

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS COMMITTEE

May 7, 2002
3:50 p.m.

MEMBERS PRESENT

Senator Gene Therriault, Chair
Senator Randy Phillips, Vice Chair
Senator Ben Stevens

MEMBERS ABSENT

Senator Rick Halford
Senator Bettye Davis

COMMITTEE CALENDAR

CONFIRMATION HEARINGS:

Alaska Public Offices Commission

John Dapceovich
Sheila Gallagher

Alaska National Guard

Colonel James K. Robinson
Colonel Timothy W. Scott
Colonel Gene L. Ramsay

Space and Missile Defense

Colonel James L. Welch

Human Rights Commission

Kathy Keisor Wisthoff

HOUSE BILL NO. 526

"An Act relating to the deadline for filing financial disclosure statements for public members and public member nominees of the Select Committee on Legislative Ethics."

MOVED HB 526 OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 517(STA)

"An Act relating to the disposition of obsolete or surplus state property."

MOVED CSHB 517(STA) OUT OF COMMITTEE

CS FOR SENATE BILL NO. 312(CRA)

"An Act relating to enterprise zones."
MOVED CS SB 312 (CRA) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 165(RES)
"An Act relating to the Kenai River Special Management Area; and
providing for an effective date."
MOVED SCS CHHB 165(STA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

HB 526 - No previous action to record.
HB 517 - No previous action to record.
SB 312 - See CRA minutes dated 3/27/02 and 5/3/02.
HB 165 - See State Affairs minutes dated 5/2/02.

WITNESS REGISTER

John Dapceвич
No address provided
Juneau, AK 99801

POSITION STATEMENT: APOC confirmation nominee

Sheila Gallagher
No address provided

POSITION STATEMENT: APOC confirmation nominee

Colonel James K. Robinson
No address provided

POSITION STATEMENT: Alaska National Guard confirmation nominee

Colonel Timothy W. Scott
No address provided

POSITION STATEMENT: Alaska National Guard confirmation nominee

Colonel Gene L. Ramsay
No address provided

POSITION STATEMENT: Alaska National Guard confirmation nominee

Colonel James L. Welch
No address provided

POSITION STATEMENT: Space & Missile Defense confirmation nominee

Major General Phil Oates
Adjutant General/Commissioner
Department of Military &
Veterans Affairs
PO Box 5800

Ft Richardson, AK 99505-0800

POSITION STATEMENT: Testified on Alaska Air National Guard confirmations

Tom Wright
Staff to Representative Brian Porter
Alaska State Capitol, Room 208
Juneau, AK 99801-1182

Joyce Anderson, Administrator
Ethics Committee
P.O. Box 101468
Anchorage, AK 99510-1468
POSITION STATEMENT: Testified on HB 526

Bill Lawrence
Staff to Representative Carl Morgan
Alaska State Capitol, Room 434
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced HB 517

Chris Parce
Director of General Services
Department of Administration
PO Box 110200
Juneau, AK 99811-0200
POSITION STATEMENT: Testified on HB 517

Zach Warwick
Staff to Senator Gene Therriault
Alaska State Capitol, Room 121
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced SB 312

ACTION NARRATIVE

TAPE 02-02-29, SIDE A

CHAIRMAN GENE THERRIAULT called the Senate State Affairs Committee meeting to order at 3:50 p.m. Present were Senators Phillips, Stevens and Chairman Therriault.

He announced Governor's Confirmations would be the first order of business. Information on the individuals up for consideration was in member's packets. If there were no problems, members would sign a letter to forward the names to the full Legislature for consideration.

JOHN DAPCEVICH, Alaska Public Offices Commission (APOC) appointee, said he has served every elected Governor on many boards, commissions and committees since statehood. He served six terms as mayor in Sitka and on their borough assembly and city

council. He was appointed to APOC one year ago for an unexpired term that expired this year and the Governor submitted his name for reappointment.

CHAIRMAN THERRIAULT asked how many times the commission met since he was asked to serve.

MR. DAPCEVICH replied they had four face-to-face meetings and two teleconferenced meetings.

