

**ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE
ANCHORAGE, ALASKA**

March 17, 2001
10:03 a.m.

MEMBERS PRESENT

Representative John Coghill, Chair
Representative Jeannette James (via teleconference)
Representative Hugh Fate (via teleconference)
Representative Peggy Wilson (via teleconference)
Representative Harry Crawford
Representative Joe Hayes (via teleconference)

MEMBERS ABSENT

Representative Gary Stevens

OTHER LEGISLATORS PRESENT

Representative Ken Lancaster (via teleconference)
Representative Beth Kerttula (via teleconference)
Senator Randy Phillips
Senator John Cowdery

COMMITTEE CALENDAR

HOUSE BILL NO. 1

"An Act relating to the location of legislative sessions; and providing for an effective date."

- HEARD AND HELD

PREVIOUS ACTION

BILL: HB 1

SHORT TITLE: MOVE LEGISLATURE TO ANCHORAGE

SPONSOR(S): REPRESENTATIVE(S) ROKEBERG, GREEN

Jrn-Date	Jrn-Page		Action
01/08/01	0023	(H)	PREFILE RELEASED 12/29/00
01/08/01	0023	(H)	READ THE FIRST TIME - REFERRALS
01/08/01	0023	(H)	STA, FIN
01/08/01	0023	(H)	REFERRED TO STATE AFFAIRS

02/13/01 (H) STA AT 8:00 AM CAPITOL 102
02/13/01 (H) MINUTE(STA)
03/17/01 (H) STA AT 10:00 AM Anch LIO Conf
Rm

WITNESS REGISTER

REPRESENTATIVE NORMAN ROKEBERG

Alaska State Legislature
Capitol Building, Room 118
Juneau, Alaska 99801

POSITION STATEMENT: Testified as one of the sponsors of HB 1.

REPRESENTATIVE JOE GREEN

Alaska State Legislature
Capitol Building, Room 403
Juneau, Alaska 99801

POSITION STATEMENT: Testified as one of the sponsors of HB 1.

SENATOR RANDY PHILLIPS

Alaska State Legislature
Capitol Building, Room 103
Juneau, Alaska 99801

POSITION STATEMENT: Testified that he would do everything he could to help forward HB 1 through the Senate.

BOB MONSON

PO Box 222524
Anchorage, Alaska 99522

POSITION STATEMENT: Testified in support of HB 1.

UWE KALENKA

PO Box 92824
Anchorage, Alaska 99509

POSITION STATEMENT: Testified in support of HB 1 and discussed the citizen initiative with which he is involved.

DANIEL BOONE

PO Box 53
Chitina, Alaska 99566

POSITION STATEMENT: Testified in support of the move.

ED KNOEBEL

PO Box 84
Glennallen, Alaska 99588

POSITION STATEMENT: Testified on HB 1.

JOSEPH HENRI

9921 Near Point Drive
Anchorage, Alaska 99507

POSITION STATEMENT: Testified in opposition to HB 1.

AUSTIN MAHALKEY

PO Box 455

Glennallen, Alaska 99588

POSITION STATEMENT: Testified that he preferred the capital stay in Juneau.

JERMEY BESHAW

PO Box 586

Glennallen, Alaska 99588

POSITION STATEMENT: Dared the legislature to move the legislative offices.

SENATOR JOHN COWDERY

Alaska State Legislature

Capitol Building, Room 101

Juneau, Alaska 99801

POSITION STATEMENT: Testified on HB 1.

BILL DUDLEY

2123 Esquire Drive

Anchorage, Alaska 99517

POSITION STATEMENT: Testified in support of HB 1.

GEORGE GAGUZIS

7100 Old Harbor

Anchorage, Alaska 99504

POSITION STATEMENT: Urged the committee to vote for HB 1.

SCOTT ROBART

627 W. 20th Avenue

Anchorage, Alaska 99508

POSITION STATEMENT: Urged the committee to move the legislature to the road system.

ANDRE McLEOD

3721 Young Street

Anchorage, Alaska 99508

POSITION STATEMENT: Urged the committee to do what it can to bring the legislature to Anchorage.

ACTION NARRATIVE

TAPE 01-23, SIDE A

Number 0001

CHAIR JOHN COGHILL called the House State Affairs Standing Committee meeting to order at 10:03 a.m. Representatives Coghill, James (via teleconference), Fate (via teleconference), Wilson (via teleconference), and Hayes (via teleconference) were present at the call to order. Representative Crawford arrived as the meeting was in progress. Representatives Lancaster (via teleconference) and Kerttula (via teleconference) and Senators Phillips and Cowdery were also in attendance.

HB 1-MOVE LEGISLATURE TO ANCHORAGE

[Note: The counter numbers reflect the amount of time that has elapsed since the beginning of the meeting.]

CHAIR COGHILL announced that the only order of business before the committee would be HOUSE BILL NO. 1, "An Act relating to the location of legislative sessions; and providing for an effective date."

