

# ALASKA - ALBERTA RELATIONS



## PROFILE

**Capital:** Juneau

**Population:** 643,786 (2002)

**Language:** English

**Government:** Bicameral state government

**Head of Government:** Governor Frank Murkowski (R)  
Term expires 2006

**Currency:** US Dollar  
CDN\$1 = 0.74 US (April 2004)

**GSP (Gross State Product):** US\$28.6 billion (2001)

**Per Capita Income:** US\$31,792 (2002)

**Key Industry Sectors:** Oil & gas, tourism, commercial fishing, mining, forestry

**Unemployment:** 7.3% (February 2004)

### **Primary Cities:**

- Anchorage 268,983
- Fairbanks 30,780
- Juneau 30,751

## DID YOU KNOW?

- The Alaska Permanent Fund is a trust fund similar to Alberta's Heritage Savings Trust Fund. It was established in 1976 to generate perpetual revenues for present and future generations of Alaskans.
- The Fund's value as of April 2004 exceeds US\$27 billion, providing an annual dividend to all citizens.

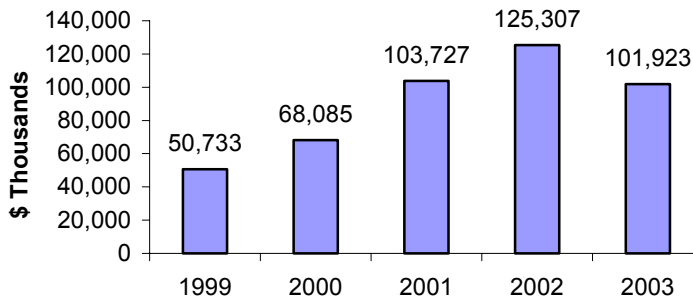
## RELATIONSHIP OVERVIEW

- Alberta-Alaska relations were close in the 1970s and 1980s, based on common northern issues and similarities between Alberta's Heritage Fund and Alaska's Permanent Fund.
- Both jurisdictions would like to reinvigorate ties as Alaska seeks to develop its vast gas resources.
- In June 2002, Premier Klein & Governor Knowles signed a Memorandum of Understanding, agreeing to cooperate in areas as energy, transportation, Aboriginal issues, trade and investment.
- Alaska's administration agrees the inaugural meeting of the Bilateral Council created by the MOU should be held by spring 2004.

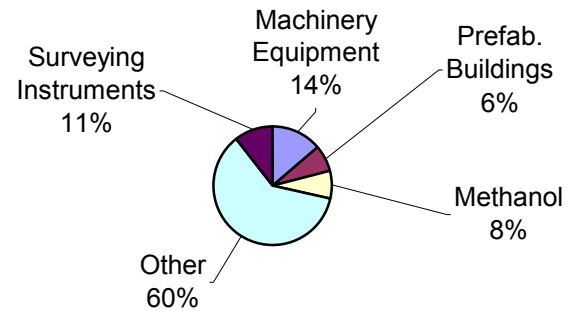
### Energy

- Northern gas development is a priority for both the U.S. Administration and Alaska government.
- Alaska has recognized that Alberta's well-developed pipeline infrastructure and status as a distribution hub could be advantageous in transporting Alaska's gas to major markets in the lower 48 states.
- The oil and gas industry is Alaska's largest, accounting for 90% of the state's revenues.
- Alaska accounts for almost 20% of U.S. oil production (equivalent to ¾ of Alberta's crude production).
- Alaska has passed legislation requiring that a North Slope gas pipeline follow the Alaska Highway route, to ensure maximum economic benefits for the state. The U.S. Congress is considering passing federal legislation providing significant financial incentives for this route.
- The Alberta government is neutral as to the pipeline route – focusing on the right to access Arctic gas liquids for the province's petrochemical industry.

