

**SENATE AND HOUSE
JOINT JOURNAL SUPPLEMENT**

February 19, 2019

Tuesday

No. 3

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Address by

The Honorable Lisa Murkowski

United States Senator

Before a Joint Session

of the

First Session of the

Thirty-First Alaska State Legislature

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February 19, 2019

Juneau, Alaska

The following was submitted for publication:

Madam President, Mr. Speaker, members of the House and Senate: thank you for the invitation to be here today and for your warm welcome.

It is always an honor to be with you. Especially in these chambers, where Alaskans have come together, generation after generation, to chart a path to a better, stronger, and more prosperous future.

When I served here over 16 years ago, my sons Nic and Matt were just young boys. Verne was running the pasta company. Today, Matt has taken over the family business and Nic is about to graduate from law school.

We have spent a lot of time talking with families recently. During the partial government shutdown, we met and held calls with dozens of federal employees, their spouses, and other Alaskans who were impacted.

The media focused on the number of federal workers who were furloughed or working without pay. But the effects of the shutdown were much broader.

The Yukon Quest was threatened until we were able to secure USDA approval for critical supplies. Captains of crabbers and trawlers were worried about whether they could go fishing or be stuck in port until we pushed for the inspections they needed. We worked with Senator Kiehl to ensure the school in Gustavus would continue to receive safe drinking water.

Yet, for every hurdle we helped overcome, there was a small business that couldn't get its loan processed, a project left waiting on a permit, and a local restaurant struggling to make up for lost business.

The shutdown was a reminder of the role the federal government plays in our state and in our communities. And, like the recent earthquake that continues to rattle Southcentral, it was a reminder that Alaskans always come together to rise to the occasion.

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Alaska's credit unions and banks stepped up to help families bridge the gaps. Air traffic controllers and TSA agents kept our skies safe and airplanes flying. Coast Guard families told me they were thankful to be stationed in our small coastal communities because they felt those communities supported them.

Whether you are Coast Guard, a federal agency employee, or a contractor, thank you for your service and for holding on during the shutdown. We averted another shutdown this past weekend, and I'm working with my colleagues to prevent this from ever happening again.

A shutdown is no way to govern. So yes, it's been a frustrating start to the year. (I think I'm in good company in saying that here.) But despite the frustration in Washington, we have seen a series of genuine successes for our state this year that are worthy of mention.

We passed major opioid legislation that assist community driven solutions like the Mat-Su Opioids Task Force's goal to support opioid withdrawal management.

We provide tools to address the opioid treatment workforce shortage in Alaska, expand treatment for substance use disorder programs, increase the use of telehealth programs, and help stop the flow of opioids and fentanyl through the mail.

We supported our troops through the biggest pay raise in nearly 10 years and passed significant legislation to provide our veterans with greater access to healthcare closer to their homes. We passed legislation to modernize our airports and enhance aviation safety. We made significant investments in safe drinking water improvements and advancements to facilitate hydropower – benefiting Terror Lake, Swan Lake, and Mahoney Lake.

For our fishermen, the delegation worked together to secure a permanent exemption for our fishing fleet from unnecessary discharge regulations. I want to thank Senator Sullivan, in particular, for his leadership on the Coast Guard reauthorization bill, which allowed this issue to finally be resolved.

Through my role on the Appropriations Committee, I've been able to steer NOAA's budget in a manner that supports Alaskan fisheries and sustains the scientific work needed to manage our resources properly, with maximum input from Alaskans. And I've made sure that legislative efforts to establish a federal permitting framework for aquaculture protect states' ability to have a say in what is happening just off our shores.

And then, just last Thursday, we passed omnibus legislation to fund agencies including NOAA, the Department of the Interior, USDA, and Transportation for the rest of the fiscal year. We included full funding for PILT and funds to tackle water and wastewater infrastructure, the housing crisis in rural Alaska, wildfire suppression and hazardous fuels mitigation, rural broadband, and other critical programs.

We also added \$900 million for BUILD grants, an infrastructure program that recently provided funding for the Nenana-Totchaket bridge we worked with Senator Coghill to secure. That development will open access to some 900,000 acres of agricultural, university, and state forest land.

Increasing access to Alaska's lands and waters for responsible development takes a concerted effort every day at the federal level. And we are seeing real results up north in our push to open new acreage in the National Petroleum Reserve and the Coastal Plain.

Experts are taking note. IHS Markit – the premier energy consultants – recently upgraded the North Slope to a “super basin” with production projected to grow by 40 percent over the next eight years. And just a few weeks ago, the Energy Information Administration reported that it now expects Alaska production to be 90 percent higher from 2031 to 2050 compared to last year's base forecast.

After years of concern about the Trans-Alaska Pipeline, we are turning a corner. And producing oil here in Alaska, for as long as our nation and the world demand it, will create jobs, generate revenues, and give us time to diversify our economy.

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Another area where we are working towards greater access is right here in the Tongass National Forest. Last year, the Department of Agriculture and the Forest Service initiated a state-specific Roadless Rule. We are pushing hard for a full exemption. This is important as this is our best chance to secure new opportunities for Southeast communities to grow and prosper. Whether for timber, renewable energy, mining or tourism. Access is key. Just as it is on our public lands at the federal level.

Just last week, the Senate passed my bipartisan lands package, which bundled together more than 120 land, water, conservation, and sportsmen's bills. That package is a reflection of years of regular order process. Dozens of hearings and business meetings. And it shows that when we reach for bipartisanship, we can achieve overwhelming consensus.

As you might expect, this lands package is filled with Alaska priorities. It provides routing flexibility for our proposed natural gas pipeline. It creates new economic opportunities for communities like Kake and Utqiagvik. And it includes a provision from Senator Sullivan that will finally uphold the promises made to Alaska Natives who served during the Vietnam War, but who never received the land allotments owed to them by the federal government.