2.5

REPRESENTATIVE NORMAN ROKEBERG, Alaska State Legislature, testified as one of the sponsors of HB 1. He began by pointing out that the voters have taken up the issue of capital relocation a number of times. Representative Rokeberg said, "My interest in introducing this bill was to endeavor to ensure greater access by the people of the State of Alaska to their elected representatives." Alaska is the only state that requires its citizens to pass through a foreign country in order to reach the capital by road or ferry. Additionally, flying into Juneau and staying overnight there is a substantial burden. Representative Rokeberg calculated that airfare, lodging, and other expenses in Juneau would amount to about \$700. Furthermore, Representative Rokeberg said that the existing capitol building in Juneau is "obsolete and antiquated and, quite frankly, has a number of life-safety issues that revolve around it." Over the years Legislative Council has done well working with the current structure, particularly in terms of accessibility. However, Representative Rokeberg believes that the building is not designed to serve the public well and he didn't believe that some of the life-safety issues could be corrected in the existing structure. For example, there are dead end corridors and traffic patterns that don't meet any fire and building code that he is aware of, even with the exceptions for historic buildings. Therefore, he believes that the state

should review the issue of having a new capitol building that meets the needs of the public. Also, other than the small coffee stand, there is no where for a visitor to the capitol building to obtain food or refreshments. Furthermore, the committee rooms are inadequate. For example, committee room 17 in the capitol building has a fire exit staircase inside the room, which is illegal under any fire code. He reviewed other problems with room 17.

REPRESENTATIVE ROKEBERG noted that he has also introduced HB 57, which would provide any political subdivision of people 30,000 or greater with the ability to build a new legislative hall and lease it to the legislature for \$1 a year and the legislature would pay for all the operating costs, repair, and maintenance. He pointed out that it does allow Juneau to be part of the competition. Representative Rokeberg informed the committee, "It's my desire to develop a Anchorage ... committee to ... build a capitol building hopefully this year and generate further interest in it." He acknowledged that the folks in Juneau are aware of this situation and there is a group, the Alaska Committee, that is working towards keeping the capital and the legislature in Juneau. The Alaska Committee has retained architectural consultants to add an addition to the rear of the capitol building, which would also include additional parking. He mentioned the difficulty for staff and capital visitors to find parking in downtown Juneau.

9.6

REPRESENTATIVE JOE GREEN, Alaska State Legislature, testified as one of the sponsors of HB 1. Representative Green said that he views this issue from both an economic and a philosophical standpoint. He informed the committee that 57 of the 60 legislators have to come from elsewhere. Were the legislature to convene in Anchorage, 45 percent [of the legislators] live in Anchorage and up to 60 percent live within a one hour commute. Obviously, there is a significant difference in cost [when reviewing having the capital in Anchorage versus Juneau]. Representative Green mentioned that he had spoken with several Bush legislators who preferred to have the capitol in Anchorage because they can get from their home to Anchorage, while getting to and from Juneau is questionable. Representative Green returned to the average cost for [a constituent] to come to Juneau, which is about \$700. He informed the committee that just this week he attempted to change his departure time by four hours and that was going to cost \$375 additional dollars, which

is absurd. That occurred because Juneau has only one airline company, which results in no competition and no fair prices.

REPRESENTATIVE GREEN turned to the philosophical side of this issue. That is, he believes the pool of potential legislators would be significantly increased [by moving the capitol]. Too many of the people that would make good legislators are not willing to make the sacrifice to their home life. He pointed to Senator Parnell as one example of a legislator who left because he didn't want to continue the disruption to his family. He agreed with Chair Coghill that this disruption to the family is also felt by the legislative staff. Although Representative Green commended the staff that lives in Juneau, he maintained that the difficulty and expense of having the capital in Juneau excludes potential legislative staff from other parts of the state.

REPRESENTATIVE GREEN pointed out that Alaska is a resource state and thus is very much in the public's eye in Washington, D.C. However, Alaska's small population of a little over 600,000 people provides only a small voice in Washington, D.C. Therefore, the result is the need to make trips to Washington, D.C., in order to make a point known. Such a trip is problematic, especially in the first two months [of session] when the fog can settle in Juneau such that flights cannot come in and out. Although there may times in which other airports might also have to be closed or have limited flight service, the cancellation of flights out of Anchorage is a fraction of what it is in Juneau.

16.4

REPRESENTATIVE GREEN addressed the charge that moving the legislative session out of Juneau would destroy the economics of the city. Representative Green questioned that argument. He informed the committee that in his first year in Juneau [as a legislator], the legislative session was extended. That extension extended into the tourist season and some [legislators] were thrown out of their rentals because the tourists paid more money. Representative Green indicated that Juneau hasn't looked at other sources of income, such as local mineral deposits in the Juneau area. He clarified that he is suggesting that there are other avenues other than the legislature that could cover the time before the arrival of the tourists.

18.0

SENATOR RANDY PHILLIPS, Alaska State Legislature, informed the committee that he has some community meetings scheduled today in Chugiak and Muldoon. At those meetings, he said he would inquire as to how many of those present want to move the legislature. Senator Phillips assured the committee that at least three out of four will support moving the legislature. Senator Phillips then turned to the issue of access and remarked that the time of legislators is, in general, dominated by lobbyists or bureaucrats, which he didn't believe to be appropriate. Furthermore, Senator Phillips didn't believe it to be fair that children outside the Juneau area can't visit the legislature. He emphasized the importance of exposing children to the legislature in order to encourage children to enter into public [service]. In conclusion, Senator Phillips said that when HB 1 passes the House he would do everything he could to forward it through the Senate.

REPRESENTATIVE ROKEBERG informed everyone that the Close Up Program provides transportation mainly for rural children to visit the legislature. However, he highlighted the fact that there are never any children from the Anchorage area visiting the legislature, except on a rare occasion. He inquired as to Senator Phillips' opinion of that.