SENATOR STEVENS asked for the term of the appointment.

MR. DAPCEVICH replied this was a five year term.

CHAIRMAN THERRIAULT announced the next appointee was Sheila Gallagher and she was not available on short notice. He asked members whether they'd had the opportunity to look over her background information and if there was any desire to carry her name forward to a future meeting when she could be available to answer questions.

SENATOR STEVENS asked whether hers was a new appointment or a reappointment. He also asked what the appointment term was and the total number of APOC directors.

CHAIRMAN THERRIAULT said Ms. Gallagher's was a reappointment for a five year term and there are five appointed APOC members.

SENATOR STEVENS asked how many positions were up for appointment.

CHAIRMAN THERRIAULT said Mr. Dapcevich and Ms. Gallagher were the two APOC appointments.

SENATOR PHILLIPS made a motion to forward a letter to the joint Legislature stating no objection to the APOC appointments of John Dapcevich and Sheila Gallagher.

There being no objection, it was so ordered.

CHAIRMAN THERRIAULT said the Alaska National Guard appointments would be considered next. He asked Colonel James K. Robinson if there was anything he would like to add to his biographical information.

COLONEL JAMES K. ROBINSON testified via teleconference that he has been in the Alaska Air National Guard for about 24 years and has attained the rank of Colonel. He currently works with the Adjutant General, Major General Phil Oates as the director of

operations.

SENATOR STEVENS asked for the term of the appointment.

MAJOR GENERAL PHIL OATES, Adjutant General/Commissioner with the Department of Military & Veterans Affairs, said these appointments are indefinite. Every general officer in the Alaska National Guard must receive confirmation from both the state Legislature and the U.S. Congress.

SENATOR STEVENS asked whether the four individuals were being nominated as general officers.

MAJOR GENERAL OATES said he was changing the process a bit because they require both state and national confirmation. He wanted to establish the process whereby everyone would be confirmed on the state level first and then go on for federal confirmation. He chose this order because federal confirmations take more than a year and he didn't want to wait that long then find an appointment might not be acceptable on the state level.

SENATOR STEVENS asked how many general officers there were in the Alaska National Guard.

MAJOR GENERAL OATES replied there are six counting himself.

SENATOR STEVENS noted four of the six offices were up for confirmation.

MAJOR GENERAL OATES said, assuming he is confirmed, Colonel Gene Ramsay will have his change of command for the 176 Wing at Eielson Air Force Base in July. Colonel Tim Scott will be groomed to replace Colonel Ramsay and assuming he is confirmed at the state level, his name will be submitted at the federal level. "Three of these will actually be going directly into positions and the fourth will be the next in line."

MAJOR GENERAL OATES said Colonel Robinson is a traditional guardsman, which means he participates in National Guard work on a part time basis and at the same time is a pilot for Alaska Airlines.

CHAIRMAN THERRIault announced Colonel Timothy W. Scott was next on the confirmation list and he was unable to attend.

MAJOR GENERAL OATES said he was currently deployed and is the Commander of the 168th Aero Refueling Wing at Eielson Air Force Base. He was a War College graduate and he put four tankers in

the air on no notice and handled all the aero refueling support in Alaska on September 11, 2001.

There were no questions from committee members.

CHAIRMAN THERRIAULT announced Colonel Gene L. Ramsay was the next on the confirmation list. He asked if there was anything he would like to add to his biographical information.

COLONEL GENE L. RAMSAY testified via teleconference that he was ready to take over the 176th Wing at Kulis Air National Guard Base at the Anchorage International Airport. They are generally busy rescuing Alaskans and have been particularly busy since September 11, 2001. He received federal confirmation on September 26, 2001.

There were no questions from committee members.

MAJOR GENERAL OATES added that Colonel Ramsay is the Vice-Commander of the Wing and is well prepared to assume command of the Wing based on the quality of his past performances.

SENATOR PHILLIPS made a motion and asked unanimous consent for the Alaska Air National Guard nominees, Colonel Robinson, Colonel Scott and Colonel Ramsay to be forwarded with no objections.

