Denali Commission

Alaska Climate Impact Assessment Commission
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The Denali Commission Perspective

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Representative Samuels, Representative Joule, Senator Olsen, Senator Stevens, and other distinguished members of the Alaska Climate Impact Assessment Commission, Good Morning, and thank you for the opportunity to participate in your hearing.

As Alaskans, we're all affected profoundly by climate, often in unexpected life and death situations. So it was for me one dark winter night in Bethel in 1983. I was returning home on my snow machine, and decided to take a shortcut down Brown's Slough, and along the frozen Kuskokwim River. My daydreams of warm beaches and palm trees were suddenly shattered when the bottom fell out, and my Bombardier drove into the large hole in the ice where the slough meets the river. I was waist deep standing on my sunken machine, and no one had heard my involuntary scream. Fortunately, when I reached over to the adjacent shelf of ice, it held, and I extracted myself wet and shaking to the shoreline.

Other Alaskans have not been so fortunate. The dangers of winter river drowning increases for rural residents as the climate warms, the ice thins, and the frozen time is shorter.

Climate change is complicated, and I'm not a scientist, only a practitioner in community planning and development, and a passionate believer in the importance of a viable rural Alaska. This morning I'd like to offer the perspective of the Denali Commission. After a brief overview of the commission's programs and activities, I have seven specific things to ask you. And I'd be pleased to take questions anytime, especially at the end.

When I studied regional planning at the University of Pennsylvania, we learned from the great hydrologist Luna Leopold that lakes are the most ephemeral of surface water features. Few lakes are older than a few thousand years, and they often follow a process of shrinkage, encroachment by meadows and eventual disappearance.

Like a total solar eclipse, however, I never thought I would see a lake vanish in my lifetime. When I lived in Bethel in the early 80's, our subdivision was platted around two tundra lakes. When I returned last summer, one had disappeared changing magically into a green swath of tundra. Locals say it happened quickly in a matter of weeks last summer, the water simply disappearing into the ground. Did a warming trend melt enough permafrost to allow the water to drain away? I'll leave that conjecture to others.

The Denali Commission is one of the most unique experiments in American government I have yet encountered. I say experiment because the agency is very young, just eight years old. Even attorneys in the Department of Justice tell me they have seen no parallels in the federal system. The Commission was created by Senator Ted Stevens, who was so frustrated at the lack of coordination among the agencies and the lack of interaction with local communities in the planning and delivery of essential infrastructure, job training programs

and economic development.

The Act requires top-level Alaska policy makers to sit at the table and partner together. While named in statute by position, the seven commissioners are appointed by the US Secretary of Commerce. I serve as the Federal Co-Chair while Governor Palin (or her representative) is the State Co-Chair. The other five commissioners are Gary Brooks, representing the AFL-CIO, Dick Cattanach, head of the Associated General Contractors, Mark Hamilton, President of the University of Alaska, Julie Kitka, President of the Alaska Federation of Natives and Kathie Wasserman, Executive Director of the Alaska Municipal League.

This diverse group has overseen the investment of more than $800 million in eight short years, with the goal of helping rural Alaska remain and/or become viable and sustainable for the future. Major program areas include government coordination, energy, health facilities, job training, economic development, and rural transportation.

The Commission has a small staff of 15 federal employees, another six professionals detailed from other organizations, and a heavy reliance on program partners to execute our missions.

The State Legislature is one of our strongest partners, and we benefit greatly from the legislative liaison professionals assigned to the Commission. In fact, let me introduce Krag Johnsen who serves as the Commission's Chief Operating Officer. Krag was the first legislative liaison assigned to the Commission, a relationship we have enjoyed since.

Two other significant program partners are the Alaska Energy Authority, and the state Division of Community Advocacy, both of which will be offering you testimony later today.

Relevant to climate change, I believe the Commission offers three legacies: a culture of partnering and collaboration, an unusual focus on sustainability, and a track record of innovation. These are important as you consider recommendations on how government should maximize resources and best focus on responding to climate change. I'll cover each in turn.

Partnering and Collaboration:

Coordinating the provision of basic community infrastructure across organizational lines is central to our mission. Over 30 agencies participate in a Memorandum of Understanding to coordinate their programs and activities with the Commission. Multi-agency work groups and frequent contact among diverse leaders helps promote a spirit of cooperation, and savings to the taxpayer.

A Commitment to Sustainability:

The Commission sets a very high bar for recipients to meet before we invest in a project. In fact, we are sometimes criticized for not investing our dollars more freely. We have adopted five important policies which guide our decision-making. These are:

***Sustainability Policy* -** This resolution, adopted by the Commission in 2001, requires communities to meet specific sustainability requirements before projects are funded.

***Cost Containment Policy* -** The Commission implemented this policy in 2002 to ensure projects are built at reasonable cost to the federal government. The policy sets initial benchmarks for dollars spent per gallon of storage in bulk fuel facilities, as well as dollars spent per kilowatt of power generated in power plants.