SENATOR PHILLIPS answered that the Close Up Program is a good program as long as everyone is on a level playing field. In his 25 years, Senator Phillips said that only five children from his district have been to Juneau to see the legislature. He reiterated the importance of access and the need to eliminate the dominance of bureaucrats and lobbyists on the political process.

REPRESENTATIVE GREEN informed the committee that this is his fifth time sponsoring [capital] move legislation. He also informed the committee that Senator Phillips has sponsored such legislation in the past as well. Therefore, this is not a single member or body issue.

SENATOR PHILLIPS recalled that the legislation of five years ago failed on a 7:12 vote. He said, "I've been told that is the furthest its come, in the state's history." He expressed the hope that this issue would proceed even further.

25.7

BOB MONSON informed the committee that he has been in Alaska about 50 years and has only be in Juneau twice, both of which when he was a state employee. He agreed with the aforementioned average cost to go to Juneau of \$700. Mr. Monson noted his support of HB 1. He related his belief that moving the legislature would cause the dynamics of it to change. He pointed out that there is much infrastructure within the state to build, but [the state] can't hardly build anything. Therefore, if the legislature was moved, perhaps some other avenues would open up. Although Juneau has been very effective in squelching capital move efforts, there isn't anyone present in Juneau to testify.

CHAIR COGHILL interjected that he has already had one hearing on HB 1 during which there were witnesses from Juneau. Therefore, he believes that his announcement that he wanted to provide Anchorage with the opportunity [to testify] on this issue probably led them [not to testify].

MR. MONSON concluded by expressing his hope that the committee would take action on HB 1 so that it could be forwarded to the House floor for a vote.

REPRESENTATIVE BETH KERTTULA informed everyone that constituents and people in Juneau are listening.

29.4

UWE KALENKA noted that he was in Juneau recently and took the time to visit the capitol building. Mr. Kalenka said that the capitol building and office are a disgrace to the State of Alaska. He suggested either tearing down the capitol building or making it a museum. He acknowledged that there is a force to move the governor from the capitol building. However, Mr. Kalenka believes that the entire legislature should be moved from Juneau to Alaska's population center, namely in Southcentral Alaska. At this point in time, Juneau does not represent Alaska very well and thus, "it does not send the proper message to the rest of the nation to have the legislature or, for that matter, the capital in Juneau." Mr. Kalenka informed the committee that signatures are being collected [for an initiative to move the capital] and the paperwork will be forwarded to the lieutenant governor next week for certification. He reiterated the need to move the capital to Southcentral Alaska, where the climate is better and land to build on is cheaper. There is no room to expand in Juneau, which is probably why the average cost of a dwelling in Juneau

is \$220,000. Mr. Kalenka remarked, in response to the average cost of a dwelling in Juneau, "That's obscene. The average income in Alaska is only \$33,000."

MR. KALENKA said that over the last 30 years, he has witnessed several movements to move the legislature, the capital, or both out of [Juneau]. In the past, it was thwarted by some "ingenious politician." Therefore, this time the movement is a citizen initiative. In conclusion, Mr. Kalenka noted his support of the efforts of Representatives Green and Rokeberg.

31.4

REPRESENTATIVE ROKEBERG expressed his desire to review the initiative that Mr. Kalenka spoke of before he submits it to the lieutenant governor. Representative Rokeberg said, "Fundamentally, I agree with the concept. Right now, I don't think politically - because of the influence of Southeast and so forth - that any bill will have a very good chance of becoming law." Therefore, "this is ... a paradigm case for use of initiatives," he said. Although Representative Rokeberg commended Mr. Kalenka, he expressed the following concerns. He asked if Mr. Kalenka's initiative dealt only with the legislature and not the capital.

MR. KALENKA affirmed that, at this point, the initiative only deals with moving the legislature. In further response to Representative Rokeberg, Mr. Kalenka said that the initiative is similar to what is in HB 1 with one exception. That exception is that the initiative would propose moving the legislature to the Mat-Su Borough. However, "We are wide open on that one," he said. Mr. Kalenka explained that the Mat-Su Borough was chosen because of its location and cheap building land, while Anchorage is running out of buildable land. Mr. Kalenka said, "Quite frankly, we'd support either ... Anchorage or Mat-Su or wherever, as long as it's Southcentral where the population is." Mr. Kalenka, in response to Representative Rokeberg, said that he had not reviewed HB 57.

REPRESENTATIVE ROKEBERG suggested that Mr. Kalenka review HB 57 because it has specs on building that could be expanded. That legislation, HB 57, involves Legislative Counsel creating the mechanism for any action, if the initiative is successful. Therefore, he reiterated the need for Mr. Kalenka to provide the initiative to legislators for review before submitting it for certification. For example, HB 57 deals with where to build [the capitol building] on a competitive basis and lease it back

for \$1 on nominal consideration. Therefore, if there are state lands available, those lands could be utilized at no cost to the developer in the political subdivision. For example, when the Atwood Building was purchased, \$5 million worth of downtown land was acquired as part of the deal. Between the Atwood Building and the Phillips 66 tower, the state owns a full block that would seem to be an excellent location for the development of a new legislative hall.

