

**SENATE JOURNAL**  
**ALASKA STATE LEGISLATURE**  
**TWENTY-SECOND LEGISLATURE -- FIRST SESSION**

**Juneau, Alaska**

**Friday**

**January 12, 2001**

**Fifth Day**

Pursuant to adjournment the Senate was called to order by President Halford at 11:07 a.m.

The roll showed sixteen members present. Senators Austerman, Pearce, Phillips, Taylor were excused from a call of the Senate

The prayer was offered by the Chaplain, The Reverend William Elkinton, Elder of the Wesleyan Church. Senator Hoffman moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

My Father, I acknowledge You as the Eternal One. I don't fully comprehend that concept. I am finite and mortal. I thank You that in Your love and wisdom You have decreed that we "Number our days that we may apply our hearts unto wisdom". (Psalm 90:12) You have taught by precept and example that we should dedicate one day a week for rest. Increasingly, our world is promoted as 24-7-365. Help us use time to meet human need, not to satisfy personal greed.

It's Friday already. Week one of this session will soon be history. This body has used this week to organize itself, to develop commitments to the caucuses, to consider the Governor's vision and budget proposal, and to lay the groundwork for legislation of their personal agendas. This is expected. We follow this historic pattern. And yet, this session is unique. Indeed, it is the only one we have: and that only one day at a time.

So, I implore Your "Wisdom which is from above" be sought, found, and utilized as each member reviews the events of this first week and develops a strategy for next week. May even the process of building coalitions be done with a high level of integrity. May personal convictions not be sacrificed to political connivance. We will be grateful if the Legislative Ethics Committee has no occasion to consider allegations.

We can personally adopt an even loftier standard as expressed by the Psalmist, David, "Let the words of my mouth and the meditations of my heart be acceptable in thy sight, O Lord, my Strength and my Redeemer". (Psalm 19:14)

I offer this prayer in Jesus' Name. Amen.

Senator Davis led the Senate in the Pledge of Allegiance.

## Certification

Senator Leman moved and asked unanimous consent that the journal for the fourth legislative day be approved as certified by the Secretary. Without objection, it was so ordered.

## Communications

The following reports are on file in the Office of the Secretary of the Senate:

## Alaska Court System, 2000 Annual Report from Stephanie Cole, Administrative Director

The following Budget and Audit Report was received from Pat Davidson, Legislative Auditor, in accordance with AS 24.20.311 and is on file in the Office of the Secretary of the Senate:

Unabridged 2000 Annual Report of the Legislative Budget and Audit Committee and the Condensed 2000 Annual Report

**Introduction and Reference of  
Senate Resolutions**

**SJR 3**

SENATE JOINT RESOLUTION NO. 3 BY SENATORS LEMAN, Kelly, Wilken,

Relating to the deployment of F-22 Raptor aircraft at Elmendorf Air Force Base.

was read the first time and referred to the State Affairs Committee.

**Introduction and Reference of Senate Bills**

**SB 26**

SENATE BILL NO. 26 BY SENATORS ELLIS, Elton, Davis, entitled:

"An Act making an appropriation to the Department of Community and Economic Development for renters' tax equivalency payments; and providing for an effective date."

was read the first time and referred to the Community and Regional Affairs and Finance Committees.

**SB 30**

SENATE BILL NO. 30 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to the calculation and payment of unemployment compensation benefits; and providing for an effective date."

was read the first time and referred to the Labor and Commerce, State Affairs and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, Department of Administration  
Fiscal Note No. 2, zero, Department of Labor and Work Force  
Development

Governor's transmittal letter dated January 12:

Dear President Halford:

Alaska's economy includes many seasonal industries with employees who rely on their unemployment benefits to fill the gaps between times of work. The current rate of unemployment insurance payments falls woefully short in helping families cover living expenses. Alaska's unemployment insurance provides the lowest percentage of the state's average weekly wage of any state. Our maximum weekly benefit amount of \$248 ranks 50<sup>th</sup> of the 50 states.

To correct this inadequacy, I am transmitting this bill to increase unemployment insurance benefits and then index the benefits to the state's average weekly wage, so that future adjustments would be automatic and synchronized to the state's economy.

Under this bill, the maximum weekly benefit amount would increase January 1, 2002, to \$284. Those earning \$31,250 or more per year would be eligible for this maximum benefit. A year later, the maximum weekly benefit amount would be indexed to the average weekly wage in the state for the preceding fiscal year, set at fifty percent of that wage. Based on current projections, the maximum weekly benefit amount in 2003 would be \$320 for those claimants who earned \$35,500 or more.

I urge your prompt and favorable action on this measure.

