

# SOUTHEAST ALASKA TRIBAL COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

2016-2020

*Produced in 2018 by the  
Business and Economic Development Dept.  
of the Central Council of the Tlingit & Haida Indians of Alaska  
with funding support from the  
Economic Development Administration of the U.S. Dept. of Commerce*



Indian Tribes of Alaska

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## EXECUTIVE SUMMARY

The Central Council Tlingit and Haida Indian Tribes of Alaska represents more than 30,000 tribal members with ancestral ties to 19 Southeast Alaska communities. A majority of tribal members still reside in these tribal communities. This document represents the first of its kind as a comprehensive economic development strategy for Southeast tribal communities.

As part of the planning process, we researched independent resources and we used one-on-one contact and survey outreach to capture tribal, Alaska Native Corporations, and individual input on community and economic priorities.

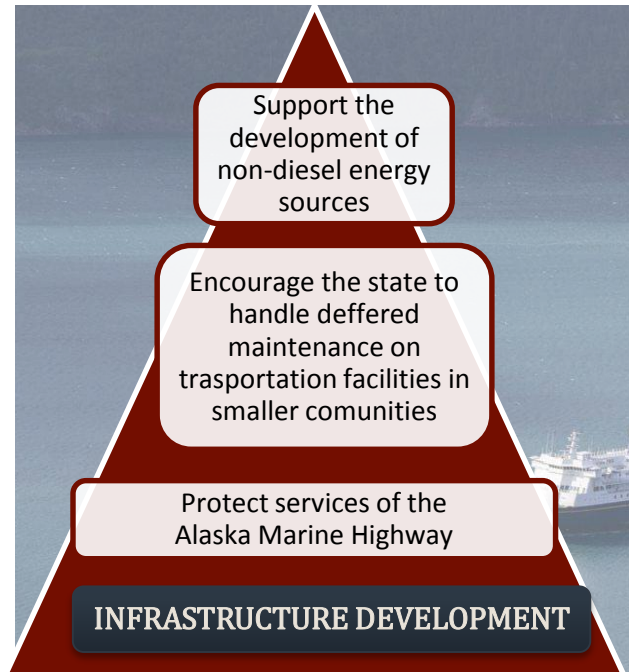
### Community, Regional Priorities

Nearly two-thirds of survey respondents prioritized business development as a way of achieving economic development. As a part of that, respondents indicated that marketing their business, consolidating acquisitions, increasing revenue and profitability were important. Other priorities:

- **Housing** - Support housing development.
- **Food Security** - Increase production, accessibility, and demand of local foods; and maintain and protect access to subsistence fish, game, and plant resources on public lands.



- **Cultural Wellness** - Support activities and infrastructure that promote cultural wellness.
- **Education** - Partner with higher education and K-12 to meet workforce needs.
- **Healthcare** - Meet the regional needs of tribal communities and advocate for increased services and funding.
- **Energy** - Promote and implement regional energy plan priorities.
- **Transportation** - Minimize impacts of budget cuts to Alaska Marine Highway and develop a sustainable operational model to meet current and future needs.



### Overcoming challenges

We are able to overcome financial and economic challenges because of the resiliency of the people. Those who call Southeast their home are here because of family ties that link back several generations, access to outdoor recreation and subsistence activities, and the beauty of our surroundings.

Ancestral ties	Bountiful natural resources	By choice
		
<i>This has been our home since time immemorial</i>	<i>Our culture has evolved around use of these resources</i>	<i>We are here because it's a lifestyle choice</i>
<b>Why Tribal Members Call Southeast Their Home</b>		

## INTRODUCTION

### The Central Council Tlingit & Haida Indian Tribes of Alaska

There are 562 federally recognized tribes in the United States. Nearly half (229) are in Alaska and 19 are in the Southeast region. The Central Council Tlingit and Haida Indian Tribes of Alaska (Tlingit & Haida) is unique as it is a regional entity with shared membership with each local tribe in the region. As a tribe, Tlingit & Haida represents more than 30,000 tribal members. Our community is among the largest, most isolated, and most geographically dispersed tribal populations nationwide.

#### **Project area overview**

The area covered by the Southeast Tribal Comprehensive Economic Development Strategy (CEDS) is spread over 43,000 square miles, from Yakutat on the north to Saxman on the south, in the area has historically been occupied by the Tlingit, Haida and Tsimshian peoples.

We invite readers to learn more about Tlingit & Haida programs for the benefit of our tribal members on our [website](#).

#### **Tlingit & Haida Government**

Our governing body is comprised of the Tribal Assembly of Delegates and the Executive Council. They establish the Tribe's direction and positions on issues that affect its tribal membership through a resolutions process. Tribal Assembly resolutions are one of the policy mechanisms used to express the Tribe's positions on federal, state, local and/or tribal legislation, litigation, and policy matters that affect tribal governments. Specific resolution information can be found on the Tlingit & Haida [website](#).



## Executive Council, tribal representation

The Executive Council is charged with enhancing the governance and providing oversight of the performance of program and business activities of the Tribe in pursuit of our mission. The Executive Council is responsible to the Delegates in Tribal Assembly and to our tribal citizens. Each community within the region and in Anchorage, Seattle and San Francisco is represented by elected delegates based on tribal population.

## Regional Challenges

In Alaska, Alaska Natives face a number of challenges to economic development and self-sufficiency including location, unemployment, high cost and low standard of living, and infrastructure issues. In Southeast, the regional and local economies are dependent on the forest and marine resources, particularly rural villages with subsistence-based economies.

Timber and fisheries are key industries in the region with tourism playing an increasingly important role in some communities.

While the southeast region has abundant raw material resources, the communities are isolated and a great distance from markets, adding high transportation costs to the price of manufactured goods. Infrastructure for water, sewer, electricity, transportation, solid waste disposal, and other living necessities are at low capacity and high cost.

Flat developable, private land is difficult to obtain in this terrain characterized by mountainous islands dropping into the sea. Communities are small which tend to limit the breadth and depth of the available workforce.



While the wilderness flavor and isolation create a desirable lifestyle for some, it does not draw large numbers of potential workers wanting to live here. Laws, regulations and policies of governmental agencies with jurisdiction in the region sometimes create barriers to development. The federal government owns more than 80% of the land in this region.<sup>1</sup>

In southeastern villages, municipalities and tribal governments represent a key piece of the employment and service picture. However, they are operating on ever-shrinking budgets, severely limiting their ability to push economic development projects forward.

Although the economic situation has become worse since 2005, we are citing statistics on municipalities pulled from an Alaska Municipal League report issued in that year: 13 cities were no longer functioning, 18 cities were in deep debt, and 39 cities had terminated key local services (e.g. law enforcement, road, utility, facility maintenance).

The following were cited as contributing factors:

- Lack of a tax base - a chronic and obvious problem
- Inability to raise even minimum dollars
- Financial inequities seen in the provision of education
- Question of village, as well as individual, survival is a critical one
- Extremely high costs
- Loss of municipal state revenue sharing



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<sup>1</sup> An Economic Inventory for Southeast Alaska, November 2006, Southeast Conference.



## ABOUT THE TRIBAL ECONOMIC DEVELOPMENT STRATEGY

The Comprehensive Economic Development Strategy (CEDS) contributes to effective economic development in communities and regions through a locally-based, regionally-driven economic development planning process. Economic development planning is a cornerstone of the U.S. Economic Development Administration's (EDA) programs and is a means to engage community leaders, leverage the involvement of the private sector, and establish a strategic blueprint for regional collaboration.

The CEDS provides the capacity-building foundation by which the public sector, working in conjunction with other economic actors (individuals, firms, industries), creates the environment for regional economic prosperity. In other words, a CEDS is a strategy-driven plan for regional economic development.

Historically, the economic development strategy for the Southeast Alaska region is developed in collaboration with the Southeast Conference. While the collaboration has been and continues to be successful from a regional perspective, this CEDS focuses on tribal issues and concerns and provides a demographic profile of the Southeast Native community. We are thankful for the EDA funding to enable us to produce the Tribal CEDS.

### • • • **Southeast Tribal CEDS** ***Mission Statement***

To engage Southeast Alaska tribes in a regional planning process and to develop a unified strategy that will support tribal economic health and rural economies.

### ***Vision***

Healthy, vibrant tribes and tribal communities.

### ***Goals***

Unification of Southeast Alaska tribal community.

Identification of challenges to economic development.

Development of strategies to assist tribal communities to overcome the challenges.

Development of a regional network of support.

## Planning and Development

The planning process began in the spring of 2017 and was expedited to four months with another two months for internal review and external review and comment with our tribal partners and the public.

In September 2017, a CEDS team was formed, consisting of staff from the department of Business and Economic Development and three tribal contractors tasked with providing overall assistance with the data collection, drafting the report and providing correspondence with tribal entities throughout the region.

The CEDS team developed an online survey to facilitate input from the tribes, Alaska Native corporations, Native small business owners, tribal non-profits, and tribal community members. The survey was made available mid-October through January 2018.

With tribal input and research, the CEDS team created a socioeconomic picture of the communities and captured their business and economic development priorities. A CEDS committee comprised of tribal community members and invited guests were provided a draft of the preliminary findings. Through work sessions, workshop participants will continue to formulate the goals, objectives and work plan found on pages 47-55.

The CEDS is a document that will be updated annually to address, introduce, or the continuation of the goals and objectives for long term planning within the region.

The Southeast Tribal CEDS was submitted to U.S. Dept. of Economic Development Administration on April 1, 2018.



### **Office of Business & Economic Development**

Charged with developing and maintaining efforts and programs that promote business and economic development for tribal communities and constituents.

#### ***Business Development***

Provides opportunities to Natives living in Southeast Alaska for increased financial independence and self-sufficiency.

#### ***Economic Development***

Facilitates efforts in the region while promoting the interest of the Tribe

#### **Our Offices**

Central Council Tlingit  
& Haida Indian Tribes of Alaska

9097 Glacier Highway

Juneau, AK 99801

Toll Free: 800.344.1432/x 7110

## Tlingit & Haida tribal assembly, resolutions

The community and economic development priorities in this CEDS are supported by tribal resolutions passed by Tlingit and Haida General Assembly. That governing body is comprised of delegates elected from southeast tribal communities. From [2014 to 2017](#), the resolutions passed by the Tribal Assemblies include:

- 14 related to subsistence, natural resource management and food security
- 10 related to the tribe and our culture and language
- 9 related to health and wellness
- 8 related to housing
- 6 related to tribal business development
- 5 related to education/employment/training
- 4 related to infrastructure development

## Our tribal partners

There was maximum stakeholder engagement in the plan development process. The Tribal CEDS covers 21 communities and 19 tribes participated in plan development:

- Angoon Community Association
- Central Council of the Tlingit and Haida Indians of Alaska (Juneau)
- Chilkoot Indian Association (Haines)
- Chilkat Indian Village (Klukwan)
- Craig Tribal Association
- Douglas Indian Association
- Hoonah Indian Association
- Hydaburg Cooperative Association
- Ketchikan Indian Corporation
- Klawock Cooperative Association
- Metlakatla Indian Community, Annette Island Reserve
- Organized Village of Kake
- Organized Village of Kasaan
- Organized Village of Saxman
- Petersburg Indian Association
- Sitka Tribe of Alaska
- Skagway Village
- Wrangell Cooperative Association
- Yakutat Tlingit Tribe

In addition to the tribes, other members who participated in the planning and review process were Native non-profits, health and housing agencies, Native small business owners, community members and 12 Alaska Native corporations.

- Cape Fox Corp. (Saxman)
- Goldbelt, Inc. (Juneau)
- Haida Corp. (Hydaburg)
- Huna Totem Corp. (Hoonah)
- Kake Tribal Corp.
- Kavalco Inc. (Kasaan)
- Klawock Heenya Corp.
- Klukwan, Inc.
- Kootznoowoo, Inc. (Angoon)
- Shaan-Seet Corp. (Craig)
- Sealaska Corp. (Juneau)
- Shee Atika Inc. (Sitka)
- Yak-tat Kwaan Inc. (Yakutat)

## Other Regional Planning

Community growth opportunities are tied to land and natural resources with a variety of public and private ownerships. The same situation exists with services and supporting infrastructure. There are a variety of regional providers and because of their ability to impact local activities, we have examined the planning activities of these entities and, to the extent practical, they have been factored into our planning efforts.

### **Transportation planning**

Most transportation activities in Alaska are federally-funded through the State of Alaska and through Alaska tribes. State projects are supported by policy, long-range, and project level plans.

Tribes are funded by the Tribal Transportation Program through government-to-government agreements along with approved long-range plans to support



transportation activities. Southeast compact tribes are partners in the CEDS process. Transportation funding is discussed under the Impacts section of this document. Tlingit & Haida's Long Range Transportation Plan can be view on our [website](#).

### **Regional housing strategy**

The U.S. Department of Housing and Urban Development (HUD) allocates funding for tribal housing programs. The Tlingit & Haida Regional Housing Authority (THRHA) is the Tribally Designated Housing Entity for the majority of Southeast tribal communities. This designation allows THRHA to apply for and administer these funds on behalf of the communities. Other housing entities are directly engaged in delivering these services to their own citizens either as a designated housing entity or through a sub-recipient agreement with THRHA. [THRHA's Indian Housing Plan](#) includes input from 12 Tribal partnerships that result in multiple housing programs to assist tribal members.

### **Spruce Root Inc. /Sustainable Southeast Partnership (SSP)**

Founded by Haa Aani LLC., Community Development Fund with the goal of improving access to capital for entrepreneurs in Southeast Alaska. SSP is a diverse network of individuals and organizations partnerships throughout the region. Together the partnerships look at a localized economy, food security, energy independence, fisheries and forestry.

## **Indian Health Services planning**

The Alaska Native Tribal Health Consortium (ANTHC) assumed responsibility in 1998 for the operations of the majority of the Indian Health Service Alaska Area programs. Today, ANTHC is the largest, most comprehensive tribal health organization in the United States, and Alaska's second-largest health employer with more than 2,800 employees offering an array of health services to people around the state. The consortium members providing services in Southeast to American Indian and Alaska Native residents are:

- Southeast Alaska Regional Health Consortium
- Ketchikan Indian Community
- Metlakatla Indian Community
- Yakutat Tlingit Tribe

Under these government-to-government agreements, tribes have broad latitude to recast funds to meet tribal priorities. Southeast Compact Tribes are also partners in this CEDS. Healthcare funding is discussed later in this plan document.

## **Forest planning**

Approximately 80 percent of the Southeast region is managed by the US Forest Service under the Tongass Land and Resource Management Plan, which acts as a zoning document. Under that plan, defined areas allocated or zoned to Land Use Designations (LUDs) for different uses or activities. The LUD determines the extent to which development can occur. The difference between the most recent forest plan and earlier plans is the Alaska Region is committed to putting sustainability first by setting Net Zero as the goal. Net Zero is when our business operations are in balance with our environment, resulting in zero net consumption.

The most recent Tongass Land Management Plan Amendment supports a transition from old growth harvest to a young growth-based timber program, while preserving natural resources and a viable timber industry.

## **Southeast Conference planning**

The [Southeast Conference](#) is a regional, not-for-profit corporation that advances the collective interests of the people, communities, and businesses in Southeast Alaska. As the federally-designated Economic Development District, Southeast Conference is responsible for developing a Comprehensive Economic Development Strategy (CEDS) for Southeast designed to identify regional priorities for economic and community development. The CEDS process engages community leaders, leverages the involvement of the private sector, and develops a strategic blueprint for regional collaboration. The latest Southeast CEDS spans 2016 to 2020 with input from 400 representatives.

Tlingit & Haida is a Southeast Conference member and technical support partner.

## How Best to use the Tribal CEDS

There are multiple ways this CEDS document can be used. The main purpose is to develop a strategy of how our tribal communities, predominately rural areas, can come together to plan and carry out the goals and strategies to develop healthy, thriving communities. We have included a lot of statistics and documentation that can be useful in applying for support and funding through community, state and federal grants.

This document is organized to first provide a summary and an overview of the planning process. We want you to have confidence that we sought and embraced participation at every level.

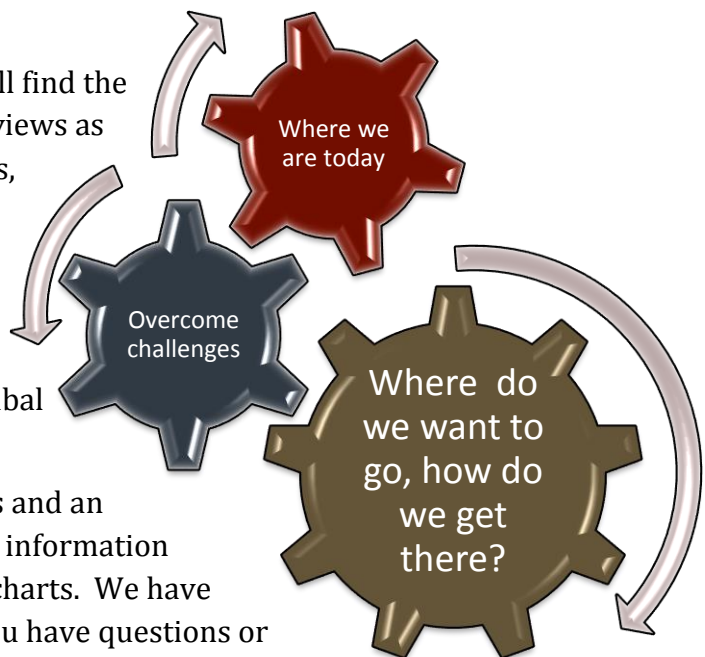
The next section presents information on our region’s culture, geography, environmental surroundings, and natural resources. What is the environment we’re dealing with? Who controls the land and resources so plentiful in our region? This section answers these questions.

The Economic Condition of the region takes a look at the many economic areas: Alaska Native and general populations, the workforce, active and emerging businesses, and community infrastructure.

The following sections are where you will find the summary of what the tribal community views as our strengths, weaknesses, opportunities, and threats in key areas. We outline the key areas and objectives for each.