34.2

REPRESENTATIVE CRAWFORD pointed out that if the initiative specifies the Mat-Su Borough as the location, then it is not open to be changed.

MR. [MONSON] agreed, but noted that [he and Mr. Kalenka] support [HB 1].

MR. KALENKA clarified that should HB 1 not pass through the legislature, the initiative will move forward.

35.3

DANIEL BOONE testified via teleconference. He informed the committee that he is a member of the Chitina Fire Department. Mr. Boone related his understanding that prior to statehood, Juneau was the main hub when traveling to Alaska. However, Juneau is no longer the hub of the main traffic flow. The construction of the road during World War II gave access to the Interior of Alaska. Mr. Boone felt that moving the legislative offices and even the capital to Anchorage [or] the Mat-Su Borough would provide [citizens] of the state with greater access and more input. Mr. Boone said that he supports the move because many of the rural communities in Alaska have to go to Anchorage and then proceed to Juneau [if they want to participate in the state government], which is costly. He informed the committee that he can take a one week vacation to Hawaii cheaper than going to Juneau for one day.

MR. BOONE, in response to Chair Coghill, said that via the road it takes him approximately 5 hours to get to Anchorage. He clarified that if he did travel to Juneau, it would amount to three days of travel. In response to Representative Rokeberg, Mr. Boone provided the following opinion regarding whether he preferred moving [the legislature] to Anchorage or the Mat-Su Borough. He believes that the Mat-Su Borough location would be

in the best interest of Alaskans because Anchorage is overcrowded and has traffic problems.

39.0

ED KNOEBEL, retired businessman, testified via teleconference.

[There is about one minute of blank tape at the end of Tape 01-23, Side A.]

TAPE 01-23, SIDE B

MR. KNOEBEL acknowledged that Anchorage has a building that could be used to house legislative sessions. However, he preferred that the [legislature] be located in the Mat-Su or Talkeetna area, which was originally passed and [approved]. In regard to the argument that moving [the legislature] would cost too much, Mr. Knoebel related his understanding that moving the [legislature] to Talkeetna wouldn't have cost anything because state land could have been used. Furthermore, the cost would only be for leasing the buildings, which is the current situation. Mr. Knoebel said, "I'm all for it." In response to Chair Coghill, Mr. Knoebel said that moving the legislature to Anchorage would be a start.

2.4

JOSEPH HENRI, testifying via teleconference, announced that he is opposed to HB 1. He informed the committee that he is a lawyer and has represented the Alaska State Legislature as a contract lawyer. Furthermore, he served on the Commission on Privatization. Mr. Henri suggested that the legislature spend some time on [the recommendations] regarding privatization rather than on the fantasies of the money that would be saved by moving the capital. Mr. Henri also informed the committee that he was the Commissioner of the Department of Administration under Governor Egan, when the Commissioner of Administration ran the state budget. Therefore, Mr. Henri is familiar with the cost of doing business and how government works.

MR. HENRI expressed his astonishment in hearing Senator Phillips say that he didn't like to hear from bureaucrats all the time. Mr. Henri emphasized, "No bureaucrat, Mr. Chairman, ever goes to the legislative hall unless invited by some legislator. There's a very strict rule about that." Therefore, that is the largest defect in moving only the legislature and leaving the state's

general bureaucracy in Juneau. In Mr. Henri's opinion, the legislature can't function without bureaucratic input.

MR. HENRI turned to Mr. Kalenka's work [on the initiative] to place the legislature in the Mat-Su Borough. Mr. Henri predicted that moving only the legislature to the Mat-Su Borough would result in an expense for the legislature that is 100 times more than it is currently. Therefore, he felt that such was unworkable and probably illegal. Furthermore, the legislative and executive branches have to work together or nothing is accomplished. Mr. Henri questioned the legality of separating the legislative and executive branches.

6.7

MR. HENRI continued by addressing the deep divisiveness that such action would bring to Alaska. He recalled that there is already quite a bit of divisiveness such as associated with the subsistence issue as well as other rural-urban conflicts. [Moving the legislature] will alienate an entire segment of the state, the Southeast panhandle. This is extremely bad policy.

MR. HENRI, in regard to Representative Rokeberg's comments about how old the capitol is, said that he worked in the capitol of the United States, which is an old building that perhaps doesn't adhere to the Americans with Disabilities Act. Therefore, Mr. Henri didn't believe that argument to be a legitimate one. "There's an unstated conclusion to all this, Mr. Chairman, that if the legislature were moved to where the majority of the people are, everything would be better," he said. However, he didn't believe that would be the case. Mr. Henri concluded by saying, "We have a representative form of government and the representatives have to gather some place, Juneau is as good as any other place."

8.8

REPRESENTATIVE GREEN noted that currently there are about six commissioners that live in Anchorage rather than Juneau. Furthermore, there are more Department of Natural Resources (DNR) employees in Anchorage than are in Juneau as is probably the case with the Department of Environmental Conservation (DEC) as well. Therefore, he said that the bureaucrats who want to testify would be able to do so [in Anchorage] just as well. He agreed that Alaska and the U.S. are a republic. However, he explained that the concept is to [allow for more] public

testimony at the committee hearings, which could be achieved because there is more public [in Anchorage] than in Juneau.

