

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

April 22, 2003

4:00 p.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator John Cowdery, Vice Chair
Senator Fred Dyson

MEMBERS ABSENT

Senator Gretchen Guess
Senator Lyman Hoffman

COMMITTEE CALENDAR

SENATE JOINT RESOLUTION NO. 16

Encouraging the federal government to end the federal subsidy of ethanol, and requesting the Congress of the United States to mandate that land currently used to grow corn for the production of ethanol be returned to its natural state.

MOVED SJR 16 OUT OF COMMITTEE

SENATE JOINT RESOLUTION NO. 17

Relating to the Alaska-Yukon Intergovernmental Relations Accord, to annual legislative exchanges, and to continuing intergovernmental work on matters of joint concern and mutual interest.

MOVED SJR 17 OUT OF COMMITTEE

SENATE BILL NO. 177

"An Act relating to cost-of-living benefits for retired members in the public employees' retirement system and the teachers' retirement system who are called to active military duty; and providing for an effective date."

MOVED SB 177 OUT OF COMMITTEE

PREVIOUS ACTION

SJR 16 - No previous action to record.
SJR 17 - No previous action to record.
SB 177 - No previous action to record.

WITNESS REGISTER

Senator Con Bunde
Alaska State Capitol, Room 506
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor SJR 16

Dave Gray
Staff to Senator Donny Olson
Alaska State Capitol, Room 510
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced SJR 17

Deborah Grundman
Staff to Senator Ben Stevens
Alaska State Capitol, Room 119
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced SB 177

Guy Bell
Division of Retirement & Benefits
Department of Administration
PO Box 110200
Juneau, AK 99811-0200
POSITION STATEMENT: Answered questions on SB 177

ACTION NARRATIVE

TAPE 03-21, SIDE A

CHAIR GARY STEVENS called the Senate State Affairs Standing Committee meeting to order at 4:00 p.m. Present were Senators Cowdery, Dyson and Chair Gary Stevens.

The first order of business was SJR 16.

SJR 16-END FEDERAL ETHANOL SUBSIDY

SENATOR CON BUNDE, sponsor of SJR 16, paraphrased from the sponsor statement:

Fifty-two U.S. Senators recently voted against the opening of ANWR to oil drilling, proclaiming that by doing so, they were saving wilderness and preserving wildlife.

During debate on Amendment 272, 'To prevent consideration of drilling the Arctic National Wildlife Refuge in SCR 23, the fast track budget

reconciliation,' many senators spoke on behalf of keeping the 1002 region in a state of 'pristine wilderness.'

For example, Mr. Durbin of Illinois said, 'The Arctic Refuge includes boreal forests, dramatic peaks, and tundra. It features a complete range of arctic and sub-arctic ecosystems, with an extraordinary assemblage of wildlife.' He declared, 'We have a responsibility in this generation to leave to the next generation the natural heritage that we were given.'

Illinois produces 766 million gallons of ethanol produced from corn, the most of all fifty states. I hope that he understands that this resolution would protect the next generation from ethanol subsidies.

The amendment's sponsor, Senator Barbara Boxer of California, explained her position this way. 'I say to my friends from Alaska, I hope they will understand the people in this country who support keeping this 5 percent of the North Slope in its pristine environment are doing so because we think it is good for the soul of this country, and we believe there are more jobs to be created through other means.'

However, I agree with Senator Lisa Murkowski, who said during the debate, 'But this thought process implies that... Alaskan residents, my constituents, the jobs they will get are carrying bags for these people when they come to visit as a tourist.'

Many of the senators who voted for Amendment 272 represent the top 20 ethanol-producing states in the nation. Some of the nation's most influential businesses profit greatly from the federal ethanol subsidy and do big business in those states. Those senators support industrial development in their states, to the detriment of their own wildlife and wild lands. Yet many in those and other states who supported keeping ANWR closed to development are ardent environmentalists - when it comes to someone else's state.