The goals, objectives and strategies were developed by the Tlingit & Haida CEDS committee and reviewed by our tribal partners.

Finally, there’s a notable list of acronyms and an appendices section packed with detailed information found in the narrative and summarized charts. We have retained records and source data so if you have questions or want additional information, please contact us.



## PROFILE OF CULTURAL, GEOGRAPHIC, ENVIRONMENTAL, LAND/NATURAL RESOURCES, CLIMATIC

### Culture

The Haida Nation and the Tlingit Nation have existed as two separate and distinct people since time immemorial. This great land (*Aani*) known as Southeast Alaska is the ancestral home of the Tlingit and Haida people. Haidas migrated into the region from Canada several hundred years ago. The most recent studies show that Tlingits have been here at least 9,000 years and longer.

Tlingit and Haida people are born into their identity through a matrilineal clan system that has evolved around the natural resources over thousands of years. They have lived on this land as occupants and guardians, using the land and waters as mariners, fishermen, hunters, gatherers, and traders. They are responsible caretakers of their land, always taking great pride in cultivating and harvesting the resources of the land and sea in a responsible manner.

History shows that prior to western contact, the Tlingit and Haida people remained in balance with the environment and resources, through good stewardship, hard work, wise laws, and respect. Today the resources continue to support our tribal lifestyle, our tribal member homes, and our tribal communities, and the waters remain our highways.

The linguistically distinctive Tlingit, Haida and Tsimshian tribes of Southeast Alaska are known for their rich material culture, complex social organization, and elaborate ritual practices. Their clan systems and structures have evolved around the use of the natural resources over thousands of years.

During the imperial expansion, Russians began to arrive and occupy parts of Alaska in the 1700's, arriving to the Southeast region about 1740 in pursuit of fur. According to the National Parks Service, a trading post was set up in Sitka in 1799. Alaska was sold to the United States in 1867.



## Geographic

Southeast Alaska is a part of the Alexander Archipelago and encompasses about 7% of Alaska's total land area. The region is made up of a narrow mainland strip of steep rugged mountains and ice fields, and over 1,000 offshore islands.

Together the islands and mainland equal nearly 11,000 miles of meandering shoreline, with numerous bays and coves. A system of seaways separates the many islands and provides a protected waterway called the Inside Passage. Most of the region is undeveloped and the local economies are seasonal.

According to Alaska Department of Labor and Workforce Development estimates, in 2016 there were approximately 73,812 people living in more than 30 towns and villages located on islands or along the mainland coasts and 23 of those communities are incorporated. In 2005, only four of those 32 communities met the U.S. Census Bureau's definition of urban (population greater than 2,500) and only eight had populations greater than 1,000 persons.

The map to the right shows the location of communities in the region and Alaska Marine Highway routes.





## Environmental

Alaska is a part of Environmental Protection Agency (EPA) Region 10, which includes Alaska, Idaho, Oregon and Washington. Its mission is to protect and restore ecosystems, ensure healthy air sheds and watersheds, take action on climate change, prevent pollution through source reduction and chemical safety, clean up contaminated sites, and enforce federal environmental laws.

### **Air**

The two main EPA criteria pollutants impacting Alaska are Carbon Monoxide and Particulate Matter. [Some Southeast communities](#) are affected by Particulate Matter.

Indoor air pollution is exacerbated by homes tightly sealed against the cold weather, attached garages are a source of pollutants from cars and stored fuels and solvents, and cold weather keeps people indoors longer and more often.

### **Solid waste**

Alaska has over 215 municipal landfills in communities across the state and over 115 waste storage, treatment, or disposal facilities supporting Alaskan industries. As most rural communities are only accessible by boat or air travel, each community has their own landfill because of the impracticality to ship waste out of the community. Managing landfills in rural communities can be a challenge due to limited and untrained staff.

After much discussion in the region, the Southeast Alaska Solid Waste Authority (SEASWA) was established as a public agency to stabilize or reduce the cost of solid waste disposal in

### **Water and sewer**

According to the Alaska Department of Environmental Conservation, as of February 2015, in rural communities:

- 60% were piped
- 11% were on individual wells or septic tanks
- 7% were on mixed systems
- 6% were on covered haul

Funding to build systems has declined severely while costs have risen sharply. The deficit between available funds and water and sewer needs is over \$1.2 billion.

In Southeast Alaska, most communities have water piped in from local dams, lakes or reservoirs. Sewage is processed at secondary treatment plants which then flow to ocean outfalls.



the region. The intent of SEASWA is to reduce or stabilize cost through a combination of a long term disposal contract and increased diversion through recycling. Current member communities are Wrangell, Petersburg, Thorne Bay, Craig, Klawock, Kasaan, and Coffman Cove.

## Land and Natural Resources

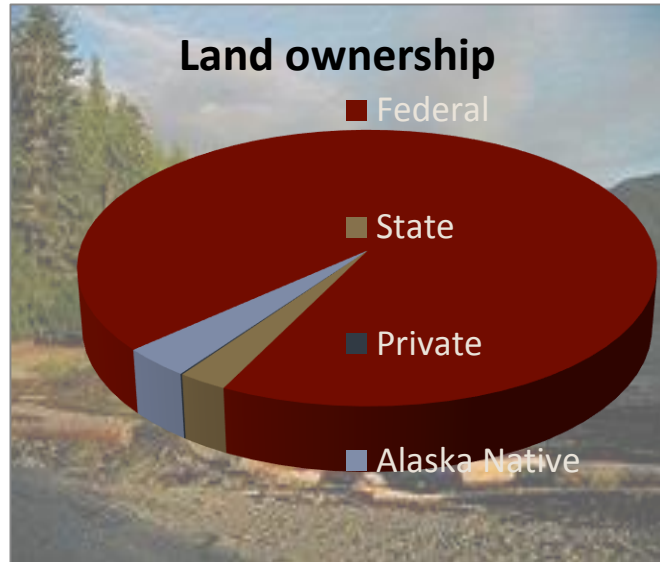
The region is predominantly coastal rainforest. Most of the area is wild and undeveloped with an abundance of forest and water resources that have played an important role in local economies and in the Native cultures as they have evolved over hundreds and thousands of years. Many residents also depend on subsistence hunting and fishing to meet their basic needs. In addition, natural amenities, subsistence resources, and recreation activities associated with the natural resources form an important part of the quality of life for many residents of Southeast Alaska.

As most of these important natural resources are on land held by the local, state, and federal government or by private owners, continued access to these resources is extremely important. So important that it unified Alaska Natives throughout the state when the State of Alaska fell out of compliance with the Alaska National Interest Lands Conservation Act which establishes a priority for rural subsistence use.

### **Land ownership**

In Southeast Alaska, federal or public lands comprise about 95% of the region – 80% is in the 16.7 million-acre Tongass National Forest and 15% in Glacier Bay National Park and Preserve. The State of Alaska holds 2.5 % or 511,500 acres.

Alaska Native organizations and corporation and Annette Island Reservation collectively own 3.4% or 728,100 acres. Other private land holdings account for less than 1% of the remaining land base.



The lack of privately owned land and land available for development is unique to Southeast Alaska and impedes the ability of the region to nurture the private sector. The federal ownership for nearly all of the land in the region impacts the overall and seasonal economies.

## Alaska Native Claims Settlement Act

The 1971 Alaska Native Claims Settlement Act (ANCSA) changed the status of land ownership in Alaska by transferring land back to Alaska Natives to settle all land claims. In 1971, barely one million acres of land in Alaska was in private hands.

ANCSA, together with Section 6 of Alaska Statehood Act, affected

ownership to about 148.5 million acres of land in Alaska once controlled by the federal government.

wholly

This not only had the effect of making Alaska Natives, through the newly established Alaska Native Corporations, major land owners in the state, but because transferred lands were largely in the areas historically occupied by the Alaska Native peoples, the Alaska Native Corporations holding the land now have the ability to positively or negatively impact the tribal communities.



### Subsistence

In Alaska the federal government manages subsistence activities on federal public lands and waters and the State of Alaska manages subsistence activities on state lands and waters. This dual management situation, which came about in 1989 when the State of Alaska fell out of compliance with ANILCA rural subsistence protections, forces subsistence users to be familiar with state and federal rules as they go about the business of hunting, fishing, and gathering. The State of Alaska has since been unable to bring itself into compliance with ANILCA.



## Native Allotments/ Trust land

At the national level, of the 90 million acres of tribal land lost through the allotment process, only about eight percent has been reacquired in trust status since the Indian Reorganization Act was passed in 1934. Still today, most tribes in Alaska are landless. The Native Allotment Act of 1906 authorized individual Alaska Natives to acquire an allotment consisting of one or more parcels of land not to exceed 160 acres total. Alaska Natives filed about 10,000 allotment applications for nearly 16,000 parcels of land statewide under this Act before its repeal in 1971 when ANCSA was passed.

## Timber

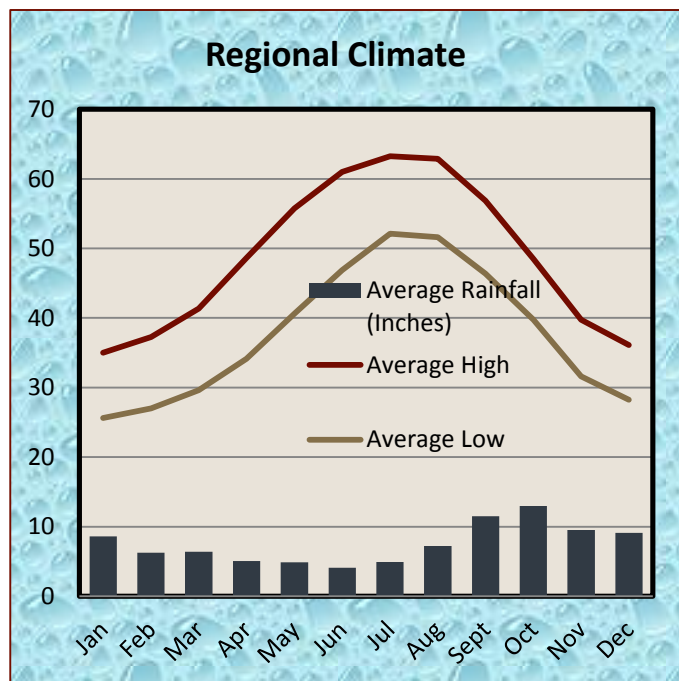
The primary species of trees in the Tongass National Forest are Sitka spruce, western hemlock, western red cedar, and Alaska (yellow) cedar. Approximately 400,000 acres have been harvested to date.

## Minerals

Mineral resources occurring within the boundaries of the Tongass National Forest include gold, silver, molybdenum, and uranium, and nationally designated “strategic” and “critical” minerals such as lead, zinc, copper, tungsten, and platinum group metals. With respect to National Forest management, mineral resources are legally divided into three groups: locatable minerals, leasable minerals, and salable minerals. The authority of the Forest Service to influence and regulate the exploration, development, and production phases of mining operations varies with each.

## Climate

Southeast is a temperate rainforest that remains relatively mild year round. The warmest months are July and August with average temperatures around 63 degree. The average rainfall increases from 4.91 inches in July to 7.22 in August. September and October has the most rain, an average of 11.52 and 12.99 inches, respectively. Southeast varies drastically with annual rainfall with Yakutat and Ketchikan bringing the average up (155 and 141, respectively), and in contrast, Skagway has about 27 inches annually. Regionally, December, January, February, and March are typically below freezing with an average temperature of almost 28 degrees.



### Alaska Natives

According to an update by the University of Alaska Anchorage's Institute of Social and Economic Research (ISER), 40 years ago Alaska Natives had among the lowest income, employment, and education levels in the U.S. Today, while economic conditions are better, Alaska Natives still fall considerably below averages among other Alaskans and other Americans.

- Alaska Natives have more jobs, higher incomes, and better living conditions, health care, and education than ever. But they remain several times more likely than other Alaskans to be poor and out of work.
- Native students continue to do poorly on standard tests and dropping out in growing numbers.
- Alaska Natives are increasingly urban with about 42 percent that live in urban areas.
- Alaska Native population will grow to 165,000 by 2020.
- Incomes of Natives remain just 50 to 60 percent those of other Alaskans.
- Transfer payments are a growing share of Native income.
- All the economic problems Natives face are worst in remote areas, where living costs are highest.
- Natives are three times as likely as other Alaskans to be poor. Half the Native families below the poverty line are headed by women.
- Native education levels continue to rise, but haven't yet reached those among other Alaskans. Native women are significantly more likely than men to attend college.
- Native students are more likely to drop out of school and less likely to pass standard tests.

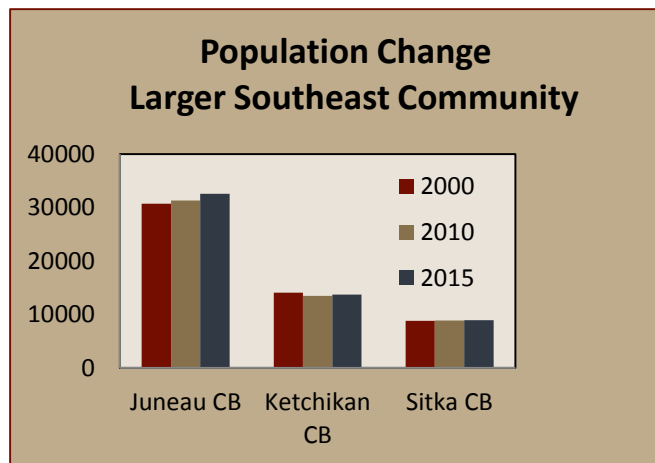
### **Alaska Native data analysis**

Based on the census and labor data, American Indians/Alaska Natives:

- Have lower educational attainment levels and may not necessarily have even a high school diploma.
- Not only have a higher unemployment rate than the general population, but also have a larger number of individuals 'not in the workforce', which means that for some reason, they are not looking for work.
- Have lower median incomes, which means that even when employed, they are at lower levels or that they are underemployed.
- Have more individuals living below the poverty level.
- May have compounding social and behavioral health problems.

## Regional Demographics

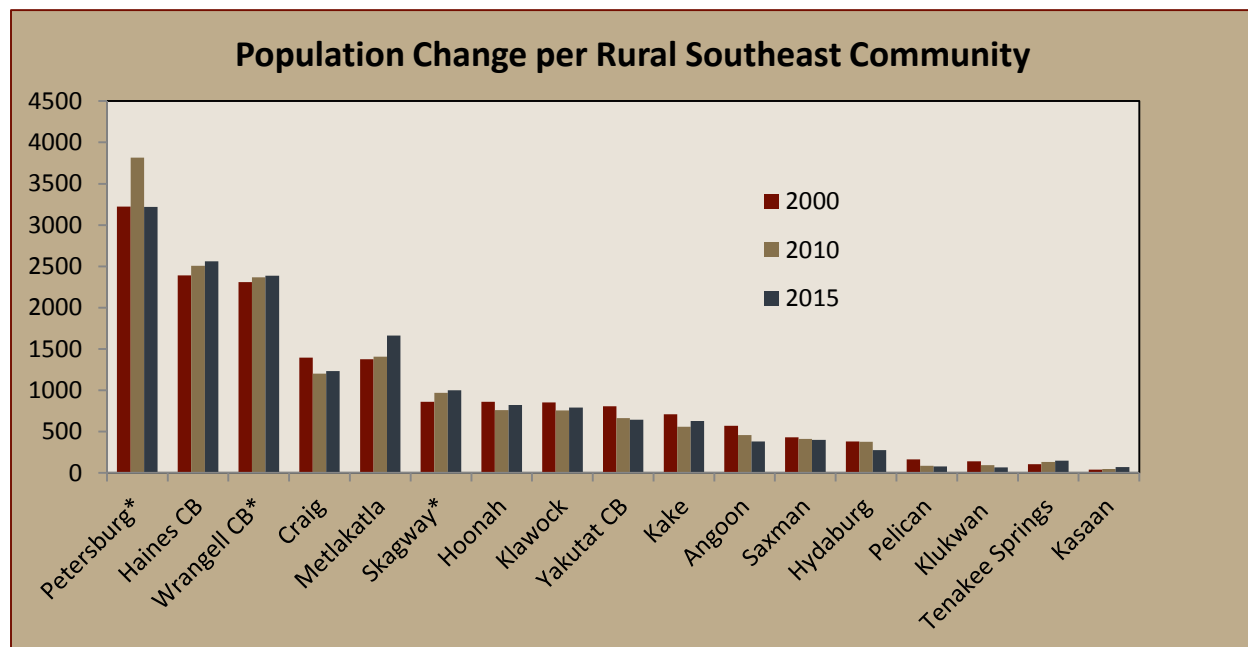
This section profiles details about the region’s population. In this section, detailed breakout data by race is not available for all communities and in some cases, not available at all. For smaller communities, there are higher error margins due to small sampling size.



The sources of information used in examining the economic condition of the include data from the US Census Bureau, the Alaska Department of Labor and Workforce Development, and the University of Alaska Anchorage Institute of Social and Economic Research.

