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Testimony for the Record

**U.S. House of Representatives Transportation and Infrastructure Subcommittee on
Economic Development**

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Chairman Perry, Ranking Member Stanton, and Honorable Members of the Committee:

Thank you for the opportunity to appear before you today to discuss the Denali Commission and *“Smarter Spending, Stronger Results: Reducing Duplication and Ensuring Effectiveness Through Economic Development Reforms.”* As a federal-state partnership with 25 years of experience, the Commission has worked to address the critical infrastructure and development needs of rural Alaska, as well as the nation’s growing Arctic and security imperatives.

Strategic Reauthorization and Executive Alignment

The Denali Commission was recently reauthorized in section 213 of the Economic Development Reauthorization Act of 2024 (Division B, Title II, P.L. 118-272), signed into law on January 4, 2025. The Commission has aligned its operations with President Trump’s Executive Orders to ensure consistency with Administration priorities, with its work strongly aligning with Executive Order 14153, *“Unleashing Alaska’s Extraordinary Resource Potential,”* which emphasizes energy and mineral development, national security, and efficient federal investment in Alaska’s resources.

As the only Alaska-headquartered federal agency, the Denali Commission has unique access to - and trust from - remote communities. We have aligned our work with both civilian and defense objectives. In rural Alaska, this means hardening power, fuel, and broadband systems that serve as community lifelines and as part of the national communications backbone. The Commission has prioritized dual-use infrastructure - projects that meet civilian needs while supporting homeland and national security - stretching limited resources to address critical priorities.

Several projects have included partnerships with the Department of War’s Innovation and Readiness Training (IRT) program to advance dual-use objectives. In partnership with the Native Village of Eyak, the Denali Commission funded critical equipment for the Shepard Point Road Extension and Port Complex Project in Cordova, strengthening local emergency response

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capacity while supporting national readiness and strategic defense operations. IRT partnerships have also supported shipping and logistics to Nome, as well as road construction, housing development, and workforce training in Mertarvik as part of the Newtok relocation effort.

Following Typhoon Halong and other recent natural disasters along Alaska's west coast, the Denali Commission convened the Alaska National Guard, U.S. Coast Guard, FEMA, Association of Village Council Presidents (AVCP), and State department Commissioners to coordinate recovery, align infrastructure projects, and advance a regional public safety concept for Bethel and surrounding hub communities. The Commission funded AVCP to design an emergency response center in Bethel and plan a network of five regional centers, each supporting multiple uses - emergency training, search and rescue, critical supply storage, and homeland security operations - strengthening both community resilience and strategic readiness.

In addition to *Unleashing Alaska's Extraordinary Resource Potential*, many Executive Orders mesh with our existing programs and focus areas like energy (*Unleashing American Energy*, *Unleashing America's Offshore Critical Minerals and Resources*), transportation (*Restoring America's Maritime Dominance*), workforce development (*Preparing Americans for High-Paying Skilled Trade Jobs of the Future*), and land and water resources partnerships with USDA Forest Service and Natural Resources Conservation Service (*Unleashing American Commercial Fishing in the Pacific*, *Immediate Expansion of American Timber Production*), among others.

Alaska's National and Strategic Significance

Alaska is one-fifth the size of the continental U.S., with over 33,000 miles of shoreline - longer than the rest of the U.S. combined - and plays a central position in U.S. Arctic policy. The state hosts over 100 F-35 aircraft, missile defense systems, and Arctic maritime operations, and sits astride emerging Arctic shipping lanes whose viability is increasing as sea ice recedes.

Russia holds more than half of the Arctic landmass and continues to assert dominance in the region, while China has declared itself a "near-Arctic" state and is pursuing infrastructure and resource access across the circumpolar North. In this context, sustained U.S. presence - anchored by reliable energy, transportation, communications, health, and waterfront infrastructure in rural Alaska - is essential to homeland security, economic opportunity, and emergency readiness.

The Denali Commission has served as a centralized mechanism for infrastructure investments in rural Alaska, coordinating with federal agencies, the State of Alaska, and local communities to deliver high-priority projects in some of the most remote parts of the United States. This includes assets that function simultaneously as economic lifelines and as platforms for disaster response and recovery, directly intersecting this Subcommittee's jurisdiction.

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Programmatic Impact and Efficiency

Since its inception in 1998, the Denali Commission has invested over \$1 billion in Alaska, and currently manages 322 active projects totaling approximately \$386 million while operating with about 1.4 percent administrative overhead. The Commission's model blends Congressional appropriations, interest from the Trans-Alaska Pipeline Liability Fund, and interagency transfers to braid funding together.

