

**STATE OF THE STATE ADDRESS**  
**BY**  
**THE HONORABLE TONY KNOWLES**  
**GOVERNOR**  
**STATE OF ALASKA**

**BEFORE A JOINT SESSION**  
**OF THE**  
**FIRST SESSION OF THE**  
**NINETEENTH ALASKA STATE LEGISLATURE**

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**January 17, 1995**

**Juneau, Alaska**



**STATE OF THE STATE ADDRESS**  
**by the Honorable Tony Knowles**

**before the 19th Alaska State Legislature**  
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President Drue Pearce, Speaker Gail Phillips, members 19th Alaska Legislature, members of the cabinet, my wife Susan, my children, Devon, Luke and Sara, and fellow Alaskans.

As governor, I am charged with taking stock of Alaska today, setting forth a vision of our common future and declaring a public agenda for the years ahead. And I'll get to that.

But first, let me also recognize your other legislative leadership: Senate Majority Leader Rick Halford and Minority Leader Jim Duncan, House Majority Leader Al Vezey and Minority Leader Jerry Mackie.

And let me congratulate each of you in this chamber for getting yourselves elected, some by wider margins than others. Let me tell you, there's no one here who more firmly embraces the notion that every vote counts than me.

Many of us here are a product of a great tide of change that has swept over this country. In two national elections in as many years, the voters have spoken loudly for change - one time for Democrats and one time for Republicans. Regardless of our political party, I believe it is incumbent on all of us to honor their demand for change.

One way I'm trying to do that is through the transition process from the previous administration to this one. About a month ago, we asked more than 320 Alaskans from across this state to come together to give us their best and brightest ideas about the direction that Alaska should go. They came by plane, boat and car to Sitka, Kodiak, Bethel, Kenai, Fairbanks, Juneau and Anchorage. Willie Kasayulie even snowmachined in from Akiachak.

Willie and everyone else involved - especially Lt. Gov. Fran Ulmer, who headed up this massive effort - delivered above and beyond the call of duty. This collective wisdom will guide us as we chart a new course for Alaska.

I'd like to thank the hundreds of Alaskans who shared their energy and ideas to help us achieve a new direction. In the coming weeks, I'll be reporting to the people of Alaska the complete results of this work.

A great feature of democracy is that it permits those of us who seek public office to enter into a dialogue with the people. As I traveled around this state over the past year, I spoke to thousands of Alaskans. I asked them what they saw in Alaska's future and what they wanted to see. Their vision was remarkably similar: an opportunity for meaningful jobs; good schools for their children; safety on their streets, bringing Alaskans together.

The vision of Alaskans is for unity, the sharing of common goals, which I believe can best be summarized in just a few words: jobs, better schools, budget discipline, safe, healthy communities.

The strongest type of unity is family unity, each member unique but working together, relying on the traits of responsibility, sacrifice, discipline, caring and courage. In that vein, it has become a tradition in these speeches to recognize a single person in the audience for their special contribution.

There's a young Alaskan I'd like to recognize tonight, who has an ample supply of each these special traits.

Five days before Christmas in the village of Gambell, 8-year-old Larry Shoogukwruk was filling a lantern with fuel when his baby brother knocked over a candle. The flames engulfed not only Larry, but their home, trapping his 2-year-old brother.

Despite second and third-degree burns on his face, neck and chest, Larry doused the flames to rescue his brother and guide the toddler and their sister through a 60-below windchill to safety.

I'd like to have Larry stand before you tonight, but he can't. He's in Providence Hospital, where I visited him Saturday, with burns over 21 percent of his body and frostbitten feet. Alaskans have responded to Larry with characteristic generosity, so surrounded by toys and video games and doing well, he and his mother Fran are watching us now.

Larry is a true Alaskan hero. He showed a courageous combination of personal responsibility, sacrifice and caring. He deserves our recognition here tonight.

As we address the challenges facing Alaska's Family, we should all remember Larry Shoogukwruk and his response to his own family. This administration has a fundamental purpose - to unify Alaska's Family, relying on the traits of responsibility, sacrifice, discipline, caring and courage.