### Population distribution, trends<sup>2</sup>

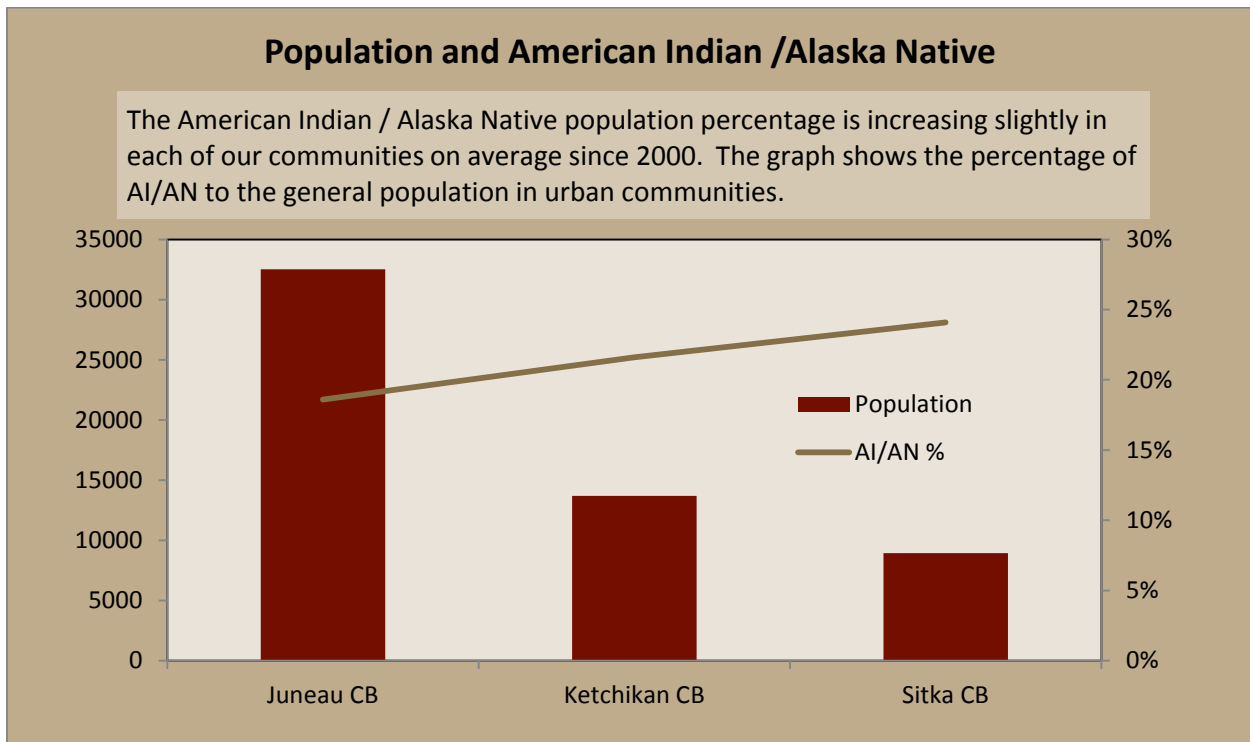
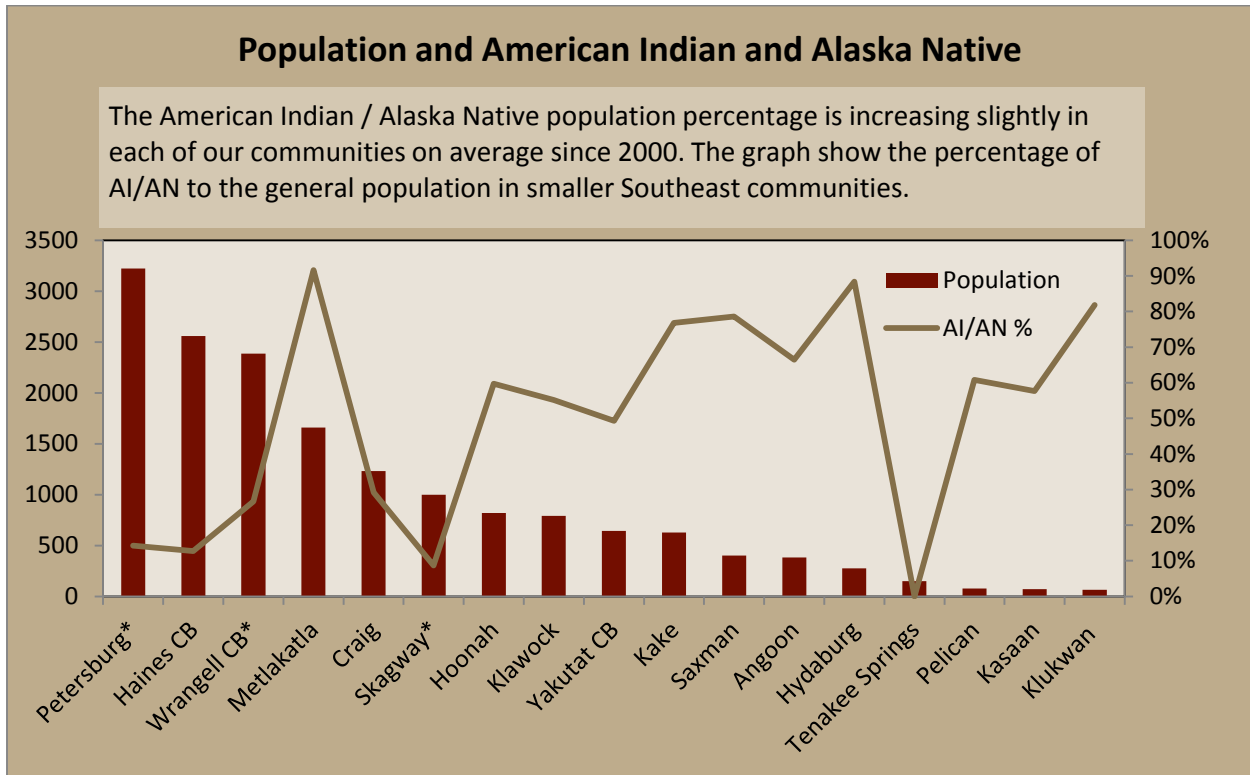
The following table presents data extrapolated from Census Bureau statistics for 2000, 2010 and 2015. This data demonstrates that the current rural migration to urban centers as a continuation of a long and lasting trend. This trend was identified in a 2008 DCRA study, which cited rural Southeast Alaska as the region that lost the most people, absorbing 69% of the total rural population decline. In just eight years its population fell by 3,596 persons and the regional population base eroded by 8.5% from 2000. The Yakutat Borough was impacted the most with a 27% drop from the population base in 2000.<sup>3</sup>



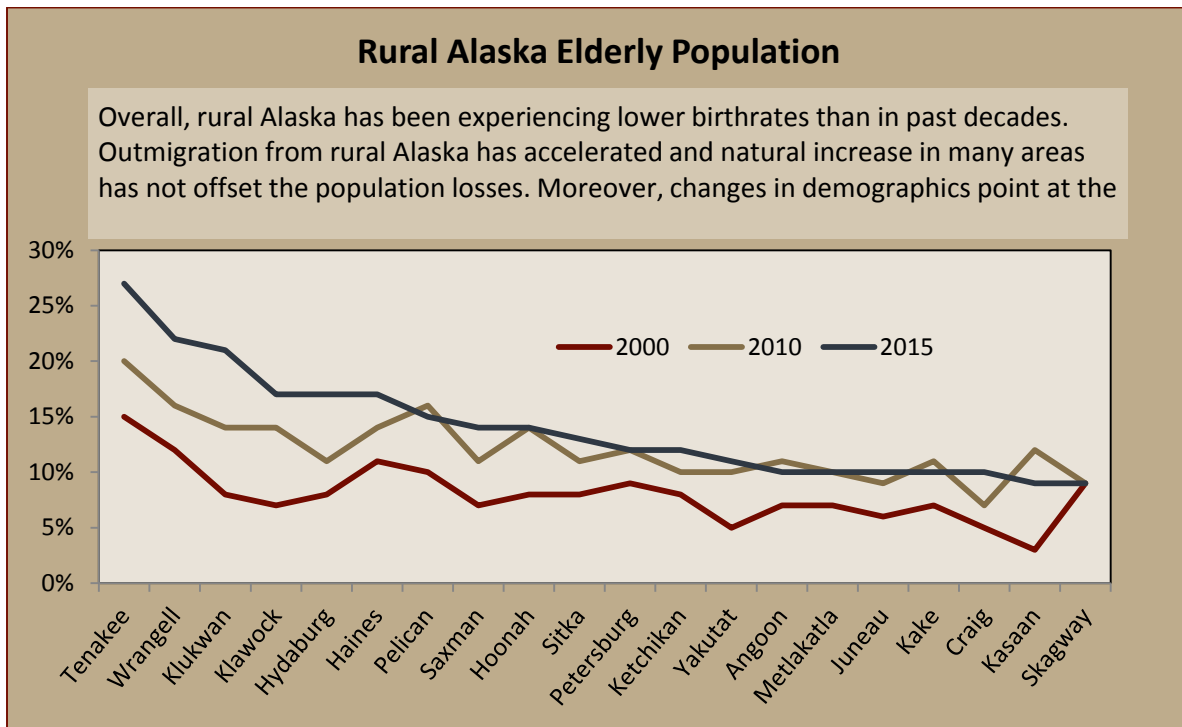
<sup>2</sup> Source: Alaska’s Rural Population and School Population Trends, April 2009. DCRA.

<sup>3</sup> DCRA 2008 Study.

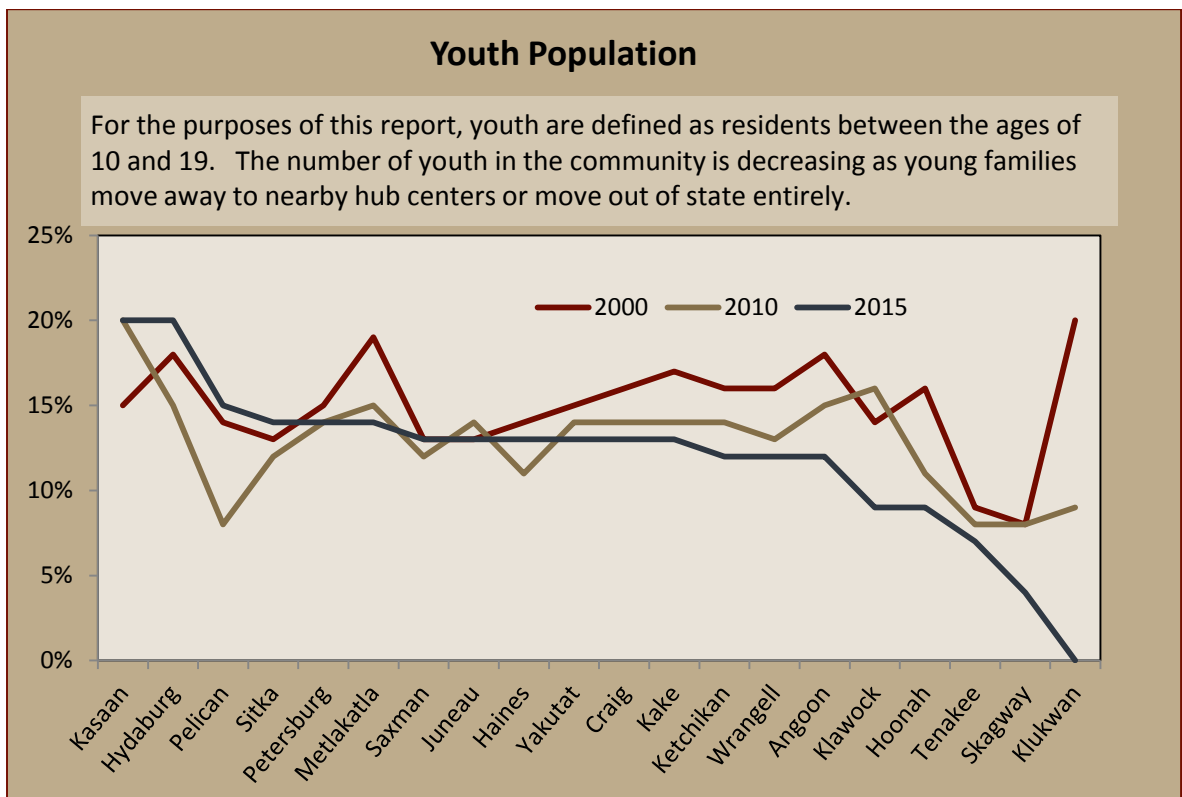
## American Indian / Alaska Native population



## Elder population



## Youth population





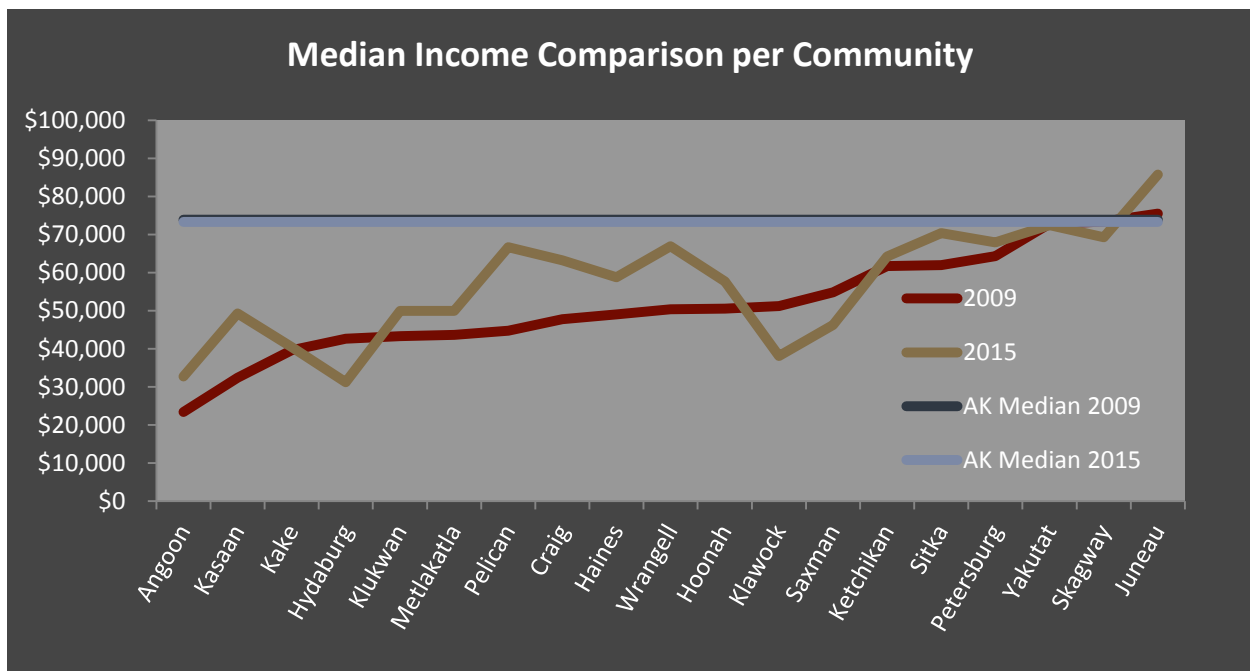
## Income

There are two primary sets of statistics the federal government and other entities use to determine low income: the federal poverty line and HUD income limits, which generally are defined as the higher of 80% of the area median family income or 80% of the state non-metropolitan median family income level.

The median income of these Southeast communities for 2009 was \$50,450 compared to the State's median income of \$73,962 (approximately 32% less). The median income for these communities in 2015 was \$60,990 compared to the State's median income of \$73,355 (approximately). The graph is sorted by lowest median income in 2009 to highest to be compared with 2015 income in those same communities.

There is a direct correlation with the size of the community and the median income. The smaller, more rural Native communities have the lowest median income (Angoon, Kasaan, Kake, Hydaburg, Klukwan) while the larger and/or more predominantly non-Native communities have a higher income (Juneau, Skagway, Yakutat, Petersburg, Sitka).

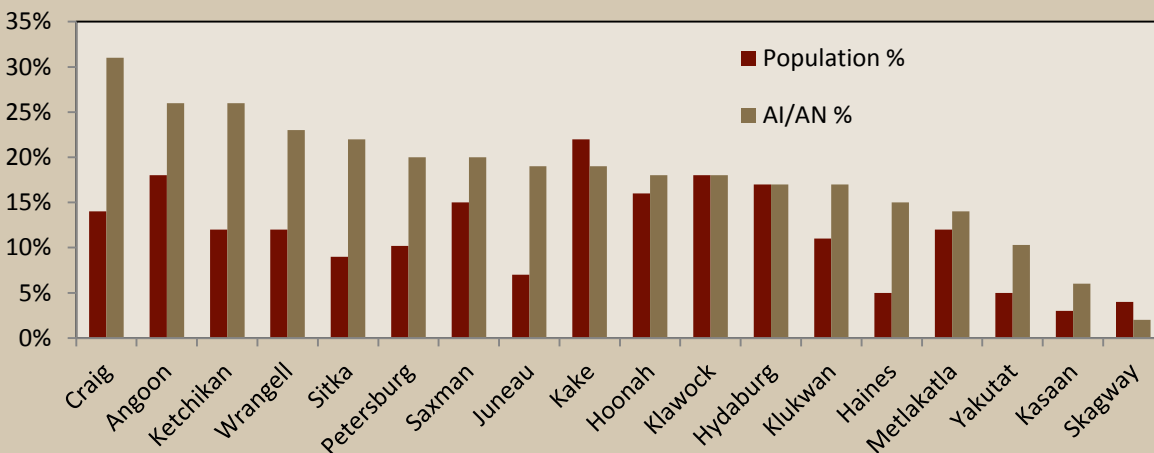
The income fluctuated some from 2009 to 2015 with a few communities seeing a decrease in median income, but overall the region saw an increase in income which remained significantly under the state median. Juneau is the only community in Southeast with a higher median income than the state median.



## Poverty status

### 2015 Poverty Comparison American Indian / Alaska Native Population per Community

The 2015 national poverty was 13.5%. In 2016 the national poverty level decreased to 12.7%. In examining the 2015 data for Southeast communities, AI/ANs comprise a larger percentage of individuals living in poverty in all but five communities. In two of those five, the sampling was too small for estimates to be made. In all communities, the various ways in which people are self-identifying their race has created a margin of error that is difficult to quantify. The average statewide poverty population poverty in 2015 was approximately 10.6% while AI/AN is 18%.