### Alberta Exports to Alaska 1999-2003



### Alberta Exports to Alaska in 2003



#### ANWR

- The Arctic National Wildlife Refuge (ANWR), a 1.5 million-acre coastal plain, is the largest wildlife refuge in the U.S., with over 19.3 million acres straddling the Alaska-Yukon border.
- 8% of ANWR is being considered for oil and gas exploration.
- Development is supported by Alaska's government and federal representatives, and between 70-80% of Alaskans (including the North Slope Eskimos). However, opposition in the U.S. Senate makes such development unlikely.
- The Canadian government opposes development of ANWR because it is a crucial birthing ground for caribou.

#### Northern Forum

- Alaska and Alberta are both members of the Northern Forum, an international organization comprised of 23 sub-national governments from Canada, China, Russia, Japan, and Scandinavia. The Northern Forum is headquartered in Anchorage.

#### Politics

- Alaska has strong Republican congressional representation including Ted Stevens (Chair of Appropriations Committee), Representative Don Young (Chairman of the House Transportation Committee), and Senator Lisa Murkowski (Member of Senate Energy Committee and Chair of its subcommittee on Water and Power).

#### TRADE AND INVESTMENT

- Over the past five years, Alberta merchandise exports to Alaska have averaged about \$90 million per year.
- Alberta exports include: construction and mining machinery, refined petroleum products and prefabricated buildings.

#### Transportation

- The CANAMEX initiative proposes a multi-lane super-highway from northern Alberta, through the Rocky Mountain US states, down to Mexico City. Alaska may ultimately be the northern terminus of this highway.
- CANAMEX will enhance trade, economic development, technology infrastructure, recreation and tourism opportunities throughout the region, in addition to increasing efficiency in intermodal transportation.
- Alaska seeks Alberta's support for the possibility of connecting the state to the rest of the continent by rail.

#### Forestry

- Forestry is important to Alaska's economy, especially that of the southeastern region. Alaska's forestry industry is currently being restructured, but provides thousands of jobs, and hundreds of millions of dollars in revenue to southeast Alaska.
- Pulp mill closures (i.e. Ketchikan Pulp Mill) and a drop in Pacific Rim demand have hurt the state's wood products sector.
- The Southeast Timber Business Plan was established to focus on value added wood processing in Alaska.

#### Fishing

- Alaska's fishing and seafood industry is the state's largest private industry employee, and exports nearly 3 million tons of seafood every year.
- Several factors, including decreases in international fish prices, have recently hurt the industry.
- Alaska is trying to restore its once-depleted salmon runs by employing a "conservation-first" fisheries management system.

## **EMERGING OPPORTUNITIES**

- Forest products
- Energy products
- Industrial/agricultural machinery
- Metal products (basic, fabricated)
- Transportation equipment and tourism
- Chemicals and allied products

## **MEMBERSHIPS**

- Alberta and Alaska share membership in a number of integral regional organizations including:
  - The Northern Forum
  - PNWER (Pacific NorthWest Economic Region) – Alaska Senator Fred Dyson is PNWER's current president
  - Western Governors Association
  - Sectoral bodies such as the Energy Council and the Western Legislative Forestry Task Force.

## **RECENT VISITS**

- Oct 2003: Governor Murkowski attended the Far North Oil and Gas Forum in Calgary
- Sept 2003: Premier Klein and Governor Murkowski met at Western Governors' Meeting to discuss mutual priorities for the Alaska-Alberta Council.
- June 2002: Premier Klein's mission to Alaska
- Aug 2001: State Senator John Torgerson and members of Alaska's Joint Committee on Natural Gas Pipelines visited Alberta.
- Sept 2000: Visit of Gail Phillips, State Legislature Representative

## **DIPLOMATIC REPRESENTATION**

- Mr. Naim Ahmed is the U.S. Consul General in Calgary.
- The acting Canadian Consul General in Seattle is Mr. Marvin Wodinsky, whose jurisdiction currently includes Alaska.
- Canada will be opening a consulate in Anchorage in Fall 2004.