

**SENATE AND HOUSE
JOINT JOURNAL SUPPLEMENT**

March 4, 2013

Monday

No. 4

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Address by

The Honorable Mark Begich

United States Senator

Before a Joint Session

of the

First Session of the

Twenty-Eighth Alaska State Legislature

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March 4, 2013

Juneau, Alaska

The following was submitted for publication:

President Huggins, Speaker Chenault, members of the House and Senate and friends across Alaska, it's great to be back home. Over the weekend, I got to join thousands of Alaskans at the start of the Iditarod in downtown Anchorage. This Fur Rondy weekend is always a favorite of Alaskans and the "Last Great Race" is closely followed by fans across the country.

I was especially pleased to have a colleague up for the weekend, U.S. Senator Heidi Heitkamp of North Dakota. Senator Heitkamp is a plain spoken, pro-development, pro-gun-rights Democrat who will be an Alaska ally as we continue to forcefully push Alaska's agenda in Washington. For our small but strong Alaska delegation in Washington, building coalitions with senators of both parties has been the cornerstone that helped us achieve many successes for our state and nation the past few years.

Today I want to discuss how these successes have strengthened our economy. I also want to talk about the challenges we Alaskans face in the future, especially in preparing our young Alaskans for the increasingly competitive jobs of the new economy.

First, let me commend you in this chamber on the 100th anniversary of the Alaska Legislature. It's always good sport to poke fun at elected leaders at all levels, but the century-long history of the Alaska Legislature is one of considerable accomplishment. Back in 1913, the Territorial Legislature's first official act was granting women the right to vote. In 1945, Native leader Elizabeth Peratrovich delivered her stirring speech demanding equal rights for all, inspiring the Legislature to adopt landmark civil rights legislation two decades before Congress. And in the early 1960s, the Legislature implemented Alaska's transition from territory to statehood, guided by arguably the best state constitution ever written.

Given that legacy, the pressure is on you to follow in the footsteps of your predecessors to resolve the challenging issues facing Alaskans this year, like maximum return for development of our resources, affordable energy for our citizens and producing the best schools possible.

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Your federal delegation – Lisa, Don and I – is working together to help you achieve success. One subject on which I know there is universal agreement is Alaska's support for our military. Late last year, I was proud to welcome home many of the 9,000 soldiers from U.S. Army Alaska, who served so bravely in Afghanistan. These soldiers, and members of the 212th Rescue Squadron, earned national praise for their courageous service. Today, many Alaskans are still deployed in harm's way, including two of the children of your own Senate president, Senator Huggins.

Today I invited a distinguished veteran of another foreign American engagement to join us. Lifelong Alaskan Darrell Brown enlisted in the Navy in 1969 and did two tours in Vietnam on the USS Midway. Recently retired, Darrell now volunteers as a Tribal Veteran Representative for the VA, making sure his fellow vets from Iraq and Afghanistan receive the services and benefits they earned. Much of Darrell's extended family also has served our nation, including nephew Jarret, who did five tours of combat duty in Iraq and Afghanistan and was awarded the Silver Star for valor. Please join me in thanking Darrell, his family and all of Alaska's veterans and active duty military personnel for their service to our state and nation.

One of the biggest problems every Alaskan and every American faces today is out of control federal spending. Over the past decade, Washington has racked up trillions in borrowing from two wars, tax cuts and other unpaid-for spending. This unprecedented 16 trillion dollar national debt – nearly 46,000 dollars for every man, woman and child in America – is irresponsible and acts as an anchor to drag down our economy. That's why I strongly support federal spending cuts. I believe they start with members of Congress, which is why I refused a pay raise for senators. And it's why I cut my own office budget, returning nearly a million dollars to the Treasury.

Despite the enormity of the problem, I'm here to tell you that we're actually making some progress. Over the past two years, we've reduced the budget deficit by 2.4 trillion dollars, with more than three-fourths coming from spending cuts. This means that for the first time in five years, the deficit will be under one trillion dollars. That's half of what it was in 2009, at the depths of the national recession.