### Alaska Native workforce

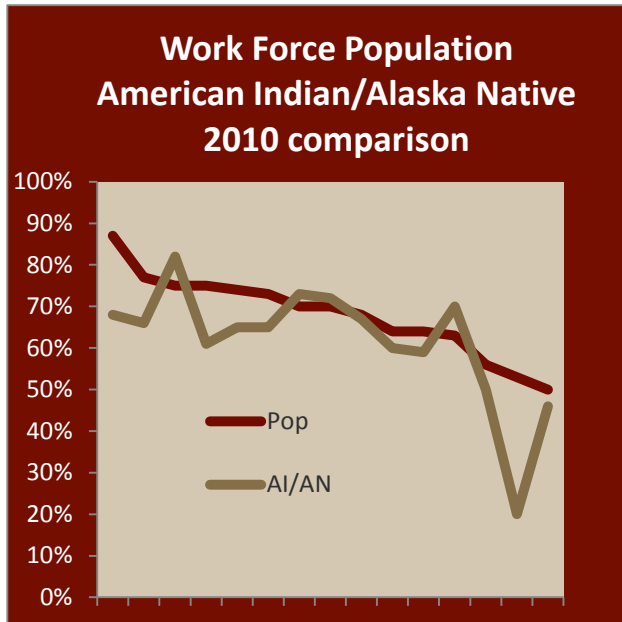
This section takes a closer look at the employed and unemployed workforce, wages and employers.

The workforce data table presents 2010 and 2015 information on the workforce population (16 years and older) for each community in the Southeast Alaska region. As a part of our examination we looked at employment, unemployment, labor force, and not in labor force data by race for the 2010 and 2015 census years.

The 2010 and 2015 data supports several conclusions:

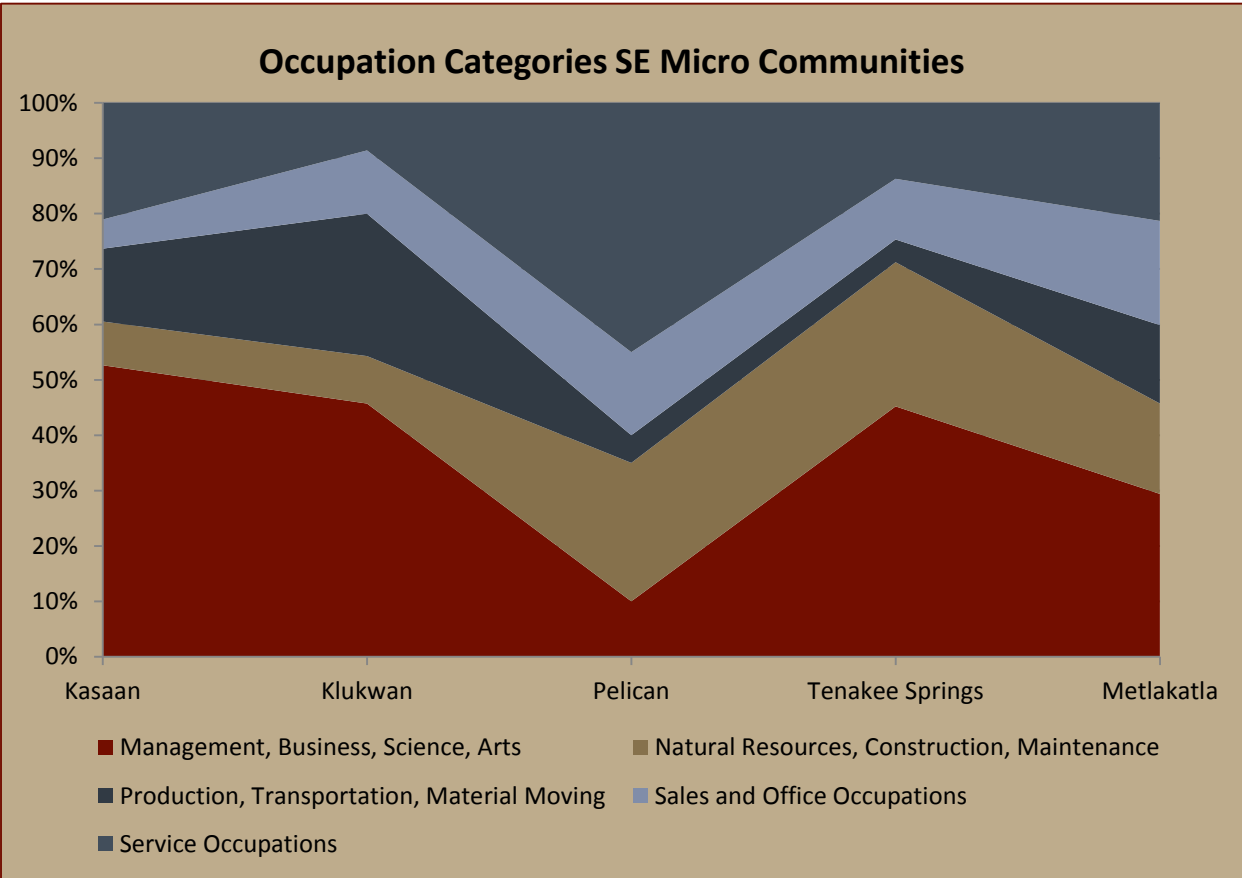
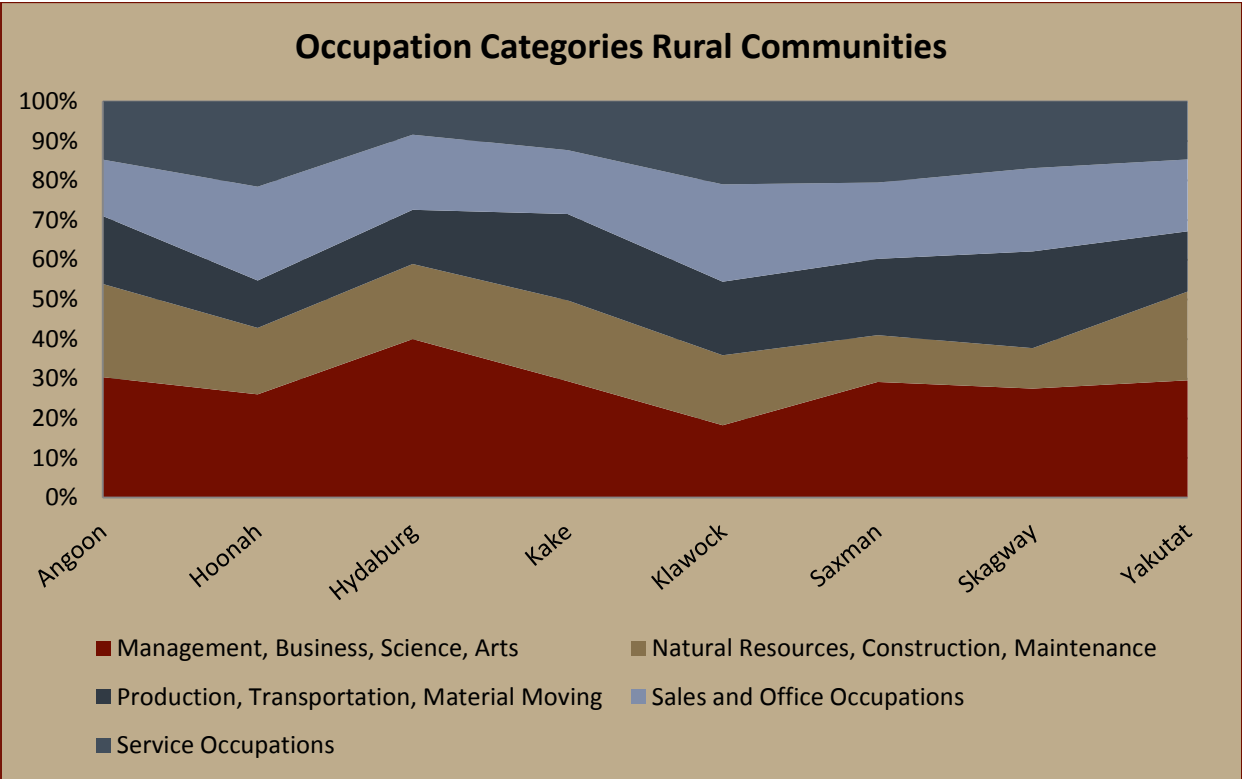
- There is a larger percentage of unemployed American Indians/Alaska Natives compared to the non-Native population.
- There is a larger percentage of AI/ANs 'Not in the Labor Force' compared to the non-Native population.

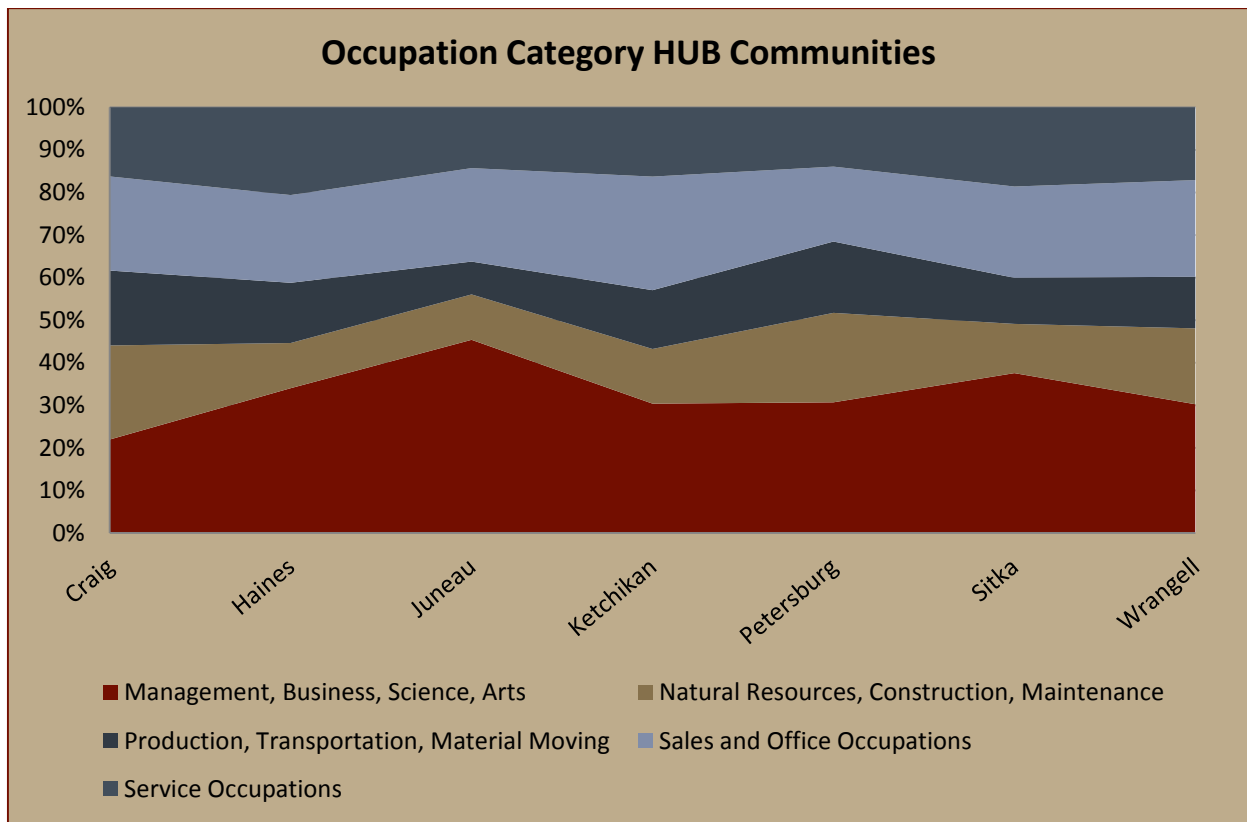
- The unemployment rate is based on the number of individuals receiving unemployment insurance and adjusted by the number of workers identified as “not employed but seeking work”. That measure does not reflect what is happening in the typical rural situation where individuals may not be seeking work because there are no jobs.
- Even in larger HUB communities where the economies are more stable and robust, AI/AN’s have less participation in the workforce and higher unemployment rates than the population in general.



### Occupation

Data is presented by community size: the smallest villages, rural communities, and the hub centers. The charts show that the industries are fairly well balanced in the hub centers. As the communities become smaller, dips and heights in the graphs become more pronounced. A business creating 10 jobs has marginal impact in a large community where 6000 individuals are employed, but will create significant impact in a small community that may only have 95 individuals employed (such as Hydaburg).





## Education

This section profiles the education level programs of our tribal community members.

### Alaska Head Start

Alaska Head Start is the largest early childhood program serving over 3,000 young children from birth to age five in 100 Alaska communities. Head Start and Early Head Start are comprehensive child development programs serving low-income children and their families. Tlingit & Haida provides Head Start services to Angoon, Hoonah, Craig, Juneau, Klawock, Petersburg, Saxman, Sitka, Wrangell, and Yakutat.

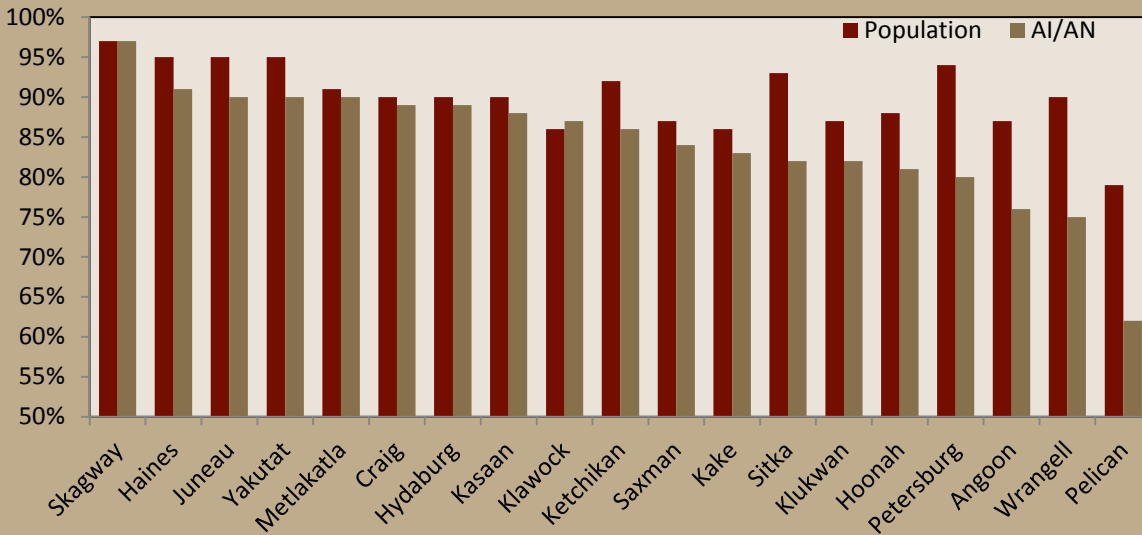


The Rural Alaska Community Action Program, Inc. provides services in Haines, Kake, Kake and Ketchikan. Head Start and Early Head Start programs employ about 900 people across the state and have contracts with an additional 350 people.

## High school / Higher education

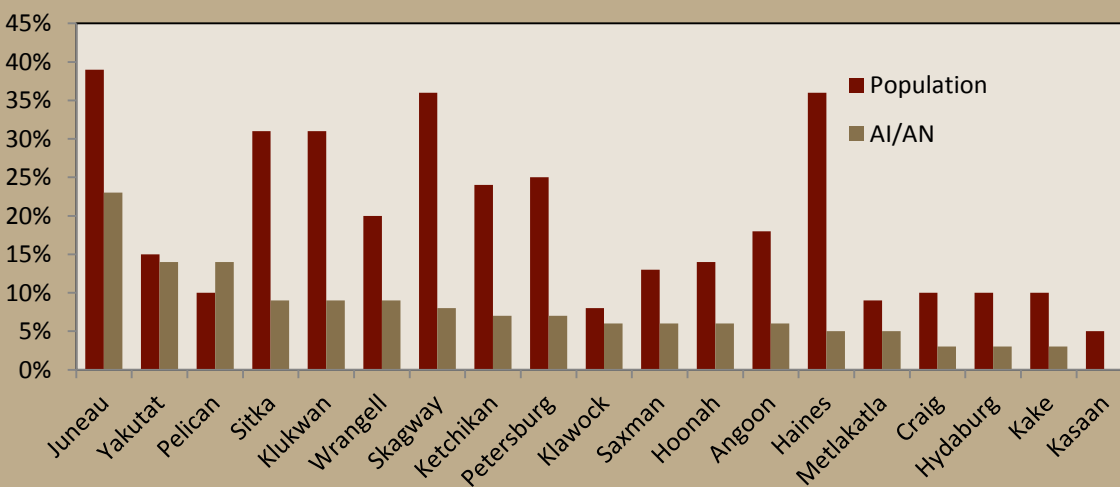
### High School Educational Attainment Comparison Population and AI/AN per Community

In 2015 American Indians and Alaska Natives (AI/AN) lagged behind the Alaska general population in high school education. Aside from Klawock, in each community the AI/AN population has a lower percentage of high school graduates. The graph is sorted from highest percentage of AI/AN who graduated to least.



### Bachelor Degree or Higher Educational Attainment Comparison, Population and American Indian /Alaska Native per Community

Beyond high school, there is larger gap in the higher education arena. The graph shows 2015 data and is sorted from the largest percentage of AI/AN who have completed a



## Infrastructure Assets Related to Economic Development

Community Infrastructure is the basic physical and organizational structures and facilities (e.g., roads, water supply, sewerage, telecommunication, and energy) needed to sustain the operation of a community.

### **Transportation**

For Southeast Alaska communities, road infrastructure includes ferry systems and water routes, and commuter airlines and air routes. Transportation facilities are either owned by the city or the state. Commuter airlines are privately owned.

Cities are responsible for the maintenance and operation of city-owned facilities. The State is

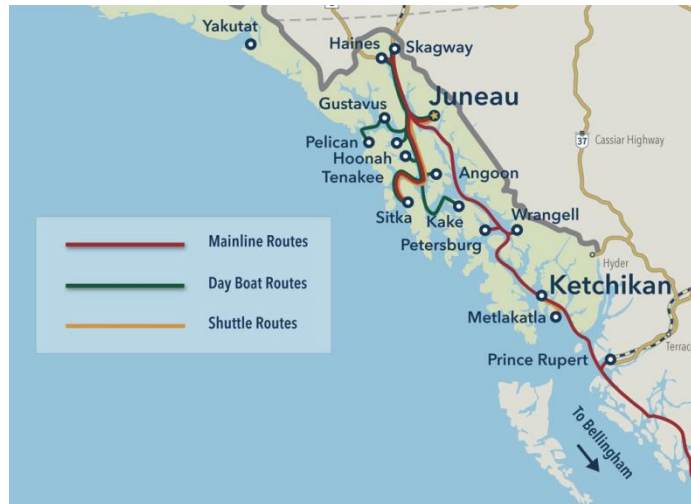
responsible for the efficient maintenance and operation of state-owned roadways, rural airports, bridges, transportation-related buildings, and the Alaska Marine Highway system.