As we take stock of Alaska today and face our share of challenges, there's great reason for optimism about our future. Tonight, I will discuss some of those reasons: this administration's plan for jobs, welfare reform, safe communities and good schools - all - as we live within our means.

First, is our four-point plan to create meaningful and well-paying jobs for Alaskans: Number one, marketing Alaska; second, opening up Alaska; third, capitalizing on a new relationship with Washington, D.C.; and fourth, welfare reform.

Less than a week ago, I returned home after three days of ground-breaking meetings between an Alaska governor and the top corporate officials of some of Alaska's largest employers - ARCO, Exxon USA and Unocal.

I had three purposes: find out the facts about Alaska's oil industry, tell the industry that we are ready and open for business and remind the industry that we want development here on Alaska's terms. Here's what I found out.

There is still plenty of oil and gas to be developed in Alaska, most likely in small- to medium-sized fields and in increased recovery at existing fields, but whose combined output may well equal Prudhoe Bay's original estimate of 9 billion barrels. Two, the natural gas on the North Slope should be considered almost another Prudhoe Bay in terms of energy potential and wealth for the people of this state.

To develop these rich reserves, Alaska must have a positive business environment. We need laws and regulations that provide incentives and which are clear, predictable and consistent. In turn, the oil industry must commit to hire Alaskans, use Alaska businesses, protect the environment and share the profits with Alaskans.

We each agreed to do our part to bring about a new era of partnership. I am calling for a tax and regulatory conference on how Alaska can best position itself for future development.

I urge the Alaska Legislature to work with me to form an oil and gas policy council so that Alaskans can maintain this new cooperative relationship. I have asked Senator Drue Pearce and Representative Mike Navarre to serve on this council.

This approach to dealing with Alaska's oil industry is part of a new initiative we call "Marketing Alaska." It is based on the belief that Alaska's economy should be as diversified as the blessings we have in this state.

Alaska is no longer an outpost where we don't care how they do it Outside; we are a vibrant, contributing member of an intensively competitive global economy. To borrow a phrase from a fellow governor, we don't want to wring our hands; we want to ring our cash registers. As we open Alaska, it must always be with the understanding that we will not destroy the cleanliness and beauty of our home.

Indeed, our fish, wildlife and wild lands are another permanent fund and if we invest the principal, we can live off the dividends. And so our tourism industry has just begun to touch our enormous potential. For example, by improving access and building better visitor facilities in Wrangell-St. Elias, Denali and Southwest Alaska, we can expand this clean and growing industry and then we must market our uniqueness and tell the world of our attractions.

Marketing Alaska means being smarter about selling our seafood products and putting it on the world's dinner plate, and by being better managers of our fisheries resources. We must expand our mining and timber industries in an environmentally sound way and add value to these products right here. Because of our strategic geographic location, international trade presents us with special opportunities in the Age of the Pacific.

As we set our house in order here, we also will work diligently to capitalize on Alaska's new relationship with the federal government. Through recently cemented personal contacts, the national administration is listening to us about Alaska's needs. On Capitol Hill, the new political winds in the Lower 48 mean that for the first time in a generation, Alaska's Congressional delegation is strategically positioned to steer Alaska's agenda through the Congress.

I already have met with Senator Stevens and will see the entire delegation later this month in Washington to plot our strategy. Like never before, we are positioned to exert influence with both the Democratic administration and Republican Congress, and we are determined to present a bipartisan, consensus voice for Alaska in the nation's capital.

Our work already is paying dividends for Alaska. During the campaign and again recently over reindeer stew at some downtown Anchorage restaurant, I pressed our case with President Clinton against the discriminatory and economically wrongheaded ban on exporting Alaska's oil.

The administration now agrees that lifting that ban is in the national interest. For the first time since it was imposed on us more than 20 years ago, a national administration is actively supporting a change in the law.

In concert with our Congressional delegation, we are now moving vigorously to get Congress to lift the ban - a move that will mean more jobs for Alaskans, new exploration and development in Alaska and more revenues to pay for vital state programs.