The Commission's statutory program areas include: energy reliability and security; bulk fuel safety and access; public infrastructure, communications, and housing; surface and waterfront transportation; water and sanitation; and job training and rural development. Many of these projects directly intersect with this Subcommittee's responsibilities - public buildings and clinics that serve as community shelters, waterfront and barge landing facilities that act as lifelines for supply chains, and critical access roads that support both daily commerce and emergency response.

Every year since its creation, the Commission developed an annual workplan that set project and program priorities based on statutory authorities, community needs, and federal policy direction. Workplans are reviewed and approved by the Commission's Federal Co-Chair and Commissioners, go through a public comment process, and then are approved by the Secretary of Commerce, ensuring alignment with Administration priorities and Congressional intent. To further sharpen its focus, over the last year the Commission has explored additional tools – such as a strategic-location decision matrix – to help ensure that the most consequential projects, including those with dual-use benefits, rose to the top of the annual workplan.

Dual-Use Infrastructure: Strategic Pivot

In recent years, the Commission's portfolio has emphasized dual-use infrastructure - projects that meet year-round civilian needs while advancing homeland and national security objectives. This approach has been especially critical for communities that rely on the same docks, airstrips, powerhouses, and public buildings for daily life, economic activity, and disaster response. Such infrastructure also enables private sector access to natural resources, local commerce, and energy development, amplifying the economic return on federal investments.

Key areas of emphasis have included:

- **Infrastructure Hardening:** Improving energy systems, transportation links, emergency communications, and search and rescue capabilities so that rural docks, barge landings, and public buildings can function as reliable staging areas for disaster response and recovery.
- **Technology and Innovation:** Working with national energy laboratories and partners to test cold-weather technologies, extend battery life, and explore energy-resilient data and communications facilities suitable for off-grid or islanded systems.

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- **Resource and Access Corridors:** Supporting Arctic and inland infrastructure - roads, bridges, and marine facilities - that enable access to critical minerals, timber, and fisheries while also ensuring redundant routes for emergency fuel, food, and medical transport.

These dual-use investments have complemented the Subcommittee's work to strengthen FEMA programs and improve the durability and cost-effectiveness of public facilities and transportation links before and after disasters.

Key Initiatives and National Relevance

The Commission's current initiatives demonstrate how targeted investments in rural Alaska support national economic, security, and emergency management objectives.

- **Bulk Fuel and Energy Security** – The Commission's \$100 million investment in bulk fuel infrastructure is a cornerstone of its efforts to strengthen energy security, reduce costs, and support emergency preparedness in rural Alaska. Through a direct partnership with Alaska Native Tribal Health Consortium (ANTHC) and subcontracts with the Alaska Energy Authority and Alaska Village Electric Cooperative, this investment targets aging bulk fuel tank farms that are critical to electricity generation, heating, and transportation in remote communities. Many of these facilities are decades old and must be upgraded to remain code-compliant, prevent environmental spills, and ensure fuel can be delivered efficiently by barge during short seasonal windows rather than by significantly more expensive air transport.

Strategic federal investments in bulk fuel infrastructure have already reduced fuel costs by more than \$2.00 per gallon in some communities, directly benefiting households, schools, clinics, and local governments. The Commission's \$100 million commitment helps address a portion of the more than \$1 billion backlog of needed upgrades across approximately 400 rural tank farms, while reinforcing the durability of power systems, water and sewer utilities, and emergency services during extreme weather events and disasters.

The Executive Orders underscore the urgent need for robust public investment in critical energy infrastructure, including the role of advanced reactors in supporting national, energy, and economic security. This emphasis has direct relevance for Department of War and Department of Energy applications in Alaska, where the state is uniquely suited to serve as a proving ground for small modular and micro-nuclear technologies due to its energy isolation, remote communities, and extreme operating conditions.

- **Transportation and Waterfront Investments** – Through its Waterfront Program, the Commission has directed approximately \$16.5 million since 2022 to marine infrastructure that ensures vital access to fuel, food, and emergency services for remote

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Alaska communities. These investments have leveraged over \$70 million from other sources and improved reliability and connectivity across more than two dozen coastal communities, strengthening both daily commerce and Arctic readiness.

Barge landings, small ports, and related waterfront structures in Alaska play a role similar to rural highways and intermodal facilities in other states: they are the only freight and fuel lifeline for communities with no road access. When these facilities fail or are destroyed in storms, whole regions can be cut off from supply chains, with direct implications for emergency response and the federal cost of disaster relief. These investments not only strengthen emergency and public service access but also create conditions for private investment in resource transportation, local manufacturing, and commercial logistics, enabling communities to leverage federal infrastructure for broader economic growth.