Most communities have ferry docks, plane docks and/or local airstrips.

Money for infrastructure development is extremely limited in smaller communities where there is no tax base, no revenue sharing funds, and limited Tribal Transportation Program funding. In these communities the State of Alaska generally is responsible for maintaining one centerline road to the ferry and/or airplane dock or to the local airplane landing strip. Actual maintenance of these rural roads is

unlikely to occur as state dollars become more restrained. Actual maintenance of these rural roads are at risk and may not occur as state dollars become more constrained.

Involvement in the Southeast Alaska Transportation Plan and Improvement Plan (SATP and STIP) is critical to insure equitable funding is made available for rural communities, both for surface and marine transportation.



These geographic and economic considerations keep transportation at the top of community priority lists. Over the years, rural communities have engaged in efforts, individually and collectively through regional organizations such as Tlingit & Haida, the Alaska Native Brotherhood and Sisterhood Grand Camp and Southeast Conference, to secure improved infrastructure and services, and have encountered the following:

- Difficulty in accessing federal funds
- Lack of planning and technical capacity to advance projects
- Lack of local funding to match federal and state funds
- Limited or no state funding for local roads

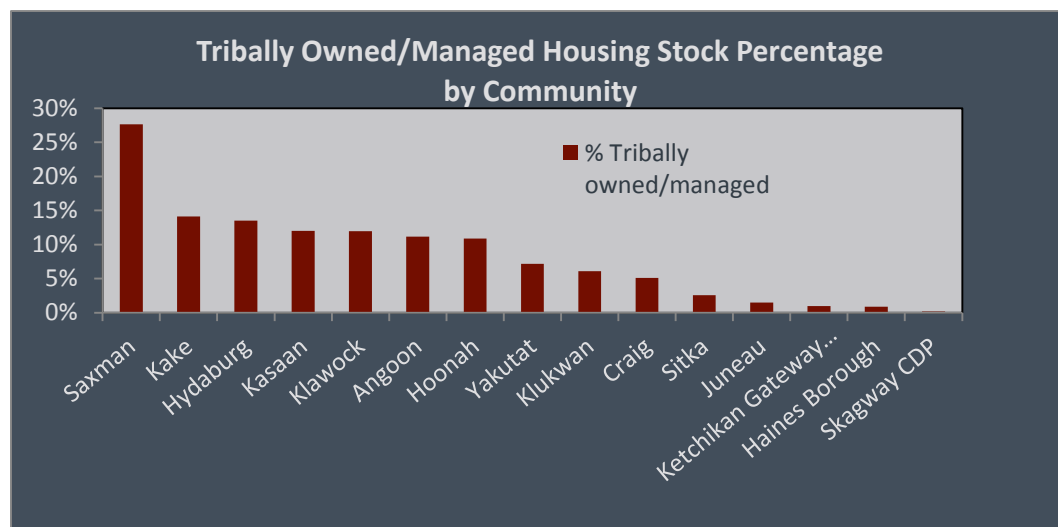
Progress has been made recently with Tribal recognition and inclusion on the Governor's Community and Public Transportation Advisory Board, AMHS Reform Steering Committee and MTAB. Continued participation is key to direct planning efforts toward needed infrastructure and services needed to support economic development and transportation for rural communities.

### Housing

The Tlingit & Haida Regional Housing Authority (THRHA) has 538 units in 16 communities. The majority of units is in Juneau (196) yet only account for less than 1% of the local housing stock. Saxman and Klawock follow with 42 units although that represents only 12% of Klawock's housing stock, and the same number of units accounts for 28% in Saxman which is the largest tribally owned/managed housing stock percentage in the region. Ketchikan has a total of 59 units, 34 of which are managed by the tribe and an additional 24 from THRHA all of which totals less than 1% of the local housing stock.

Sitka's Baranof Island Housing Authority has a total of 106 units which is approximately 3% of the local housing stock.

THRHA has a total of 18 units in Wrangell and 17 in Petersburg; however the total housing stock number is not available.

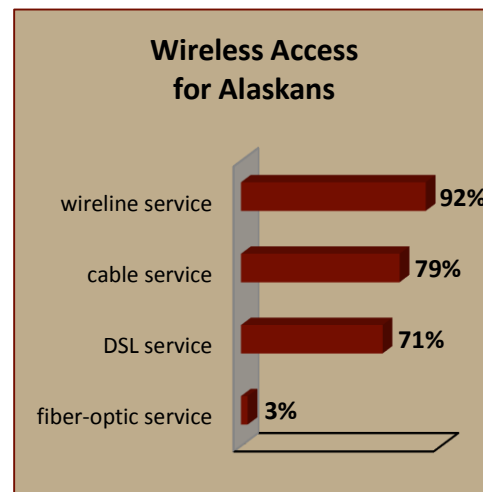
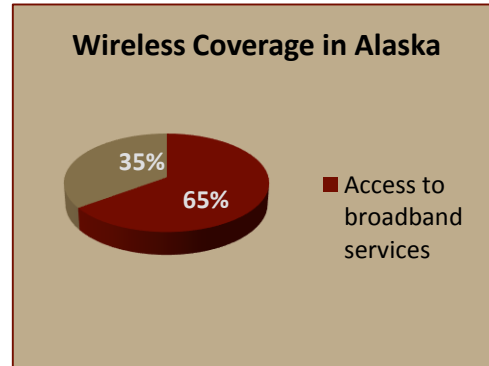




## Telecommunications<sup>4</sup>

While almost all communities have some form of telephone service and internet connection, that connection is sometimes unreliable even in larger communities like Ketchikan. The largest competing providers in Alaska is government funding. Connect Alaska has been awarded almost \$6.4 million in federal grants for Alaska's Broadband initiative since 2010. In total there are 63 broadband providers in Alaska.

- There are 161,000 people in Alaska without access to a wired connection capable of 25mbps download speeds.
- There are 258,000 people in Alaska that have access to only one wired provider, leaving them no options to switch.
- Another 58,000 people in Alaska don't have any wired internet providers available where they live.



Technology continues to evolve and improve in the telecommunications sector with the industry looking more to satellite deployment in lieu of traditional ground-based infrastructure. This may offer both improved services for remote villages and communities, as well as possible business partnerships and job creation.

## Energy<sup>5</sup>

A mix of private and publically-owned utilities as well as Co-ops provide electric service to over 41,000 residential, commercial, and industrial customers in Southeast. Most of these utilities serve a single community, though interconnected grids exist on Prince of Wales Island, Skagway and the Haines area, and connecting Petersburg, Wrangell, Ketchikan, and Saxman. Juneau's Alaska Electric Light and Power (AEL&P) accounts for nearly half (48.2%) of all electric sales in the region followed by utilities in Ketchikan (20.3%), and Sitka (12.8%).

<sup>4</sup> Source: BroadbandNow site

<sup>5</sup> *Southeast Alaska Energy Update and Profile, June 2016*. McDowell Group, Inc. for Alaska Energy Authority

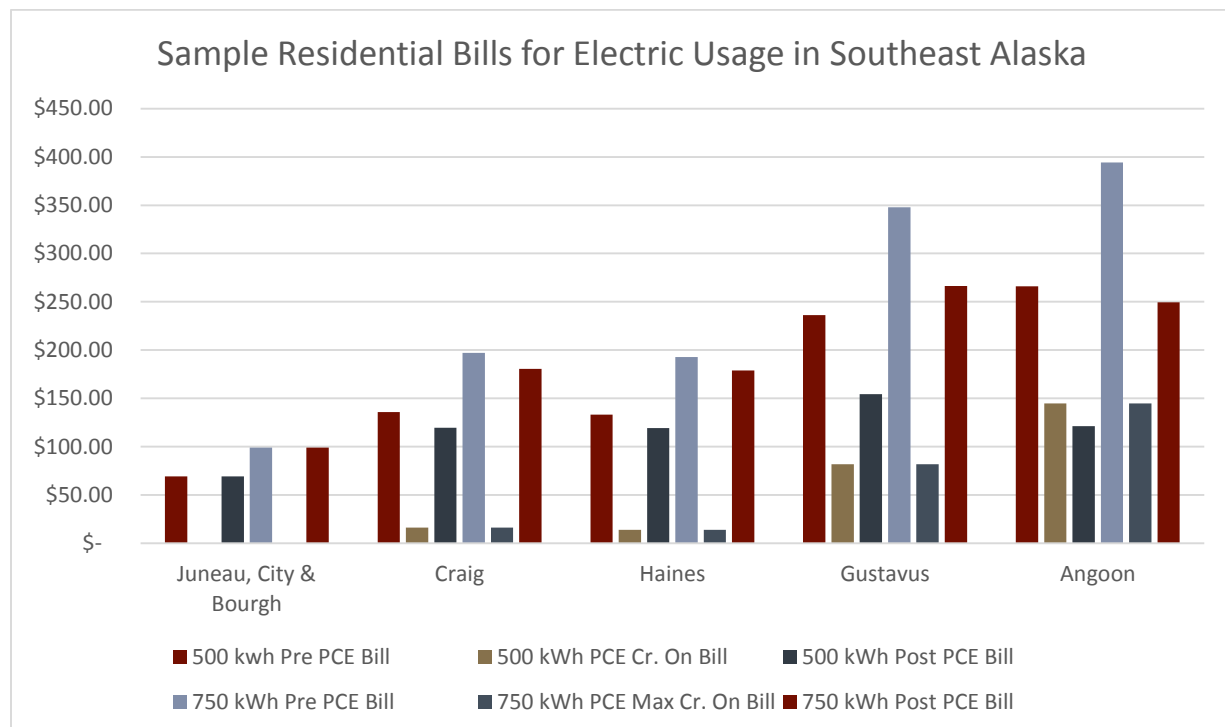
Hydroelectric power is plentiful in southeast Alaska. However, hydroelectric infrastructure is very expensive to construct and debt service adds to the electric rates paid by consumers.

Where hydroelectric facilities have existed for a long time and the construction debt has been fully paid, the cost of electricity is very low - especially in the larger communities with higher populations and extensive commerce. In communities that have recently constructed hydro and little economic base, debt service adds to the cost of power, generally for 20-30 years.

Where hydro is not available, diesel-generated power is often three to five times higher than the more urban parts of the region.

Inside Passage Electric Cooperative (IPEC), is a non-profit, consumer owned electric utility serving over 1,300 members in the rural Southeast Alaska communities of Hoonah, Kake, Chilkat Valley, Angoon, and Klukwan.

They have focused on deploying renewable energy and have successfully constructed a hydro in Hoonah, purchased a hydro in Chilkat Valley and are about to begin construction on a hydro in Kake.



## Status of the Industries and Economic Outlook

This section examines the health of the State of Alaska from a labor and industry viewpoint, followed by a summary of Southeast industry and outlook.

### **Statewide Data and Outlook<sup>6</sup>**

At the beginning of 2016, the Alaska Department of Labor and Workforce Development predicted that the Alaska's economy would face significant headwinds in 2016, largely due to sustained low oil prices, and a more recent 2017 report issued in the October 2017 Alaska Economic Trends confirms that prediction.

Following are the conclusions from that report:

- August was the 23<sup>rd</sup> consecutive month Alaska had recorded job losses, although job losses have moderated slightly in recent months.
- The unemployment rate at the time of the report was 7.2% compared to the 4.4% national rate.
- Wages were up slightly in the first quarter of 2017 compared to the first quarter of 2016 after four quarters of decline.
- Initial unemployment claims were well below the 10-year average.
- GDP growth was at -2.0%. According to the July 2017 issue of *Alaska Economic Trends*, Alaska's GDP has declined for four straight years, the longest downturn in Alaska's history.
- While the Legislature averted a catastrophic government shutdown by passing an operating budget, it failed to pass a comprehensive fiscal plan, meaning there is no plan for stabilizing the state's economy.
- Inflation is the lowest it has been since 1988, due to falling energy costs.<sup>7</sup>
- In the third quarter of 2015, Alaska had an annual growth rate of -1.2% which was slower than the overall US growth rate of 1.9%. By comparison, Alaska's 2014 growth of -0.8% was up from the 2013 level of -2.3%. (Source: BEA)
- Personal income growth was at -0.6%.
- Alaska's population remains relatively stable despite moderate job losses.
- 4,290 more people have left Alaska than have moved to Alaska.



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<sup>6</sup> *Economic Forecast for 2016* from Jan 2016 Alaska Economic Trends and *Gauging Alaska's Economy* from Oct 2017 Alaska Economic Trends publications, Alaska Department of Labor and Workforce Development.

<sup>7</sup> Alaska Economic Trends, July 2017.

## Regional Data and Outlook

The region underperformed the state as a whole over most of the last decade.<sup>8</sup> Southeast began to lose jobs with the rest of the state in 2015, when oil revenue's quick decline spurred state government job loss and steep cuts to the capital budget caused construction losses shortly thereafter. Weakness in state government affects Southeast more than the rest of the state, but the region has almost none of the oil and gas employment that has been Alaska's biggest source of loss. Southeast also has more of a buffer through tourism than other regions, which will further temper its losses.

The regional economy is experiencing growth in a number of industry areas but will remain flat due to dependence on state jobs and expenditures.

The military has gone from being an economic footnote to becoming a key economic driver, as the region's Coast Guard personnel have grown to more than 800 members in 2016.

The maritime economy has taken off, and for the first time ever Alaska ferries are being built in the region.

Health care is expected to continue its three-decade trend of strong growth.

Tourism is projected to grow at 4% per year for the foreseeable future.

Nearly 500 regional state jobs were cut, mostly in Juneau and Ketchikan, during 2015 to mid-2016 with a payroll impact of \$28 million. More cuts are on the way.

Timber continues a 25-year decline, attributable to stricter laws and sharply reduced allowable timber harvesting. Jobs have gone from 4000 to nearly gone.

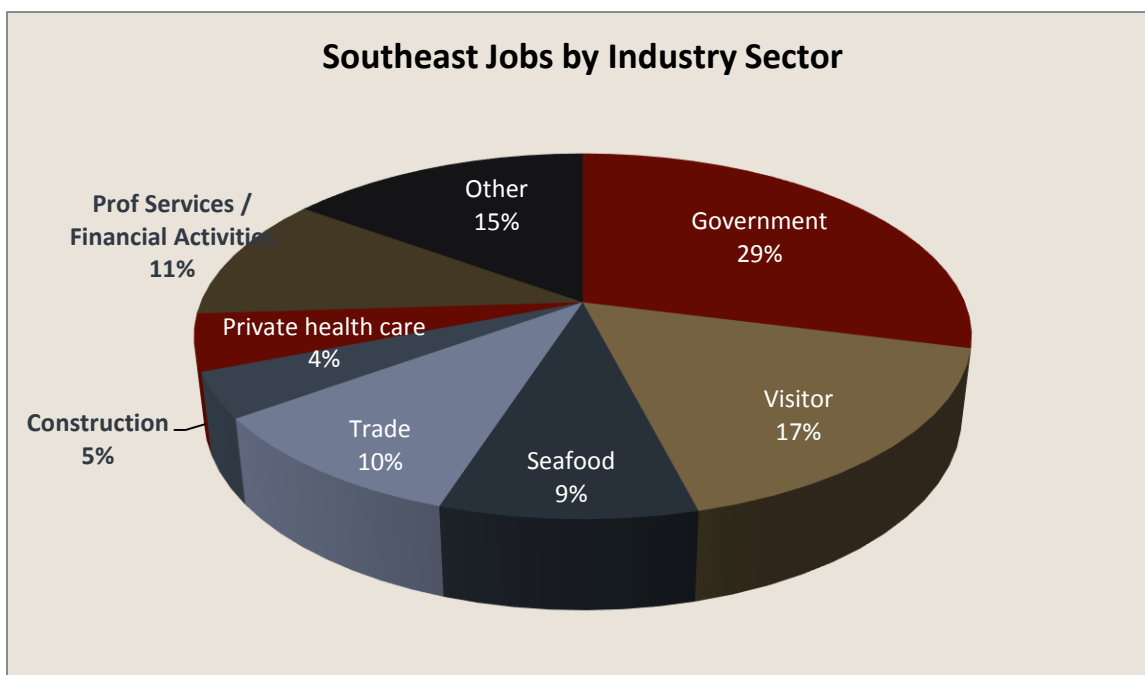
The fishing industry is highly volatile, with fluctuating prices year to year. Salmon farming still impacting Alaska wild salmon market. Alaska commercial fishing jobs fell by 2.1 percent in 2015 or about 178 jobs. Southeast lost less than 1% of jobs

<sup>8</sup> January 2018 Alaska Economic Trends.

In 2017, the Southeast Conference published *Southeast Alaska by the Numbers 2017* Report. This report showed many negative numbers for the Alaska economy in the Southeast region.

- Regional population decreased by 648 people
- Labor force decreased by 434 jobs
- State government jobs decreased by 565 jobs
- Total pounds of seafood landed in the region decreased by 77 million pounds

According to data compiled by the Southeast Conference<sup>9</sup>, in 2016, the region lost 885 year-round jobs, along with \$29 million in workforce earnings over 2015. The key areas by industry sector are government and visitor.



### **Resident vs non-resident employment**

In February of 2016, the Alaska Department of Labor and Workforce Development reported growth in Alaska’s nonresident hire rate as part of a continuing a five-year trend. Overall, Alaska’s nonresident hire reached 20.8% and non-residents took home \$2.6 billion in wages. One of out every four jobs is a non-resident.

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<sup>9</sup> Source: Southeast Conference 2016 -2020 Comprehensive Economic Development Strategy.