There being no objection, it was so ordered.

CHAIRMAN THERRIAULT announced Space and Missile Defense Brigadier General, Colonel James L. Welch, Retired would be considered. He asked if there was anything he would like to add to his biographical information.

COLONEL JAMES L. WELCH testified via teleconference and pointed out that this was a new position for the State of Alaska and a unique position throughout the country. It is a key role and shows that Alaska is ready to assume its role to ensure that the Alaska National Guard is ready to assume its role.

MAJOR GENERAL OATES added Colonel Welch brings a strong industry background in large project management from his work with British Petroleum and the oil industry. That in combination with his strong military background made him an excellent choice.

There were no questions from committee members.

SENATOR PHILLIPS made a motion to forward Colonel Welch's name to the joint Legislature for confirmation.

There being no objection, it was so ordered.

CHAIRMAN THERRIAULT announced Kathy Keisor Wisthoff as the confirmation nominee from the Human Rights Commission. Because she was unable to attend the meeting, he asked if members had any desire to hold her name until she could attend. If there was no objection he asked for a motion.

SENATOR PHILLIPS made a motion to recommend Human Rights Commission nominee, Kathy Keisor Wisthoff, to the full Legislature.

There being no objection, it was so ordered.

#HB 526

HB 526-DISCLOSURE BY ETHICS COMMITTEE MEMBERS

TOM WRIGHT, staff to Representative Brian Porter, said the bill was introduced on behalf of the Legislative Ethics Committee. It requires the public nominee to the Ethics Committee to file his or her financial disclosure on or before the second Monday of January.

CHAIRMAN THERRIAULT asked if it was an issue of disclosure in general or the timing of the disclosure.

MR. WRIGHT replied it was the timing of the disclosure. There was a nominee who went through the process then found out how much financial information had to be disclosed and withdrew. With passage of this legislation, they would know beforehand what would be required of them as far as financial disclosure. It also gives Legislators an opportunity to look at the financial information disclosed by that person along with their resume when they are looking at confirmation.

JOYCE ANDERSON, Ethics Committee Administrator, said the Ethics Committee thought this was a good change to the ethics code because of their experience with the nominee that Mr. Wright mentioned.

There were no questions and no further testimony.

CHAIRMAN THERRIAULT said he had not prepared a CS and no amendments were offered. There was one zero fiscal note. He asked for the will of the committee.

SENATOR PHILLIPS made a motion to move HB 526 and attached fiscal

note from committee with individual recommendations.

There being no objection, it was so ordered.

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#HB 517

HB 517-SURPLUS/OBSOLETE STATE PROPERTY

BILL LAWRENCE, staff to Representative Carl Morgan, introduced HB 517 as a bill to fix a problem dealing with surplus property. Specifically, it was written to address surplus fax machines and require that all electronic identifiers be removed before a fax machine is sent to surplus. There are instances where the electronic identifiers have not been removed so they decided it would be in the best interest of the state to place the requirement in statute. It will prevent the appearance of impropriety and should prevent a party from intentionally faxing material identified as from the State of Alaska. Federal law requires that all faxes be identified with a phone number and the name of the sender. When the state surpluses a machine all headers should be removed so the new owner receives a clean machine.

CHAIRMAN THERRIAULT asked why the owner's manuals aren't with the machines when they go to surplus.

CHRIS PARCE, Director of General Services, replied the state doesn't generally buy owner's manuals to go with all the machines because they are expensive. Most machines the state buys are put onto servers, which are networked to serve multiple stations, and they don't come with full manuals, just basic "cheat sheet" instructions.

SENATOR PHILLIPS asked if this couldn't be done internally.

MS. PARCE said they do this internally. They have a property control handbook that instructs employees to remove all programs and accompanying data, and delete all headers.

SENATOR PHILLIPS interjected, "Then why are we here."

MS. PARCE replied she didn't know who introduced the bill. Their surplus handbook instructs employees to remove the electronic headers from machines before they are sent to surplus but they don't always follow all the rules. She said it probably doesn't hurt for this to be a law.

