

Bill Allen's Speech
Council for Economic Policy for Rural Alaska

for the

Southeast Conference
Wrangell, Alaska

September 26th – 28th, 2005

- ON BEHALF OF PRESIDENT BUSH AND SECRETARY JOHANN, I AM PLEASED TO BE HERE WITH YOU TODAY, AND I WOULD LIKE TO THANK ROLLO FOR THE INVITATION TO SPEAK AT THE SOUTHEAST CONFERENCE.
- I WOULD ALSO LIKE TO INTRODUCE THE SOUTHEAST CONFERENCE TO BOB JONES, THE NEW STATE CONSERVATIONIST WITH NRCS, WHO IS BRINGING ABOUT POSITIVE EFFORTS FOR ALASKA.
- I ALWAYS ENJOY COMING TO WRANGELL – WITHIN THE OFFICES OF RURAL DEVELOPMENT, THE SOUTHEAST IS CONSIDERED OUR ‘MODEL REGION’.
- I KNOW THAT OVER THE YEARS YOU HAVE HEARD PEOPLE FROM THE GOVERNMENT IN ANCHORAGE AND JUNEAU STAND BEFORE YOU AND TELL YOU WHAT GREAT AND WONDERFUL THINGS THEY ARE GOING TO DO FOR YOU - - -
- I AM ONE OF THOSE PEOPLE – BUT A LITTLE DIFFERENT.
- I’M HERE TO ASK THE SOUTHEAST CONFERENCE FOR YOUR ASSISTANCE AND PARTICIPATION IN THE PREPARATION OF A RURAL DEVELOPMENT STRATEGY FOR RURAL ALASKA.
- THE OBJECTIVE IS TO CREATE A CASH ECONOMY, GOOD-PAYING JOBS, AND SUSTAINABILITY IN THE COMMUNITIES IN RURAL ALASKA - - SOMETHING THAT HAS NOT BEN DONE IN ALASKA’S HISTORY.
- PERHAPS THE MOST IMPORTANT CHALLENGE WE FACE IN RURAL ALASKA TODAY IS GETTING OUR TROUBLED COMMUNITIES ON A FIRM FINANCIAL FOOTING.
- THIS IS A SERIOUS MATTER AS WE APPROACH DECLINING FINANCIAL RESOURCES FROM THE TRADITIONAL SOURCES.
- IF WE DON’T TAKE ACTION NOW, NEXT YEAR WE’LL STILL BE TALKING ABOUT EMERGENCY FUNDING FOR PURCHASING

HEATING FUEL, OR FOR PAYING THE ELECTRIC BILL, OR FOR THE MANY OTHER FINANCIAL PROBLEMS THAT GO TO THE ISSUE OF SURVIVAL FOR OUR SMALL, RURAL COMMUNITIES IN ALASKA.

- THE EASY SHORT-TERM FIX IS TO THROW STATE OR FEDERAL GOVERNMENT MONEY AT THE PROBLEMS IN VILLAGES THAT ARE IN TROUBLE.
- THE ROOT PROBLEM, AND THE ONE THAT MUST BE ADDRESSED, IS: HOW DO YOU DEVELOP SUSTAINABLE CASH ECONOMIES IN RURAL ALASKA COMMUNITIES?
- IN OTHER WORDS, THE SOLUTION IS NOT “FINDING GOVERNMENT MONEY” FOR THE VILLAGES. SUCCESS SHOULD NOT BE MEASURED BY HOW MUCH GRANT MONEY WAS SECURED. GRANT WRITING IS NOT ECONOMIC DEVELOPMENT.
- THE SOLUTION LIES IN CREATING AN ECONOMY IN THESE RURAL PLACES - - IN USING MORE EFFECTIVELY THE RESOURCES THAT WE CURRENTLY HAVE, BOTH FINANCIAL AND HUMAN.
- RURAL COMMUNITIES TYPICALLY HAVE PUBLIC HEALTH JOBS, PUBLIC SAFETY JOBS, TEACHING JOBS, UTILITIES JOBS, A POST OFFICE, A VILLAGE STORE, AND A FEW JOBS ASSOCIATED WITH OFFICES OF THE CITY AND/OR TRIBE AND VILLAGE CORPORATION.
- ALL THAT IS FINE. BUT WHAT WE NEED IS TO MOVE BEYOND THOSE CORE ACTIVITIES.
- WHAT WE NEED IS TO PURPOSEFULLY BECOME AN ENTREPRENEURIAL STATE WHERE THE GOVERNMENT FIRST AND FOREMOST IS DRIVEN BY CUSTOMER SERVICE TO ITS CITIZENS.
- WHERE ALL AGENCIES, AND ORGANIZATIONS, AND CITIZENS ARE NETWORKED AND MAXIMIZING COLLECTIVELY TO ASSIST, ADVISE AND INVEST IN THE RURAL ECONOMIC OPPORTUNITIES FOR TODAY AND TOMORROW.