I also agree with Senator Murkowski when she said, 'It is demeaning and it is unfair to say that Massachusetts can keep its 20,000 petroleum-based

jobs; that New Jersey can keep its 27,000 petroleum-industry jobs; and New York can keep its 36,000 petroleum-industry jobs, while Alaska supposedly looks to other alternatives. Why is it okay for everybody else to do it, and yet in Alaska for some reason we are not responsible, we can't handle it, we don't do it right, we need to lock it up and preserve it because it is the last Serengeti?'

This resolution is meant to send a message to those U.S. Senators who support the environmentalists' viewpoint. They believe that saving 2,000 acres in Alaska is worth more than Alaskan jobs and Alaskans' right to develop our state in the manner we see fit.

SENATOR FRED DYSON made a motion to move SJR 16 from committee with individual recommendations. There being no objection, it was so ordered.

SJR 17-ALASKA-YUKON INTERGOV RELATIONS ACCORD

DAVE GRAY, Staff to Senator Donny Olson, paraphrased from the sponsor statement:

SJR 17 is a resolution supporting the extension of the Alaska-Yukon Intergovernmental Relations Accord. This accord is set to expire on September 8, 2003.

The State of Alaska and the Yukon Territory of Canada share not only a long common border but also a connected history of resource development and pre-contact ethnography. In the past, Alaska and the Yukon Territory have enjoyed mutual prosperity from joint efforts in mineral exploration and development. We co-manage important fish and game resources that trans-migrate our boundaries.

With the pending gas pipeline and other matters of potential resource use, exploration and development, it is essential for Alaska and the Yukon Territory to work cooperatively together for the wise use and benefit of our bountiful resources.

This year I attended the annual legislative exchange with our Yukon colleagues in Whitehorse. The meetings and discussions that ensued underscore the importance of continuing the Alaska-Yukon Intergovernmental

Relations Accord for our future economic growth and well being.

SENATOR JOHN COWDERY asked if, in addition to the gas line, there were cross border dealings on major products.

MR. GRAY replied Skagway is viewed as a saltwater port for the mineral development and transport in the Yukon and Whitehorse uses Skagway as a tourism resource.

SENATOR FRED DYSON stated Yukon companies would like to sell lumber across the border.

He made a motion to move SJR 17 from committee with individual recommendations. There being no objection, it was so ordered.

SB 177-PERS/TRS COLA FOR ACTIVE DUTY MILITARY

DEBORAH GRUNDMAN, Staff to Senator Ben Stevens, paraphrased from the sponsor statement:

An Alaska cost of living allowance is payable to benefit recipients of the public employees' and teachers' retirement system who remain domiciled in Alaska after retirement. The allowance is 10 percent of their base pay. A person receiving a COLA is not entitled to the allowance if absent from the state for a time period in excess of 90 continuous days, except that a person may be absent from the state for not more than six months without a loss of COLA if the absence is the result of illness and required by order of a licensed physician.

Upon return to the state and upon notification to the Department of Administration the person is again entitled to receive the monthly cost of living allowance, commencing with the first monthly benefit payment.

Our retired public employees currently receiving COLA in the State and who are called to active duty in the military would not be eligible for the COLA payment while serving our country, under existing statute. SB 177 rectifies this situation and allows retired public employees eligible to continue to receive their COLA while on active military duty.

SENATOR JOHN COWDERY asked how many people would be affected.

MS. GRUNDMAN replied there wouldn't be more than ten.

GUY BELL, Director of Retirement and Benefits, advised they submitted a zero fiscal note. The pool is limited to those who have retired from PERS or TRS and who are in the military reserve. Currently ten people could be affected and that's probably an accurate number going forward. It's an equity issue and the department supports the legislation.

SENATOR JOHN COWDERY made a motion to move SB 177 from committee with individual recommendations and attached fiscal note. There being no objection, it was so ordered.

There being no further business to come before the committee, Chair Gary Stevens adjourned the meeting at 4:15 p.m.