MR. HENRI said that he didn't believe that there are six department heads headquartered in Anchorage. As far as he knew, the capital is still in Juneau. In response to Representative Green's comment that [the legislation] is not moving the capital, Mr. Henri said, "My point is that you are moving the capital when you move the legislature and I think it's inevitable, if not legally required, that the executive and the ...[legislative branches] be together."

MR. HENRI noted that he was present and opposed the first capital move issue in 1960. At that time, he felt that it was a "silly issue" and he thinks it remains such. He said, "I think it's a poor excuse, a sort of ... a diversionary tactic away from the real problems that we face here as a state. The biggest one being: What are we going to do about our cash flow, our budgetary..."

CHAIR COGHILL interjected that the fact that it has been a public debate illustrates that many people are interested in this issue. Furthermore, "it is tough to change policy and/or change location," and thus he expressed the need to focus on [HB 1]. Therefore, he asked Mr. Henri to wrap up his testimony.

MR. HENRI reiterated his belief that [moving the legislature] is a poor idea. He said, "In spite of the fact that you say nothing else is pertinent but this issue, I think you do have more important issues like the economic well-being of Alaska that you ought to be attending to."

REPRESENTATIVE ROKEBERG thanked Mr. Henri for his long and distinguished public service to the state. However, he took exception to some of Mr. Henri's analysis of this. Although Representative Rokeberg agreed with Mr. Henri's assessment of the state's priorities, "it's not to denigrate other issues." Currently, the capitol building's [dysfunction] is critical. In regard to the state of the capitol building in Washington, D.C., Representative Rokeberg pointed out that it was built in the grand Neo-Roman style that has massive chambers. However, Alaska's capitol building wasn't designed as a capitol building and "that's the problem." Representative Rokeberg also took exception to Mr. Henri's legal argument regarding the separation of government.

REPRESENTATIVE CRAWFORD, in regard to the issue of priorities, said that when he went door-to-door he heard more people request a certain road being paved rather than have the capital moved.

REPRESENTATIVE JAMES informed the committee that Clark Gruening, The Alaska Committee, and Sally Smith, Mayor of Juneau, were both present.

15.6

REPRESENTATIVE TERRY MARTIN, Former Representative, House of Representatives, Alaska State Legislature, began by saying that discussion of [capital move] initiatives will kill this bill. He emphasized that the legislature could move into the Atwood Building now for the legislative sessions, if the legislature so desired. Having legislative sessions in the Atwood Building would probably cost less than moving the session back and forth each year. There is plenty of room in the Atwood Building. In regard to the location of the bureaucrats, Representative Martin pointed out that two-thirds of the bureaucrats live in Anchorage. Representative Martin recalled that at one time there was [discussion] about having deputy commissioners move to Anchorage and Fairbanks so that they could represent the bureaucracy and the governor while affording the public access to them. However, all the deputy commissioners were moved to Juneau.

REPRESENTATIVE MARTIN stressed that representative government cannot occur with a distant and isolated community such as Juneau, Barrow, or Bethel. He said, "It's the access to government that the people want." Representative Martin related his belief that all the modern tools used to provide access to the capital have totally failed. Juneau is too secluded and dominated by special interest groups and lobbyists. Representative Martin charged that the current location of the capital is the worst community in this state, in terms of accessibility by the average citizen, specifically in regard to the ability to walk or drive to legislative hearings.

REPRESENTATIVE MARTIN informed the committee that in the last two weeks he has attempted to contact his legislators in regard to various issues. In one case, the staff of his legislator informed him that the legislator was on the way to the airport to come to Anchorage, where he was not able to contact the legislator either. He said, "This session has proven that you've been absent probably at least 30 or 40 days already from the legislature." Therefore, if the location of the legislature

was moved, the length of the session could easily be reduced by 30 or 40 days. He estimated that it amounts to over \$1.4 million just for the legislature to travel back and forth and for the per diem. If one believes in democracy and hearing the voice of the people, then the current location is not appropriate. Representative Martin expressed his exasperation with the scheduling of meetings and the agendas changing or meetings being canceled entirely, which [is a burden] to those who do travel to take part in the legislative process. He charged that nothing has improved in the last 25 years. Therefore, "You must move the legislature," he said.

21.3

AUSTIN MAHALKEY testified via teleconference. Mr. Mahalkey related his belief that this is a backdoor way to move the capital to Anchorage and thus he preferred the [legislative sessions] staying in Juneau. He recalled that the citizens of Alaska voted to move the capital a couple of times, but the legislature [projected] the financing of the move to be ten times higher than what it would actually cost so that it would be voted down. Therefore, the [public's] vote was nullified. Mr. Mahalkey said, "I think this is just a power grab to move the capital to Anchorage behind our backs and I'd rather see it stay in Juneau." Furthermore, everyone that is involved in this is from Anchorage or Eagle River. He indicated that [moving the legislative sessions] would result in [litigation].

22.6

JERMEY BESHAW testified via teleconference. Mr. Beshaw played the following recording:

As my grandfather would say, you do your best business out on Main Street, not way out in "BFG." It's been said that we Alaskans feel left out of the ring and cut off from our own government, Well folks, I challenge you. I throw down the gauntlet before you and dare you to move the legislative offices and to prove that, once and for all, we the people of Alaska are not [incompetent] when it comes to our own government. After all, it is a legislative office not a MASH unit. And I hope that this action will prove one small step towards the move of our capital.