My bill prioritizes access to public lands for hunting and fishing with policy that clearly states that federal land is open unless closed. And it has significant conservation measures including permanent reauthorization of the Land and Water Conservation Fund with reforms that strengthen the state-side program, which benefits Alaska's state park system.

The final Senate vote on our lands package was 92 to 8. And it's now over in the House of Representatives, where it's in good hands with the Dean of the House – Don Young – who has been taking care of business for Alaska on his side of Capitol Hill for more than forty years running.

As Chairman of the Energy and Natural Resources Committee, I'm also pushing to keep regulatory approval for our gasline project on track. And that means filling vacancies on the Federal Energy Regulatory Commission and ensuring there are sufficient personnel to process the State's massive application.

We're coordinating with the Department of Energy, FERC, and others to protect our nation's cybersecurity because we know our infrastructure is vulnerable and that everyone – even our Railbelt utilities – are high-value targets.

Another of my top priorities is to update and modernize our energy policies to promote innovation – an area where Alaska is already leading the way.

After years of careful cultivation and immense effort, the Department of Energy and the private sector are looking to Alaska as the place for innovation – whether in microgrids, renewables, advanced nuclear, or other technologies.

Just last month, we made significant progress on a potentially historic methane hydrate test well on the North Slope, for what we hope will be a groundbreaking demonstration. We have methane hydrates in almost unfathomable quantities – and our collaborative approach could take us to unprecedented levels of innovation.

We all know that too many Alaskans, especially in rural Alaska, continue to pay some of the highest energy prices in the country. And many of our rural communities are also on the front lines of climate change. Innovation will be a major factor in addressing both of those challenges.

This is an area where federal partnerships matter. That's how Stebbins and St. Michael are acquiring a new wind turbine. How Newtok is acquiring a heat recovery system. How the Unalakleet Native Corporation will upgrade their transmission lines and wind-diesel microgrid. How Nushagak is developing plans for a regional hydroelectric project. How in St. Mary's, the Alaska Village Electric Cooperative and its partners are teaming up to install a 900-kilowatt wind turbine and intertie to Mountain Village.

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These projects will make a real difference for local residents. The cost of electricity was 80 cents per kilowatt hour in Newtok last year before Power Cost Equalization. In St. Mary's, it was 50 cents per kilowatt. And in Mountain Village, heating oil was nearly \$7.00 per gallon—twice what the average American had to pay. So these projects mean not only cleaner energy, but also cheaper energy.

The innovation happening in our rural communities is drawing attention to the North and as more agencies see what is happening in Alaska it is bolstering our efforts in the Arctic. It's been a long journey, but we are finally seeing greater support for our efforts to ensure the U.S. fulfills its role as an Arctic nation and assert our national interests in the region.

We know we have a long way to go, but I want to thank this legislature for your advocacy and ask that you continue to push this issue with me.

The omnibus spending bill provides funding – \$655 million – to fully construct the first Polar Security Cutter and more to start a second. The Department of Defense has really stepped up to the plate on the issues surrounding the Arctic. And while I am eager to work with them, there is more to the Arctic than just the national security perspective.

We must not forget about the people of the Arctic.

Late last year we introduced several bills to reinvigorate America's approach to the Arctic, to bring indigenous voices to Arctic policy and to counterbalance Russia's increasing dominance over Arctic shipping. My legislation codifies the Arctic Executive Steering Committee to ensure the resources – and more importantly the personnel – are devoted to a working Arctic policy for our nation.

So I close my remarks by coming back to the people who make it all happen – I am reminded that the mantra during the Reagan administration was "Personnel is Policy."

Opening the 1002 Area wasn't just about passing a bill – it is now about the efforts of qualified and competent personnel to process permits and reflect what Alaskans expect from a responsible resource development project.

Tackling crime and the public safety crisis across rural and urban Alaska will take experienced public safety professionals at all levels together to find, implement, and deliver creative solutions.

As we remember the importance of personnel to policy, I want to acknowledge my own staff, several of whom are here today:

- Garrett Boyle, who grew up in places like Ouzinke and Seward, is my Legislative Director.
- John Crowther, of Anchorage, and formerly with the Governor's office in Washington and the Department of Natural Resources in Alaska, has joined my energy team as counsel for oil and gas policy.
- Annie Hoefler, also from Anchorage, who played a big role in the lands package, is also on my Energy Committee staff.
- Ann Robertson, from right here in Juneau, is my "fish girl" or more formally, my fisheries, maritime, and oceans advisor.
- And Dana Herndon, the newest member to the team, is our Juneau Delegation Representative and works for both myself and Senator Sullivan. As many of you here in Juneau know, Connie McKenzie retired at the end of last year following a long, successful career representing the Alaska delegation here locally.

My staff and I are here for every Alaskan, every day, no matter how great or small the issue may be.

Resolving challenges with Social Security, Medicare and Medicaid, and immigration services.

Pushing agencies to make timely decisions and prioritize permits.

Or simply working with the Postal Service to ensure bypass mail deliveries.

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Our success reflects the efforts of Alaskans – Alaskans like Martin B. Moore Sr. His tireless work secured a BUILD grant for the Lower Yukon Regional Port Project in Emmonak. His vision will deliver critical infrastructure that will have lasting economic impacts throughout the region – providing jobs and reducing transportation costs.

Alaska’s challenges are certainly great, but our opportunities are endless and the people of Alaska are our greatest resource.

I am honored to be able to work with you to support the efforts of all Alaskans as we break down barriers to access, chart new pathways for our future, and ensure a safer, stronger Alaska for our families.

Thank you.

Please report corrections to the Senate Secretary's office.