

2013 Alaska Arctic Business Roundtable

Introduction - Hosted during the 2013 Week of the Arctic – an annual program of the Institute of the North focused on raising awareness of, and working to address, Arctic issues – the Alaska Arctic Business Roundtable is designed to serve as a platform for the business community in Alaska to learn more about circumpolar and national Arctic policy that potentially affects private sector decisions and to discuss policy relevant actions that would result in a more favorable business climate in the state. The 2013 Roundtable was successful in providing a mutually-beneficial space for businesses to discuss the importance of considering the Arctic in decision making across several sectors.

One important feature of the discussion was the inclusion of Captain Jonathan Spaner, U.S. Coast Guard, who discussed his participation in the Arctic Council’s Task Force to create a Circumpolar Business Forum. Business representatives in the room embraced the concept as one with promise for increased attention to economic development and as a resource for future Arctic Council activities. They also noted how an intra-state dialogue on the Arctic should be a strong objective of the U.S. delegation, as should the inclusion of Alaska stakeholders in all policy-making discussions regarding the benefits of Arctic development. The partnership between sectors and levels of government is critical.

Alaskan Businesses - With extensive experience working in the Arctic, Alaska businesses already display a high level of understanding of and responsibility for the unique environment in which they operate. The state and arctic region in general is not simply a destination for economic gain, but a region where employees build lives and careers as active citizens. Many businesses operating and/or investing in Arctic exploration and development are owned by indigenous peoples utilizing traditional knowledge and offering a diverse set of technical skills and training. The engrained sense of environmental and cultural respect combined with the experience of Alaskan businesses creates a strong argument for leveraging and taking advantage of future Arctic opportunities. For instance, the maritime industry in Alaska has the potential to thrive in ways that haven’t fully materialized, especially if offshore development occurs. At the same time, fisheries have tremendous development potential, intermodal transportation is on the rise and universities maintain vital training programs for Alaskans and other members of the workforce. Consequently, Alaska will thrive and develop in new arenas. The Arctic should be a critical component of policy decisions at a state and national level. State public officials pointed out that the majority of funding for Arctic infrastructure will come from the private sector, making it essential for policy makers to work with industry partners.

Most importantly, Alaska remains constrained by federal government budget, policy and permitting processes. The number one hurdle to all industry and business in the region is regulatory uncertainty. While less regulation is not the solution, and responsibility requires businesses to accept more rigorous regulations to protect a sensitive Arctic environment, arbitrary or duplicative regulations are unnecessarily restrictive and ineffective. Fair, transparent, science-based, efficient and time-bound regulation for the future is what Alaska’s businesses – and the people they serve – require.

Future Development - Scenario-building projects and scoping workshops are proven ways to create opportunities for building a business plan focused on future sustainable development. This style of forward-thinking, if initiated now, will enable industry and government to determine which projects are reasonable now and which projects will be more appropriate in the future. It should allow decision makers to develop realistic longer-term scopes for development. Scoping workshops will also provide opportunities for collaboration across all sectors, simultaneously building trust and breaking down barriers that currently serve as divisive forces between the public and private sectors. Articulating a business idea for resource development in the Arctic and Alaska must be concrete, address the winners and the losers and be honest. Scenario planning can show the consequences and results of action and inaction, providing clarity and legitimacy. Identifying and modeling risks are necessary starting points to increase the economic opportunity and future enterprise, and ensure that perceptions are replaced by realistic projections.