## Industry outlook

In our examination of key industries for Southeast, we found that the Census Bureau collects by industry sector data on the number of establishments, annual receipts, and number of employees. However, 2012 is the most recent year (released in 2017) and the full range of data is available only on larger communities. Government employment information is not available for the 2012 year.



The Industry outlook section examines key industries in rural Native communities – salmon, timber, mining, and tourism.

### **Salmon fishing industry**

In 2016, according to the Southeast Conference, it was “the worst fishing season in the region in more than a decade.”

For Southeast Native communities, salmon fishing was a mainstream industry but over time, the smaller fishing vessels gave way to larger vessels from out of state, as well as a loss of fishing permits to non-residents. As a result, the impact and relevance to rural Native communities is shrinking. In Alaska, 46% of licensed crewmembers and 74% of seafood processing workers in Alaska are nonresidents.<sup>10</sup> There has been an outmigration of licenses and quota share from rural areas in particular and from the state in general, as regulating agencies continue to restrict entry into fisheries and to privatize resources. For more information on the decline of Southeast fishing permits, please see Appendices.

The salmon fishing industry is highly volatile, with prices and catch volumes subject to big changes from year to year. From 2013 to 2015, for example, prices for Alaska pink and sockeye salmon fell by over 50 percent. Salmon farming continues to impact the Alaska wild salmon market.

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<sup>10</sup> Source: Alaska Economic Trends, November 2009. Alaska Department Labor & Workforce Development.

## Timber industry

Most of the region's timber supply is in the Tongass National Forest, which occupies about 80% of the region. That operable timber base kept the timber industry thriving until 1990 when dynamic changes in the forest regulatory environment and a number of legal challenges set off a series of plan revisions and environmental assessments. Changes in the global marketplace combined with a more restrictive regulatory environment (i.e., limits to below-cost sales, increased protection for riparian areas) to cripple timber development. The number of board feet harvested annually has fallen by 96% from peak levels in the 1990s.

In 2015 the timber industry created 321 jobs and \$17.3 million in employment related revenues. Historically, the timber industry provided about 4,000 jobs in the region. These lost jobs represent billions of dollars in payroll and related economic impacts. Communities have been radically impacted by the loss of tax base to pay for services and infrastructure.

The current major players are Sealaska Corporation, which has its own timber base, and Viking Lumber, which depends on timber from the Tongass National Forest.

Regional timber jobs were down again in 2015 by 2%. Timber industry employment is likely to continue to decline into 2016 and beyond for the following reasons:

- The Forest Service's plan to transition to young growth will reduce, and then terminate, access to old-growth timber which has been the mainstay of industry sales.
- Litigation over nearly every timber sale has made log deliveries uncertain and is a barrier to potential new mills obtaining the financing needed to enter the industry.
- Timber available for sale is often uneconomical, thereby constraining supply; and
- The poor outlook for future economic timber is a disincentive for continued participation in the industry.



## Mining industry

In 2015, there were 795 annual average mining jobs in Southeast Alaska, with a payroll of \$82 million. The two large mines operating in the region account for nearly all mining employment – Hecla/Greens Creek and Coeur/Kensington. Greens Creek is one of the largest silver mines in the world, with an orebody that also contains zinc, gold, and lead, and Kensington is exclusively a gold mine.

Mineral exploration has remained dormant, with the exception of the copper-zinc-silver-gold Palmer Project near Haines. After several years of downward trends, metal prices are up in 2016.

## Tourism industry

Among key industries, the outlook for the tourism industry holds the most promise for tribal communities. The Southeast Conference 2017 report shows that tourism is the only positive numbers in its examination of industry sectors.

- Total visitors increased by 110,425 from 1,362,737 to 1,473,162
- Total visitor industry employment increased by 829 from 6,923 to 7,752 (12%)
- Total visitor industry wages and earnings were up \$40.9 million from \$188.5 to \$229.4 million

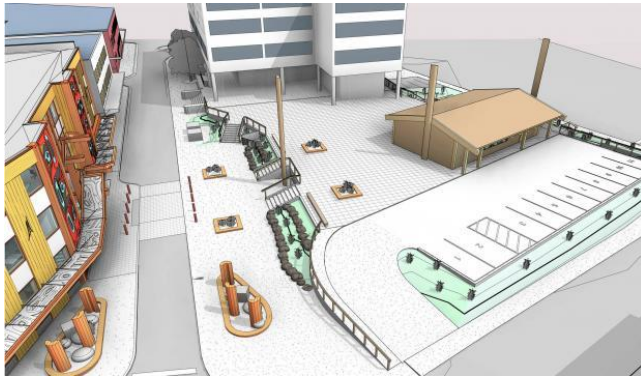
Almost all Alaska itineraries include visits to Southeast Alaska, which has three major ports of call: Juneau, Ketchikan and Skagway. Ships also make port calls in Sitka, Icy Point Strait and Haines. As the region’s hub, nearly all of the ships stop in Juneau. Juneau receives 99 percent and Ketchikan receives 90 percent of all Alaska passenger traffic. Visitor industry-related employment plays the greatest role in Southeast, accounting for 21 percent of employment and 14 percent of labor income.

Icy Strait Point, (ISP), a subsidiary of Huna Totem Corporation, has had great success in creating a world-class visitor destination in Hoonah. Named a top Native visitor attraction in the state, ISP offers 20 tours and excursions which incorporate the beauty of the surroundings, Tlingit culture, local seafood fare, retail with authentic Native wares, and North America’s longest zip line. The staff consists of 85 percent local hire from Hoonah.





The [Sealaska Heritage Institute](#) opened the Walter Soboleff Building in 2015 in downtown Juneau. The building houses archives in a climate controlled environment, classroom, art work, and a traditional clan house hand-adzed cedar and conference available to rent.



Recently announced, they will begin the development of a “Native Arts Park” that could feature totem poles and other large monuments with a tribal house design.

They also have identified the growing interest of Tlingit, Haida and Tsimshian form line design as highly sought after artwork, [Northwest Coast Arts Initiative](#).

Recognizing the tourism potential, the Tlingit & Haida recently announced its intent to develop the Tlingit & Haida Cultural Immersion Park in Juneau. Below is an artist rendering of the proposed development and operation of a high-quality cultural immersion into Alaska Native traditions. Local residents and seasonal visitors alike will experience the warm hospitality and authentic exposure to Tlingit and Haida culture and language through a host of activities, performances and demonstrations.

The feasibility study shows the immersion center to create 60 jobs during construction and another 75 jobs in operational phase. Total direct and indirect labor income during initial development phases is estimated at \$5.8 million and total output is estimated at \$13.3 million.



## Alaska Native Regional Economic Impact

### **Tribes**

In Southeast, there are 19 federally-recognized tribes including the Metlakatla Indian Community which is on an Indian Reserve. These tribes have various sources of revenue from grants (many formula based) and tribal businesses. These sources create varying annual operating budgets, which can be as little as \$1 million and as high as \$30 million. The two largest –Tlingit and Haida and Ketchikan Indian Community - have annual budgets of \$27 and \$30 million and employ between 130-150 individuals a year.

### **For-profit**

The Alaska Native Corporations operate to benefit its tribal shareholders.

Sealaska Corporation is the regional Alaska Native Corporation (ANC) for Southeast Alaska and within the region there are 11 village corporations. In addition, there are four communities that did not receive land under the Alaska Native Claims Settlement Act. These “Landless” communities with no Alaska Native Corporation are Haines, Ketchikan, Petersburg, Skagway, Tenakee Spring, and Wrangell.

While Sealaska continues to be engaged in timber harvest, the village ANCs have largely completed timber development and are conducting active business away from the communities. Native corporations are becoming more involved in tourism and federal government contracting. ANC survey respondent prioritized increasing revenue and diversifying investments.

Corporations have diversified in various industries such as: Tourism, hospitality, transportation, security services, 8(a) Government Contracting, Seafood, Medical, Professional Services, Operations Support Services, Retail, Facilities Services, Timber, Environmental Services, Construction, Technical Services, plus much more.

### **Tribes and Native Corps**

#### **economic impact \***

#### **Gross revenue**

**\$608+ million**

#### **Annual operating budgets**

**\$268+ million**

#### **Number of employees Alaska**

#### **Wide / Southeast**

**1,200+**

#### **Native Corporation distributions and dividends**

**\$27+ million**

*\*combination survey respondents/research*

## Tribal non-profit

There are many non-profit entities that stimulate the economy through jobs and spending, as well.

### *Indian Health Services*

**The Southeast Alaska Regional Health Consortium (SEARHC)** is the health service provider for all Southeast communities except Ketchikan, Metlakatla, and Yakutat where tribes compact directly with the Indian Health Service (IHS).

The 2017 Health and Human Services national budget includes \$6.56 billion for IHS and \$800 million for tribes in government-to-government agreements. More than two-thirds of the total annual IHS funding for AI/AN health is now administered by tribes primarily through the authority provided to them under the Indian Self Determination and Education Assistance Act.<sup>11</sup>

In Alaska about 99 percent of the IHS budget allocation is managed by tribes to provide services to 130,682 users (beneficiaries) in Alaska.

The Alaska Area transfers about \$480 million in Title V funds and \$13 million in Title I funds from HIS to the Alaska tribes and tribal health organizations each year to manage 7 hospitals, 36 health centers and 166 village clinics throughout the state.

## Other Alaska Native dollars circulated in Southeast regional economy

Alaska Permanent Fund

Dividends

2017 PFD to 17,000 tribal members, \$18.7 million

Alaska Tribal Health Funding

\$480 million

Tribal Transportation Funding

\$9.8 million

Tribal Housing Funding

\$12.3 Million

Celebration biennial event

\$2 million

Gold Medal Tournament

\$500,000 annually

Tlingit & Haida Tribal Assembly

\$182,867

Alaska Native Grand Camp

Convention

<sup>11</sup> *IHS Awards Tribal Management Grants to Support Tribal Self-Determination*, October 29, 2016 Press Release, Indian Health Service.

In the southeast region, there over 16,000 users, one hospital in Sitka and eight tribally-operated health centers in Yakutat, Haines, Juneau, Hoonah, Angoon, Klawock, Ketchikan, and Metlakatla. Of that, 12.5 percent live in Southeast Alaska (Mt. Edgecumbe + Annette Island Service Areas).

### **Native owned small businesses**

There are at least 100 small businesses owned by Alaska Natives in the Southeast region. Many are sole proprietors are artisans while some have brick and mortar operations in the retail, transportation, insurance, hospitality, professional services industries.



*Photo Credits: Tlingit & Haida Sacred Grounds Café, Regalia Arts & Bead Company, Vocational Training & Resource Center CDL Course, and Purse Seine Fleet by Dave Harris (ADF&G).*

### **Alaska Native community events**

Alaska Natives come together in large gatherings and events to enjoy sports, set direction and policy, and cultural events which have economic impact. There are many local community events such as Martha Willard Day in Klukwan, the Dog Salmon Festival in Kake and the "Elizabeth Peratrovich Day" established by the Alaska Legislature on February 16 (the day in 1945 on which the Anti-Discrimination Act was signed).

Other regional events include the following:

### Celebration



For four days every other June, the streets of Juneau fill with Native people of all ages dressed in the signature regalia of clans from throughout Southeast and beyond. This is Celebration, a biennial festival of Tlingit, Haida, and Tsimshian cultures. Celebration is one of the largest gatherings of Southeast Alaska Native peoples and is the second-largest event sponsored by Alaska Natives in the entire state. The event draws about 5,000 people, including more than 2,000 dancers. Thousands more watch the event online. A 2012 study showed each Celebration generates an estimated economic impact of \$2,000,000.

### Gold Medal Tournament



Since 1947, the annual Gold Medal basketball tournament started as a way to raise money for the Boy Scouts. Today the week-long event sponsored by the Juneau Lions Club is the premiere sports event in the region and an economic boon for Juneau. Approximately 1,500 to 2,000 players, fans, family and alumni travel from Yakutat to Metlakatla creating an economic impact of about \$500,000, according to Brian Holst, Director of the Juneau Economic Development Council.

### Tlingit & Haida Tribal Assembly



The General Assembly of the Tlingit and Haida Indian Tribes of Alaska, which is comprised of 106 delegates elected from Tlingit and Haida communities convenes annually to conduct tribal business and elect delegates every other year. During election years, the General Assembly is held in Juneau. In non-election years, the Assembly may meet in other tribal communities. The cost of bringing these delegates to meet in session is high and creates an impact wherever the assemblies are held.

### Grand Camp Convention



The Alaska Native Brotherhood and Sisterhood Grand Camp is comprised of delegates elected from 23 local ANB/ANS camps in Alaska and in communities with significant Tlingit and Haida populations outside of Alaska. Grand Camp is the oldest known indigenous persons civil rights organization in the world. A volunteer organization, Grand Camp has historically been involved in the federal suit which led to the settlement of Tlingit and Haida land claims and establishment of the Central Council. Grand Camp meets annually to consider their position on current AI/AN issues. Meeting locations are bid on by participating camps and decided on by the Assembly. The 100+ delegation creates an estimated \$\_\_\_ economic impact wherever they meet.

## Other Factors Affecting Growth

### **State cutbacks**

The state capital budget that funded many exciting recent projects in our communities has been slashed from \$385 million for our region in 2013 to \$47 million in 2017. The construction sector experienced the most drastic decrease took the hardest hit.

- State marketing to attract tourists to Alaska has been cut by 92% in over the past two years.
- Annual government payouts to our citizens in the form of the Permanent Fund Dividend will be reduced moving forward, meaning that fewer dollars will be circulated among local businesses.
- As wages and disposable incomes shrink, so will the size of the retail sector. Our private sector is scaling back on hiring as it “battens down the hatches” and prepares to weather this storm. The full extent of these cuts will not be known or felt across the region for at least five years.

### **Magnified economic impact in rural communities**

Rural economies are seasonal and subsistence-based with the increase of the dollars circulating coming from transfer payments. In these economies, Alaska Native dividends, annual fishing derbies, and other local fundraising events take on more significance.

## We, the People

Today, indigenous peoples in the United States face multiple disadvantages, which are related to the long history of wrongs and misguided policies affecting them. Nonetheless, American Indians, Alaska Natives and Native Hawaiians have survived as peoples, striving to develop with their distinct identities intact, and to maintain and transmit to future generations their material and cultural heritage. While doing so, they add a cultural depth and grounding that, even while often going unnoticed by the majority society, is an important part of the country's collective heritage.

Further, the knowledge they retain about the country's landscapes and the natural resources on them, along with their ethic of stewardship of the land, are invaluable assets to the country, even if not fully appreciated.<sup>12</sup>

The following are overarching strategies to economic growth and resiliency in the Native communities:

- **Microenterprise development:** Encourage and support businesses that are properly sized for the user community including Microenterprises, home-based businesses. Regional support should include providing small business training and finding financing.
- **Access to subsistence resources:** Coordinated advocacy and support for continued access to subsistence resources on public land. Keeping the expenses down in the household is the same as adding income.
- **Support long-term planning:** This CEDS is a part of that process. Tlingit and Haida is in the perfect position to facilitate planning efforts and has a department that supports regional planning efforts.
- **Maintain ferry services:** The marine highway system is crucial to community access to basic services and reasonably priced products. Support for the Alaska Marine Highway System and Inter-Island Ferry Authority is a priority.
- **Support for regional service providers:** Protecting existing health and other services to tribal communities is important and will require strong, coordinated advocacy and other agency funding.
- **Increase Communication with Government Officials:** There should be coordination with the tribes, tribal organizations, and ANCs to ensure the proper message is being delivered.

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<sup>12</sup> August 30, 2012 Report of the Special Rapporteur on the rights of indigenous peoples, James Anaya, to United Nations Human Rights Council.

Other resiliency measures suggested in a regional survey of more than 200 participants from 23 communities that are less favorable with potential negative impacts are:

- **Reduce government spending and services:** Local governments in small communities are already operating on extremely limited funding and are providing only the most basic of services. Recommending more cuts at this level would be counterproductive.
- **Increase taxes:** There is no tax base in many small communities because of the limited economy. Efforts must be made to identify other resources to help small community growth.
- **Restructure PFD to address fiscal needs:** We are a bit leery of this option as the State already has policies which act as barriers to rural service delivery.

### Pre-disaster planning

Through a new partnership with Alaska’s Division of Homeland Security and Emergency Management (DHS&EM), the Tlingit and Haida Public Safety department will develop and implement local emergency preparedness plans in the Southeast Alaska communities served under the state’s Village Public Safety Officer program. The collaboration project is funded by the Emergency Management Performance Grant program administered by the Federal Emergency Management Agency (FEMA). The program supports the implementation of the National Preparedness System by providing federal grants to assist state, local, territorial, and tribal governments.

Each State and federal agency in Alaska has an agency-specific emergency plan which is regularly reviewed and exercised to ensure each agency’s operational readiness to respond to disasters.

Disaster plans are integrated under DHS&EM. Communities in geographic areas unable to establish a single or multi-jurisdictional planning organization are served by state agency leadership. Active programs are established at state and local levels to raise public awareness of natural and technological hazards, as well as promote individual and family preparedness and risk reduction.





