

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-FOURTH LEGISLATURE
FOURTH SPECIAL SESSION

Juneau, Alaska

Thursday

November 16, 2006

Third Day

Pursuant to adjournment the House was called to order by Speaker Harris at 3:18 p.m.

Roll call showed 30 members present. Representatives Holm and Kott were absent and their presence was noted later.

Representative Coghill moved and asked unanimous consent that Representatives Anderson, Croft, Elkins, Joule, Kapsner, McGuire, Moses, and Neuman be excused from a call of the House today. There being no objection, it was so ordered.

The invocation was offered by the Chaplain, Stephanie Hall, Assistant Chief Clerk. Representative Dahlstrom moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

With deepest respect for the religious beliefs of all, I offer this prayer.

Dear Lord,

We thank You for another day to serve You. Bless and guide these representatives as they seek to do the best for Alaska and all her people. Amen.

The Pledge of Allegiance was led by Representative Stoltze.

CERTIFICATION OF THE JOURNAL

Representative Coghill moved and asked unanimous consent that the journal for the second legislative day of the Fourth Special Session be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

MESSAGES FROM THE GOVERNOR

The following Governor's supplemental proclamation dated November 16, 2006, which amends the proclamation dated October 27, 2006, (page 4392) was read:

"Under the authority of art. II, sec. 9, and art. III, sec. 17, of the Alaska Constitution, and in the public interest, I am supplementing my proclamation of October 27, 2006, calling the Twenty-Fourth Legislature of the State of Alaska into its fourth special session at Juneau, Alaska on November 13, 2006, with the addition of the following subject:

Relating to employment-related benefits for same-sex domestic partners of public employees and of members of the state's retirement systems, and to an advisory vote relating to those benefits for same-sex domestic partners.

This proclamation supplements my proclamation of October 27, 2006.

Dated at Juneau, Alaska this 16th day of November 2006.

/s/

Frank H. Murkowski
Governor"

The following letter dated November 16, 2006, was received:

"Dear President Stevens and Speaker Harris:

It is with pleasure and a deep sense of satisfaction that pursuant to article III, section 18, of the Alaska Constitution, the authority of the Stranded Gas Development Act, that I transmit to you under my

signature and place in your control and responsibility the vehicle containing the economic and other analysis and documents necessary to finalize the Alaska gas pipeline contract. This package will empower the Legislature and the new administration to finalize the gas pipeline contract in the near term to secure Alaska's future.

We commit our support to work with the new governor and her staff to finalize this contract. What we are proposing today will prove to be the only expeditious and economically viable project to market Alaska gas resources. I stand ready to assist the new governor and the 25th Legislature to bring it to a successful conclusion in the interest of all Alaskans.

Under article III, section 18, of the Alaska Constitution I hereby find that it is necessary to the future welfare of the State of Alaska that a gas pipeline contract be completed immediately to start the process of transforming Alaska's revenue stream from one based primarily on oil to one based primarily on gas (which will also extend and expand our ability to monetize our oil resources). I urge the Legislature to work with the administration to negotiate the changes necessary to respond to legislative and public comments on the May 24, 2006, contract and ratify the amended contract without delay. Delay subjects Alaska to the greatest future risk to its economy—no gas pipeline.

I am transmitting to you today all of the tools necessary to complete the contract and start the gas pipeline project through the Interim Fiscal Interest Findings (IFIF). The IFIF contains all of the information and analysis about the project that we have developed over the past two years. It explains why it is in the best interest of the state to complete an updated, modified version of the May 24, 2006, contract, which my administration negotiated with the Producers, who indicated their acceptance.

The proposed changes to the May 24, 2006, contract are displayed and analyzed in the IFIF. The proposed changes were developed in response to the public comments from more than 2,100 persons. But for the lack of time and will to conduct another special session these proposed changes could have been successfully negotiated. With the election behind us, efforts must be made to immediately negotiate the proposed changes into the contract. Again, delay is Alaska's greatest enemy to getting a gas pipeline.

Finally, included in the IFIF is the administration's version of the pipeline governance document, the Limited Liability Corporation contract. The state and the Producers were willing to reach an agreement and finalize the LLC contract. Again, without the time or will to conduct another special session, our negotiators were not able to finalize the LLC contract. The LLC contract transmitted today must be negotiated and finalized.

It will take up to ten years from when an agreement is reached on a gas pipeline contract until a gas pipeline is producing revenue to replace revenue lost by declining oil production. Delaying the transition from an oil-based economy to a gas-based economy will create a significant revenue gap starting a very few years from now. Too long of a delay could jeopardize the gas pipeline all together and the potential for extending the life of the TransAlaska Pipeline would likely be lost with it.