- NOW, I KNOW WHEN YOU HEAR THE WORDS “TASK FORCE,” YOU IMMEDIATELY THINK OF IT AS A WAY TO PUT OFF ACTING ON THE PROBLEM.
- BUT IN THIS SPECIFIC CASE, A TASK FORCE IS THE WAY TO GO. IT’S SOMETHING THAT IS ESTABLISHED FOR A SPECIFIC PURPOSE – TO ANALYZE THE ISSUES, TO ACHIEVE A BROAD CONSENSUS, AND TO MAKE RECOMMENDATIONS ON WHAT NEEDS TO BE DONE – AND TO THEN DISAPPEAR.
- THE DENALI COMMISSION, THROUGH ITS INTER-AGENCY WORK GROUPS, IS WELL EQUIPPED TO SERVE IN THIS TASK FORCE ROLE.
- IN FACT, A NEW ECONOMIC DEVELOPMENT WORK GROUP IS NOW BEING ESTABLISHED UNDER THE DENALI COMMISSION. AS I ENVISION IT, THIS WORK GROUP WILL ESTABLISH A COUNCIL ON ECONOMIC POLICY FOR RURAL ALASKA (CEPRA).
- AS CURRENTLY PROPOSED, CEPRA WOULD INCLUDE REPRESENTATIVES FROM SEVEN OR MORE REGIONAL TASK FORCES THAT COVER THE STATE.
- FOR EACH REGION, IT IS PROPOSED THAT ONE OF THE TASK FORCE MEMBERS IS A STATE LEGISLATOR.
- I THINK THAT REGIONAL TASK FORCES ARE ESSENTIAL BECAUSE SOLUTIONS WILL VARY FROM REGION TO REGION, AND BECAUSE IT WILL ENSURE THAT DIFFERENT AREAS OF THE STATE EACH HAVE THEIR OWN VOICE.
- IT IS INTENDED THAT CEPRA WILL PRESENT A PROPOSAL TO THE GOVERNOR, COMMISSIONER NOLL AND THE STATE LEGISLATURE DURING THIS SESSION THAT STRATEGICALLY IDENTIFIES THE MAJOR ECONOMIC DEVELOPMENT IMPEDIMENTS IN RURAL ALASKA’S COMMUNITIES, AS WELL AS RECOMMENDS SOLUTIONS COMPLETE WITH COST-BENEFIT ANALYSES.

- I'M VERY PLEASED TO SAY THAT COMMISSIONER NOLL HAS ALREADY PLEDGED HIS SUPPORT TO THIS CONCEPT, AND IS SERVING AS THE CO-CHAIR FOR THIS INITIATIVE.
- THE INITIAL MEETING OF THE ECONOMIC DEVELOPMENT WORK GROUP TOOK PLACE AT THE DENALI COMMISSION ON AUGUST 17th, AND THE INITIAL STEERING COMMITTEE FOR CEPRA WAS ESTABLISHED ON SEPTEMBER 23RD.
- THOSE THAT ATTENDED INCLUDED A DIVERSE ARRAY OF LEADERS SPANNING AGENCIES, BUSINESSES AND MANAGEMENT STRUCTURES, AS WELL AS BOTH 'OFF ROAD' AND 'ON ROAD' VILLAGES AND URBAN CENTERS.
- THE PRESENTATIONS GIVEN AT THIS MEETING WILL BE POSTED ON THE DENALI COMMISSIONS WEBSITE.
- THE MINUTES OF THIS AND FUTURE MEETINGS WILL ALSO BE POSTED ON THEIR WEBSITE SO THAT THE PUBLIC MAY NOT ONLY READ ABOUT WHAT NEW EFFORTS ARE UNDERWAY, BUT ALSO FURTHER ENGAGE AND PROVIDE IDEAS INTO THIS PROCESS AS WE MOVE FORWARD.
- WE NEED INPUT AND DIRECTION FROM LOCAL BUSINESSES, LOCAL ORGANIZATIONS AND THE LEADERSHIP IN RURAL ALASKA'S COMMUNITIES.
- WE NEED TO ASK FOR LOCAL OPINIONS ON HOW TO CREATE LOCAL JOBS.
- DO THE LOCAL PEOPLE WANT ECONOMIC DEVELOPMENT? – IF YES, WE NEED THEIR ASSISTANCE AND INVOLVEMENT. IF NO, WE CONTINUE ON TO THE NEXT VILLAGE.

