

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

January 31, 2012

9:01 a.m.

MEMBERS PRESENT

Senator Bill Wielechowski, Chair
Senator Joe Paskvan, Vice Chair
Senator Albert Kookesh
Senator Kevin Meyer
Senator Cathy Giessel

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 136

"An Act providing a tax credit for employing an Alaska veteran that may be taken against a liability for the tax on corporation income; and providing for an effective date."

- MOVED CSSB 136(STA) OUT OF COMMITTEE

SENATE BILL NO. 131

"An Act relating to certain investments of the Alaska permanent fund, the state's retirement systems, the State of Alaska Supplemental Annuity Plan, and the deferred compensation program for state employees in certain companies that do business in Iran, and restricting those investments; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 130

"An Act establishing in the Office of the Governor an advisory council for the preservation, restoration, and revitalization of Alaska Native languages."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 136

SHORT TITLE: INCOME TAX CREDIT FOR EMPLOYING A VETERAN

SPONSOR(s): SENATOR(s) WIELECHOWSKI

01/17/12 (S) PREFILE RELEASED 1/6/12
01/17/12 (S) READ THE FIRST TIME - REFERRALS
01/17/12 (S) STA, FIN
01/24/12 (S) STA AT 9:00 AM BUTROVICH 205
01/24/12 (S) Scheduled But Not Heard
01/26/12 (S) STA AT 9:00 AM BUTROVICH 205
01/26/12 (S) Heard & Held
01/26/12 (S) MINUTE(STA)
01/31/12 (S) STA AT 9:00 AM BUTROVICH 205

BILL: SB 131

SHORT TITLE: DIVEST INVESTMENTS IN IRAN

SPONSOR(s): STATE AFFAIRS BY REQUEST

04/16/11 (S) READ THE FIRST TIME - REFERRALS
04/16/11 (S) STA, FIN
01/31/12 (S) STA AT 9:00 AM BUTROVICH 205

BILL: SB 130

SHORT TITLE: ALASKA NATIVE LANGUAGE COUNCIL

SPONSOR(s): OLSON

04/15/11 (S) READ THE FIRST TIME - REFERRALS
04/15/11 (S) STA, FIN
01/24/12 (S) STA AT 9:00 AM BUTROVICH 205
01/24/12 (S) Scheduled But Not Heard
01/31/12 (S) STA AT 9:00 AM BUTROVICH 205

WITNESS REGISTER

SAM GOTTSSTEIN, Staff
Senator Bill Wielchowski
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 131 on behalf of the Senate State Affairs Standing Committee.

ANGELA RODELL, Deputy Commissioner
Department of Revenue
Juneau, Alaska

POSITION STATEMENT: Answered questions related to SB 131.

AKIVA TOR, Israel Council General
Pacific Northwest
San Francisco, California

POSITION STATEMENT: Spoke in favor of SB 131.

MICHAEL MAKOVSKY, Foreign Policy Director
Bi-Partisan Policy Center
Washington, D.C

POSITION STATEMENT: Testified in support of SB 131.

DAVID GOTTSTEIN, speaking on his own behalf
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 131.

DAVID SCOTT, Staff
Senator Donny Olson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified on SB 130 on behalf of the sponsor.

LOREN PETERSON, Staff
Senator Donny Olson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced SB 131 on behalf of the sponsor.

SCOTT RUBY, Director
Division of Community and Regional Affairs
Department of Commerce, Community and Economic Development
(DCCED)
Anchorage, Alaska.

POSITION STATEMENT: Answered questions related to SB 131.

JOY HUNTINGTON, Member
Tanana Chiefs Conference
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 130.

ANNETTE EVANS-SMITH
Alaska Native Heritage Center
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 130.

JON ROSS, President
Tsiltan Management Group
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 130.

LAWRENCE KAPLAN, Director

Alaska Native Language Center (ANLC)
University of Alaska, Fairbanks
POSITION STATEMENT: Spoke in support of SB 131.

ROSITA WORL, PHD., President
Sealaska Heritage and
Member
Indigenous Languages Institute Board
Juneau, Alaska
POSITION STATEMENT: Spoke in support of SB 130.

ALICE TAFF, representing herself
Juneau, Alaska
POSITION STATEMENT: Testified in support of SB 130.

PATRICK ANDERSON, Executive Director
Chugachmiut
Anchorage, Alaska
POSITION STATEMENT: Testified in support of SB 130.