In the short four years of my administration we have seen costs of a gas pipeline go up and the price of gas decline. The MacKenzie Delta project in Canada has been delayed for these among other reasons. According to 'Information Insights' analysis, for each year of delay in getting a gas pipeline contract, the estimated net present value of revenue loss to the state and local governments would be approximately \$900 million per year.

Furthermore, Alaska's gas can expect a dramatic increase in competition from other energy sources: coal, imported liquefied natural gas, and nuclear power.

Much concern has been expended on what the Producers might get with a gas pipeline agreement, when the real emphasis should be on what Alaska will receive from a gas pipeline. Time is running out. Gambling our gas pipeline and our state's future economy in search of an imaginary perfect deal risks our children's and grandchildren's future for pennies on the dollar.

In May I delivered to you the May 24, 2006, contract that the Producers and I would sign and that would build an Alaska Gas Pipeline. The Legislature and public have asked for changes. I am transmitting to you all of the information necessary to make the

changes for which the Legislature and public asked to complete the contract. I pass this IFIF to you in contract form and request that you accept responsibility that goes with elective office, and complete the process to incorporate the proposed changes into the contract and ratify the May 24, 2006, contract as amended.

A vast majority of Alaskans share my belief that time is running against us and we delay completing a contract at our peril. I trust you will be sensitive to the need for action now.

Sincerely yours,

/s/

Frank H. Murkowski
Governor"

A copy of the Interim Fiscal Interest Findings was distributed to each member and a copy is on file in the Chief Clerk's office.

**The presence of Representative Kott was noted.

REPORTS OF STANDING COMMITTEES

HB 4001

The Finance Committee has considered:

HOUSE BILL NO. 4001

"An Act prohibiting the commissioner of administration from drafting, adopting, filing, or publishing regulations granting or extending employment-related benefits for same-sex partners of unmarried state employees; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 4001(FIN)

"An Act prohibiting the commissioner of administration from adopting, allowing to become law, or implementing regulations that grant or extend employment-related benefits to same-sex partners of state employees and members of the state retirement systems unless expressly authorized by statute; providing for the authority of the commissioner of administration to take certain

actions relating to those benefits if a contingency is met; and providing for an effective date."

The report was signed by Representatives Meyer and Chenault, Co-chairs, with the following individual recommendations:

Do pass (5): Hawker, Kelly, Foster, Meyer, Chenault

Do not pass (1): Kerttula

No recommendation (2): Stoltze, Holm

The following fiscal note(s) apply to CSHB 4001(FIN):

1. Zero, Dept. of Administration
2. Indeterminate, House Finance Committee/Dept. of Law

HB 4001 is on today's calendar.

HB 4002

The Finance Committee has considered:

HOUSE BILL NO. 4002

"An Act authorizing an advisory vote on employment benefits for same-sex partners of public employees; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 4002(FIN)

"An Act authorizing an advisory vote on employment benefits for same-sex partners of public employees and same-sex partners of public employee retirees; and providing for an effective date."

The report was signed by Representatives Chenault and Meyer, Co-chairs, with the following individual recommendations:

Do pass (6): Hawker, Kelly, Holm, Foster, Stoltze, Meyer

Do not pass (1): Kerttula

No recommendation (1): Chenault

The following fiscal note(s) apply to CSHB 4002(FIN):

1. Fiscal, Office of the Governor

HB 4002 is on today's calendar.

INTRODUCTION, FIRST READING, AND REFERENCE OF HOUSE BILLS

HB 4003

HOUSE BILL NO. 4003 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to employment-related insurance benefits for the same-sex partner of a state employee; relating to survivor and medical benefits for the same-sex partner of a member of the state's teachers', public employees', judicial, or elected public officers retirement systems; and providing for an effective date."

was read the first time and referred to the Finance Committee.

The following fiscal note(s) apply:

1. Fiscal, Dept. of Administration

The Governor's transmittal letter dated November 13, 2006, follows:

"Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to employment-related insurance benefits for the same-sex partner of a state employee and relating to survivor and medical benefits for the same-sex partner of a member of the

state's teachers' and public employees', judicial, or elected public officers retirement systems.

