

**SENATE AND HOUSE
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Address by

The Honorable Lisa Murkowski

United States Senator

Before a Joint Session

of the

Second Session of the

Twenty-Eighth Alaska State Legislature

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Juneau, Alaska

The following was submitted for publication:

Mr. Speaker, President Huggins, Legislators, fellow Alaskans –

Thank you for welcoming me home this morning. This is the twelfth time I've appeared before you. It dawned on me, as it does you, that these addresses can sometimes sound alike. Like the figure skating competition in Sochi there seems to be a number of mandatory elements. So let me run quickly through them and then get to the more interactive part: the Q & A.

First on the menu and foremost on many of our minds is federal overreach and the challenges it presents to our ability to develop and maintain a thriving economy. We sought statehood because Washington was frustrating our hopes and dreams. As we reflect this week on the life and times of Territorial Governor Mike Stepovich, we are reminded that Washington does not give up control easily.

Mike said so himself about two decades into statehood. "The fundamentals don't change." By that, he meant that Alaska's rich potential will always be the reason we are engaged in a struggle over its control.

Today we arguably have more federal restriction than ever before. Implementation of the Roadless Rule in the Tongass is just the latest chapter in decades of federal insult to Southeast's economy, not only choking the last out of the timber industry, but also limiting our ability to build out our renewable energy resources. It's tough to build or maintain a transmission line if you can't build a road. We won the fight to build a bridge to CD5 in the National Petroleum Reserve, only to be told we couldn't have a road. The Izembek fight is all about a short connection road ... Are you sensing a theme here?

And of course we feel the restriction off our shores, too. The Interior Department sold leases in Alaska's Arctic waters but since then hasn't shown they actually want development to occur. That was six years ago – billions of dollars have been spent and we have yet to see an exploration well be fully drilled. We're counting on the same

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Department of Interior to fix the EIS for Chukchi Sea lease sale 193 and restore confidence that drilling can move forward in the Arctic. A new lease sale is scheduled to be offered for the Alaska Arctic in 2016. But really: Who is going to bid on it under the status quo?

With Pebble, the EPA is teed up to preemptively prohibit development of state lands too – not even waiting for the permit applications to be filed. Whether you support the project or oppose it, the decision belongs to Alaska – not the EPA – and it sets a dangerous precedent for future development here and across the country. Faced with all this pressure, the State must be aggressive in developing the lands where it still has a modicum of control. I am encouraged by this Legislature's willingness to offer oil and gas producers a tax regime that promotes investment. It is already demonstrating results in our economy. I know this was a tough vote but I admire your courage. This Legislature has taken serious steps to try and boost TAPS' throughput – it's long past time for the federal government to step up and do the same.

Overreach isn't limited to developing our natural resources, either – take for example the Affordable Care Act. We now know if you like your insurance you can't necessarily keep it. Or, you can – but it'll cost a lot more. The website launch was a failure. Affordable plans are not affordable. While more than 5,000 Alaskans have signed up for the exchange, that's about the same number as received letters late last year saying they had lost their healthcare. One problem rises after another like the game of whack-a-mole. And that explains why the administration keeps pushing off the effective date for the employer mandate.

Then there is the Second Amendment. A lot of Alaskans are rightfully concerned about further restrictions on guns and gun owners following the Sandy Hook and Aurora tragedies. I've spent long hours with families who have suffered. But placing new burdens on law abiding gun owners is not the answer. I am immovable on this and in 2013 so was the Senate. There is common ground on mental health issues and I will devote my energy to a preventive approach to stopping these tragic and senseless shootings.

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Then there are the little indignities as well. The veterinary clinic in Soldotna told by the EPA it would have to spend \$50,000 a year on emissions tests for its small cremation incinerator. The daycare provider who took a handful of preschoolers on a simple picnic field trip in Wrangell only to be cited with a \$350 fine by the Forest Service for not having a permit to "operate" her business in the Tongass. Overreach seems to be written into Washington's DNA, but we have to aggressively work through and around it.

So what do we do, then, when we're faced with a dysfunctional Congress? We've heard the adjectives and the descriptions: Cold, Dark. Testy. The lowest public confidence in history. It's all true. And the top-down institutional rules changes that are being imposed are only making it worse.

The President's mantra for 2014 is "I'm tired of working with Congress. I will go it alone." Not to be outdone, Harry Reid has made that strategy his own. He has decided that he doesn't want to deal with the Senate minority. So his majority largely ignores the committee process, even when it produces good bipartisan results. They've all but taken away our ability to offer amendments on the floor. We now have far less ability to modify bills, and virtually no opportunity to object to controversial nominees.

It may only be a matter of time before this Senate majority ends the right to filibuster legislation all together. Think about what that might mean for us trying to keep ANWR from permanent wilderness status. All of this undermines fundamental constitutional principles. The founding fathers structured the Senate to protect the rights of states with small populations like Alaska, by giving them equal representation and protecting minority rights. Unlike the House, the Senate historically gave Alaska the same voice as California and New York. These changes are not good for Alaska, they're not good for the Senate and they are not good for the country.

I was asked recently by a constituent how I can possibly deal with all the nonsense and frustration of DC and keep calm. The answer? I know who I work for – and it's every legislator in this room and our constituents in every corner of this state.

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My focus remains on getting things done for Alaska. Sometimes doing that means wearing many hats: Advocate, mediator, ambassador and quite frankly educator. At times the educator role is the most important.

Why education? Well, folks from Outside can tune into about a dozen reality shows each week and learn something about our 49th state. So it puzzled me that FEMA workers came to Alaska last summer believing that you can truck building supplies from the Home Depot in Anchorage to Galena. I don't doubt their hearts are in the right place. But we lost a good season of disaster recovery because they simply didn't understand the basic geography of our state.