24.2

SENATOR JOHN COWDERY first addressed an earlier comment that [HB 1] is a power grab for Anchorage. To that Senator Cowdery said, "The power is in Anchorage, the people are in Anchorage." He noted his agreement with Former Representative Martin in that the communications aren't as good as they should be. In regard to past efforts to move the capital, the price presented to the public [was higher than it actually would be] and thus scared the public such that [it didn't pass].

SENATOR COWDERY remarked that there are several ways to [accomplish this]. He recalled a situation in Eastern Canada where a new city hall was needed. Although the [community] was taxed out and couldn't build a city hall, the [community] did have land available. Therefore, the mayor put out a Request For Proposals (RFP) that specified the size and details of the city hall that the community wanted. This RFP was put out worldwide and a Belgium organization responded. The mayor wanted a turn-key operation that had no cost for the city. In exchange for the [Belgium organization building the city hall], they would receive a specified amount of land around the city hall in order to obtain revenue from future development. There was worldwide interest and the Belgium organization built the city hall. There are lots of areas in Alaska that have land. Therefore, the aforementioned scenario could be one way to pay for this.

SENATOR COWDERY turned to the issue of travel. The expense of travel alone almost supports [moving the legislature]. He pointed out the possibility of using GARVEE (Grant Anticipation Revenue Vehicles) bonds, which utilize anticipated revenue so that the money can be received up-front. If a facility is built in Anchorage, then he felt it fair to pay rent or "something else." He expressed his belief that the time has come [to move the legislature]. He stressed that handicap people cannot even get to the [House or Senate chambers]. Furthermore, the capitol building wouldn't pass any safety inspection. Many improvements to the capitol building are necessary. The capitol building is a historic location that could remain of interest to tourists [even if the capital is not in Juneau]. Furthermore, the governor could remain in Juneau.

SENATOR COWDERY mentioned that when he first took office that he brought his grandchildren to Juneau for a week in order to see how government works. His grandchildren have never forgot that visit. He indicated the importance of involving children in government.

30.2

BILL DUDLEY informed the committee that he has been an Anchorage resident for many years, since 1954, and has voted a few times to move the state capital. Mr. Dudley felt that [HB 1] makes practical sense because it would allow the public to access the legislature for a more reasonable cost. Most importantly, Anchorage is the largest city in Alaska. Moving the legislators with their staff makes sense in trying to improve the democratic process. Furthermore, the public would become more interested in being involved if they could see first hand how the legislature functions or dysfunctions. Mr. Dudley said that having the legislature located in the largest city in Alaska could only improve the way that public laws are made because more public input could be received. Mr. Dudley concluded his testimony by saying, "Let's try it." He agreed with earlier comments that the cost of a capital move scares the public. Mr. Dudley announced his support of HB 1.

33.4

REPRESENTATIVE ROKEBERG inquired as to the number of times Mr. Dudley had been before the legislature in Juneau to testify.

MR. DUDLEY replied, "None." However, he noted that he is very active in the American Legion, which has a representative in Juneau every year. Mr. Dudley recalled his employment with the Federal Aviation Administration (FAA), which required him to fly to Juneau occasionally. He said that invariably the weather in Juneau was bad and thus he despised flying to Juneau.

REPRESENTATIVE ROKEBERG mentioned that he and his wife had to stay in Sitka on his way to Juneau because his flight couldn't get into Juneau. He asked if Mr. Dudley had not been to Juneau because of the cost involved in such a visit.

MR. DUDLEY answered that the cost wasn't really a large factor in his decision to not come to Juneau. However, he did feel that it would be easier if the public could drive or take a [cheap] plane ride to the capital. Still, Mr. Dudley said he believes that the cost does deter some people.

35.0

REPRESENTATIVE JAMES asked if Mr. Dudley had testified at committee hearings via teleconference.

MR. DUDLEY replied yes.

REPRESENTATIVE JAMES remarked that visitors from other states are amazed at how well the legislature can contact [the public] through the Legislative Information Offices (LIO), the public opinion messages (POMs), and telephone and e-mail.

MR. DUDLEY noted that he has used the POMs numerous times. He commended the legislature on what it has done with the communication system.

36.4

GEORGE GAGUZIS informed the committee that the military brought him to Alaska in 1971 and he has stayed since. He said, "Accessibility to government is a prime issue." Mr. Gaguzis also informed the committee that he has been in state employment since the 1980s. In one of his positions, he made several attempts to go to Juneau "on the state's nickel." However, he never made it to Juneau to testify. He commented on what a "nail-biter" it is to fly into Juneau. In regard to a building [for the legislature], Mr. Gaguzis said that any building takes away from the tax base. Therefore, his preference would be for a community to take private funds to build a facility and the state would be involved with leasing. Contrary to what Mr. Henri said, Mr. Gaguzis felt that there would be a fiscal savings, especially with regard to travel and per diem costs. Therefore, Mr. Gaguzis urged the committee to make the fiscally responsible decision and vote for HB 1.

[The tape was changed about a minute early and thus there is about one minute of blank space.]