SELENA EVERSON, Elder
Juneau, Alaska
POSITION STATEMENT: Testified in support of SB 130.

ACTION NARRATIVE

[9:01:28 AM](#)

CHAIR BILL WIELECHOWSKI called the Senate State Affairs Standing Committee meeting to order at 9:01 a.m. Present at the call to order were Senators Giessel, Meyer, Paskvan, Kookesh, and Chair Wielechowski.

SB 136-INCOME TAX CREDIT FOR EMPLOYING A VETERAN

[9:03:10 AM](#)

CHAIR WIELECHOWSKI, speaking as sponsor, announced the consideration of SB 136. The bill would provide a \$2,000 credit for each veteran a business hires who works at least 30 hours a week for 12 months. The purpose is to help those veterans who are struggling to find employment after their service to our nation. Young male veterans between the ages of 18-24 face particularly high unemployment rates - almost 22 percent. Previous testimony in support of the bill was from the Anchorage Chapter of the Vietnam Veterans of America, Vets Helping Vets in Anchorage, and from the Alaska Veterans Organization for Women. The committee amended the bill last week to clarify that the

credit is not limited to Alaskan veterans per se, as that would create legal problems, but to all veterans hired in Alaska.

SENATOR PASKVAN moved to report the CS for SB 136, version I, as amended, from committee with individual recommendations and the attached fiscal note.

CHAIR WIELECHOWSKI announced that that without objection, CSSB 136(STA) moved from the Senate State Affairs Standing Committee.

SB 131-DIVEST INVESTMENTS IN IRAN

[9:04:13 AM](#)

CHAIR WIELECHOWSKI, as chair of the Senate State Affairs Standing Committee, sponsor of SB 131, introduced the bill. The bill would help ensure that Alaska does not inadvertently support the current Iranian regime by investing in companies that do more than \$20 million of business in Iranian oil and gas fields. Iran has been listed as a "State Sponsor of Terrorism" by the U.S. State department since 1984 and is under international sanction. The current regime has been charged with supporting Iraqi insurgents targeting U.S. soldiers. He said that many Alaskans, himself included, believe that Alaska should not directly or indirectly help to finance a regime which is targeting our troops. A legitimate question can be raised about whether Alaska should be in the business of social investing. Each case must be evaluated separately and decided upon based on the specific facts. He emphasized drawing the line at financing regimes that seek to kill Americans.

SAM GOTTSTEIN, staff to Senator Bill Wielchowski, presented SB 131 on behalf of the Senate State Affairs Standing Committee. He related that SB 131, as currently drafted, is the same as HB 241 from the 26th legislature and identical to HB 2 and HB 241 in the current legislative session. He emphasized that the Iranian regime is a threat to national security and Alaska, by not having a divestment policy in place, is in the position of financing America's enemies. He highlighted recent developments which show that Iran is a threat to America's way of life. Since 1984 the United States has listed Iran as a "State Sponsor of Terrorism." He recalled the history of Iran as a terrorist nation. The Iranian regime is under strong international sanctions. Most recently, the United States Treasury announced sanctions against Iran's National Bank. The European Union has banned the purchase of Iranian oil and gas. Iran continues to work toward developing nuclear weapon capabilities and has a long history of human rights violations. He noted that there is

strong bi-partisan support for this legislation. A recent 100 to zero vote in the U.S. Senate to increase sanctions against Iran highlights the bi-partisan support.

9:07:51 AM

MR. GOTTSTEIN continued to explain how some foreign companies still invest in Iran because of its oil resources. SB 131 would not only make sure that Alaska does not invest in foreign companies that help line the pockets of the Iranian regime, but it would also help to weaken that regime. The intent of the legislation is to bring Alaska in line with America's foreign policy.

MR. GOTTSTEIN explained how SB 131 works. The Department of Revenue would compile a list of companies who have invested an aggregate of \$20 million or more in Iranian oil and gas development. Once the list is compiled, companies on the list will have 90 days to justify the investment. If a company fails to do so, the Department of Revenue will ask the state's fund managers, including the Permanent Fund, to liquidate assets of that company within 90 days. He stressed that Alaska should divest from Iran now for several reasons. Federal legislation alone cannot solve the problem because the federal government cannot tell states what they can or cannot invest in.