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Of course that's not enough. We must do much more to get federal spending under control. This past Friday, automatic budget cuts – known in Washingtonese as "sequestration" – kicked in. This means federal spending will be cut at a record rate of 109 billion dollars a year.

While I support budget cuts, hardly any member of Congress – me included – thinks that poorly thought out across-the-board cuts are smart. That's a lazy, dysfunctional approach to governing. But it's exactly where the stalemate in Washington has left us.

Every American, including Alaskans, will feel these cuts:

- Fewer federal education dollars for schools, special education and child care;
- Cuts to Coast Guard fisheries law enforcement;
- Reductions to Essential Air Service, which supports transportation to rural communities, and longer lines to get through airport security;
- Thousands of lost civilian and military jobs at our bases.

We should look for cuts program by program. I have advocated for more sensible cuts, such as saving 400 million dollars for an air defense system that doesn't work, eliminating unused orphan earmarks and selling off surplus government property.

In the Senate, my side of the aisle recently offered a proposal of 110 billion dollars' worth of targeted cuts and revenues, which would replace these automatic cuts but continue to reduce the deficit. Before that package was final, I successfully fought off an effort by some of my colleagues to end many tax incentives for oil and gas development. Hopefully, the pressure of these automatic budget cuts will force congressional negotiators back to the table for a more sensible solution before they send our economy back into a tailspin.

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With the federal budget the top national issue in coming years, I was able to secure a seat on the influential Senate Appropriations Committee to better guide future federal budgets. With Senator Murkowski also on the committee in the minority and me in the majority, Alaska couldn't be better positioned. We can cut the budget and make sure Alaska gets what we need to grow our economy and create jobs.

I know it's popular – especially in this building – to bemoan federal overreach and file a lawsuit a week against the latest perceived federal overstep. I've certainly participated in my own share of fed-bashing, when it gets results. For example, we finally got the Pentagon's attention on keeping Eielson Air Force Base operating after I stopped the promotion of a well-placed general. And it's no accident that after decades of frustration for Alaskans, oil and gas development in Alaska's Arctic waters was green-lighted after my election to the Senate.

Alaska's love-hate relationship with the federal government not only produces good campaign slogans, but many positive results for Alaskans. According to the University of Alaska's Institute of Economic and Social Research, federal spending supports a third of all jobs and household income in Alaska. And, according to Fox News, which I know gets regular viewing in this building, Alaska still receives the highest amount of federal dollars per resident of any state, by far.

In the state budget before you right now, one-fourth of next year's proposed operating expenses are covered by federal dollars. And your proposed capital projects budget is one-half federal. Alaskans need those dollars, so I'll keep standing up for Alaska and educating federal bureaucrats and members of Congress about our unique needs:

Holding off proposals to permanently lock up the Arctic National Wildlife Refuge;

Securing permits for mines like Kensington and Red Dog;

Fighting for basic rights to health and safety for our fellow Alaskans in King Cove; and

Protecting our Second Amendment rights.

Always the optimist, I believe the coming year is one of enormous opportunity for our state. We get to break in key new federal managers who hold enormous sway over Alaska's future: at Interior, Energy and Transportation. And in just the four years I've been in the Senate, nearly half of my colleagues have turned over, giving way to younger, reform-minded senators who know little of Alaska but are willing to listen. I've worked to capitalize on those trends, now chairing two subcommittees with jurisdiction over important Alaska issues: fisheries, Coast Guard, Arctic development and mitigation against climate change.

Alaska's economy has always been fueled by its considerable resource wealth – oil, gas, gold, timber, fish and unparalleled natural beauty. Yet while you continue to debate the right mix of industry taxes and production, there is a related issue that cannot be questioned at all: we need to do a better job preparing Alaskans for this pipeline of good paying jobs.

