

ALASKA STATE LEGISLATURE
SENATE LABOR & COMMERCE COMMITTEE

April 16, 2002
1:40 pm

MEMBERS PRESENT

Senator Ben Stevens, Chair
Senator Alan Austerman
Senator Loren Leman
Senator John Torgerson
Senator Bettye Davis

MEMBERS ABSENT

All Members Present

COMMITTEE CALENDAR

CS FOR HOUSE BILL NO. 504(FIN) am
"An Act relating to the wages of people working in the fisheries
business."

SCHEDULED BUT NOT HEARD

SENATE JOINT RESOLUTION NO. 44
Relating to preparation of a joint state-federal research and
development plan.

MOVED CSSJR 44(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

SJR 44 - No previous action to consider.

WITNESS REGISTER

Mr. George B. Newton, Chairman
U.S. Arctic Research Commission
4350 N. Fairfax Dr., Suite 630
Arlington VA 22703

POSITION STATEMENT: Supported SJR 44.

Mr. Mead Treadwell, Managing Director
Institute of the North
Anchorage AK

POSITION STATEMENT: Supported SJR 44.

ACTION NARRATIVE

TAPE 02-21, SIDE A

Number 001

#SJR44

SJR 44-STATE-FEDERAL JOINT RESEARCH PLAN

CHAIRMAN BEN STEVENS called the Senate Labor & Commerce Committee meeting to order at 1:40 pm and announced that HB 504 was pending on referral and that they would take up SJR 44.

SENATOR LEMAN explained that SJR 44 talks about research in Alaska and how we can better coordinate among state and federal agencies. They have seven of the eight commissioners present from the U.S. Arctic Research Commission. He noted that Russ Kelly who is working on his staff is an intern from the University of Alaska Fairbanks and this is one of his projects.

MR. GEORGE NEWTON, Chairman, U.S. Arctic Research Commission, introduced Mead Treadwell - Institute of the North, Dr. Jackie Grebmeier - University of Tennessee, Mary Jane Fate - Indigenous member, Dr. John Hobbie - Woods Hole MA, Mr. Jack Roderick - Anchorage, and Mr. Jim Llewellyn - Bell South as the commission members who were present. He said that he was from McClaine, Virginia and had been on the commission since 1992 and this is his second term as chairman. He said the Arctic Research Commission was formed in 1984 as is primarily the product of the work of Senator Frank Murkowski.

It consists of seven members as mentioned earlier. We are all presidential appointees. It's important to recognize, I think, in the make up of the commission there are four of us who must be associated with some research entity or some research activity. Two of us come from the business sector and one member must be representative of the indigenous peoples of Alaska.

We do no research. We rely on our ability to motivate research in the proper direction from effectively the bully pulpit by convincing other organizations that the research they are planning or the research we recommend should be undertaken for the betterment of the state of Alaska and the United States. Our primary function is to recommend policies and priorities to the president and to congress and that, I think, is one of the unique elements of the Arctic Research and Policy Act in that it allows us to talk directly to both the president and to the legislative branch.

Among our more detailed duties are things such as to promote cooperation - to get federal agencies to cooperate with the state of Alaska and the towns and cities of Alaska, to share data, to promote a cooperative effort and logistics to further Arctic research and lastly, to work with the state, as I mentioned.

He was very excited about the future prospects of the Arctic even though there are problems, like the protection and preservation of the Arctic as we know it today. He added that he includes Alaska as part of the Arctic. The boundary comes from the Arctic Circle down the Yukon River into the Bering Sea. They are concerned about the problems of Alaska's infrastructure and preservation of the Bering Sea ecosystem. The rapid warming of the Arctic is a direct and immediate concern as the impacts will be realized by our children and grandchildren.

Among the opportunities to exploit are the possible shipping of oil from the North Slope to supplement the activities on the TAPS. This makes ports like Adak and Dutch Harbor potential opportunities as trans shipment points, where cargo shifts from ice-strengthened ships that have traversed the Arctic into ships that ply the oceans of the warmer temperate oceans. The reason for this hearing is to work with the State, the Alaska Science Technology Foundation and the University of Alaska in a cooperative effort to develop a plan for the future economic development within the State of Alaska. It is one of the direct important mandates that is held under the Arctic Research and Policy Act.

He left the committee with a report on Goals and Objectives, which they public every two years and he encouraged them to read it.

SENATOR LEMAN asked what their annual budget is and to compare what the U.S. spends on research in the Arctic to what is spent on the Antarctic.

MR. NEWTON replied that their budget is just over \$1 million and they fund no actual research. They might have \$5,000 - \$10,000 to fund a conference or meeting at which Arctic research is the primary function. The rest goes to salaries, lights, heat and real estate and publishing things like their report.

The research dollars for the Arctic and Antarctic are essentially equal if he limits it to the National Science Foundation. "It is in the research logistics budgets where there exists a significant disparity."

The costs of getting there and buying the equipment to support research and staying there, etc. is about \$25 million per year or about half of the total Arctic budget at NSF.

In the Antarctic there is \$25 - \$30 million for research and almost \$180 million for getting there and staying there. This is in response to a presidential directive that was signed many years ago that committed the United State to maintain three stations in the Antarctic, Palmer Station, McMurdo and the South Pole Station. It also pays for the entire infrastructure of the bases.

MR. NEWTON said when he joined the commission, there was almost no Arctic research logistics budget. The commission supported a study that was done by the Arctic Research Consortium of the U.S. in Fairbanks in conjunction with some support from the National Science Foundation. It was used by the Senate to create a separate budget line item for Arctic research. Now their research grants are used on research.