Sincerely,  
/s/  
Tony Knowles  
Governor

**SB 31**

SENATE BILL NO. 31 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act related to minimum civil penalties for the death of employees due to violations of certain occupational health and safety requirements; and providing for an effective date."

was read the first time and referred to the Labor and Commerce, Judiciary and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Administration

Fiscal Note No. 2, zero, Department of Labor & Work Force  
Development

Governor's transmittal letter dated January 12:

Dear President Halford:

In many worker fatality situations, death is the result of serious violations of health and safety laws. Yet due to mandatory penalty reductions for employer size or prior record, fines for these violations may be as little as \$1,500. In these tragedies, the penalty clearly does not fit the offense.

This bill I transmit today establishes a minimum civil penalty of \$25,000 for a serious violation that contributed to the death of an employee, and a \$50,000 fine when an employer's willful or repeat violation contributes to or causes death. These penalties could not be reduced without express written approval of the commissioner of the Department of Labor and Workforce Development and the attorney general.

January 12, 2001

This bill is modeled after Minnesota's law for penalties for violation of occupational safety and health standards and makes a clear statement that worker fatalities due to violations of workplace safety laws are intolerable. I urge your prompt and favorable action on this measure.

Sincerely,  
/s/  
Tony Knowles  
Governor

**SB 32**

SENATE BILL NO. 32 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to the Right-of-Way Leasing Act;  
and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

The following fiscal information was published today:  
Fiscal Note No. 1, zero, Department of Natural Resources

Governor's transmittal letter dated January 12:

Dear President Halford:

The Right-of-Way Leasing Act, enacted in 1972, provides the authority to the Department of Natural Resources to lease state land for oil and gas pipelines. Leases for the several pipelines, the Trans-Alaska Pipeline System (TAPS), Endicott, Kuparuk, Oliktok and Milne Point, are all due to expire in May 2004. In anticipation of these expirations, now is the time to make needed changes to the Leasing Act as proposed in this bill I transmit today.

This bill increases the maximum term of right-of-way lease renewals from the current 10 years to 30 years, making the renewal term consistent with that of federal grants of right-of-way for oil and gas pipelines. Longer renewal periods will result in significant savings of time and money to industry and the state.

The current broad definition of "state land" in the Leasing Act could require the state to issue a pipeline right-of-way lease over land in which the state does not have fee ownership, such as a state highway right-of-way over private land. Additionally, some land that is technically within the definition of "state land" is owned or managed by authorities other than the Department of Natural Resources, such as the University of Alaska, the Alaska Railroad Corporation, or the Department of Transportation and Public Facilities. This bill removes the potential for conflicts by specifying that land owned or administered by a state authority other than the Department of Natural Resources is not subject to the Right-of-Way Leasing Act. Rights-of-ways in those areas would be handled by the respective owners or managers.

Finally, this bill would require lessees under new and renewed right-of-way leases to reimburse the state for costs associated with monitoring the operation, maintenance, and termination of pipelines on state right-of-way leases. The public demands that the state and federal governments thoroughly oversee Alaska pipelines. Though state law does not now require such reimbursement, the pipeline owners in the state have voluntarily reimbursed the state for such costs for TAPS and the newer pipelines for the last several years. This change also makes the state involvement with lessees consistent with our federal counterparts who already have the authority to require lessee reimbursement for monitoring operations, maintenance and termination activities.

It is timely that we make these changes to our Right-Of-Way Leasing Act as soon as possible.

Sincerely,  
/s/  
Tony Knowles  
Governor

**SB 33**

SENATE BILL NO. 33 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act authorizing the commissioner of fish and game to award grants for habitat restoration or enhancement projects; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

The following fiscal information was published today:  
Fiscal Note No. 1, zero, Department of Fish and Game

Governor's transmittal letter dated January 12:

Dear President Halford:

To continue our efforts to protect and enhance Alaska's natural resources, I am transmitting this bill authorizing the commissioner of the Department of Fish and Game to award grants for habitat restoration activities.

Under this bill, the commissioner would have express authority to directly award grants to restore and improve fish and wildlife habitats in Alaska. Current law necessitates the department to channel money through other agencies which causes delay and adds considerable administrative cost.

An increasing amount of federal funding is available to restore fish habitat and passage. We have many opportunities to use these funds, particularly in the more developed areas of the state. Many of these opportunities are found on private land on some of Alaska's most productive fish streams, such as the Kenai River.

Since the inception of the Kenai River 50/50 Cost Share project in 1995, the department has approved 160 projects to rehabilitate some 9,600 feet of riverbank and protect more than 15,700 feet of the Kenai River. But more money could have been directly targeted to these projects if we did not have to pay the U.S. Fish and Wildlife Service its 11 percent administrative cost for channeling these funds to the state. Direct grant authority for the department will eliminate the need to use the federal agency in this way.