Today I want to focus on the importance of education – making Alaska's public schools, universities and vocational programs stronger and more viable. Let me underscore that I mentioned public schools. Our teachers and schools do a great job for our kids, but we always can do better. But it's completely unfair to squeeze funding to the point that public schools can't keep up with inflation – to do it year after year – and then blame the "failed school system" as an excuse to divert dollars elsewhere.

A good education is one of the long standing promises of our democracy. Schools must continue to be places of great opportunity where everyone regardless of their circumstances has a chance to learn and grow and prepare for a bright future. We all must make a commitment to funding. I am troubled by pending cuts in school districts all over Alaska. Any approach to budget balancing and fiscal discipline also must include a strong investment in education – at the federal, state and local levels.

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The formula for school success is not complicated. Kids need to start school healthy and ready to learn. They need strong teachers, principals and coaches to challenge them. They need counselors, other mentors, and of course, loving parents to prod them into the right careers. The choices should be many: college and university degree programs, apprenticeships, vocational schools, or short-term training programs that prepare students for good jobs right after high school.

As for the healthy start, Alaska already has proven models of success such as Head Start and Denali KidCare. You should keep these programs strong and viable. It's shameful that Alaska's eligibility level for children's health insurance is now the 49th worst in the country. When it comes to what happens in the classroom, you've heard me say this before: We must reform the flawed policies of *No Child Left Behind*.

The law is a poor fit for Alaska and we must end its cookie cutter approach. Yes, our students need a challenge. They must understand that our expectations of them will always be very high. But many of the top-down policies from Washington, D.C., just don't make sense in Kwethluk or Kotzebue or even some of our biggest schools in Anchorage. That's why I am pleased to see the state moving to take advantage of the waiver opportunity under *No Child Left Behind*.

The waiver is a step in the right direction, but we know there's more work to do. Let's make the law work for Alaska's children and families, not against them. When it comes to my legislation, I'll start at the start – with early education. So today in Washington I am introducing three early childhood bills. They will:

- Increase the child care tax credit so more parents can afford to enroll their kids in quality early childhood programs,
- Create a new student loan forgiveness program for graduates of early education programs – they aren't the highest paying jobs in the world and the idea is give young teachers an extra incentive, and
- Provide grant incentives to small and medium size companies offering child care on their premises or nearby.

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In addition, I strongly believe our educators need the flexibility to innovate. And when we find promising and successful local ideas, we should provide seed money. This is why I have just introduced the *Investing in Innovation Act*, which dedicates dollars to innovative education ideas in rural areas. If it can work in Alaska's schools, it can work anywhere.

I'm also focusing heavily on career readiness. As I travel around Alaska I see so many great examples of local job training programs, especially in our resource industries. Last year, I visited UAS's School of Career Education Technical Education Center where I managed not to run over anyone when they let me drive a mining equipment simulator. While there, I encountered bright young students eager for a job in Southeast's booming mining industry.

One of those students is a graduate of Juneau's Thunder Mountain High School. He went on to UAS and is now a diesel student in the partnership between the university and Hecla Mines. That student is Jack Clark and he's with us today. Jack is now in his second semester of an Associate's degree in Heavy Duty Diesel with an emphasis in Mine Mechanics. This summer he'll intern at Greens Creek Mine and chances are good that when he completes his program, a job will be waiting for him. Jack is exactly the type of young Alaskan we want to prepare for the great jobs in Alaska's future. Please help me recognize Jack Clark for his hard work and a bright future working here in Alaska.

Because of opportunities that can be made available to people like Jack, I have developed a career readiness package to make sure teachers, principals and counselors have the resources and facilities they need to guide students into good careers. Let's start with teachers. Today I am introducing a bill to make professional development more accessible for teachers and principals – particularly those focusing on science and Career Technology subjects.