SENATOR PHILLIPS didn't think individuals that don't follow the rules could be expected to follow the law.

CHAIRMAN THERRIAULT said it probably doesn't hurt, but he understood his questions.

SENATOR PHILLIPS commented this constitutes minutia management.

CHAIRMAN THERRIAULT noted the one zero fiscal note. He had no prepared CS and there were no amendments offered. He asked for the will of the committee.

SENATOR STEVENS made a motion to move HB 517 and attached fiscal note from committee with individual recommendations.

There being no objection, it was so ordered.

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#SB 312

SB 312-ENTERPRISE ZONES

ZACH WARWICK, staff to the bill sponsor, Senator Gene Therriault, explained that SB 312 authorizes the Governor to declare up to four areas of the state as enterprise zones every year. Zones would be designated due to economic distress and each designation could last up to 20 years. This is designed to encourage and authorize local municipalities to offer incentives within the zone. Such incentives could include a reduction of permit or user fees, credit toward exemptions in property taxes, and flexibility in regulations such as zoning, leasing or sale of municipal properties.

There are two state incentives that are included. First, 15 percent of the initial investment put into the area would count as credit toward state corporate income taxes for that first year. The credit may not be carried forward. Second, there would be a \$500.00 corporate income tax credit for each new employee hired every year. One of the major reasons behind the bill is to help communities to produce proposals and qualify for federal grants and federal tax credits that are offered by HUD (Health and Urban Development) and the U.S. Department of Agriculture.

There were amendments made in the Community and Regional Affairs Committee to make the language clear.

CHAIRMAN THERRIAULT said there was language that was problematic in terms of whether the federal government or the state

government acted first. He asked whether that language was clarified.

MR. WARWICK said that language was deleted. The second issue dealt with cities within a borough. Original language said a city within a borough is not eligible to make a proposal for an enterprise zone, which would exempt many of the cities in the state. The third amendment was to change the language regarding size of the areas that would be called enterprise zones. Originally the areas were census tracts, which is about a 10,000 person area. That was changed to one or more continuous block groups in the U.S. census or a compact geographic area. Senator Lincoln requested that change because original language excluded rural Alaska.

CHAIRMAN THERRIAULT asked whether there were any other issues brought up that were not addressed.

MR. WARWICK replied all issues were addressed.

There was no further testimony.

CHAIRMAN THERRIAULT said he had no prepared CS and members offered no amendments. There were two fiscal notes. He asked for the will of the committee.

SENATOR PHILLIPS made a motion to move SB 312 and accompanying fiscal notes from committee with individual recommendations. There being on objection, it was so ordered.

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#HB 165

HB 165-KENAI RIVER SPECIAL MANAGEMENT AREA

CHAIRMAN THERRIAULT asked Representative Lancaster whether he had gotten together with Senator Halford because he had concerns he wanted to address, but he was unable to attend the meeting. He noted Senator Halford is on the Resources Committee, which is the next committee of referral. There was a proposed CS that reduces the acreage.

CHAIRMAN THERRIAULT asked whether the CS triggered a change in the fiscal notes.

REPRESENTATIVE KEN LANCASTER, bill sponsor, replied there was no fiscal note he was aware of. [Zero fiscal notes.]

SENATOR PHILLIPS asked whether all the legal descriptions were correct to the best of his knowledge.

REPRESENTATIVE LANCASTER replied all the descriptions were checked and checked again.

CHAIRMAN THERRIAULT said they had the \J proposed CS and needed to adopt it as the working document.

SENATOR PHILLIPS made a motion to move committee substitute \J 5/1/02 version of SCS CSHB 165(STA) as the working document. There being no objection, it was adopted as the working document.

SENATOR PHILLIPS made a motion to move SCS CSHB 165(STA) \J version dated 5/1/02 and attached fiscal notes from committee with individual recommendations.

There being no objection, it was so ordered.

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ADJOURNMENT

There being no further business before the committee, the Senate State Affairs Committee meeting was adjourned at 4:35 p.m.