- THE FIRST STEP FOR THESE REGIONAL TASK FORCES WILL INVOLVE THE MAJOR TASK OF IDENTIFYING THE IMPEDIMENTS TO ECONOMIC DEVELOPMENT IN EACH REGION OF THE STATE.
- SEVERAL IMPEDIMENTS IMMEDIATELY COME TO MIND:
 1. THE HIGH COST OF ENERGY;
 2. LACK OF ADEQUATE TRANSPORTATION AT A REASONABLE COST;
 3. LACK OF UNIVERSAL ACCESS AND CAPACITY IN TELECOMMUNICATIONS;
 4. LACK OF A SKILLED WORKFORCE;
 5. LACK OF SAFE AND AFFORDABLE HOUSING, AND SUSTAINABLE UTILITIES;
 6. LACK OF AVAILABLE LAND FOR DEVELOPMENT;
 7. LACK OF INVESTMENT CAPITAL IN RURAL ALASKA; AND
 8. INTIMIDATION – THE VOLUME OF DOCUMENTS TO BE COMPLETED AND FILED FOR ECONOMIC DEVELOPMENT PROJECTS FOR EACH DIFFERENT SOURCE OF ASSISTANCE.
- ALL THESE IMPEDIMENTS ARE NOW BEING ADDRESSED BY INDIVIDUAL TASK FORCES WITH A REPORT DUE TO THE WORKING GROUP OF THEIR FINDINGS BY LATE OCTOBER.
- THE SECOND STEP IN THIS INITIATIVE WILL BE TO IDENTIFY THE VARIOUS ORGANIZATIONS AND ENTITIES THAT ARE CURRENTLY PROVIDING ECONOMIC DEVELOPMENT ASSISTANCE IN THE STATE. AS STATED BY WAYNE STEVENS, “A CLEAR VISION OF WHO IS DOING WHAT AND FOR WHOM – HOW AND WHEN.”
- WE NEED A DETERMINATION OF WHAT THEIR ORGANIZATIONAL MISSIONS ARE, WHAT RESOURCES THEY HAVE TO APPLY TO THEIR

EFFORTS, AND WHAT THE EXPECTED RESULTS ARE. TO REPEAT WAYNE, “WE NEED A SHARPER FOCUS TO ECONOMIC DEVELOPMENT.”

- IS IT POSSIBLE THAT WE COULD GET OUR ARMS AROUND ALL THESE ORGANIZATIONS AND DEVELOP A COMMON STATEWIDE ECONOMIC DEVELOPMENT STRATEGY? I FOR ONE THINK SO, AND I’M HEARING THAT IT IS CRITICAL THAT THIS BE DONE.
- OBVIOUSLY, THE PLANS AND STRATEGIES CANNOT BE THE SAME FOR EACH REGION, BUT I WOULD IMAGINE WE’LL FIND COMMON ISSUES AND SOLUTIONS IN ALL THE REGIONS.
- WE NEED TO FIND OUT WHAT INITIATIVES EACH ORGANIZATION HAS TRIED: WHAT HAS WORKED – AND WHAT HASN’T WORKED IN THE VARIOUS REGIONS.
- WE CAN LEARN FROM PAST PRACTICES THAT RESULTED IN POOR PERFORMANCE OR FAILURE.
- WE CAN FOCUS OUR ATTENTION AND RESOURCES ON WHAT IS WORKING.
- WE HAVE SOME STRONG ARDORS FOR EXAMPLE THAT ARE PERFORMANCE-BASED AND ARE DOING A GOOD JOB.
- THERE ARE OTHERS THAT ARE NOT AS SUCCESSFUL AS THEY WOULD LIKE TO BE, OR NEED TO BE.
- I MET RECENTLY WITH THREE ARDOR DIRECTORS THAT REPRESENT THE SOUTHWEST, THE KENAI PENNINSULA, AND THE FAIRBANKS REGIONS, AND ASKED FOR THEIR INPUT.
- THEY DISCUSSED THE STATE OF OHIO’S WEBSITE THAT IS DESIGNED FOR THE POTENTIAL INVESTOR THAT IS LOOKING TO DO BUSINESS IN THEIR STATE.