This legislation provides a more cost-effective way to continue efforts on private and public land to rehabilitate, improve, and protect Alaska's valuable fish and wildlife habitats. I urge your prompt and favorable action on this measure.

Sincerely,  
/s/  
Tony Knowles  
Governor

**SB 34**

SENATE BILL NO. 34 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to the monthly salary for heads of principal executive departments; and providing for an effective date."

was read the first time and referred to the State Affairs and Finance Committees.

The following fiscal information was published today:

Fiscal Note. No. 1, zero, Office of the Governor

Governor's transmittal letter dated January 12:

Dear President Halford:

Present and past administrations have been fortunate to find capable men and women willing to leave far more lucrative jobs to serve the public in demanding positions as heads of principal state departments. In fact, over the years many candidates have declined offers and commissioners have left after a short tenure because they could earn so much more in other public and private jobs. While public service can be personally fulfilling, the state cannot expect to continue to attract and retain talented people unless there is a fair salary commensurate with the responsibilities of the job.

I am transmitting to you a bill that would permit some flexibility in setting the salary of a principal department head. Under existing law enacted over 20 years ago, commissioner salaries are set at Range 28, Step E with no opportunity for step or range increases regardless of how long the person remains in the job. This bill allows setting a commissioner's salary at a higher step and range -- no more than Range 30, Step F -- to recognize special skill or experience. This approach is identical to the method under existing law for setting the salary of deputy department heads.

The current salary of commissioners is not in line with positions of similar authority and responsibility in the private sector or even larger municipalities within the state. Ironically, deputies and other managers often make more than their commissioners because they are permitted salary increases over time. Salaries of the directors of the state's quasi-independent agencies such as Alaska Housing Finance Corporation, Alaska Industrial Development and Export Authority, and the Alaska Permanent Fund Corporation, which compete most closely with the private sector, substantially exceed those of commissioners. Despite lower costs of living, the salaries of department heads in many other states, including those on the West Coast, exceed those of Alaska commissioners. While this proposal would permit only a modest salary increase for department heads, the flexibility afforded could help attract candidates from the private sector and could encourage qualified appointees to remain in service to the public. Recognizing that there is never a good time to raise salaries for our public officials, this action is long overdue.

I urge your favorable action this session.

Sincerely,  
/s/  
Tony Knowles  
Governor

**SB 35**

SENATE BILL NO. 35 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to electronic application for and issuance of licenses, permits, and tags issued by the Department of Fish and Game; relating to violations regarding a license, permit, or tag applied for or issued electronically; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

The following fiscal information was published today:

Fiscal Note. No. 1, zero, Department of Fish and Game

Governor's transmittal letter dated January 12:

Dear President Halford:

Since the beginning of my Administration, state agencies have increasingly moved into the interact with the public, whether it be to renew a driver's license, check the status of a permanent fund dividend application, or offer up-to-the-minute election results.

The bill I transmit today is yet another effort by the state to make it easier for the public to conduct business with state government through electronic media. Building upon the Internet application process currently in place for applying for a fishing or hunting license, it will lay the groundwork for the state to eventually issue paperless licenses.

A process allowing fishers and hunters to apply for and receive licenses, permits, or tags electronically should reduce paperwork for the public and the state while building a better, more efficient system for license management. This expedited process will improve fish and wildlife law enforcement efforts by making the online license data file available immediately.

I urge your prompt and favorable action on this measure.

Sincerely,  
/s/  
Tony Knowles  
Governor

**SB 36**

SENATE BILL NO. 36 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to international airports revenue  
bonds; and providing for an effective date."

was read the first time and referred to the Transportation and Finance  
Committees.

The following fiscal information was published today:  
Fiscal Note No. 1, Department of Revenue

Governor's transmittal letter dated January 12:

Dear President Halford:

The Alaska International Airports System (AIAS), comprised of the Ted Stevens Anchorage International Airport and the Fairbanks International Airport, is a vital and growing part of our economy. The AIAS and the state's major air carriers are now finalizing a new operating agreement aimed at continued system development. Included in the agreement are plans for capital improvements to the system using revenue bonds, which this bill I transmit today would authorize.

This bill increases the current cumulative authorization for revenue bonds for international airport capital improvements by \$147,900,000 -- from \$305 million to \$452,900,000. This is intended to support capital improvement programs for fiscal years 2002 and 2003.