TAPE 01-24, SIDE A

1.2

SCOTT ROBART informed the committee that he has lived in the [Aleutian] Chain where airfare to Juneau was \$1,040 and Bethel where airfare to Juneau was about \$650. Mr. Robart agreed with Representative Martin's testimony that efforts to pass HB 1 will be for naught if the legislation is labeled "move the capital or build a new capitol." Mr. Robart said, "I strongly suggest that we try to get the legislative sessions where the specter of its Anchorage association does not become a difficulty for those people in locations such as Fairbanks or in Juneau." Although most of the power may be in Anchorage, the legislative process should be located where a simple majority of the people can

access their elected representatives. He pointed out that folks living within driving or easy ferry range of the capital amount to less than 10 percent of the state's population. However, that 10 percent is accorded 100 percent access to their elected state officials. Mr. Robart said, "Those few and lobbyists are the only folks who have virtually unfettered access to the democratic process and God knows the lobbyists don't need to have things made any easier for them."

MR. ROBART pointed out that the majority of Alaska's population lives on the road system and the car is still the most common means of transportation in the state. However, some people still have to spend hundreds of dollars to fly to have a face-to-face meeting with their representatives during session. Furthermore, these people have to fly through a foreign country and will be lucky if they land - "and never mind safely" - and depart to their destination. When overnight accommodations, meals, missed work, and miscellaneous expenses are calculated, the total cost often exceeds \$1,000. Mr. Robart emphasized that such a cost to access one's representative is unethical, unfair, undemocratic, unAlaskan, and beyond the financial reach of most. Moreover, there is the cost to the taxpayers to fund this absurdity. [This doesn't begin to include] the cost of flying legislators between Juneau and their districts, moving them to and from Juneau, and their accommodations in Juneau. Mr. Robart asserted, "Good Lord, this is so stupid as to be almost laughable." He commented on the difficulties that the teleconference had this morning.

MR. ROBART concluded:

All the state's extra expenses aside for just a moment. The fact is that most of the state's residents are disenfranchised from their elected representatives due to the tremendous cost and difficulty of getting to the capital to face those who are supposed to represent you. At the same time, a very small minority and lobbyists have accessing to same. Democratic? I don't think so. A road out of Juneau, discounted airfares from Alaska Airlines, ... teleconferencing, videoconferencing. It's nonsense. The fact is that those in Juneau will and have done everything they can to perpetuate their virtual ownership of the democratic process. The cost of all this is borne exclusively by the residents of the rest of the state. That is simply the dictionary definition of selfishness. Move the ... legislature

to the road system. I don't think any of us need it to be in Anchorage, move it to the road system where it can be reached. I don't think any of us here in Anchorage care whether it's in town or not, just close enough so that we can access our representatives Thanks for getting this subject back out in the open where it belongs. I'd sure appreciate you keeping at it. Thank you.

CHAIR COGHILL informed the committee that there had been a request to have this meeting videoconferenced, but those contracting with the university don't work on the weekends.

6.2

REPRESENTATIVE ROKEBERG explained that HB 1 specifies moving the legislature to Anchorage because there would be substantial savings due to the infrastructure of the state's administration. As Representative Green pointed out earlier, the vast majority of the state's administration is housed in the Anchorage area. Therefore, the executive branch's substantial investment wouldn't have to be replicated [if the legislature was moved to Anchorage]. Representative Rokeberg pointed out that HB 1 has to do with the legislature, not the state capital; that is a huge distinction. Alaskans voted for the capital to be located in the Willow/Mat-Su area. However, that requires that the legislature and the bureaucratic apparatus of the state's administration be moved as well, which would be relatively costly.

8.7

ANDRE McLEOD began by thanking the committee for holding this meeting on a Saturday because it is more convenient. Mr. McLeod noted her agreement with Mr. Dudley's comments. This makes common sense. [If HB 1 passed,] legislators may feel better because they can stay home. Furthermore, it would lower the cost for citizens to be involved with their government. Ms. McLeod identified HB 1 as a "people's bill." She said, "Please do whatever you can to bring the legislature here. Whatever you do, have it done here so we can be part of it." Many issues regarding taxation are coming up and the [citizens of Alaska] need to be involved. Furthermore, the upcoming issues are going to require some "out of the box" thinking that she didn't believe would occur in Juneau.

CHAIR COGHILL acknowledged that Ms. McLeod brought up taxation and access in her testimony. He said, "It is kind of an inadvertent tax on the people of Alaska to have access to their state and that's one of the reasons why I wanted to bring this committee up to Anchorage was so we would tax you less." He reiterated the importance of face-to-face communication.

MS. McLEOD remarked that she has involved herself in the process quite a bit. Sometimes the technology doesn't work and other times she has been told that she couldn't speak.

CHAIR COGHILL said that he became involved in politics because he attended a committee hearing and he couldn't testify, which frustrated him. Chair Coghill asked if there was anyone else who wished to testify. There was no response.

12.2

REPRESENTATIVE GREEN remarked that Ms. McLeod is an active participant in Alaskan government throughout the year. Then Representative Green turned to the following three points. Representative Green pointed out that HB 1 refers only to the legislature moving not the capital moving. However, he reminded everyone that in 1994, 55 percent voted to move the capital. The capital move issue is a popular issue among Alaskans. Furthermore, there are over 800 miles from the center of population in Alaska and the capital. If one were to take an 800 mile swath around the nation's capital, there is a large concentration of people. However, there is such a distance [between the capital and the population center] in Alaska compared to most places. Therefore, the earlier comparison with Washington, D.C. is not appropriate.