- THE ENTIRE WEBSITE IS DESIGNED FROM THE PERSPECTIVE OF CUSTOMER SERVICE, NOT DEPARTMENTAL STRUCTURE, AND IS UNIQUELY 'BUSINESS FRIENDLY' IN ITS LAYOUT.
- FOR OHIO, THERE IS NO 'WRONG DOOR' WHEN DEALING WITH THEIR STATE GOVERNMENT AND MOVING THROUGH THEIR PROCESS. THEY HAVE CHANGED THEIR ATTITUDE FROM A GOVERNMENT BUREAUCRACY TO A CUSTOMER SERVICE CENTER.
- ANOTHER KEY POINT THEY MADE WAS THE CRITICAL NEED OF IMPLEMENTATION OF AN ENTREPRENURIAL CURRICULUM IN OUR SCHOOLS. JUNIOR ACHIEVEMENT SHOULD NOT BE JUST AN AFTER-SCHOOL PROGRAM ACTIVITY. WE NEED TO TEACH BUSINESS DEVELOPMENT IN OUR JR. HIGH CURRICULUM, AND GIVE KIDS PRACTICAL TOOLS TO BUILD THEIR OWN SMALL BUSINESSES.
- OUR GREATEST RESOURCE IS OUR CHILDREN AND THE GENERATIONS TO COME AFTER US. OUR GREATEST INVESTMENT SHOULD BE IN PROVIDING THE TRAINING AND TOOLS FOR THESE KIDS TO BE ABLE TO CAPITALIZE ON TELECOMMUNICATIONS AND THE NEW FRONTIER OF E-COMMERCE TO BUILD ALASKA AND BRIDGE GLOBAL MARKETS.
- THEY ALL STRONGLY BELIEVE THAT BEING RURAL, AND BEING ALASKAN SHOULD NO LONGER MEAN BEING ISOLATED AND UNDER-PRIVELEDGED.
- I WAS IMPRESSED BY THEIR VISION AND FURTHER MOTIVATED BY THEIR KNOWLEDGE AND OPTIMISM THAT THIS IS A NECESSARY EFFORT, AND THAT AS ALASKANS WE ALREADY HAVE THE RESOURCES TO PULL THIS OFF.
- THE THIRD STEP OF THIS INITIATIVE WILL BE TO IDENTIFY SOLUTIONS TO OVERCOME THE BARRIERS IMPEDING LOCAL ECONOMIC DEVELOPMENT.

- THESE SOLUTIONS NEED TO CREATE WEALTH IN THE COMMUNITY, ESTABLISH A CASH FLOW AT THE LOCAL LEVEL, AND CREATE GOOD PAYING JOBS.
- AND THESE SOLUTIONS NEED TO BE DEVELOPED AND MANAGED FROM WITHIN A NETWORK OF ACTIVE, PRODUCTIVE, AND CAPABLE PARTNERSHIPS THAT CAN DELIVER MEANFUL PROJECTS IN OUR RURAL COMMUNITIES.
- AS THE COUNCIL ON ECONOMIC POLICY FOR RURAL ALASKA DEVELOPS AND IS IN A POSITION TO CONDUCT BUSINESS, I WILL PROPOSE A VERY SIMPLE PLAN TO KICK THIS ENDEAVOR INTO “HIGH GEAR” AND TO CREATE SOME ACTION.
- I WILL PROPOSE THAT EACH REGION ADVANCES TO CEPRA 3 PROJECTS THEY HAVE DETERMINED WILL MEET THE CRITERIA OF DEVELOPING THE ECONOMY WITHIN THEIR REGION, SUCH AS VALUE-ADDED INITIATIVES, EDUCATION IN E-COMMERCE, NEW JOB CREATION AND THE IMPROVEMENT OF THE QUALITY OF LIFE FOR THE REGION’S RESIDENTS.
- LET ME CONCLUDE BY STATING SOME HARD FACTS.
- BECAUSE OF INCREASED DEMAND BY WORLD MARKETS, INCLUDING CHINA AND INDIA, THE PRICE OF OIL IS NOT GOING TO GO DOWN BY MUCH, IF AT ALL.
- EVEN IF THE STATE WENT BACK TO PROVIDING AID ON THE REVENUE SHARING MODEL TO COMMUNITIES, THAT IS NOT A SUSTAINABLE SOLUTION. IT HELPS TO SUBSIDIZE DAY-TO-DAY OPERATIONS; IT DOESN’T FIX THE PROBLEM.
- REWARDING COMMUNITIES THAT DON’T HAVE THE FINANCIAL MEANS TO PAY THE I-R-S, LET ALONE THEIR FUEL BILLS, IS NOT THE WAY TO GO. THE ANSWER IS TO FIND A WAY TO GENERATE REVENUE *WITHIN* THESE COMMUNITIES.
- FINALLY, IT’S TIME TO SIT DOWN WITH PEOPLE WHO HAVE SOME FINANCIAL CLOUT: THE ALASKA BANKERS ASSOCIATION FOR