***Private Enterprise Policy* -** The Commission adopted this policy in 2003 to ensure federal funding does not interfere or compete with private enterprise.

***Investment Policy* -** The Commission adopted this policy in 2004 to ensure all federal dollars are maximized to meet the needs of rural Alaska and projects are sustainable.

***Community Planning Requirement* -** As a commitment to sustainable development, the Commission requires that projects applying for funding be part of a community plan. This policy was adopted by Commissioners in 2005.

A Track Record of Innovation

Unless we're innovative, we'll fail at responding to climate change, let alone the requirements of day-to-day stewardship of public dollars. The three western Alaska communities of Toksook Bay, Nightmute and Tununak provide a recent example of innovation in our energy program. Instead of merely replicating three stand-alone bulk fuel storage tank systems and diesel power plants, we partnered with the Alaska Village Electrical Cooperative (AVEC) to place the central bulk fuel facility and power plant in Toksook Bay, and connect the other two communities by electrical interties. Tununak and Nightmute will have smaller back-up systems. The Toksook Bay power plant is a combination of wind and diesel, thus reducing our reliance on fossil fuels. And the Coastal Villages Region Fund also invested in the wind farm, further leveraging limited federal dollars.

A second example of working smart is our effort to combat horrendous road dust in Unalakleet. By partnering with the State Department of Transportation & Public Facilities which will be improving the airport, and the Corps of Engineers which is improving a seawall, together we can afford an asphalt batch plant for all three projects. Thus, instead of a temporary palliative over the dusty roads, we will be chip-sealing this summer, and hopefully buying a decade of solutions.

I cite these examples because as you consider recommendations for Alaskan community infrastructure, we will absolutely need to be innovative and smart about how we all go about our business.

As an important aside, this is a good opportunity to cite the partnering opportunities with the Alaska District, U.S. Corps of Engineers. I applaud the efforts of Col Kevin Wilson, the new District Engineer to partner with the Commission, and I recommend the Corps be integral to any solutions you may recommend.

Dealing effectively with climate change is an urgent requirement for the Denali Commission, especially regarding coastal and river flooding and erosion. Those of us who live in northern latitudes watch climate change happening in real time. Residents of Kivalina watch as a single storm carries away as much as 125 feet of shoreline. Even a single high tide can mean ten to fifteen feet of erosion.

As the Commission struggles with responding to infrastructure needs in villages threatened by flooding and erosion, we are painfully aware that no single agency, state or federal, has overall responsibility or authority to deal comprehensively with these difficult issues.

The December 2003 report to Congress by the General Accounting Office titled *Alaska Native Villages, Most Are Affected by Flooding and Erosion, but Few Qualify for Federal Assistance* offers important recommendations. Among its findings, the GAO noted that the Denali Commission and HUD invested in a

$1.5 million clinic in Newtok, while being unaware that the community formally intended to relocate! Partially as a result, the Commission then adopted our Investment Policy I cited previously. We also urged that the GAO encourage all other affected agencies to adopt a similar policy to better coordinate everyone's efforts.

The GAO also recommended the Denali Commission's role be expanded to "… include responsibilities for managing a flooding and erosion assistance program…" At the time, we believed this was not the best course, but it does remain an open question about the appropriate role for an agency charged with delivering the services of the federal government in the most effective manner.

To illustrate the policy dilemmas I hope your commission can help solve, let me briefly describe our involvement with erosion and flooding crises in Kivalina and Newtok.

Last spring the Denali Commission and the State of Alaska partnered together to respond to an emergency request from the Northwest Arctic Borough for an emergency seawall in Kivalina, an Inupiat coastal village. While we don't have a mission in coastal erosion, we rationalized properly that we do have a mission to protect infrastructure, even if (as in this case) the two tank farms and the school in question were not Denali Commission projects. The Commission funded $1.3 million, while the State funded $1.6 million. By August the 1,800 feet of protection was almost complete and the community scheduled a public celebration. Mother Nature intervened. The wall began to fail almost immediately with the first fall storm. While critical infrastructure was protected, significant parts of the entire structure have failed.

I visited the site with Senator Ted Stevens in October. He agreed that our actions had been appropriate, even if the experiment failed. I would much rather be standing before the media with this result than if lives or significant property had been lost, and we had stood aside refusing to help because it wasn't precisely defined in our mission statement.

A vexing policy question is what is the role of government in providing critically needed infrastructure in a community like Kivalina? Representative Joule knows all too well the dilemma we face. The regional non-profit arm, Maniilaq, has requested the Denali Commission fund a replacement clinic in the community; a very deserving project. We have declined to invest until the community comes up with an escape plan and a long-term strategy for relocation. At a minimum, any new clinic would have to be moveable to another location. I believe it's critical that state and federal agencies coordinate and speak with one voice in such situations.

