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Address by

The Honorable Ted Stevens

United States Senator

Before a Joint Session

of the

Second Session of the

Twenty-Fourth Alaska State Legislature

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March 22, 2006

Juneau, Alaska

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**Address to the Alaska State Legislature
March 22, 2006
Juneau, Alaska
By Senator Ted Stevens**

President Stevens and Elizabeth, Speaker Harris, members of the House and Senate, thanks for the invitation to appear before you. It's nice to be home with friends.

This will be the first time in 37 years I depart from my tradition of delivering a lengthy speech at this annual meeting. Instead, this will be a dialogue with you about vital issues we – as Alaska's elected representatives – should address to fulfill the promise of our state. I'll try to be concise in this report because I want to respond to all of your questions and comments.

Alaska now faces challenges even greater than those we faced in the fight for statehood. Fifty years ago, I served as legislative counsel to Secretary of Interior Fred Seaton, a position which enabled me to participate in that fight. I got that job because of our statehood strategy. Bill Snedden, the publisher of the *Fairbanks Daily News-Miner*, knew Fred well and asked him to take me on as an assistant.

Our statehood strategy was developed by people like Bill Snedden, Bob Atwood, Ernest Gruening, Bill Egan, Bob Bartlett, and others – people with vision, leadership, and a plan. They were willing to dedicate their time and energy to our cause. They were conscious of the incentives that would lead to statehood and foster economic growth. And, we worked together without regard for politics.

Our state leaders have a long history of reaching out to Congress and the Lower 48. Those who fought for statehood were the opinion leaders of their day – they educated Americans about the benefits statehood would provide. I remember Bill Snedden talking to Henry Luce, editor of Time Magazine; Bob Atwood speaking with Randolph Hearst; and in later years, Red Boucher, then-Lieutenant Governor of our state, traveling from state legislature to state legislature during the 7-year battle over Alaska's lands.

This is now the 25th year of the battle over ANWR. We need people like Snedden, Atwood, and Boucher – Alaskans who are willing to speak with the press – and others – and make our case heard. Unfortunately, there are no publishers like Snedden and Atwood – willing to be advocates, not critics.

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It is difficult to get federal support because of our image in Washington. Many see our projected \$1.4 billion annual surplus plus \$34 billion in the Permanent Fund, and with the increasing price of electricity, gasoline, and heating oil, ask: Why send federal money to Alaska when they're not willing to spend their own funds?

It was this feeling that prompted the attack by Senator Coburn on our funding in the highway bill. It was this feeling that fueled the media coverage of his attack. These people do not understand our state, our challenges, and our opportunities. They believe we get too much federal aid. This creates difficult problems for Lisa, Don, and me in Washington.

Our state's future economic potential is extraordinary. The list of possibilities is staggering. We have two-thirds of the Outer Continental Shelf of the United States, a great portion of which is reported to hold significant oil and gas reserves.

We have an enormous potential in gas hydrates. An estimated 32,000 trillion cubic feet of gas hydrates lie under our state's permafrost. Between 40 and 100 trillion cubic feet are beneath the oil and gas infrastructure which already exists on our North Slope.

We have half of the coal in the United States.

The question is: Can we convince Congress to invest in coal gasification projects and the commercialization of gas hydrates and share OCS revenues? The answer is: Without state investment in these projects, probably not.

We have the gas pipeline, ANWR, and NPR-A. All involve great potential future state income. All have strong opponents.

We must proceed carefully because most of these opportunities involve federal land. Congress has a role in each of these possibilities. We want and need support in Congress. And, we compete with many areas of the world for private investment to develop our tremendous opportunities.

Industry and those in Congress must understand how Alaskans feel about all of this future development. There must be a favorable climate for investment. What happens in this Legislature is extremely important – it greatly impacts future investment decisions and our support in Washington.

It is a difficult period for our federal government. Engaged in a worldwide War on Terror, our nation has 2.6 million men and women in uniform in 146

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countries, including our own – all actively working to defeat terrorism. In my judgment, what our U.S. military accomplishes in the war against terror will determine the future of civilization. This is a war the world cannot afford to lose. And until it is over, the fiscal climate in Washington is going to be strained because our priority must be to provide our troops with the equipment and resources they need.

Our increasing national debt – now over \$8 trillion – is a constraint on federal spending. Since Fiscal Year 2001, the interest expense alone has totaled nearly \$1.5 trillion. There are great concerns about the impact this will have on future economic growth in our nation.

And, the debate over congressional earmarks is still on-going. Without question, there will be real changes in the way Congress appropriates federal funds.

If the initiatives here in Alaska which began as federal earmarks are to continue, state matching funds will be needed. Many federal grants and programs are based on the extent to which a state demonstrates support by committing state funds. Going forward, we must work together to demonstrate Alaskan support for expanding economic development. For instance, our state has not provided the Denali Commission with any financial support.

The future of our state will depend on our ability to strengthen our partnership with the federal government. Avian flu is a good example of a challenge that demands federal and state cooperation. Our state is a central hub for trans-Pacific migratory birds and international travel. Alaska is the most likely entry point for avian flu in the United States. Residents of some of our Native villages harvest these birds and their eggs for subsistence purposes. State and federal resources will be needed to adequately prepare for this threat.

The Secretaries of Health and Human Services, Interior, and Agriculture unveiled a nationwide early detection plan two days ago. I will meet with Cabinet Secretaries Leavitt, Norton, and Johanns when I return to DC to discuss how their plan affects our state. I have also urged federal agencies to open labs in Alaska capable of performing rapid testing of these birds.

On the state level, Alaskans need to be educated about how to handle these birds, especially those who will come in contact with them as part of subsistence activities. I commend the State of Alaska Division of Public Health for their draft response plan, which outlines the actions which must be taken to prepare for a pandemic.

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Efforts are now underway at the Department of Health and Human Services to convene a pandemic flu summit right here in our state in April. Over 400 people will be asked to participate in this summit. I urge you to determine which activities the state should handle and which activities will require federal resources. The draft response plan points us in the right direction, and it is my hope you will help figure out how to execute this plan and report your findings at the summit in April.

I am wary of giving advice. When tempted, I remember the story about a school paper written by a young girl on the life of Socrates:

"Socrates," she wrote, "was the Greek philosopher who went around giving people advice. They poisoned him."

Nevertheless, Alaska needs a plan – a roadmap for the future – and all of us should work together. The plan, the incentives, the vision must be Alaskan – all must come from the people of our state. No one else should determine our future for us.

As it was in the days when we fought for statehood, it is up to each of us here to be able to explain and defend Alaska's plan. Our state's opinion leaders must be a force in history. In territorial days, men like Bill Snedden, Bill Egan, and Bob Atwood demonstrated to the rest of our country what it meant to be "Alaskan." Your challenge is to become the next generation of great leaders.

The decade ahead will be the proving ground for Alaska's promise and ingenuity. We can only realize our potential with strong leadership and a favorable climate for investment. It is up to you to lead the way "North to the Future."

Please report corrections to the Chief Clerk's office.