MR. GOTTSTEIN pointed out that over 20 states already have divested themselves from Iran. He referred to a news article in the members' packets about New York's legislation regarding divestment. The legislation has both national and international support.

9:11:37 AM

MR. GOTTSTEIN dispelled several misconceptions about SB 131. He said no North Slope operators would be considered for divestment, including new operators. There will be no changes to Alaska's oil and gas incentives on the North Slope; SB 131 would affect only foreign companies. He referred to a list of those foreign companies in members' packets. He reported that about one-tenth of 1 percent of Alaska's holdings, approximately \$79 million, would be subject to divestment under this legislation. He noted that the Alaska Permanent Fund Corporation has a zero fiscal note for the bill.

MR. GOTTSTEIN referred to written testimony from Mr. Andrew Davenport in members' packets. Mr. Davenport, who has over a decade of experience in risk management and divestment policies, noted that there is broad, bi-partisan support for this

divestment policy. He said that SB 131 is a "highly conservative policy," and would "target an especially elite category of worst offenders."

[9:14:14 AM](#)

CHAIR WIELECHOWSKI requested the administration to testify.

ANGELA RODELL, Deputy Commissioner, Department of Revenue, offered to answer questions related to SB 131.

SENATOR PASKVAN asked if the department has a position on SB 131.

MS. RODELL agreed with Senator Wielechowski that these situations should be evaluated on a case-by-case basis. She added that the legislation would not cost the state any money because it does not invest in companies that do business in Iran.

SENATOR PASKVAN asked for clarification if the department supports the bill.

MS. RODELL replied that the department supports the bill as it is currently written.

SENATOR MEYER inquired about the impact of the bill on the Permanent Fund.

MS. RODELL said she could not speak for the Alaska Permanent Fund Corporation. She reiterated her belief that investments should be evaluated on a case-by-case basis.

SENATOR MEYER questioned how far to go with these protests.

MS. RODELL shared the concern about where to draw the line. She said each case should be reviewed and taken up independently.

[9:17:38 AM](#)

SENATOR PASKVAN questioned the phrase "taken up independently".

MS. RODELL explained her reasoning that it was not a global decision on global investing, but rather a specific issue of not investing in Iran.

[9:18:39 AM](#)

AKIVA TOR, Israel Council General, Pacific Northwest, San Francisco, California, spoke in favor of SB 131. He said the

prevention of the Islamic Republic of Iran from achieving nuclear weapons is a vital security issue, not only for the state of Israel, but for the United States and the entire West. Investments in Iran cannot be safe. He stressed that it was the right thing and the fiscally wise thing to do. He concluded that the legislation is a message to Iran and is significant, moral, wise, prudent, and commendable.

9:21:05 AM

MICHAEL MAKOVSKY, Foreign Policy Director, Bi-Partisan Policy Center, Washington, D.C, testified in support of SB 131. He maintained that the threat of a nuclear Iran is a national security threat. He thought the legislation was in the best interest of the United States and was a bi-partisan issue. He listed reasons why Iran was a threat. He called on Alaska to join many other states in supporting the legislation.

9:25:03 AM

DAVID GOTTSTEIN, Anchorage, Alaska, testified on his own behalf in support of SB 131. He strongly suggested setting a precedent to help U.S. military by passing this legislation. He said that federal legislation has granted a waiver from the "prudent investor rule." He agreed with the Council General that by being in a position of having investments in an enemy state that is vulnerable to military action would expose investments there. Trustees are in favor of this action. This request is very different because it has to do with national security.

MR. GOTTSTEIN spoke of investments on the North Slope and the state's wish to not profit by investments in Iran.

CHAIR WIELECHOWSKI asked if there was a link between Iran's funding of organizations that are harming American soldiers and oil money.

MR. GOTTSTEIN reported that Iran has been a prime manufacturer of improvised explosive devices, and most of the deaths of U.S. soldiers in Iraq from explosive devices were from those manufactured in Iran. He stated that the U.S. is at war against Iran. He concluded that SB 131 is an opportunity for Alaska to prevent Iran from developing a nuclear weapon.

CHAIR WIELECHOWSKI noted two fiscal notes; an indeterminate fiscal note from the Department of Revenue and a zero fiscal note from the Alaska Permanent Fund Corporation, Department of Revenue.

[9:30:44 AM](#)

SENATOR MEYER commented on the importance of becoming less reliant on foreign oil. He named several floundering attempts at domestic oil development.

