



Alaska Economic Stabilization Team

Alaska Economic Stabilization Team Information Sheet 4: Transition to Opening Alaska's Economy April 17, 2020

Introduction

The Alaska Economic Stabilization Team (AEST) is providing this final information sheet on economic stabilization strategies compiled from Alaskans in the first five weeks of the COVID-19 pandemic in Alaska. The information presented continues to come from a diverse range of individuals and interests across the state. As before, this document is not meant to be a comprehensive report of everything we are hearing nor is it intended to communicate a recommendation unless expressly stated.

AEST recognizes that this situation is fluid and many recommendations are simply being passed along to the Governor's Office or reported verbally in the form they were received. For these reasons, the Information Sheet is not considered complete or comprehensive.

From the beginning, ASET was tasked with compiling ideas and strategies from Alaskans and preparing documents that could be utilized by the Administration to develop an overall stabilization plan. The plan would not necessarily incorporate all items on the Information Sheets, but would utilize the content of the documents as elements for a plan.

Over-Arching Stimulus Ideas:

1. Financial support for Alaskans. We continue to hear from Alaskans about the need for emergency monthly payments to Alaskans. AEST supports this concept and has detailed proposals on how to get needed cash into Alaskans' hands in the previous three documents.
2. Financial Support for Businesses. As we write this document, the SBA has run out of capacity to guarantee loans without further federal funding being approved by the Congress. This shortfall will have an enormous impact on Alaskans because there are loan applications representing millions of dollars that were filed by Alaskans, but which are still being processed by financial institutions. The need for the State to step in is critical to ensure a flow of capital into the

economy. Throughout the previous Information Sheets provided by AEST, we have recommended opportunities for the State to assist in this effort. The State, through its agencies and AIDEA, has been moving to fill this gap.

Ensuring the Necessary Resources to Support Alaskans

1. Establish a temporary CARES federal funding office. As we have mentioned in previous AEST Information Sheets, the State needs to establish an office or dedicate appropriate staff to follow up and apply for the many different funding programs that have and will become available through the different CARES Acts. This will ensure that Alaska will receive needed resources from the Federal Government.
2. Leveraging Federal Infrastructure Package. As mentioned in previous AEST Information Sheets, the state should, as soon as possible, share its infrastructure priorities with Alaska's federal delegation to ensure the state maximizes efforts to save and create jobs, while assuring future economic growth.

Ideas Collected from AEST Outreach:

Sector Specific Items

Construction Industry/Building Trades:

- A number of contractors recommended that the State continue reviewing all permitting and licensing requirements and regulations, and consider relaxing them (where life and safety not at stake) so the construction industry can be prepared to quickly and safely hire many Alaskans and move forward on new construction projects. Numerous contractors acknowledged the Administration has been very helpful in timely addressing questions and in knocking down barriers to more work, but a few areas were noted as needing improvement:
 - a. Frost standards should be reviewed and removed earlier
 - b. Weight restrictions on the roads should be reviewed for early removal
 - c. Ensure testing requirements are resolved before the season starts
 - d. Contractors need additional guidance on remote sites and the protocols required to keep their crews safe. It was noted that quarantining for remote sites with crew rotations is problematic, regardless of the type of work being done.
 - e. Making sure essential workers and general workers in the construction trades are able to come through the Canadian ports of entry in process of coming to Alaska
 - f. Recently passed bonds in Anchorage for schools should be accelerated as school is not in session. Could put people to work faster.

Rural Alaska issues.

We met with representatives of rural communities, including elders and other community leaders, tribal leaders, ANCSA regional and village corporations, and legislators. We heard a variety of concerns, including a number that overlapped with comments provided in this document as well as previous AEST Information Sheets. We point out a few notable here:

- We heard concerns for more visible and consistently applied protocols for the fishing industry, including the State taking a more aggressive role in shaping top-line health protocols for the influx of workers into communities and for the processing plants. We understand this is happening to some degree, but there seems to be a disconnect between some of the stakeholder groups, how they work, and what information gets communicated.
- Several spoke of the need to allow hunting activities for their communities. We understand a lot of discussion continues on this topic at the Board of Game level, but there continues to be a concern for the need to provide food for rural communities and families.
- A concern was expressed that the STIP list and process are inadequate or unavailable for the lion's share of rural projects, and that if the STIP was the only formula utilized to disburse COVID-related infrastructure funding, that rural Alaska would be "left out." If and when money becomes available, whether state or federal, the rural communities want to be engaged beyond the standard STIP process in DOT&PF. The good news we heard is that rural communities will greatly benefit from COVID-19 funding to the Indian Relief Fund. This should create hundreds of community projects and many jobs, providing the supply chain of contracting and supplies is adequate.
- We heard that both rural and urban areas suffer from a shortfall of adequate childcare, in the case of "essential workers" and others as parents get back to work. Additionally, standards or protocols for the protection against COVID-19 in daycare facilities seem to vary from place to place.
- Remote lodges: Some in these groups operate remote lodges requiring testing. Administering testing requires classes and annual training. They believe if this training was provided online rather than in person, they could have their employees trained and available, for any part of the tourist season that materializes this year.
- Concerns exist that as the state opens for business and lifts travel restrictions, that hundreds of fishers and hunters from outside one area could descend on a fishing area, in particular, that is too small to maintain appropriate physical distance for the numbers normally seen. Without enforcement to make sure people follow safety procedures, this crowding of fishing or hunting areas may cause an outbreak of COVID-19.
- As the State receives resources from the Federal Government to respond to COVID-19, there is a desire from the Alaska Native community to be engaged in how some of those will be used.
- Concern exists within Southeast Alaska communities regarding reliable marine transportation and access to essential food products.
- With Ravn failing, the overall current supply chain is spotty at best in rural Alaska causing uncertainty as this situation continues

Re-Opening Alaska Businesses - The Transition to a New Economy.

Most businesses continue to wade through the impact COVID-19 is having on their businesses. For closed businesses, owners and employees are still consumed with understanding what financial support is available for them, whether through federal, state or local governments. They are struggling to determine whether, even with help, their businesses can survive.

Recently, however, the number one most mentioned topic has been about how businesses can safely re-open. Alaskans want to know when they open their doors, what protocols or standards will be required or what their guiding principles should be. In other words, they want to know what the “new normal” will be in business.

Alaskans are also trying to understand some of the nuance surrounding why some businesses are open (“essential”) and others are not. For the businesses that are operating, concerns include whether they have enough business to stay open; how to keep their employees; whether the supply chain will be fully operational; and, when federal, state and local government help will arrive.

Most businesses we heard from expressed the desire to provide a safe environment for their customers and employees. The list below represents comments we heard related to re-engaging jobs and businesses in re-starting the full economy:

- Every business category needs to have developed and posted their safety measures and protocols. [We heard that high level health protocols by business category or sector should be made available in a single location on a State website for public view. Similarly, we urged business groups and associations representing particular business lines or industries to develop their own standards, applying available CDC and Alaska DH&SS guidelines. Assuming they would do so, the AEST also advised these associations to submit their proposed protocols to the Office of the Governor to funnel to Unified Command for review by public health experts.]
- Employees should wear masks appropriate to the workplace during this period, whether medical grade in health care settings or cloth in others.
- Employees and customers should practice physical distancing.
- Customers should be encouraged to wear masks when they shop.
- Notices should be posted throughout a business in appropriate locations to help customers understand the new operating rules for the business.
- Allow so many customers in the retail store per square footage, e.g., 4 people in the store for every 100 square feet of retail floor space that customers have access to at any given time.
- Ensure businesses have installed some sort of barrier, plexiglass or otherwise, at the checkout area/cash register area to provide artificial distance between the customer and the cashier.

Various sectors, types, and sizes of businesses operating in Alaska’s economy will require different accommodations in order to reopen safely, yet there will likely be common elements around distancing, personal protective equipment, etc.

Governors across the U.S. are cooperating and coordinating together on what they are seeing, hearing, and doing to not only protect the public from COVID-19, but also with respect to re-opening jobs,

businesses, and economies. We know the Administration is reviewing best practices from a range of sources, including other states. We encourage this coordination and cooperation, as well as actively sharing Alaska's best practices with other similarly situated states and populations.

Most businesses have told us they will not be able to start up immediately, rather they will need to have a progressive or soft opening period. These periods may be required for a number of reasons, including employee availability issues where some employees are not able or willing to come back right away given health concerns; including the time it will take for customers to understand and abide by new operating rules; and due to general supply chain issues.

The businesses also let us know that they want to be able to share with their customers in a timely manner when and how they will open.