I predict real progress in coming months on other key Alaska issues in the national arena: Opening the Arctic National Wildlife Refuge to environmentally responsible development. Insuring through the Magnuson Act renewal that Alaskans continue to have access to the fisheries in our waters. Stopping the shameful waste on the high seas. Promoting rural economic growth through continuing Community Development Quotas.

On another important national issue, I believe we're also making headway. Thanks in part to the work of two people in this chamber, Senator Tim Kelly and Representative Eldon Mulder, we are convincing top brass in Washington of the important role of Alaska's military bases.

Because of Alaska's strategic global position and because they lend themselves to large training exercises, I do not believe that Alaska bases will among those selected for closure. But we must make sure that those in the Pentagon hear our message.

Unfortunately, not all of the federal issues affecting Alaska can be resolved in Congress or the White House. With Statehood, Alaska was granted 90 percent of the revenues from oil, gas and mineral development on federal lands within our borders. The United States government has never lived up to that promise.

My predecessor asked the courts to settle that issue through a lawsuit known as the "compact case." In order for all Alaskans to enjoy the bounty they were promised 36 years ago, I've directed the attorney general to keep up the fight; the compact lawsuit will continue.

Let me discuss an important issue for Alaska not traditionally considered a jobs issue - that is, the unique way of life in rural Alaska. Nothing better distinguishes Alaskans from other Americans than our relationship to the land. There's a different connection to the land in village Alaska, a special bond that defines the very essence of the rural way of life.

The key to that way of life for most rural Alaskans is subsistence, not only the largest employer in village Alaska but a cultural imperative for its residents.

I urge you to join me in arriving at a just resolution of the subsistence issue. We must agree that finding a solution to subsistence should be based on two consensus principles: First, a recognition of the essential role of subsistence in the culture and economy of rural Alaska. Subsistence is not a lifestyle, it's a way of life.

Second, we must recognize that the state - not the federal government - is best able to manage Alaska's fish and wildlife resources. This administration is firmly committed to preserving the subsistence way of life and Alaska's control of its resources.

Next on our jobs agenda for Alaska is welfare reform. I reject the short-sighted, mean-spirited view of those who think reforming welfare means simply cutting benefits to those who are least able to speak for themselves. Welfare reform isn't just about dollars, it's about dignity, it's about caring for those in need and it's about putting people to work. In our own families, we reach out to those in need. We must do likewise in Alaska's Family.

Our current welfare system isn't working. We tell a person they should go to work, but reward them by taking away their medical insurance. We tell them to get a job, but provide them few incentives to keep it. We tell them welfare is not a way of life, but we impose no boundaries to back that up.

I am directing Alaska's Health and Social Services commissioner to work with her counterparts at the departments of Community and Regional Affairs, Labor, Commerce and Revenue to develop an Alaskan Blueprint for Welfare Reform, which provides us long-term solutions to these dilemmas.

Public assistance should be a bridge - not a way of life. And there can't be barriers on the bridge, such as lack of health care.

I'd like to commend the work of Senators Jim Duncan and Johnny Ellis, who have been at the forefront of Alaska's effort to reform its health care system. I pledge to work with the Legislature to develop an Alaska solution which reduces costs and expands coverage.

As we work together for jobs for Alaskans and reform in our welfare system, we must build safer and healthier communities. All Alaskans are entitled to the basic rights of safe water, safe food and protection from contagious disease.

That reminds me of a story from the campaign trail about a first grader in Kotzebue. In no uncertain terms, he informed his parents that he was supporting my opponent in November's election.

When they inquired why, he had heard that Tony Knowles wanted to put the honey bucket in the museum. The youngster was offended because the NANA museum in Kotzebue already has a perfectly good bathroom.

Just as that first grader refused to take a step backward, we will not retreat from our commitment to Alaskans that no person should have to physically handle human waste.

Speaking of public health, the recent TB outbreak in rural Alaska illustrates our need to be vigilant in our efforts to detect and treat disease early. Polio, a dreaded disease when I was a child, has been virtually eliminated in America through immunizations. Yet today, only 62 percent of all Alaska children are fully immunized by age 2.