Another bill in my package has a simple purpose: to help get shop classes back in schools and make sure our classrooms are modernized with the latest technology so kids can learn skills that will get them a

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good job. This bill provides funding and financing for schools and community colleges that are renovating space for science, technology, engineering, math and career-tech programs.

As for counselors, rather than cutting them we should be investing in them. I was glad to see the Anchorage School Board recently reinstate some counseling positions. Students need to be exposed to good career opportunities as early as middle school. They need to see early on how programs in high demand fields like STEM can pay off when they graduate. To achieve this, I have already introduced a bill to give school counselors the resources they need to emphasize all types of postsecondary education and career opportunities, not just four year degrees.

Speaking of STEM, I spent time this morning out at Auke Bay Elementary School, where I visited kids doing some amazing work in electrical engineering and law in conjunction with the Juneau Economic Development Council. The kids were given an electronic device to take apart to learn how it worked. Then they discussed the intellectual property rights and patent law that went into those electronic devices. Now they are designing their own, using integrated circuit components. Did I mention these are 4th and 5th graders? Their innovative teacher, Amy Jo Meiners, has been a Juneau elementary teacher for 24 years, and couldn't be more on the cutting edge of educational innovation. Amy Jo joins us today in the gallery – please join me in thanking her for her inspirational work with Alaska's children.

The goal of our education efforts is simple: whether it's the roust-about in Arctic oil fields, an engineer in Anchorage or a shipbuilder in Ketchikan, we want to make sure Alaska's graduates are ready for Alaska's jobs.

While on the subject of schools, let me address the tragedy in Newtown, Connecticut, two months ago. Every Alaskan was saddened by this terrible event and every Alaskan believes we should do more to keep our families and communities safe. Certainly there is no simple solution. But more restrictive gun laws will not prevent criminals from committing acts of violence.

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While most people with mental illness are not violent, we need to be vigilant when signs of trouble arise. I recently introduced a bill to provide training to teachers, police, EMTs and other members of the community to recognize the signs of mental illness and safely address crisis situations. I always have been – and always will be – a strong defender of our Second Amendment rights for law-abiding citizens.

In addition to making Alaska's schools the best they can be, we are taking other steps to prepare for the jobs of the future and improve Alaska's economy. I continue to work every day with Lisa and Don to push federal agencies to permit Alaska development projects.

I'm hopeful that after Shell's just-announced pause this year, it can be ready for the 2014 development season in Alaska's Arctic waters. Last year's development created more than 1,500 new jobs with the drilling program and hundreds more around our state supporting the program.

As Chair of the Oceans Subcommittee, I intend to hold an oversight hearing to review last year's efforts and determine the additional resources we need in the Arctic to accommodate resource development and increased ship traffic while protecting the subsistence resources on which the region's Native people depend. Meanwhile, ConocoPhillips is securing key permits to begin its work in 2014 and StatOil is moving ahead planning out its exploration. As production gets closer to reality, we'll continue to push so that Alaska receives its fair share of the revenues from offshore development, just as Gulf of Mexico states receive. My revenue sharing bill shares this money – up to 38 billion dollars – with all Alaskans, affected communities and tribal organizations.

As Arctic development picks up steam, most experts believe we must improve our port infrastructure in the Arctic. A system of deep-water Arctic ports across the region will expedite oil and gas development, expanding fishing and mining. These ports would help ensure the safety of growing trans-Arctic shipping and allow government agencies like the Coast Guard and NOAA to monitor and protect the Arctic. In a region where prices are sky high, a series of ports also would bring down prices for groceries and fuel in remote Arctic villages. That's why I introduced a bill last week to expedite Arctic

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port development. It streamlines environmental reviews for Arctic ports and creates a federal loan guarantee program similar to the one we have for the gasoline.