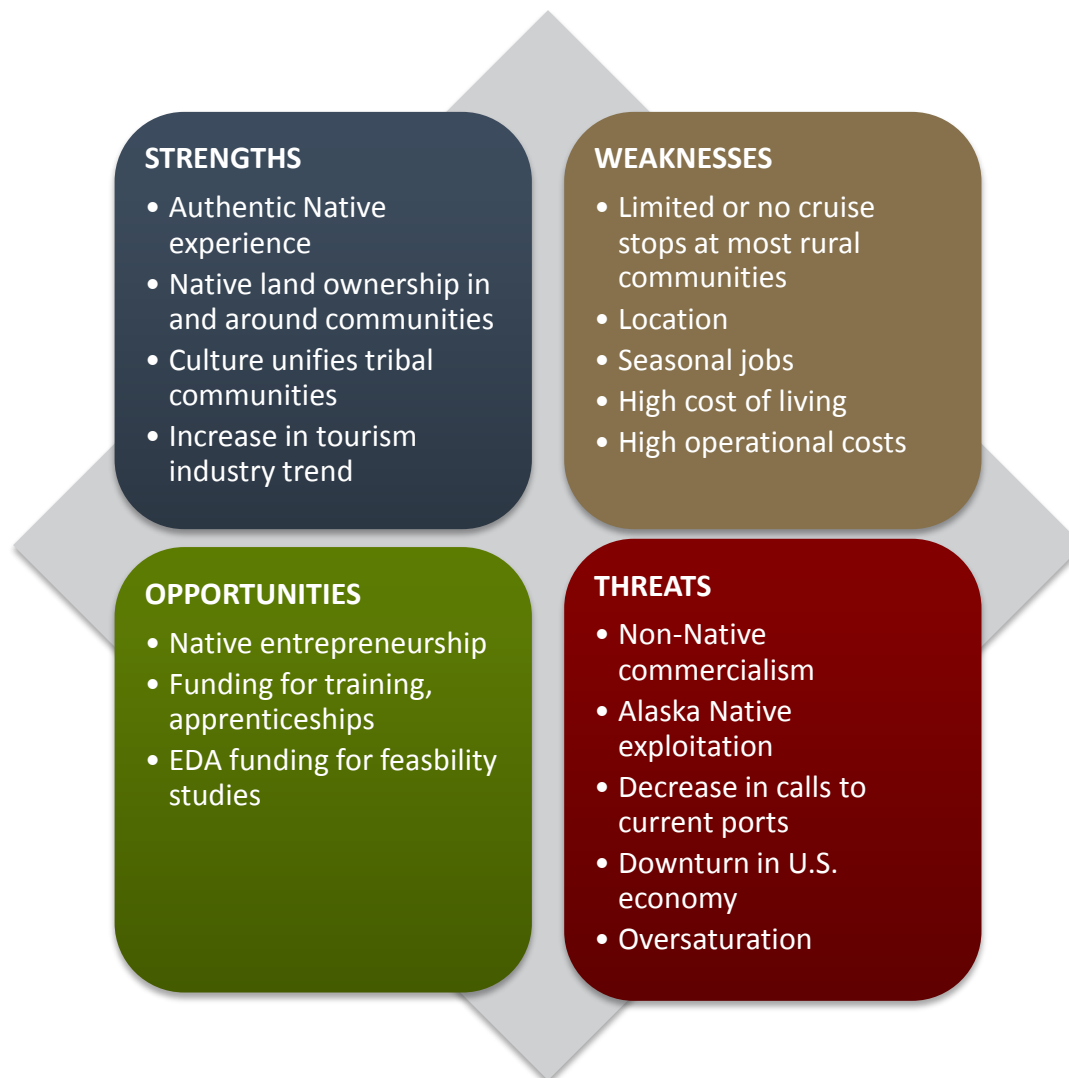
## SWOT ANALYSIS / STRATEGIC DIRECTION / ACTION PLAN

The mission of the U.S. Economic Development Administration (EDA) is to lead the federal economic development agenda by promoting competitiveness and preparing the nation's regions for growth and success in the worldwide economy. This Tribal CEDS is a part of that effort.

EDA encourages cluster-based economic analysis and strategy development. While the geographic and environmental challenges are more pronounced in small Alaska communities than in the large hub centers, the infrastructure needs and industry potentials are similar. The SWOT (strengths, weaknesses, opportunities and threats) and proposed strategy recognizes the importance of the tribes and tribal resources to community well-being. The strategy was developed in tandem with the tribal community and through work sessions and prior regional economic development work and research.



## Tourism SWOT, Objectives

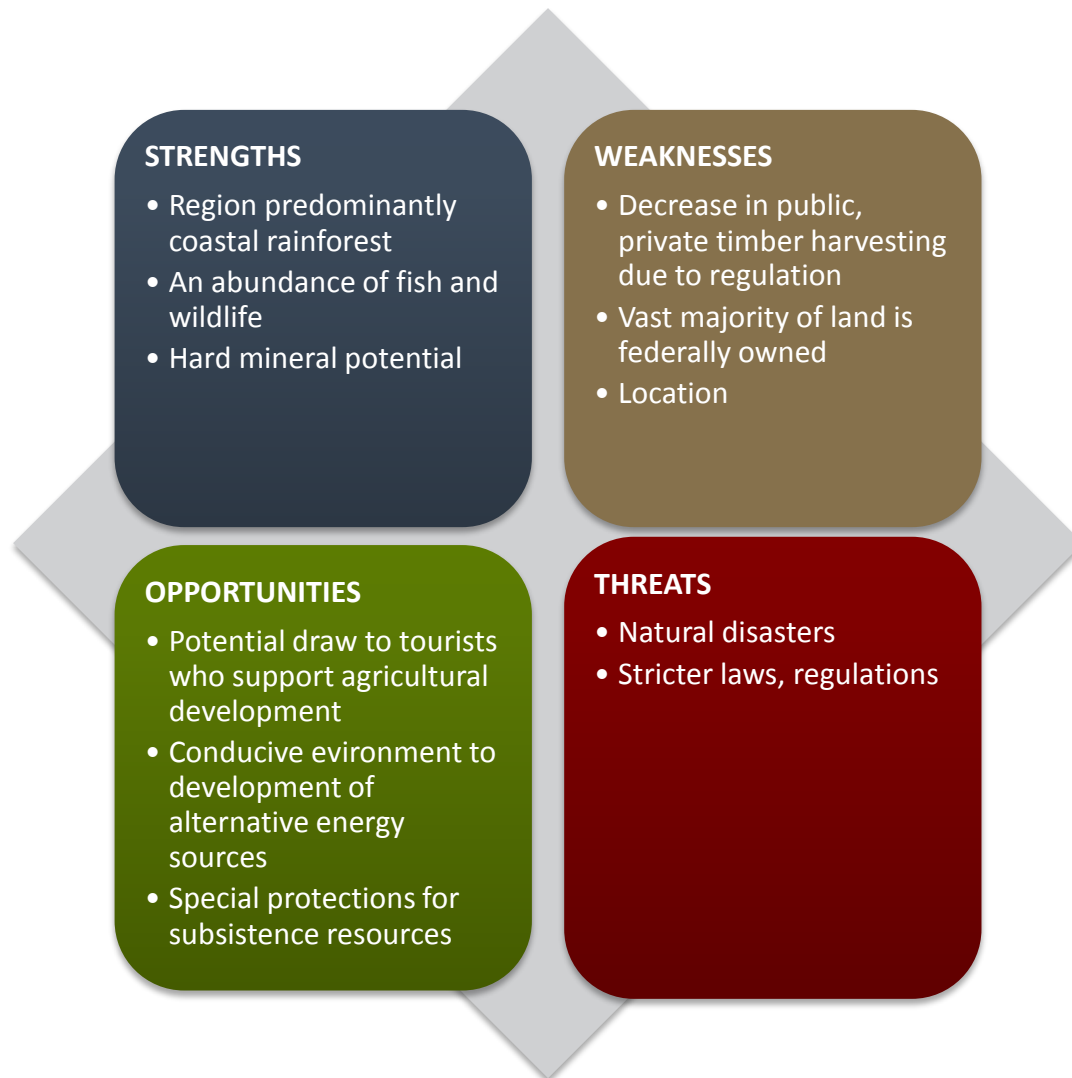


**Objective 1** – The wilderness nature of the region is a key asset to communities and can provide opportunities for small business to engage in fishing excursions, hunting excursions, whale watching, kayaking experiences, backpacking experiences, eco-tours, or scenic tours.

**Objective 2** – Support home-based microenterprise development. Small home-based businesses and microenterprises have the biggest chance for success in seasonal economies where income is limited.

**Objective 3** – Leverage available funding to examine prospective visitor attractions for profit making potential, jobs, workforce development, and community development.

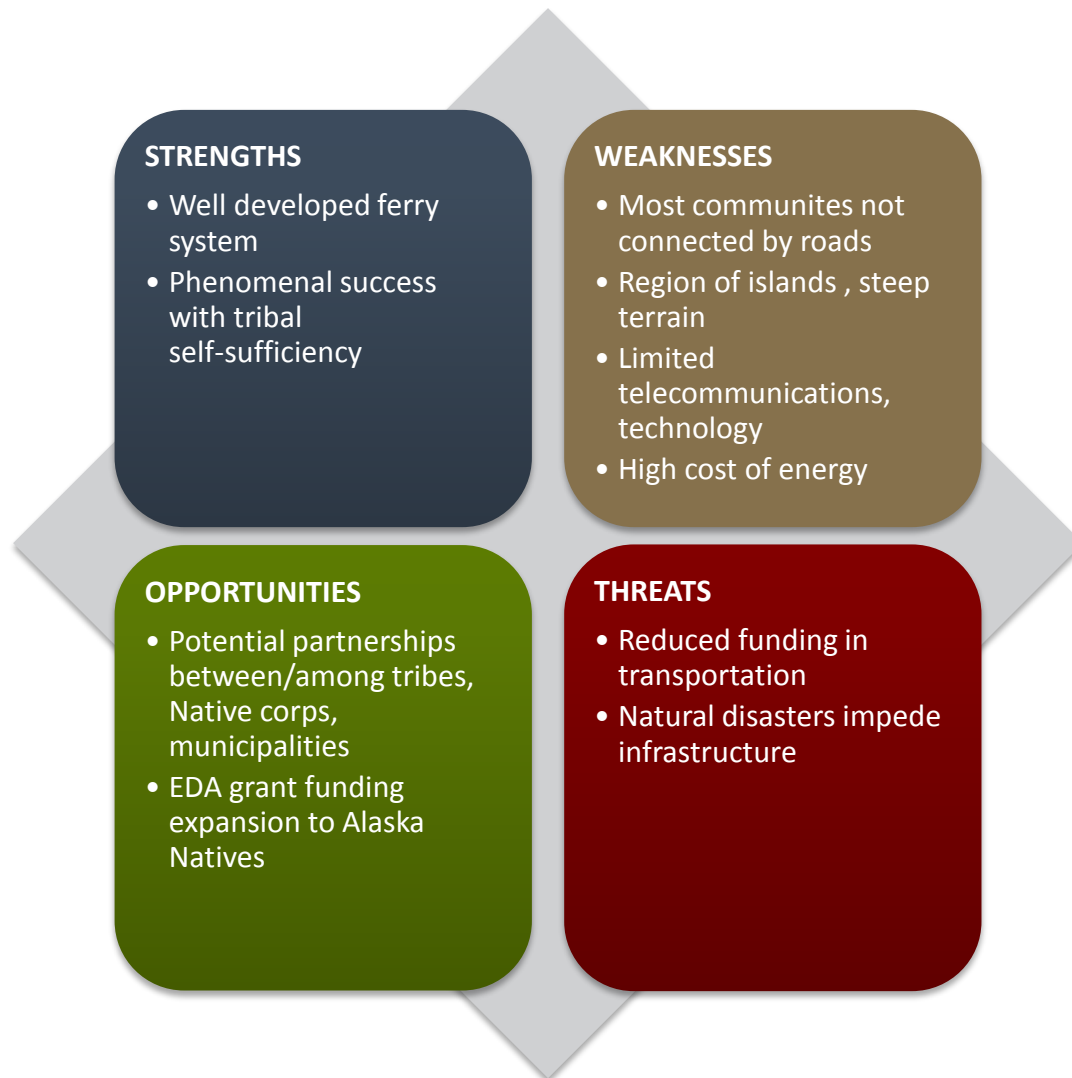
## Natural Resources SWOT, Objectives



**Objective 1** – Support natural resource business development. The wilderness nature of the region is a key asset to communities and can provide opportunities for small business to engage in fishing excursions, hunting excursions, whale watching, kayaking experiences, backpacking experiences, eco-tours, or scenic tours.

**Objective 2** – Advocate for greater tribal voice on natural resources use and development, such as the U.S Forest Service and National Park Service plans for development on federal lands in and around tribal communities including national forest and park plans, Federal Subsistence Board fish and wildlife management activities on federal land and in jurisdictional waters, Alaska Fish and Game fish and wildlife management activities on state land and jurisdictional waters, and access to lands held by the Alaska Native Corporations .

## Infrastructure Development SWOT, Objectives

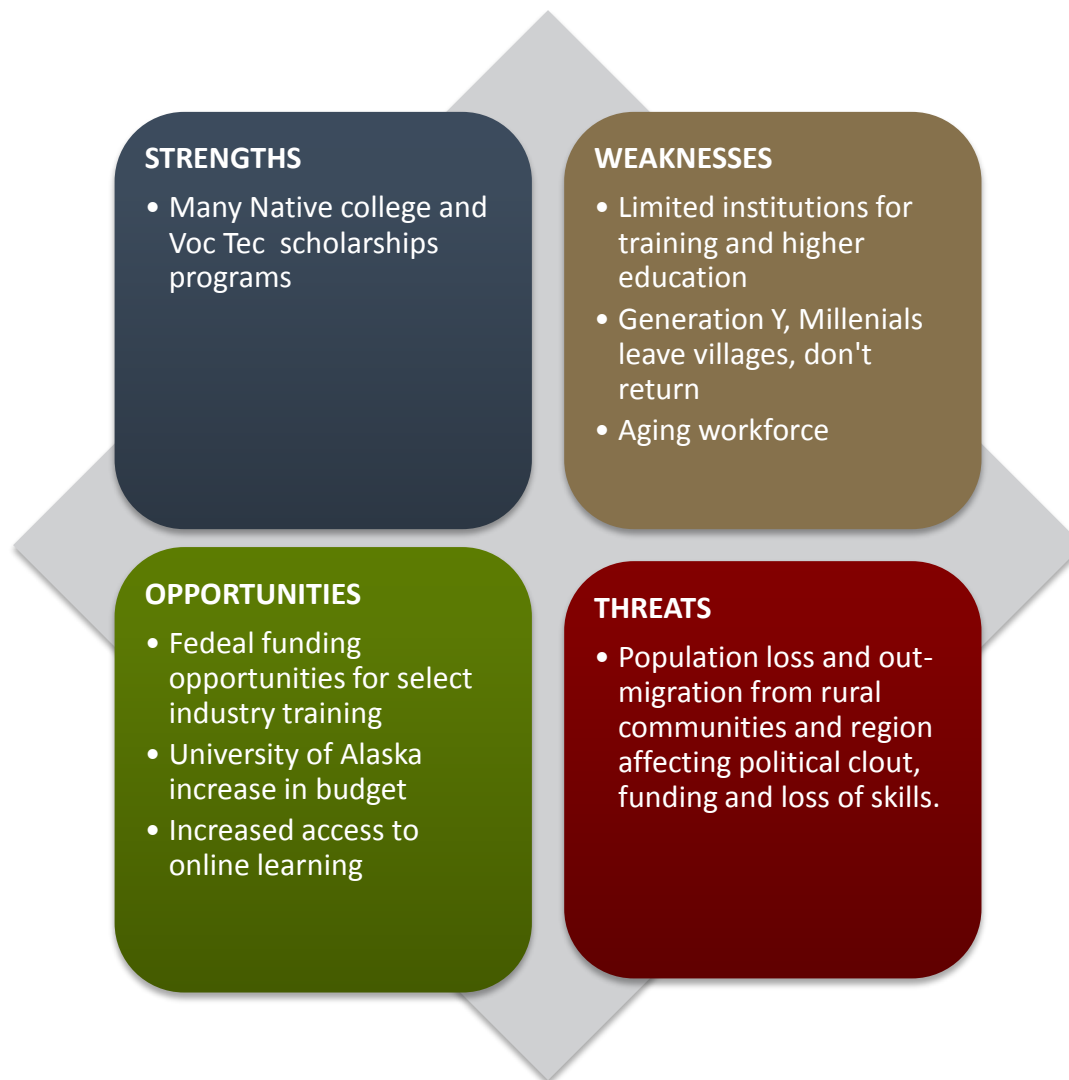


**Objective 1** – Support community road, water, and air transportation needs. Southeast communities are located on islands in the region or on the mainland with no connecting roads. The only exceptions are Haines, Klukwan, and Skagway. This makes water and air transport crucial for residents to access needed services.

**Objective 2** – Support the development of environmentally-friendly, low-cost energy alternatives for communities dependent on diesel-generated energy.

**Objective 3** – Support the improvement to telecommunications/internet connectivity in communities where such services are limited.