I ask you to work with me, our communities and our private employers to insure that by the end of next year, at least 90 percent of all our children are fully immunized. Prevention is more successful and cost-effective than treatment. And as that is true for healthy communities, so it is for making communities safer.

Certainly for crime, we must recommit ourselves to the long-term solution of education, family values and job opportunities. But crime also demands a swift and sure response as it happens. And crime in Alaska has taken on a new dimension - for the first time, Alaska's Family is afraid of some of its children. Alaskans are entitled to live without fear in our homes, on our streets and in our schools. My crime package has four elements:

One, crack down on youth violence. We have laws from the "Leave It to Beaver" era for thugs from the "Terminator" age. We must give police and prosecutors the tools to attack gangs and youth violence and increase parental accountability.

I will deliver on the broken promises of the past to increase the number of state Troopers working in our communities. I also will introduce legislation to fight gang violence and hold parents and their children accountable for juvenile criminal acts.

Two, we must keep dangerous criminals off Alaska's highways. Despite increased penalties, the number of drunk drivers on Alaska's roads continues to grow. I will introduce legislation to make a drunk driving conviction anywhere in the country count as a prior conviction here in Alaska and to reduce to zero tolerance the alcohol content for teenagers behind the wheel.

Three, we must build safer rural communities. We need to explore how to more effectively deal with local misdemeanors in ways that are consistent with village traditions and cultures. Villages must be able to control the flow of alcohol and drugs into their communities and the authority to enforce the rules.

Four, we must keep serious criminals safely locked away. Alaska is sorely in need of additional prison space, and we are exploring the most efficient way to provide it. For example, we're now in negotiations over the use of an under-used 50-bed brig at Fort Richardson and we're looking at other existing facilities. We also must make smarter use of prison beds through technology and the courts.

Let me now turn to education. The key to meaningful, well-paying jobs is an educated workforce. Improving Alaska's public schools, from pre-school to the university, is one of my most important missions as governor. Good schools start with students ready to learn, yet too often in Alaska, that's not the case.

To reverse these trends, this administration is launching a "Healthy Start" program, which includes a coordinated effort at the local level to insure that all children have access to quality early care programs and that they enter school healthy, nourished and ready to learn.

Class sizes continue to grow and teachers often feel undervalued and unprepared for their complex roles as caretaker, police officer and counselor. Despite pockets of excellence, too many of our students are not held to high standards and leave school without the skills to succeed in the workplace. This administration will work to free local districts from regulations and mandates which restrict parents and educators from exploring innovation. We will seek to expand access to education through technology.

While we commit to early and full funding of education, we also must commit to funding that is fair and equitable.

There are many positive developments in Alaska's schools that we must encourage. One is the "Alaska Youth: Ready for Work" program, in which private employers help restructure schools so that graduates have the skills necessary to compete in the workplace.

Sitka's Mt. Edgecumbe High School prepares its students for the international marketplace by requiring at least one year of Chinese, Japanese or Russian.

Schools in the Mat-Su Valley are wired with fiber optics for distance learning so that courses offered in a studio-classroom are beamed hundreds of miles to other schools.

All these efforts should be coordinated by a blue ribbon group of Alaska's leading citizens - in my book, that's a revitalized state Board of Education.

Tonight, I have described a vision of what I see for Alaska's Family. Yet, there is one missing element - budget discipline. Economic success means living within our means.

On Thursday evening, during my budget address, I will lay out the steps we will take to put Alaska on a strict but healthy financial diet. Alaska's dreams will never come true without a sustainable long-term budget plan.

This month all across America, governors of the 50 United States are delivering state of the state messages to their residents. As I consider Alaska's potential on the dawn of the 21st century, I know there probably isn't one of them who wouldn't trade places with me in a heartbeat. I am indeed humbled to stand before Alaska tonight.

As we work together in keeping Alaska's promise, let us do so in the spirit of Alaska's Family. Our strength is in our diversity; our future depends upon our unity. As Larry Shoogukwruk showed us with his courage, responsibility, caring, discipline and sacrifice, Alaska's Family has what it takes to succeed.

Thank you and good night.