The bill sets out the purpose of the legislature to allow a public employee or retiree under the state's retirement systems, to the extent required by the Alaska Supreme Court in the case of *Alaska Civil Liberties Union v. State*, 122 P.3d 781 (Alaska 2005), to have access to employment-related insurance and survivor benefits for the employee's or retiree's same-sex partner that are provided to the spouse of a state employee or retiree under AS 39.30.090 and 39.30.091, and under the statutes that provide for the state's retirement systems.

Section 5 of the bill sets out the affidavit and documentation requirements that a state employee or retiree must meet in order to enroll a same-sex partner in the health plans provided to state employees and retirees. These requirements are incorporated by reference in new sections in the statutes for the retirement systems allowing designation of same-sex partners as beneficiaries for survivor benefits (secs. 2 and 3 (teachers' retirement system), sec. 4 (judicial retirement system), secs. 7 and 8 (public employees' retirement system), and sec. 9 (elected public officers' retirement system)).

In order to provide a same-sex partner with benefits, an employee or retiree must file an affidavit with the appropriate plan administrator that includes 11 specific declarations, under penalty of perjury, by the employee or retiree and same-sex partner to establish a committed relationship, and must also provide documentation specified by sec. 5 of the bill. The employee or retiree must notify the administrator upon termination of the relationship. In addition to potential criminal penalties, willful falsification of information in the affidavit or documentation provided to enroll a same-sex partner in health benefits or to designate the same-sex partner as a beneficiary for survivor benefits may result in termination of enrollment of the same-sex partner and termination of entitlement to survivor benefits.

The bill ratifies the open enrollment conducted under regulations adopted by the commissioner of administration on October 13, 2006.

While Alaskans may differ on their views on the wisdom of the court's order, the state has a duty to comply with the court's order. Therefore, I urge your support of this legislation.

Sincerely yours,

/s/

Frank H. Murkowski
Governor"

CONSIDERATION OF THE DAILY CALENDAR

SECOND READING OF HOUSE BILLS

HB 4001

The following was read the second time:

HOUSE BILL NO. 4001

"An Act prohibiting the commissioner of administration from drafting, adopting, filing, or publishing regulations granting or extending employment-related benefits for same-sex partners of unmarried state employees; and providing for an effective date."

with the:

Journal Page

FIN RPT CS(FIN) NT 5DP 1DNP 2NR	4403
FN1: ZERO(ADM)	4404
FN2: INDETERMINATE(H.FIN/LAW)	4404

Representative Coghill moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:

CS FOR HOUSE BILL NO. 4001(FIN)

"An Act prohibiting the commissioner of administration from adopting, allowing to become law, or implementing regulations that grant or extend employment-related benefits to same-sex partners of state employees and members of the state retirement systems unless expressly authorized by statute; providing for the authority of the commissioner of administration to take certain actions relating to those benefits if a contingency is met; and providing for an effective date."

There being no objection, it was so ordered.

**The presence of Representative Holm was noted.

Representative Coghill moved and asked unanimous consent that CSHB 4001(FIN) be considered engrossed, advanced to third reading, and placed on final passage.

There was objection.

CSHB 4001(FIN) will advance to third reading on tomorrow's calendar.

HB 4002

The following was read the second time:

HOUSE BILL NO. 4002

"An Act authorizing an advisory vote on employment benefits for same-sex partners of public employees; and providing for an effective date."

with the:

Journal Page

FIN RPT CS(FIN) NT 6DP 1DNP 1NR
FN1: (GOV)

4404
4405

Representative Coghill moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:

CS FOR HOUSE BILL NO. 4002(FIN)

"An Act authorizing an advisory vote on employment benefits for same-sex partners of public employees and same-sex partners of public employee retirees; and providing for an effective date."

There being no objection, it was so ordered.

Amendment No. 1 was not offered.

Representative Coghill moved and asked unanimous consent that CSHB 4002(FIN) be considered engrossed, advanced to third reading, and placed on final passage.

There was objection.

CSHB 4002(FIN) will advance to third reading on tomorrow's calendar.

SECOND READING OF SENATE RESOLUTIONS

SCR 401

The following was read the second time:

SENATE CONCURRENT RESOLUTION NO. 401

Relating to legislative powers over same-sex partner employment benefits and urging the courts to delay action until the legislature has sufficient time to act in the next regular session of the legislature.

Amendment No. 1 was offered by Representatives Gara, Crawford, and Berkowitz:

Page 2, line 20, following "Alaska;":

Insert "and

WHEREAS it is recognized there is a substantial downside to denying working people the right to health insurance for their life partners; and

WHEREAS, by denying health coverage for working Alaskans who would join in a state-sanctioned union if legally entitled to do so, many people with life-threatening illnesses will be denied medical treatment, may fail to receive timely treatment for cancers and other illnesses, and may suffer unnecessarily or die because of a lack of medical treatment;"

Representative Gara moved and asked unanimous consent that Amendment No. 1 be adopted.