We are all Ambassadors as we talk about the U.S. as an Arctic nation because of Alaska. Global interest in the Arctic is booming but the U.S. seems to be just waking up to the region's potential. The administration is starting to pay attention and say the right words, but words need to be backed by action. An Arctic Implementation Plan without funds to move it forward doesn't cut it. Taking the helm of the Arctic Council in 15 months means more than just event planning – it means carefully and intelligently advancing a vision into the future. Where the White House is falling short, the Alaska Legislature is leading. You're working on an infrastructure plan because this state and nation needs concrete steps forward. Next up: the President releases his 2015 budget in March. Then we will see whether the administration is ready to put its money where its mouth is.

I had my mediator hat fully on last October when I helped lead a group of Senators to end the government shutdown. Ending the brinkmanship responsible for a government shutdown is important for us all. Alaska is home to about 16,000 federal employees. One of them is Mike Griesbaum of Anchorage.

Mike works full time as a civilian technician for the Air National Guard. He ensures that the 176th Wing's search and rescue squadrons are mission-ready. Part time he's a Lieutenant Colonel flying the HC-130. It's important work.

None of that mattered when the furloughs and government shutdown kicked in. Since he was a full time federal civilian, General Katkus had to lay him off. That's right – they furloughed the search and rescue guy. They also furloughed National Guard Technicians supporting the air refueling wing at Eielson. The intended or unintended consequences of brinksmanship stretched from air to sea. Just ask the Bering Sea Crabbers who couldn't get their allocation paperwork processed to get their gear on the water on time this year. The shutdown had a ripple effect hitting millions until cooler heads prevailed to lift this nation out of the uncertainty and put us on a stronger, more certain path. I take great pride in having been a part of that bright moment on Capitol Hill.

So let's move on to some of the positive developments since I last visited with you. We all remember how in 2012 the Air Force announced it was pulling the F-16s out of Eielson. After a 20 month fight that talk came to an end last October. Working together, Team Alaska persuaded the Air Force to abandon its wrongheaded proposal. Not only would it have undercut our security posture in the Pacific, it would have been devastating for the Interior economy.

And it was truly a team effort. In the Senate Defense Appropriations Subcommittee I won amendments freezing the move until the Air Force could fully consider our arguments. Mayor Luke Hopkins and his fellow Interior Mayors launched a Tiger Team to drive our message home to senior Air Force leadership. The Alaska Legislature led by the Interior delegation and the Joint Armed Services Committee were champions.

There were a few other noteworthy issues in 2013 that merit a mention:

- 1) After years of the White House failing to fully fund Native health care efforts nationwide, I was able to work within the Interior Appropriations Committee to get the feds to live by the law and fulfill their trust responsibilities financially. This means better health outcomes for Alaska Natives, but also hundreds of jobs for medical professionals around the state.

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2) We built a bipartisan 'Coastal Coalition' of over 40 members of Congress, and now millions in fishery disaster funds are headed to Alaska to help communities impacted by the low 2012 Chinook run.

3) Whether you call them legacy wells or travesty wells, Alaska's going to have the funds for an aggressive clean-up as I was able to set aside \$50 million in a helium bill to help address this environmental crime.

Now to the next set of challenges. Bringing the new F-35 Joint Strike Fighter to Eielson. A new unmanned aerial vehicle mission for the Interior. Expanding our missile defense radars and the Fort Greely operation to meet new threats. We are all concerned with the news that Flint Hills will no longer be refining crude oil as of June 1st and what this could mean to the Pentagon's decision process about bringing the F-35s to Eielson. I know the community is still coming to terms with what the potential fallout could be, and worried about whether casting future investments in the Interior, the profitability of the railroad, the jet fuel supply for Fairbanks and Anchorage airports – or the jobs lost and the communities injured. I am working this as well and want to help where solutions can be offered on the federal side.

And then, of course, the ongoing challenge that continues to put human lives at risk: Interior Secretary Sally Jewell's decision to deny the King Cove road was heartless and wrong.

In 2009, we passed a historic omnibus lands bill. It authorized the Interior Department to transfer land in the Izembek Refuge for a 10-mile gravel, one-lane non-commercial use road. The day before Christmas Eve, Secretary Jewell called my cellphone to say that she was rejecting the road. I cannot tell you how furious that made me. And what's worse is that no one from Interior has lifted a finger to help the people of King Cove since that day.

The King Cove decision is emblematic as to how the federal government believes it has to protect Alaska from Alaskans. There is more at stake here than just a road. Every time the Coast Guard needs to brave the elements to attempt a medevac in King Cove, it's not just the patient's life at risk. It's also the lives of the helicopter crew. That happened last weekend.

I've been told to get over it – to get past it. Let me tell you – that is not going to happen. In addition to my role as a mediator, I can also be a hell-raiser. I hope that everyone in this room will partner with me to win that road and protect the health and safety of King Cove's residents.

Ernest Gruening said it best when he noted "many things have been done for us; even more things have been done to us, but very little have we been permitted to do by us." This is the quintessential challenge for Alaska today as it was in territorial days.

What Mike Stepovich started in Alaska and we've built in the past half century is pretty darn special, drawing attention worldwide. We realize: the world gets to experience Alaska in small doses. An hour of reality TV. A week on a cruise. A month in a motorhome. People are fascinated by the glimpses of Alaska that they see. But we're the lucky ones. We get to live here all year around.

And we are the ones who are best positioned to make this state a sustained and sustainable success story. By unlocking all of our state's possibilities responsibly for our children and the generations to come... and raising the standard of living in every corner of this state we all love.

That's my charge. And that's our challenge. It's also why I wake up every morning ready to fight for, be an ambassador for, and raise a little hell for Alaska.

I look forward to your questions.

Please report corrections to the Senate Secretary's office.