SENATOR WIELECHOWSKI said 3.6 million barrels of oil are imported from Iran.

SB 131 was held in committee.

SB 130-ALASKA NATIVE LANGUAGE COUNCIL

[9:32:52 AM](#)

CHAIR WIELECHOWSKI announced that the CS for SB 130, version X, was before the committee. It would establish an Alaska Native Language Preservation and Advisory Council and was introduced by Senator Donny Olson.

SENATOR PASKVAN moved to adopt the CS for SB 130, labeled 27-LS0779\X, as the working document before the committee.

SENATOR WIELECHOWSKI objected for discussion purposes.

[9:34:00 AM](#)

DAVID SCOTT, staff, Senator Donny Olson, testified on SB 130 on behalf of the sponsor.

LOREN PETERSON, staff, Senator Donny Olson, introduced SB 131 on behalf of the sponsor. He said that Senator Olson's office received a resolution from the Northwest Arctic Borough supporting the formation of an Alaska Native Language Commission at the state level. The intent of the bill is to preserve, maintain and restore Alaska Native languages, which serve as the cultural foundation of all cultural elements. He spoke of the disappearance of the Eyak tribe's language with the loss of the last native speaker. SB 131 would establish an Alaska Native Language Preservation and Advisory Council, which would assess statewide language policy and programs with a mission to seek the most cost-effective programs.

MR. PETERSON addressed the changes in Version X. In Section 1, the words "are the foundation of cultures" were added to the legislative findings.

In Section 2, the name of the proposed council was changed to "Alaska Native Language Preservation and Advisory Council." The

council was established in the Department of Commerce, Community and Economic Development (DCCED), instead of in the Governor's Office. Wording was changed to say that the council advises the governor and the legislature. It was established that the council meets at least twice a year and prepares a report to the legislature by January 1 of each even numbered year. Finally, it was established that the two non-voting legislative members of the council will come from the Bush Caucus.

In Section 3, it was established that the governor must appoint members of the council by December 1, 2012, and the first report would be due by July 1, 2014.

MR. SCOTT offered to answer questions. He said there is evidence that Alaska Native Languages are dying. This legislation is an attempt to mitigate that situation.

9:39:23 AM

SCOTT RUBY, Director, Division of Community and Regional Affairs, Department of Commerce, Community and Economic Development (DCCED), offered to answer questions related to SB 130.

SENATOR PASKVAN asked if the department supports the bill.

MR. RUBY said that the department supports the bill, as written.

SENATOR WIELECHOWSKI requested an explanation of the fiscal note.

MR. RUBY reported that there is currently a fiscal note from the Governor's Office, and one will be forthcoming from DCCED for about \$240,200. He explained that the money would be used for personnel costs for staff to serve the commission and for the preparation of reports. He said it works better for staff to be assigned to commissions.

SENATOR WIELECHOWSKI said the fiscal note from the Office of the Governor's is for \$387,000 in the first year. He inquired if DCCED's fiscal note would be in addition to that one.

MR. RUBY explained that the new DCCED fiscal note would replace the Office of the Governor's fiscal note.

SENATOR WIELECHOWSKI concluded that the fiscal note would then be for \$240,000 instead of \$387,000.

MR. RUBY said it would be \$240,000 for first year and \$216,000 the following years.

[9:43:45 AM](#)

JOY HUNTINGTON, Tanana Chief Conference, Fairbanks, Alaska, testified in support of SB 130. She spoke of a personal story regarding her wish to learn the Athabascan language.

[9:46:09 AM](#)

ANNETTE EVANS-SMITH, Alaska Native Heritage Center, Anchorage, Alaska, testified in support of SB 130. She shared that she considers it her life's work to learn her Native language. She suggested taking pro-active action now to revitalize indigenous languages. She listed positive effects from knowing Native languages and stressed the benefits of this legislation.

[9:50:14 AM](#)

JON ROSS, President, Tsiltan Management Group, Anchorage, Alaska, testified in support of SB 130 and the creation of an Alaska Native Language Preservation and Advisory Council. He stressed the importance of passing this legislation. He thanked the sponsor.

[9:52:01 AM](#)

LAWRENCE KAPLAN, Director, Alaska Native Language Center (ANLC), University of Alaska, Fairbanks, spoke in support of SB 131. He described how the legislation would support his work and center. He shared information about the ANLC and how the legislation would support its goals.