## Workforce Development SWOT, Objectives

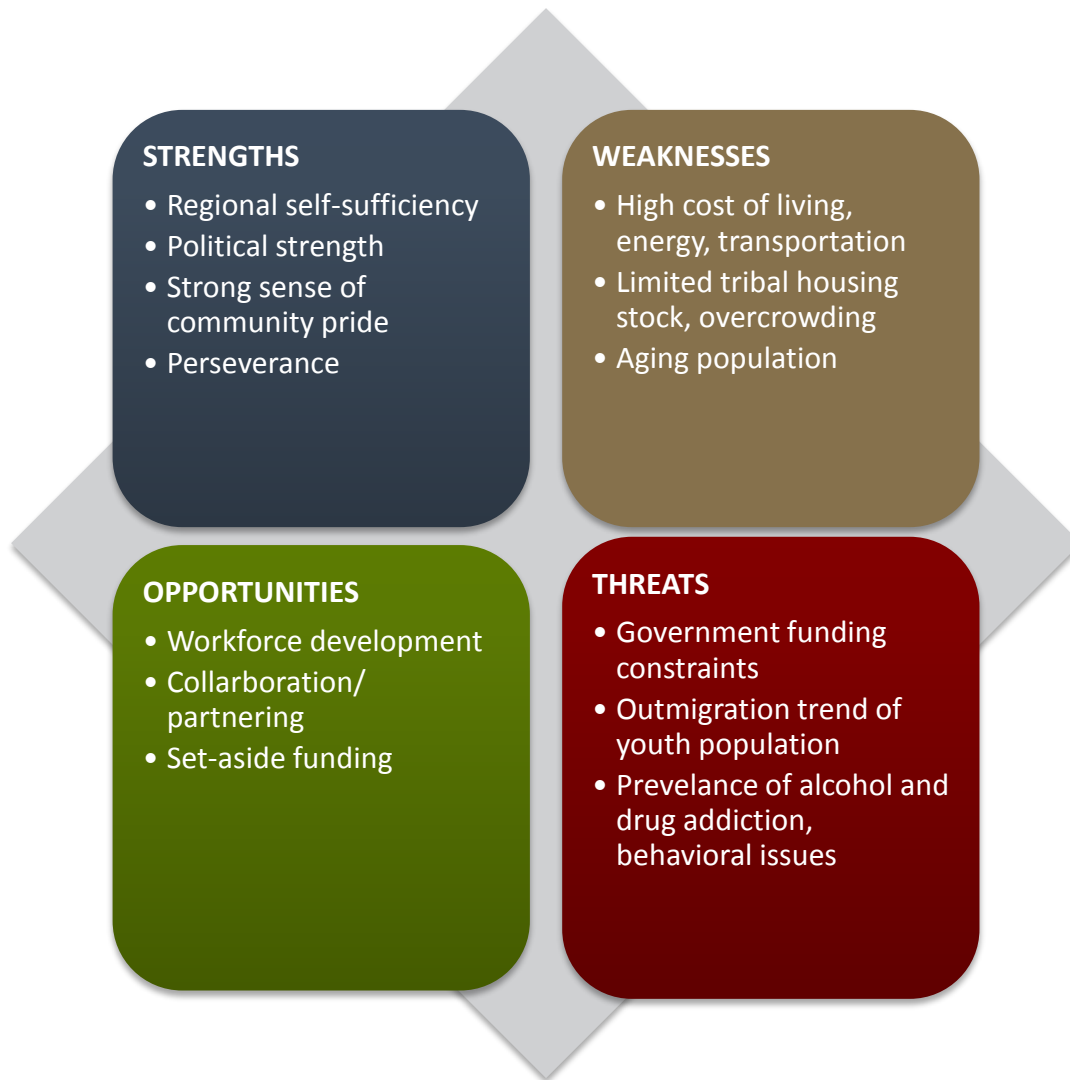


**Objective 1** - Support tribes with education, labor, vocational training, vocational rehab and other related funds to work collaboratively to provide workforce development training.

**Objective 2** - Support increased funding for tribal set-asides.

**Objective 3** - Support the P.L. 102-477 approach to managing funds. Under this approach, tribes are able to comprehensively assist clients in a case management approach to helping individuals meet their employment and career goals.

## Community Development SWOT, Objectives

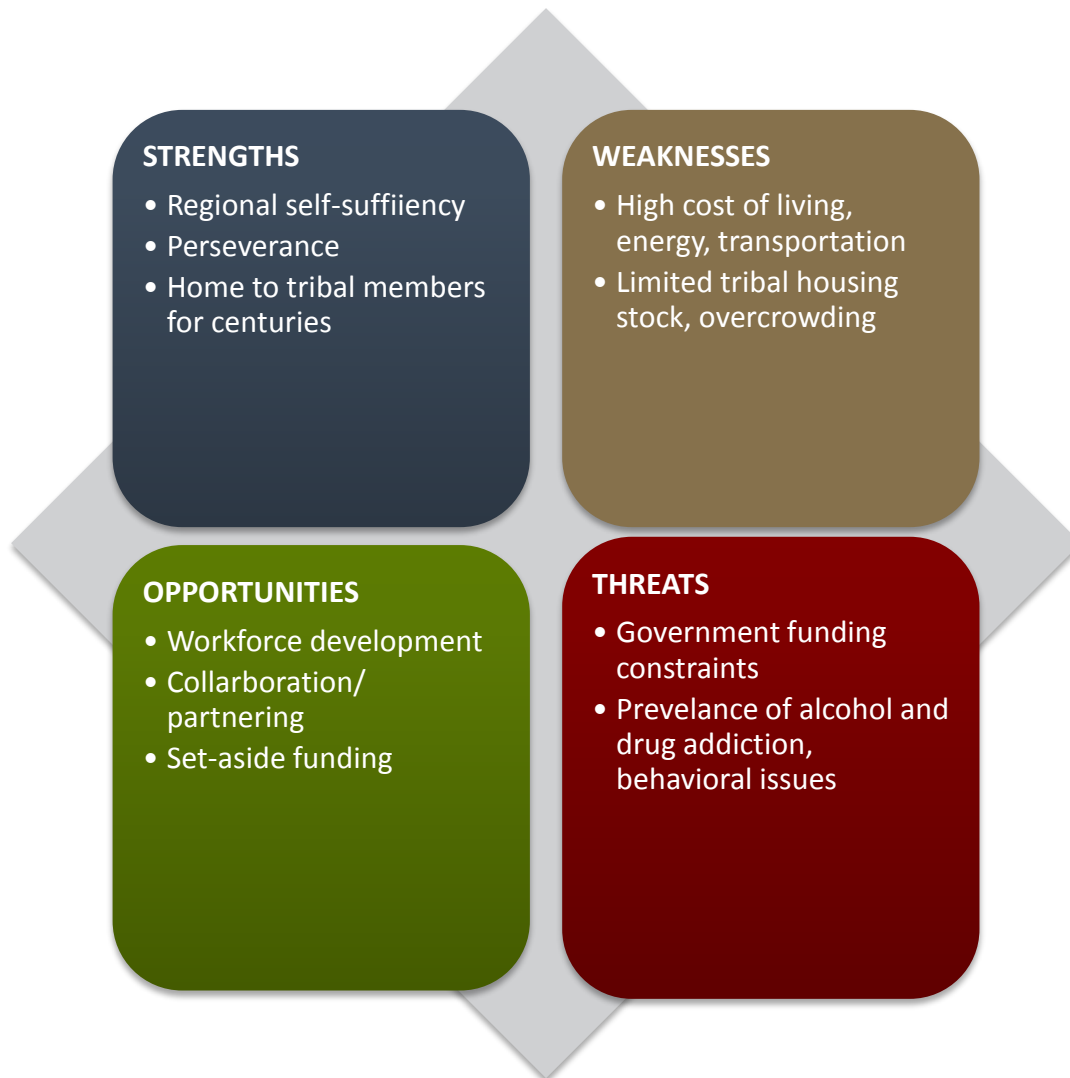


**Objective 1** – Support and recognize the tribes’ right to self-governance. This recognition is important especially in communities where the tribes have ancestral ties. Tribes and tribal resources are also important in communities with limited other resources.

**Objective 2** – Support DOI/BIA self-governance funding.

**Objective 3** – Encourage tribal partnerships to achieve business, political and social goals including partnerships with Alaska Native Corporations, state and federal agencies, municipalities, private businesses, educational/training institutes.

## Regional Amenities SWOT, Objectives

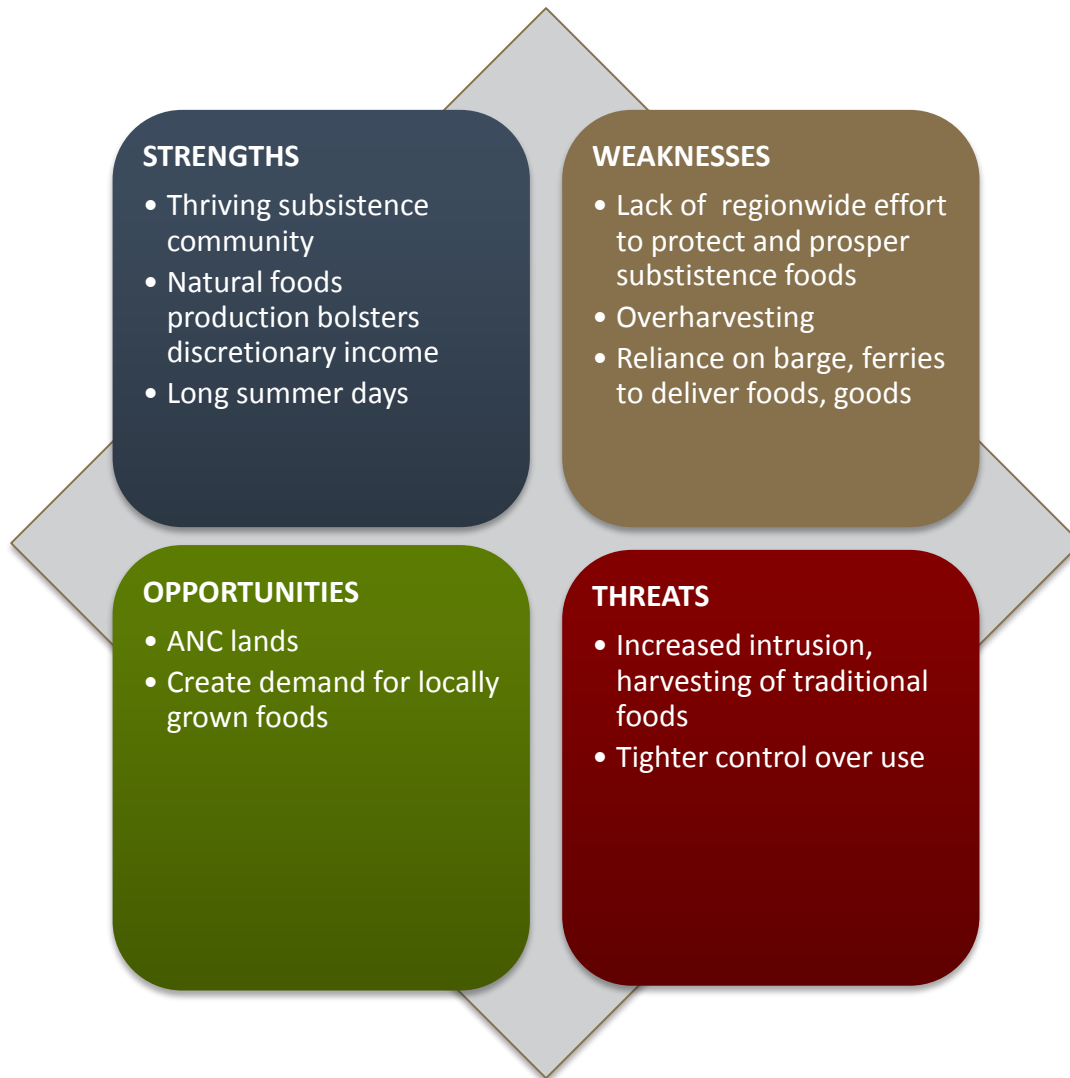


**Objective 1** – Support local housing development. For years, the Tlingit and Haida Regional Housing Authority has been authorized by many southeast tribes to apply for, administer, build and rehab housing, and to deliver housing-related services on their behalf. Other tribes are directly engaged in delivering housing programs and services to their members.

**Objective 2** – Support increased access to comprehensive health services, such medical, dental and behavioral services, currently provided to tribal members through the Alaska Native Health Consortium and Southeast Alaska Regional Health Consortium.

**Objective 3** – Support increased access to educational opportunities. Historically Tlingit & Haida provided higher educational funding but in recent years, tribes in the region have entered into compacts with federal government to deliver that funding.

## Food Security SWOT. Objectives

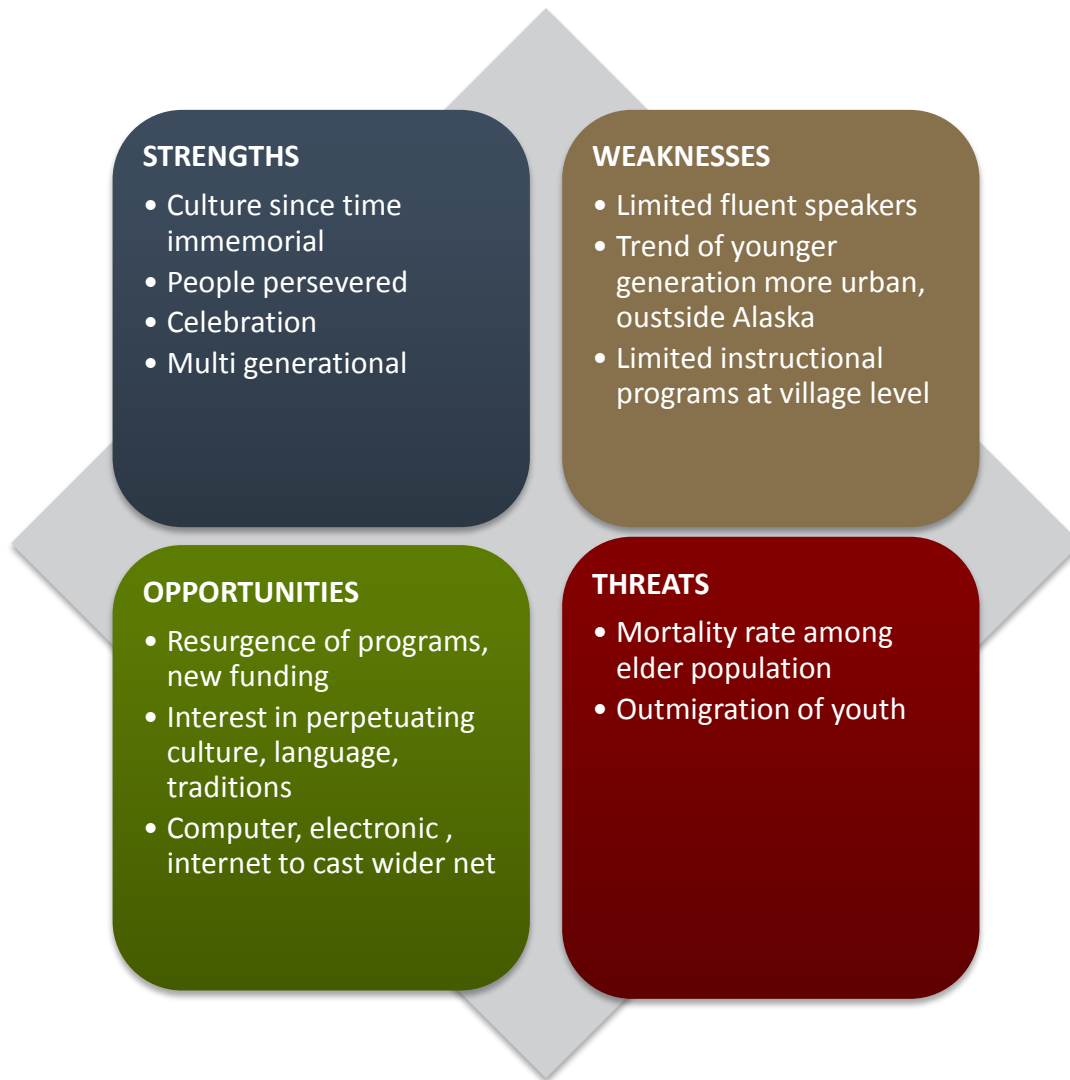


**Objective 1** – Advocate for continued and expanded access to fish, game and plant subsistence resources. Continued use of and access to fish, wildlife, and plant resources is important to the continuation of the Tlingit, Haida and Tsimshian cultures that evolved around the use of those resources over thousands of years. Continued use of and access to fish, wildlife and plant re-sources is also important to Native and rural households for economic reasons – the reduction of expenses in a household is the same as adding income.

**Objective 2**– Increase production, accessibility, demand for local foodstuffs.



## Cultural Wellness SWOT, Objectives



**Objective 1** - Support tribal cultural programs and activities, including language programs.

**Objective 2** - Support Sealaska Heritage Institute in carrying out its mission and goals for cultural preservation.

## EVALUATION FRAMEWORK

The success of the Southeast Alaska Tribal CEDS relies on:

- Active involvement of the tribes in the region in the CEDS;
- Successful funding of infrastructure projects in communities;
- Successful establishment of tribal businesses either located in communities or impacting communities;
- Successful establishment of individual businesses in communities;
- Improvement in unemployment/workforce figures;
- Improvement in tribal educational levels;
- Improvements in amenities/services or access to those amenities/services;
- Successful partnering with regional stakeholders.

These will become measures of success for the CEDS.

## ACRONYMS & DEFINITIONS

### A-L

**AFN** – Alaska Federation of Natives

**AK DOT&PF** – Alaska Department of Transportation & Public Facilities

**AKDCCED** – Alaska Department of Commerce, Community & Economic Development

**AI/AN** – American Indian / Alaska Native

**AMHS** – Alaska Marine Highway System

**ANC** – Alaska Native Corporation

**ANCSA** – Alaska Native Claims Settlement Act

**ANILCA** – Alaska National Interest Lands Conservation Act

**ARDOR** – Alaska Regional Development Organization

**BEDD** – Business & Economic Development Department – Central Council

**CCTHITA** – Central Council Tlingit & Haida Indian Tribes of Alaska

**CEDS** – Comprehensive Economic Development Strategy

**DHS&EM** – Department of Homeland Security and Emergency Management

**DNR** – Department of Natural Resources

**EDA** – Economic Development Administration

**EPA** – Environmental Protection Agency

**FEMA** – Federal Emergency Management Agency

**HUD** – U.S. Department of Housing & Urban Development

**IHS** – Indian Health Services

**IRA** – Indian Reorganization Act

**ISER** – Institution for Social & Economic Research

**LIHEAP** – Low Income Home Energy Assistance Program

### M-Z

**MMBF** – Million Board Feet (timber)

**MTAB** – Marine Transportation Advisory Board

**NAHASDA** – Native American Housing Self Determination Act

**PCE** – Power Cost Equalization

**SATP** – Regional Transportation Plan

**SEACC** – Southeast Alaska Conservation Council

**SEARHC** – Southeast Alaska Regional Health Consortium

**SEC** – Southeast Conference

**SEIRP** – Southeast Integrated Resource Energy Plan

**SERRC** – Southeast Regional Resource Center of Education

**SHI** – Sealaska Heritage Institute

**STC** – Sealaska Timber Corporation

**THRHA** – Tlingit-Haida Regional Housing Authority

**TNF** – Tongass National Forest

**UAS** – University of Alaska Southeast (includes campuses located in Juneau, Ketchikan and Sitka)

**USDA** – United States Department of Agriculture

**USEDA** – United States Economic Development Administration

**USFS** – United States Forest Service

**VTRC** – Vocational Training & Resource Center, University of Alaska Southeast, Juneau