EXAMPLE, AND PITCH THEM ON WHY THEY NEED TO STEP UP TO THE PLATE AND INVEST IN RURAL ALASKA.

- WE NEED TO IDENTIFY THE IMPROVEMENTS WE HAVE MADE IN THE VILLAGES WITH FEDERAL AND STATE INVESTMENTS IN HOUSING AND INFRASTRUCTURE, AND ASK THEM, THE BANKERS, TO NOW MAKE A GREATER INVESTMENT IN OUR RURAL AREAS AS WELL.
- WE NEED A FUNDING SOURCE FOR SMALL LOANS FOR BUSINESSES, MICRO-LOANS OF \$500-\$5,000 RATHER THAN ONLY THE LARGE COMMERCIAL LOANS THAT START AT \$100,000.
- WE NEED TO GROW OUR SMALL BUSINESS SECTOR ALL OVER ALASKA AND ESPECIALLY IN RURAL ALASKA WHICH IS THE REAL FUTURE ECONOMIC OPPORTUNITY FOR MANY OF OUR CITIZENS.
- WITHOUT MORE CAPITAL IN RURAL ALASKA, WITHOUT JOBS TO MAKE THE INFRASTRUCTURE THAT WE'VE BUILT SUSTAINABLE, WE WILL SEE THE CONTINUED SLOW DIMISE OF OUR RURAL VILLAGES AND COASTAL COMMUNITIES.
- LET'S NOT BORROW MONEY TO BUY BAND-AIDS. LET'S FIX THE PROBLEM.
- AND AS EXPRESSED BY THOSE ECONMIC DEVELOPMENT DIRECTORS I MET WITH RECENTLY, ONE OF OUR BIGGEST CHALLENGES MAY IN FACT BE TO BELIEVE IN OURSELVES, AND TO INVEST IN OURSELVES.
- I HOPE WE CAN COUNT ON YOUR HELP AND SUPPORT IN THIS EFFORT. IN FACT, I'M COUNTING ON IT BECAUSE THIS REGION HAS A CAN-DO SPIRIT.
- AND THAT IS EXACTLY WHAT THIS IS GOING TO TAKE.
- AS CHARGED TO US BY NELSON ANGAPAK, AND AS ADOPTED AS OUR MOTTO FOR THIS INITIATIVE,
- "LET'S GET BEYOND TALK."

- SO, TO MOVE THIS INITIATIVE FORWARD, I AM ASKING THE SOUTHEAST CONFERENCE TO DO TWO THINGS:
 - SEND FORWARD THE NAMES OF TWO REPRESENTATIVES TO SERVE ON THE CEPRA BOARD; AND
 - SEND FORWARD BOTH A SHORT-TERM AND A LONG-TERM ECONOMIC DEVELOPMENT CONCEPT PAPER THAT WILL BRING ABOUT JOBS FOR THIS REGION.

- I THANK YOU FOR THIS OPPORTUNITY TO PRESENT THIS INITIATIVE, AND I LOOK FORWARD TO WORKING WITH YOU TO BRING A SHARPER FOCUS TO RURAL ECONOMIC DEVELOPMENT.