[9:55:21 AM](#)

SENATOR GIESSEL asked how many staff members work at ANLC.

MR. KAPLAN said there were six staff members.

SENATOR GIESSEL inquired about the outcomes of the program since its beginnings in 1972.

MR. KAPLAN shared successes of about graduation rates and publications.

[9:56:57 AM](#)

ROSITA WORL, PHD., President, Sealaska Heritage, Member, Indigenous Languages Institute Board, Juneau, Alaska, spoke in support of SB 130. She noted in her native language her Tlingit names and how they relate to her social values and identity. She outlined the status of ANL's. She quoted a report to show how

the languages are endangered. She listed the various languages and their status. She recalled the history of revitalization of Native languages. She enclosed a report from Sealaska that outlines restoration programs. She discussed state and federal efforts to revitalize these languages.

10:02:14 AM

DR. WORL maintained that the study of ANL's is important and the documentation of Native language does not ensure restoration of those languages. Native organizations should be the eligible recipient of funds to revitalize ANL programs. She recommended that the legislation adopt interim methods to revitalize those languages that are most in danger. The effect of the legislation would send a powerful message. She suggested reasons for supporting SB 130. She addressed self-esteem issues related to pride of language. She stressed the importance of Native language programs in schools.

DR. WORL noted she would provide a study to support the need for restoration of Native languages. She continued to state the objectives to be achieved by this legislation. She gave a personal example of the advantage of having knowledge of indigenous language. She dedicated her testimony to the late Native, Bill Demmert. She recommended incorporating his name into the name of the council.

10:09:27 AM

SENATOR GIESSEL agreed that multi-lingual children have advanced brain development. She recalled the Alaska Native Language Center just mentioned and asked if Ms. Worl had benefitted from that program.

DR. WORL replied that she lobbied for the creation of the center and spoke highly of Dr. Krauss and his program at UAF. She said, however, that the study of language by itself does not lead to language restoration. She shared her community-based philosophy.

SENATOR GIESSEL asked if there would be interfacing between the potential Native Language Council and Dr. Krauss' program.

DR. WORL described the possible interaction between the two programs. She gave examples of the complexities of words. She stressed that restoration is a very different approach.

SENATOR GIESSEL asked what Dr. Worl's degree was in.

DR. WORL replied that she is an anthropologist with a PhD. from Harvard and a minor in social linguistics.

10:14:47 AM

ALICE TAFF, representing herself, testified in support of SB 130. She shared examples of Alaska natural resources, and included Native languages among them. She suggested that restoring language would reduce the suicide rate, diabetes, and alcoholism amongst Native people. She concluded that UNESCO states the right of students to learn their native language.

10:18:55 AM

PATRICK ANDERSON, Executive Director, Chugachmiut, Anchorage, Alaska, testified in support of SB 130. He shared his language history. He said that he has participated in revitalizing two languages, Hawaiian and Tlingit. He recalled problems in Chugiak with language restoration and the difficulty of receiving funding for programs. He described the historical trauma of his culture. He stated that the legislation would provide linkage between the State of Alaska and Native communities.

10:26:25 AM

SELENA EVERSON, elder, Juneau, Alaska, testified in support of SB 130. She recalled the history of her language and thanked the legislature for considering this important bill. She thanked Alice Taft, Dr. Worl, and all officials for their work.

10:29:51 AM

SENATOR KOOKESH stressed the historical importance of this legislation. He said this is the first time a program has been developed for the Alaska Native Community. He thought it would be a difficult road to get the legislation passed. He related that the program depends on many organizations working together, such as schools, tribes, and foundations that have bought into the idea of restoration. The State of Alaska has not committed to this program, unlike Hawaii which recognizes Hawaiian as its national language. This legislation is ground breaking because it would be the first step toward preserving Alaska Native languages.

10:33:12 AM

SENATOR PASKVAN shared his experience with the Athabascan culture while growing up in Interior Alaska. He related language preservation roles by family members. He said he believes that Native languages should not be relegated to history or legend. The bill is an extremely important process to preserve, honor, and encourage indigenous languages in Alaska.

SENATOR WIELECHOWSKI agreed that when the language dies, the culture dies.

SB 130 was held in committee.

[10:34:54 AM](#)

SENATOR WIELECHOWSKI adjourned the Senate State Affairs Standing Committee meeting at 10:34 am.