Newtok, a traditional Yup'ik village, is probably the most urgent village relocation need in Alaska, losing 65-90 feet of riverbank each year. Alaskan coastal engineer Jack Colonell predicted the progress of the eroding Ninglick River over 15 years ago. It's right on schedule. At present rates, the village will be gone in less than five years. Their situation is also compounded by melting permafrost.

Almost 60 years ago Newtok moved their entire village to escape the advancing River. Previously when Newtok moved it was a relatively simple matter. This time it gets much more complicated. Modern infrastructure needs to be moved or built again. Relocating roads, housing, airports, clinics, schools and water and sewer systems requires planning, time and of course money. We are participating in an interagency working group, but again, our role is ill-defined at this point. By the way, residents of Newtok deserve praise for their initiative – they formally decided to move, engineered a land trade for a suitable site, and government is

working to catch up.

The relocation of communities is daunting. At a minimum it requires real coordination and innovation. Greg McGee, Director of the state's Village Safe Water Program, calls for a bold strategy: "In order to begin a successful process of relocating Newtok to Mertarvik, I believe a strategy is needed first. Not a "good" strategy, but a "great" strategy because that is what is going to take for the legislature, congressional delegation, and all the agencies to sign and commit to helping Newtok Tribal Council with the relocation. This strategy must provide the framework to develop a new community that is affordable and sustainable like no other community in rural Alaska, i.e. an unprecedented prototype. The Newtok strategy would also serve as the model for all the other Alaskan villages that need to be relocated because erosion is threatening their existing villages".

If it's any consolation, your commission is not the first to grapple with these difficult public policy issues. As a student of American history, I recommend Timothy Egan's *The Worst Hard Time*, a history of the American dust bowl of the 1930's. Egan recounts the dilemmas facing the Roosevelt administration as our nation suffered under the worst environmental disaster to befall our people to date. Believing at first they were encountering climate change, the government delayed action as thousands of farms were lost, people died of dust pneumonia and economies collapsed. When they recognized the cause was man-made, the administration was conflicted. While the Resettlement Administration paid people to leave, the new Soil Conservation Service and the Works Progress Administration moved aggressively to keep people in place on the High Plains. WWII finally settled the debate.

In this case, we have flooding and erosion which we believe to be the result of climate change, and folks are at risk partially because government placed infrastructure in the wrong place. You have a daunting task ahead of you.

Action Requests for the Alaska Climate Impact Assessment Commission:

To conclude this morning, I have seven specific themes I hope your findings and conclusions will address:

1. *Government Policies Must Be Aligned* - State and federal policies must be aligned to effectively respond to and anticipate climate change impacts in Alaska. This will require honest dialogue and a close working relationship. In particular, one agency should not be withholding infrastructure investments, while another is pouring concrete.

2. *Capital Projects Planning and Delivery Must be Better Coordinated* – The Denali Commission's work groups are an excellent vehicle to informally compare notes, and work to synchronize resources. We also support simple intent language in the legislature's Capital Budget that requires state agencies to coordinate their efforts with the Denali Commission.

3. Innovation Must Guide Our Efforts - Innovation must drive infrastructure development in rural Alaska. Local community planning and involvement is essential to this process. This requires sharing lessons learned from across Alaska, the nation and with other nations. Alaska has several organizations that can help, including the University of Alaska, the Alaska Federation of Natives, the Associated General Contractors, the Institute of the North and the

Northern Forum. If done right, Alaska can lead and share our lessons with the world.

4. Someone Must Take the Lead - Someone needs to have or share lead responsibility for coordinating efforts to answer challenges posed by coastal erosion, flooding, village relocation and overall climate change. If we simply punt the ball downfield, we risk being utterly lost in the national debate over restoring the Gulf Coast and preparing for future hurricanes. I look forward to your recommendations in this area.

5. What's the Best Process? Who decides whether and when a community must relocate? What criteria should be applied? What's the proper role of each level of government? What happens when a threatened community can't decide? How are cultural and tribal considerations incorporated into the process?

6. We Need a Balanced Energy Strategy – Continued reliance on fossil fuels is expensive and contributes to greenhouse gas emissions. State and federal efforts must be aligned and aggressive in pursuing *energy self-reliance* for our rural communities. The Commission is already working well with the state in pursuing renewable and alternative energy sources to include hydropower, wind, geothermal, biomass, etc., but we can do much more.

7. The State of Alaska Must Be A Significant Funder – Senator Ted Stevens has been forthright in his statements that federal funding is harder to secure each passing year. Congress views with skepticism any state asking for federal dollars without showing meaningful state contributions. The Denali Commission looks forward to working with the Palin administration and the legislature to see what's possible.

Conclusion

Thank you for the opportunity to present our views this morning. The Denali Commission hopes to work with you over the coming months as you continue to reach out to all Alaskans to address the urgent issues of climate change. We have no time to waste.

As the great Alaskan poet Robert Service wrote:

> *"Ah, the clock is always slow,*
> *It is later than you think."*