We know the private sector and private capital will result in the most efficient port development, and these days we can't count on Washington to foot the entire bill. So my legislation also encourages the federal government to engage in public-private partnerships to develop these ports. The state must play a significant role, so I encourage the Legislature to take up creation of a state Arctic Port Authority to work with the federal government and the private sector to facilitate development. I'd suggest this Authority be funded with up to two billion dollars in state funds to match three billion dollars in federal loan guarantees I have in my Arctic port bill. These state and federal funds would complement local, tribal and private equity and spur development of ports across the Alaskan Arctic. Thanks to Representative Bob Herron and Senator Lesil McGuire for their good work in advancing this important initiative.

Finally, my federal bill streamlines permitting to create a "one-stop shop" for Arctic port environmental review. I call on the state to do the same – by reauthorizing Alaska's Coastal Zone Management Program.

Seafood is another vital industry for Alaska. We lead the nation in the sustainable management of our wild fisheries and account for over half the seafood produced in the U.S. To protect that industry, I will continue to fight against genetically engineered salmon – what is otherwise known as Frankenfish – which is a threat to the environment and markets for wild salmon. I introduced legislation to ban its sale, require more data on the impacts caused by their escapes, and – at a minimum – be labeled in the market. When the FDA recently took the next step toward approval of Frankenfish, I led efforts to extend the public comment period and am now recruiting other senators to join me in opposing its ultimate approval. I thank the Alaska Legislature and the leadership of Representative Geran Tarr for joining in this fight with recent passage of your resolution opposing Frankenfish.

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Here in Southeast, the Forest Service is doing a public review of the Tongass Land Management Plan. Because so many people and communities rely on the Tongass for timber, mining, fish, recreation and tourism, we need to get the plan right. That's why I requested – and the Forest Service Chief just approved – an extension of the public comment period through the end of June. I urge you to make your views known.

To remain competitive in this new digital age, it's vital we make smart investments in technology infrastructure. Continued funding for the build-out of traditional and advanced telecommunication services in our remote regions is critical to keeping the entire state connected. My position in the Senate Commerce Committee has allowed me to bring FCC commissioners to Alaska to see first-hand how we have implemented broadband in our schools, libraries, health centers and small businesses. There's a lot more work to do here, but I'm making sure Alaska is not left behind.

We also cannot be left behind when it comes to boosting our small business community. Over the last year, I have hosted numerous small business town halls and forums listening to what Alaska entrepreneurs and business owners need to compete in our global economy. From those conversations, I have introduced several bills to help improve financing, marketing, and cut burdensome government regulation. In May, I will host another forum to help "vet-entrepreneurs" transition from being in the military to starting a business. I also am looking at legislation to recognize and include community service to help more veterans move into new careers.

Fortunately for all of us – and our constituents – this isn't an election year. But a growing number of Alaskans, myself included, are concerned about recent trends in our state making voting more difficult, especially for Alaska Natives and other minority groups. The current state administration has fought against Native language ballots and is seeking exemption from federal review of our elections law, which has been in place for nearly 40 years. This comes on the heels of a report naming Alaska one of 23 states with barriers impacting registration and voting by Hispanics.

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Now some of you are pushing a new voter ID law, which would make it harder to vote for many rural Alaskans who often don't have photo IDs or even home addresses in their villages. Two of my own staffers – bright, young Alaska Native women – have grandparents who vote in their villages but have never had photo IDs. And they don't need them now. Let's be honest: there's no rampant voter fraud in Alaska, so this effort appears to be chasing a problem where none exists. Just weeks after celebrating Elizabeth Peratrovich Day, we cannot return to an earlier era when Alaska Natives and others are turned away at the ballot box because of the language they speak or way of life they live.

Over these past four years, it has been a great honor serving Alaskans as your senator. Despite the challenges facing us, we have enormous opportunity on the horizon with unmatched natural resources and ambitious and innovative Alaskans poised to secure the future. We know that we Alaskans are up to the task.

Thank you, and may God bless Alaska and our nation.

Please report corrections to the Senate Secretary's office.