Funding for operations and capital improvements of the two airports is covered by charges for the use of airport facilities, primarily paid by commercial airlines, plus some federal capital grants. The new operating agreement under negotiation with the participating airlines includes a five-year capital improvement program. The airlines have requested, and the airport system has agreed, to shift to revenue bond funding rather than the historic method of financing capital improvements through annual capital charges paid by the airlines. While repayment of the bonded debt and debt service would still be covered with charges paid by the airlines, revenue bonds would allow payments to be spread over the useful life of airport projects.

The current bonding authority cap of \$305 million has been exhausted. The authority sought in this bill would increase the revenue bond authorization limit to permit two years of capital improvements to be addressed in a single revenue bond issue, reducing costs related to the debt issuance.

In order to assure timely project development, I urge your prompt and favorable action on this measure.

Sincerely,  
/s/  
Tony Knowles  
Governor

**SB 37**

SENATE BILL NO. 37 BY SENATOR KELLY, entitled:

"An Act relating to collective negotiation by physicians with health benefit plans; and to health benefit plan contracts with individual competing physicians."

was read the first time and referred to the Judiciary and Finance Committees.

**Consideration of the Calendar****Citations**

Commemorating – Dr. Martin Luther King, Jr. Day  
Senator(s) Ward, Ellis, Austerman, Pearce, Green, Kelly, Taylor, Hoffman, Wilken, Davis, Elton, Lincoln, Halford, Leman, Donley, Cowdery

Senator Leman moved and asked unanimous consent that the citation be adopted. Without objection, the citation was adopted and referred to the Secretary for transmittal.

**Announcements**

Announcements are at the end of the journal.

**Adjournment**

Senator Leman moved and asked unanimous consent that the Senate stand in adjournment until 11:00 a.m., January 16, 2001. Without objection, the Senate adjourned at 11:28 a.m.

Heidi Vogel  
Acting Secretary of the Senate

January 2001

**SENATE JOURNAL**

January 12, 2001

75

**Announcements**

Americans with Disabilities Act Notice - Persons with disabilities who require special accommodation or alternative communication formats to access committee meetings may contact the appropriate committee office or the Legislative Information Office in their community. Reasonable advance notice is needed to accommodate the request. For further information, call the ADA Coordinator at 465-3854 Voice/465-4980 TDD.

**SENATE STANDING COMMITTEES**

+ indicates teleconference  
= indicates bill previously heard/scheduled

**COMMUNITY & REGIONAL AFFAIRS**

FAHRENKAMP 203

Jan 15	Monday	1:30 PM
	No Meeting Scheduled	
Jan 17	Wednesday	1:30 PM
	No Meeting Scheduled	
Jan 19	Friday	1:30 PM
	No Meeting Scheduled	

---

**FINANCE**

SENATE FINANCE 532

Jan 12	Friday	9:00 AM
	Overview- Alaska Permanent Fund Corporation	

HOUSE FINANCE 519

Wednesday

3:00 PM

Jan 17	Joint w/(H) Finance	
	Presentation by Denali Commission	

SENATE FINANCE 532

Thursday

9:00 AM

Jan 18	Update on Federal and State Medical Issues- American Medical Association	
--------	--	--

**FINANCE (continued)**

Jan 23                    Tuesday                    9:00 AM  
Presentation by Alaska Travel Industry  
Association

---

**HEALTH, EDUCATION & SOCIAL SERVICES**  
BUTROVICH 205

Jan 15                    Monday                    1:30 PM  
No Meeting Scheduled

Jan 17                    Wednesday                1:30 PM  
No Meeting Scheduled

---

**JUDICIARY**  
BELTZ 211

Jan 15                    Monday                    1:30 PM  
No Meeting Scheduled

Jan 17                    Wednesday                1:30 PM  
No Meeting Scheduled

Jan 19                    Friday                     1:30 PM  
No Meeting Scheduled

---

**LABOR & COMMERCE**  
BELTZ 211

Jan 16                    Tuesday                    1:30 PM  
No Meeting Scheduled

Jan 18                    Thursday                 1:30 PM  
-- Agenda to be Announced --

---

## RESOURCES BUTROVICH 205

Jan 19 Friday 3:30 PM  
No Meeting Scheduled

STATE AFFAIRS

BELTZ 211

## TRANSPORTATION

BUTROVICH 205

### Joint w/(H) Transportation

## Transportation Department Workshop

## General Overview

Jan 18 Thursday 1:30 PM

### Joint w/(H) Transportation

## Joint WIA/Transportation Transportation Department Workshop

## Transportation Dept General Overview

**JOINT COMMITTEES****SELECT CMTE ON LEGISLATIVE ETHICS**  
SENATE FINANCE 532

Jan 17	Wednesday	1:00 PM
Public Comment, Report of Old Business, Election of Officers, Committee Procedures, State Benefit and Loan Programs, Legislation, Administrator Position, Electronic Filing.		