REPRESENTATIVE GREEN returned to his earlier comment that six commissioners are already located in Anchorage. He clarified that there are actually seven commissioners that are located in Anchorage. "That's either seven existing, or very likely to be confirmed ... commissioners," he said. Therefore, much of Alaska's government is already located in Anchorage and thus things won't be disrupted but rather will be streamlined by moving the legislature to Anchorage.

15.1

REPRESENTATIVE ROKEBERG remarked that Ms. McLeod's point is the central issue of the entire debate. The legislature always concerns itself with the cost of legislation. He said:

We are looking at the cost and the fiscal note to the population of the State of Alaska, and they want and need access to their legislature. And that's the idea. There may be some modest savings in some per diem issues and so forth, but I think number one we need a new building ... for the legislature that's functional. Number two, that hall should be located in an area that's accessible to people so it costs them less. That's why Anchorage actually is a much better location than the Mat-Su area because of the transportation opportunities for the people in the rural areas of the state and from [outside] the state to fly and get here. ... we are on the road system. For those folks on the road system, it's kind of a push and maybe somewhat of a slight advantage ... to get to the Mat-Su area. All things considered, the vast majority of people that wanted to access their government will probably end up on an airplane. And it's certainly cheaper and faster to come through the Anchorage transportation hub, I think.

REPRESENTATIVE ROKEBERG mentioned an Anchorage Daily News Letter to the Editor by former Senator Arliss Sturgulewski who said, as did Mr. Henri, that the legislature has more important things than a capital move to address. However, Representative Rokeberg believes his priorities are right because the existing capitol building will not last. Although "band-aid" fixes can be done and the Alaska Committee can add additional space to the capitol building to improve the building, he wasn't sure that the building could be repaired enough to meet existing codes unless it is closed for several years. Representative Rokeberg concluded by saying, "We've moved the capitol before from Sitka to Juneau and we can move it again."

18.0

REPRESENTATIVE WILSON informed the committee that the economy of Southeast Alaska is on a downward spiral since the decline of the timber industry. Therefore, a move at this time would hit Southeast Alaska [hard]. She pointed out that she lives in Wrangell and has to disrupt her family along with her staff in order to go to Juneau for session. That won't change by moving the legislature to Anchorage. Furthermore, she said that it takes her longer to get to Juneau than it does for an Anchorage legislator. Representative Wilson assured the committee that

when she asked her constituents if they wanted the legislature to move, 100 percent of them opposed such a move.

REPRESENTATIVE WILSON turned to earlier testimony regarding the limited access to the legislature by constituents and school children. She asked, "Would [it] be alright if all at once it was reversed and it was the children in Juneau that didn't have [access] to the legislature. I don't quite get the correlation there." Representative Wilson said, "I want to make it clear that no matter where the legislature is held that there will be large numbers of people who will not have access to the whole session."

REPRESENTATIVE WILSON reminded everyone that she was a member of the North Carolina legislature for three terms. North Carolina has more miles of road per capita than any state in the nation. The longest anyone would have to travel to get to the capital of North Carolina is six hours. However, Alaska has more participation in the legislative proceedings than North Carolina does. She attributed Alaska's high participation to the teleconference system in Alaska. She also noted that there will be people who will, no matter the location of the legislature, choose to testify via teleconference rather than in person. She noted her surprise that only nine people from Anchorage turned out today.

CHAIR COGHILL interjected that when the committee met on HB 1 in Juneau there were not that many from Juneau at that meeting, but they were represented by the Mayor of Juneau and the Alaska Committee.

REPRESENTATIVE WILSON clarified that she meant that the percentages of people that came out to testify doesn't [correlate] with the amount of population in Anchorage. People are using the argument that if the legislature was located in Anchorage, more people would participate. However, that is not necessarily the case. Representative Wilson pointed out that Gavel to Gavel, provided by the City of Juneau, provides people across the state the ability to know what is going on with the political process. She concluded by reiterating that a move at this time would be a "death blow" to Southeast Alaska's already suffering economy.

21.6

REPRESENTATIVE JAMES recalled that when she first became a legislator, Jamie Parsons was the Mayor of Juneau. At that

time, she was surprised the time and expense Juneau was expending in order to thwart any capital or legislative move. She suggested to Mayor Parsons that some day the capital will move because the public will insist on such. However, in the meantime Juneau should develop an economic activity that would be available when that [move] occurs. Therefore, she suggested building up the University of Alaska - Southeast.

REPRESENTATIVE JAMES announced, however, that she couldn't support HB 1 at this time because of the divisiveness between the people of Anchorage and the rest of the state. Part of that divisiveness is due to the lack of economic activity, infrastructure, et cetera for many of the rural areas. Therefore, she believes that issue should be dealt with first. Furthermore, there should be assistance with the Southeast economy should a move occur. Although she recognized that some of the aforementioned arguments to move the legislature are valid, she didn't believe now is the time.

23.6

REPRESENTATIVE FATE thanked everyone for their testimony.

REPRESENTATIVE ROKEBERG informed the committee that he has a letter from Sherri R. Jackson (ph), President, Sand Lake Community Council, supporting HB 1. He also pointed out that the executive branch has a new and functional premise, the Atwood Building in Anchorage, and the court system has new facilities under construction in Anchorage and Fairbanks. Therefore, the legislature should also have premises that are functional and accessible to the people.

25.0

CHAIR COGHILL thanked everyone for participating. He closed [the public testimony] portion of HB 1 and announced that HB 1 would be held.

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 11:58 a.m.