

<b>Bill Bishop</b> Alaska Communications	<b>James Johnsen</b> Alaska Communications
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<b>Catherine Claxton</b> Northrim Bank	<b>Jeff Lentfer</b> Midas Alaska
<b>Darren Franz</b> Wells Fargo Bank Alaska	<b>Dave MacDowell</b> BP Exploration (Alaska)
<b>Chris Gerondale</b> Construction Machinery Industrial, LLC	<b>Ralph Samuels</b> Holland America
<b>Scott Hawkins</b> Advanced Supply Chain Integrators	
<b>Joe Hegna</b> URS Corporation	

## Local Chamber of Commerce

<b>J.R. Wilcox</b> Anchorage Chamber of Commerce	<b>Robert T Peterkin</b> Kenai Chamber of Commerce & Visitor Center
<b>Ina L. Mueller</b> Big Lake Chamber of Commerce	<b>Doug Ward</b> Greater Ketchikan Chamber of Commerce
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<b>Jim Palmer</b> Chugiak-Eagle River Chamber of Commerce	<b>Richard Beneville</b> Nome Chamber of Commerce
<b>Cheryle James</b> Cooper Landing Chamber of Commerce	<b>Robert Schreckhise</b> North Pole Community Chamber of Commerce
<b>Jennifer Gibbins</b> Cordova Chamber of Commerce	<b>Renata Benett</b> Outside Chamber Representative
<b>Flower Cole</b> Delta Chamber of Commerce	<b>Stu Graham</b> Palmer Chamber of Commerce
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<b>Steve Lundgren</b> Greater Fairbanks Chamber of Commerce	<b>Deborah Altermatt</b> Seward Chamber of Commerce
<b>Ryan Kapp</b> Greater Soldotna Chamber of Commerce	<b>Ian McGaughey</b> Seldovia Chamber of Commerce
<b>Paula Nance</b> Greater Wasilla Chamber of Commerce	<b>Ptarmica McConnell</b> Sitka Chamber
<b>Kelly Bender</b> Greater Whittier Chamber of Commerce	<b>Geri Denkwalter</b> Talkeetna Chamber of Commerce
<b>Kelly Shattuck</b> Juneau Chamber of Commerce	<b>John Rusysniak</b> Tok Chamber of Commerce

## Alaska Chamber Staff

### Staff

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# ALASKA CHAMBER

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