- **Broadband and Communications**– The Commission has helped secure 187 Tribal spectrum licenses and more than \$200 million in broadband-related funding for rural Alaska. In coordination with NTIA, USDA Reconnect Program, FEMA, Tribal and private entities, the Commission has supported efforts to complete projects that prevent service losses and build redundancy - such as land-based fiber routes that reduce dependence on single points of failure.
- **Timber, Working Lands, and Food Security** – In partnership with the U.S. Department of Agriculture and regional entities, the Commission has participated in initiatives that support local wood-use innovation, fire fuel mitigation, and localized food production. These efforts are designed to reduce disaster risk, strengthen local building materials supply chains, and create new economic opportunities in areas where traditional wage employment is scarce.
- **Housing and Critical Community Facilities** – Recently expanded authorities have allowed the Commission to support housing and community facilities that address overcrowding and homelessness in rural Alaska. Health clinics, community buildings, and public service facilities frequently double as emergency shelters and coordination centers in disasters, mirroring the multi-use demands on public buildings across the country.
- **National Security Support** – The Commission can support strategic systems, critical communications, and emergency readiness in the Arctic. We have contributed to over 175 village health clinics and two regional hospitals, further supporting public health infrastructure critical to homeland security.

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Strengthening Alaska's Business Ecosystem

Commission-supported infrastructure has helped create the conditions under which private capital and entrepreneurship can succeed in rural Alaska. Reliable barge landings, roads, bridges, and waterfront facilities reduce logistics risk and costs for small manufacturers, processors, and service firms, while modern clinics, community buildings, and communications infrastructure make it possible for businesses to attract and retain workers in remote communities.

A recent technical assistance project with the Alaska Small Business Development Center (SBDC), supported by the Denali Commission, illustrates this connection between infrastructure and the business ecosystem. Through this project, SBDC established a Rural Business Working Group that brought together Tribal governments, Native corporations, and regional economic development organizations; developed a statewide marketing and outreach strategy; and deployed a comprehensive rural business training program built around completing business plans and preparing for lending.

During the project period, SBDC's digital outreach grew significantly: social media impressions rose to over 700,000, engagement and link clicks increased several-fold, and the organization's audience expanded to more than 13,000 followers, while its newsletter subscriber base climbed to approximately 24,000 with open rates more than double industry benchmarks. These efforts, combined with workshops, one-on-one advising, and integration with federal programs such as the State Small Business Credit Initiative, helped more rural entrepreneurs access capital, improve financial literacy, and take advantage of the opportunities created by improved infrastructure.

By coupling place-based infrastructure - such as barge landings that lower freight costs, bridge and road segments that connect resource hubs to markets, and broadband that enables online training and e-commerce - with targeted technical assistance, the Commission has contributed to an environment where private lenders, investors, and entrepreneurs can participate in Alaska's economy on more comparable terms to the rest of the nation. This linkage between federal infrastructure investment, small-business capacity, and private capital formation is central to long-term economic resilience.

Interagency Resource Pooling: A Scalable Model

The Denali Commission is, at its core, about partnerships. Using its Section 311 transfer authority and Section 305(c) gift authority, the Commission has developed a multi-agency transfer model that allows federal partners to pool funds - even in small amounts - for high-priority projects managed by the Commission. This approach has been applied in coordination with agencies such as the Environmental Protection Agency, the Department of the Interior, the Department of Energy, and many others to deliver bulk fuel, power, and community

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infrastructure projects in high-risk communities more quickly and efficiently than would be possible through separate, duplicative efforts.

These models align with the Subcommittee's interest in ensuring that federal disaster and mitigation dollars are used efficiently, that programs avoid fragmentation, and that public buildings and essential facilities are delivered and maintained in a cost-effective manner.

In a state defined by vast distances, limited road access, and extreme operating conditions, this partnership-driven model is a practical way to deliver hardened, cost-effective infrastructure that meets critical community and national needs.

Conclusion

For more than 25 years, the Denali Commission has demonstrated a practical, place-based approach to delivering infrastructure and economic development in some of the most remote and hazard-prone communities in the United States. Alaska's infrastructure needs amount to several billion dollars, far exceeding available resources, so we have deliberately focused on projects that provide multi-use benefits - encouraging private investment and meeting critical community needs while supporting national and homeland security objectives. The Commission's work shows that when Congress directs resources through mechanisms that are close to communities, coordinated across agencies, and focused on dual-use outcomes, rural infrastructure can support economic opportunity, national security, and emergency readiness at the same time.

Thank you for your time and consideration. I welcome your questions.