

Carolyn Kuckertz

From: Carolyn Kuckertz
Sent: Wednesday, April 27, 2011 6:25 PM
To: pressreleasedistribution
Subject: Transcript of Senator Stevens Statement 4-27-2011

Here is a transcript of the statement Senator Stevens made earlier today about where the Senate stands in talks with the House and Governor –

If you would rather watch a video clip: <http://www.youtube.com/user/AlaskaSenateMajority#p/u/0/6PBQsAbXLGw>
If you would rather listen in: http://aksenate.org/stevens/042711_stevens_statement.wav

As you know, this has been a contentious time for all of us. I wanted to let you know that myself and Senator Meyer met with the House Majority Caucus earlier today. I just wanted to clear the air. That's an unusual thing for two Senators to go into a room full of angry representatives, but we came out alive. So, that was an interesting experience. We told them where we are and what our concerns are.

As you know, the big problem is the contingency language. That's extremely important to the Senate and, as you know, of less importance to the House. What I think the principle that we have to stand behind and are standing behind, is protecting Legislative priorities, both the House and the Senate, of trying to not leave the Legislature in a weaker position than it was when we arrived and to recognize the importance of the Legislature in the process of Alaskan government and its appropriating power.

One of the major issues that lends to where we are is the governor's oil tax bill, House Bill 110 and the governor's comments. As you know, the governor at one point implied there might be repercussions for those who opposed his oil tax bill. As you know, the Senate has had serious concerns about it and continues to have serious concerns about it. Not really certain that that's the best way for the state to go. We want to have more information. We want to look into it more. We want to get more facts and figures on it before we are ready to agree to a \$2 billion reduction in state funding from oil taxes. So that was sort of an issue that poisoned things to start with and hasn't really let up much since.

I did want to let you know that this has been a negotiating process with the House and we have made numerous concessions along the way. In any negotiation, what you expect to do is you make a proposal and if the other side doesn't like it, they make a counter proposal. That has not occurred at all in this process. Every time we have made a concession, the House has said no and with no further suggestions on their part. So, we've continued to make concessions in order to protect that issue of that contingency language. I want to go through those concessions with you so that you understand how we've gotten to where we are. Senator Stedman or Senator Hoffman, leap in here if you have any further issues on any of the concessions I'll mention very briefly, but they may want to expand on a little bit.

The first concession had to do with major school maintenance. We reduced the major school maintenance by \$200 million. We wanted to do all of the list that was out there, all of the schools that needed major maintenance and repairs around the state. At the request of the House, we reduced that by \$200 million. The second thing we did was reduce debt. We did agree to that. That was a matter of days passing between each and every one of these. The third one was the \$150 oil trigger. We took that off and that had to do with \$100 million of the governor's capital projects. When we took that off, it freed up that \$100 million. The fourth thing that we offered, and again no response, no counteroffer, was to water down the language of the energy proposals. That includes AEA, the Alaska Energy Authority and an agreement to vet all of those energy projects through the AEA and we agreed to go from a 100-percent match down to a 50-percent match. The fifth thing that we did, that just occurred recently here, is an offer to take several projects out of the list and put them in an appropriations bill on their own, so they wouldn't be on that list. The whole thing could be vetoed by the governor. That's the area of weatherization, rebate and alternative energy. We made that proposal. All three come off and be put into one appropriations bill on their own. About \$100 million, I believe. To sort of conclude my comments, I am meeting this evening with the governor at 5:30. I've been calling today wanting to meet with him and talk about the issue and he's agreed to meet with me at 5:30. At that time, my intention is to ask

the governor to come meet with the Senate Majority caucus sometime tomorrow at his convenience. I think it is important for the caucus to hear from the governor, that we've read his press release, from the governor his intentions as to the potential vetoes and he has said in his press release that there will not be repercussions and no one will be held, nobody's budget will be slashed because they happen to be opposed to the oil tax bill. I think folks need to hear that from the governor himself. So, I'm going to ask him, and it's not firm, I'm not sure he's going to accept, I think he should- to come down and meet with the caucus just to confirm to folks that that is in fact his position. Simple request on my part and I don't see any reason the governor would not be willing to do that. So, that's where we are.