There was objection.

The question being: "Shall Amendment No. 1 be adopted?" The roll was taken with the following result:

SCR 401

Second Reading

Amendment No. 1

YEAS: 9 NAYS: 23 EXCUSED: 8 ABSENT: 0

Yeas: Berkowitz, Cissna, Crawford, Gara, Gardner, Gruenberg, Guttenberg, Kerttula, Salmon

Nays: Chenault, Coghill, Dahlstrom, Foster, Gatto, Harris, Hawker, Holm, Kelly, Kohring, Kott, LeDoux, Lynn, Meyer, Olson, Ramras, Rokeberg, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

Excused: Anderson, Croft, Elkins, Joule, Kapsner, McGuire, Moses, Neuman

And so, Amendment No. 1 was not adopted.

Amendment No. 2 was offered by Representatives Gara, Kerttula, and Guttenberg:

Page 2, line 20, following "Alaska;":

Insert "and

WHEREAS it is recognized that this resolution is unenforceable; and

WHEREAS, for the cost of a 39-cent stamp, policy makers who support this resolution could have written a letter to the court, or a letter to the attorney general to be submitted to the court, and saved the substantial cost of this special session;"

Representative Gara moved and asked unanimous consent that Amendment No. 2 be adopted.

There was objection.

The question being: "Shall Amendment No. 2 be adopted?" The roll was taken with the following result:

SCR 401

Second Reading

Amendment No. 2

YEAS: 9 NAYS: 23 EXCUSED: 8 ABSENT: 0

Yeas: Berkowitz, Cissna, Crawford, Gara, Gardner, Gruenberg, Guttenberg, Kerttula, Salmon

Nays: Chenault, Coghill, Dahlstrom, Foster, Gatto, Harris, Hawker, Holm, Kelly, Kohring, Kott, LeDoux, Lynn, Meyer, Olson, Ramras, Rokeberg, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

Excused: Anderson, Croft, Elkins, Joule, Kapsner, McGuire, Moses, Neuman

And so, Amendment No. 2 was not adopted.

Amendment No. 3 was offered by Representative Gruenberg:

Page 2, lines 21 - 26:

Delete all material.

Representative Gruenberg moved and asked unanimous consent that Amendment No. 3 be adopted.

Representative Coghill objected.

The question being: "Shall Amendment No. 3 be adopted?" The roll was taken with the following result:

SCR 401

Second Reading

Amendment No. 3

YEAS: 9 NAYS: 22 EXCUSED: 8 ABSENT: 1

Yeas: Berkowitz, Cissna, Crawford, Gara, Gardner, Gruenberg, Guttenberg, Kerttula, Salmon

Nays: Chenault, Coghill, Dahlstrom, Foster, Gatto, Harris, Hawker, Kelly, Kohring, Kott, LeDoux, Lynn, Meyer, Olson, Ramras, Rokeberg, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

HOUSE JOURNAL

4412

November 16, 2006

Excused: Anderson, Croft, Elkins, Joule, Kapsner, McGuire, Moses, Neuman

Absent: Holm

And so, Amendment No. 3 was not adopted.

The question being: "Shall SCR 401 pass the House?" The roll was taken with the following result:

SCR 401

Second Reading

Final Passage

YEAS: 22 NAYS: 9 EXCUSED: 8 ABSENT: 1

Yeas: Chenault, Coghill, Dahlstrom, Foster, Gatto, Harris, Hawker, Kelly, Kohring, Kott, LeDoux, Lynn, Meyer, Olson, Ramras, Rokeberg, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

Nays: Berkowitz, Cissna, Crawford, Gara, Gardner, Gruenberg, Guttenberg, Kerttula, Salmon

Excused: Anderson, Croft, Elkins, Joule, Kapsner, McGuire, Moses, Neuman

Absent: Holm

And so, SCR 401 passed the House, was signed by the Speaker and Chief Clerk and returned to the Senate.

ANNOUNCEMENTS

House committee schedules are published daily under separate cover.

ADJOURNMENT

Representative Coghill moved and asked unanimous consent that the House adjourn until 10:00 a.m., November 17, 2006. There being no objection, the House adjourned at 4:06 p.m.

Suzi Lowell
Chief Clerk