The U.S. government total budget for Antarctic, including all federal agencies is approximately \$190 million and it has remained level for the past five or six years. The National Science Foundation budget has increased significantly to support Arctic research, almost in an opposite direction to the Department of Defense budget. The Arctic research budget from DOD has shrunk from over \$20 million five years ago down to \$2.7 million this past year. It has been one of his personal goals to have greater equity achieved in the two budgets. The other way they can close the gap most effectively is to arrive at more effective research within Congress and the Office of Management and Budget, because it's tricky to arrive at a coordinated budget request for the same project when it appears in the requests of several different agencies under different budget examiners.

1:55 pm

SENATOR AUSTERMAN asked if he supported the resolution.

MR. NEWTON said he does. It's broad in its statement, but it fits well with the research elements they have supported in the past. One of the mandates within the Arctic Research and Policy is Act is that the Arctic Research Commission is to cooperate in research activities and guidance with the state of Alaska and the local communities.

SENATOR LEMAN asked if he had any thoughts on how they would translate information derived from research either into expanding the Alaskan economy or defending what we have.

MR. NEWTON responded that the first thing is to identify a problem and recognize it as a problem and then to generate concepts into how that can translate into economic improvements. For instance, the fish in the Bering Sea - they would have to find out when and where they are and what their threats are and work that somehow into an improvement. It's a bit more tangible to identify threats to the infrastructure, which is something they are working on now - identifying climate change and civil infrastructure in an effort to identify the particularly vulnerable elements to the degradation of permafrost, which underlies approximately 50% of the state.

CHAIRMAN STEVENS said Executive Order 12501 that established the Commission, section 9, numbers 6 and 8 are to facilitate cooperation between the federal government, state and local government and recommend the undertaking of neglected areas of research and asked for an example or two of things that had been addressed under that section.

MR. NEWTON replied that one of the things they had started supporting four years ago is an annual meeting at the University of Alaska Anchorage that deals with infrastructure within the State of Alaska, through the School of Engineering. They have contributed funds to get the meetings started that are now an annual event. Four years ago they identified a trend in the warming of the Arctic and the impacts on the state would be very significant, particularly in harbors, ports and coastlines and in permafrost.

Most of the attendees, from his perception, have come from commercial interests in the state, but there hasn't been a great deal of interest from state officials.

CHAIRMAN STEVENS said that led into section 8, which says to coordinate with the government and the state of Alaska in fulfilling the responsibilities of this act.

MR. NEWTON reiterated that they hadn't had much interest from the state.

CHAIRMAN STEVENS asked if that is the reason they have brought the resolution to the legislature.

MR. NEWTON replied yes. They need to be more and do more.

CHAIRMAN STEVENS asked him to give an overview of what the objective or vision of the plan would be.

MR. NEWTON replied he believes that they are working together with the elements of ASTF, the University and the State to develop a plan that will lead to greater economic development

within the State. They have regretted that there wasn't greater industry in the State of Alaska that provided value added to the resources.

SENATOR DAVIS asked if this resolution had been discussed with the Science and Technologies Director and what was his input.

MR. MEAD TREADWELL, commissioner, said he is a former member of the Alaska Science and Technology Foundation and he had extensive discussions with Dr. Kenworthy, Executive Director, ASTF, University leadership and federal agencies (whom they would like to see participate more about this resolution.

SENATOR DAVIS asked if they envisioned being able to bring some source of funding to technologies or are they looking for a source of funding for themselves.

MR. TREADWELL replied that they hadn't asked for a grant or a fiscal note.

SENATOR DAVIS asked what their intentions were.

MR. TREADWELL said that each of the entities have a responsibility for research in Alaska. The federal agency has to prepare its own budgets and respond to the Arctic Research Commission, the Science and Technology Foundation has its own budget, the University is a large recipient of hundreds of millions of dollars of research funds that we helped them get.

The idea here is how to take those funds and these efforts and see where coordination could be helpful for the economy and the health of the environment of the state. This resolution encourages trying to get the four of us to sit down together to begin with. I can say we've advice to the commission from both senators in the Alaska congressional delegation that we use our bully pulpit at the commission to try to bring together marine research in the state. Our executive director sits on the Board of the North Pacific Research Fund and we are advocating that the Research Fund develop a kind of broad national research council review of marine fisheries research in this state right now. That's something that I can say that I've heard the University people advocate, I've heard [indisc.] advocate. We've worked together on that.

Just two other elements on Senator Stevens' earlier question on the economy. There's an element of the resolution that asks us to work with the federal land holding agencies to see what kind of research is

necessary to take federal lands and get them into production. They own much more land in the state than we do as a state and yet we're doing 90% of the revenues from that. Any yet they really don't have a development plan and we'd like to see what research they feel is necessary to get that land into development.

SENATOR LEMAN said he had two amendments to offer that are cleanup brought to his attention by members of the commission. He moved amendment 1. There were no objections and it was adopted.

SENATOR LEMAN moved to adopt amendment 2 that expands lands of Alaska to waters and air space. It's consistent with the mission of the Arctic Research Commission. There were no objections and the amendment was adopted.

SENATOR LEMAN moved to pass CSSJR 44(L&C) from committee with individual recommendations. There were no objections and it was so ordered.

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CHAIRMAN STEVENS thanked everyone for being there and adjourned the meeting at 2:12 pm.