

ALASKA LEGISLATURE COMMITTEE FILES 1901 1902 1907 1908

2099 SSA HB 866 - HJR 46

2099

I am not going to discuss infrastructure today, suffice to say it is of equal importance to investment climate.

Alaskan mineral deposits are going to have to compete on a world-wide basis. Copper produced in Alaska is going to be sold at the same price as that produced in Western U.S., South America, or South Africa. Therefore, to be competitive, costs of production must be comparable. Fortunately, nature has given Alaska some high grade deposits, which will help keep them competitive, but Alaskan costs are high.

The investment tax credits proposed in House Bill 866 will help keep the cost of Alaskan mineral development competitive. It will allow investors to recoup their risk capital quicker, making the Alaskan investment more attractive. But more importantly, enactment of House Bill 866 will send a strong signal to outside investors that the State of Alaska is serious about developing its mineral industry by providing incentives for investment.

As I have stated in my letter, House Bill 866 should be considered an income producing bill. The immediate cost of enactment is very small, but potential impact on the Alaska's future economy is quite substantial. For a diversified economy in Alaska, I urge you to pass this bill.

SENATOR FISHER AND MEMBERS OF THE COMMITTEE

My name is Lance Anderson and I am Vice President of Finance for Cook Inlet Region, Inc.

Cook Inlet Region, Inc. supports passage of H.B. 866 because we believe:

First, that the bill will encourage additional investments into the State of Alaska's non oil and gas basic resource industries. By encouraging investment in those presently marginal industries through a temporary tax decrease the State is encouraging the private sector to accelerate the diversification of the State's economy and employment base.

Second, we believe passage of this bill sends a clear policy signal that the State is interested in participating and encouraging these industries by rewarding successful capital investment in the State.

During the past several months I have had many opportunities to discuss this bill with many different people. If I may at this time, I would like to answer some of the most common questions asked of me.

WHO QUALIFIES FOR THE TAX CREDIT?

All corporations paying Alaska corporate income taxes to the State could utilize the special tax credit to the extent they invest in qualified investment tax property in the specified targeted industries.

WHAT IS "QUALIFIED INVESTMENT TAX PROPERTY?"

Qualified investment tax property is primarily tangible personal property, i.e., trucks, manufacturing equipment, etc. It does not include roads, buildings, mine sites, feasibility studies, overhead, etc. In a development project the amount of qualifying property will only be a part of the total investment in the project.

HOW IS THE INVESTMENT TAX CREDIT COMPUTED?

First the amount of the actual investment in qualifying property by a corporation is determined. Then the property is grouped by useful lives and the following percentages are multiplied times the property basis:

0 to 3 Years	-0-
3 to 5 Years	-1/3-
5 to 7 Years	-2/3-
Excess of 7 Years	All-

The result is then multiplied by 10% to determine the tax credit.

For example, if a \$10,000 truck having a 6 year useful life was purchased and used in a mining project, \$6,667 of the basis would qualify and the amount of the credit would be \$667. The \$667 could then be used to reduce the corporate income tax due on the company's profits.

WHAT IMPACT WOULD THIS BILL HAVE ON PROJECTIONS OF STATE REVENUES?

The bill should have a very minimal impact on current projections of State revenues. At present, only minimal amounts are being invested in the farming, fishing, timber and mining industries by tax paying corporations. If the

passage of this bill succeeds in its intended purpose of increasing the investment in these resources, the fiscal impact on State revenues of the bill should be positive rather than negative. Additionally, investments in these industries could substantially expand local governments' sales and property tax bases.

THEN WHY DOES THE DEPARTMENT OF REVENUE PROJECT A NEGATIVE FISCAL NOTE?

It is difficult to understand the basis of the Department of Revenue's fiscal note. For F.Y. '82, the non oil and gas corporate income tax will only generate approximately 25 to 30 million dollars. For example, for the Department's F.Y. '83 fiscal note to be correct, all of the tax paying corporations in Alaska including Penneys, Safeway, Wien, etc., would have to invest \$115,000,000 in qualified property in the four specified industries to generate the projected \$11.5 million revenue loss. This is not a realistic assumption.

WON'T THE STATE LOSE \$82,000,000 ALONE ON THE U.S. BORAX DEVELOPMENT?

Certainly not. This erroneous calculation was made in the Department of Revenue's fiscal note by assuming all of U.S. Borax's proposed one billion dollar investment would fully qualify for the tax credit. Obviously the substantial portion of U.S. Borax's investment will be for non-qualifying property such as roads (buildings) housing and the mine development itself. Only a limited amount will be expended on the actual mining equipment which would qualify for the special investment tax credit.

ISN'T THIS BILL JUST ANOTHER SUBSIDY TO A SPECIAL INTEREST?

The investment tax credit is not a subsidy but rather a temporary tax reduction directly tied to profitable investment. The impact of the bill is beyond any special interest because of the broad impact it hopefully will have on industries that are Statewide.

WHY IS CIRI SO INTERESTED IN THE PASSAGE OF THIS BILL?

CIRI's interest in passage of this bill is directly related to the company's experiences in attempting to develop its natural resource base including Beluga coal, Seldovia chrome and other hardrock possibilities. When ANCSA passed in 1971 there was great optimism about releasing the "great wealth" held by the Native lands to the Regional Corporations, the stockholders and indirectly to the State economy. To date, to the best of my knowledge, there is not one major subsurface estate development underway on Native lands. The primary reasons for this are:

1. the delay in transfer of the lands.
2. the long lead times necessary to locate and develop mineral properties.
3. the costly infrastructure required and the decline in metal prices.
4. the lack of adequate capital by the Native Corporations for the tremendous investments required, and therefore the need to locate and negotiate major joint venture partners with the expertise and capital necessary.

This bill assists in overcoming some of the problems with attracting capital and convincing joint venture partners of the positive State policy towards development.

WON'T AN INVESTMENT DECISION BE MADE IRREGARDLESS OF A TAX CREDIT?

This is an academic argument that has been debated for twenty years since John F. Kennedy introduced the first investment tax credit in 1961. Since that

time the investment tax credit has been expanded and used on a Federal tax basis to encourage investment in

- (1) Historical buildings rehabilitation
- (2) Business energy saving devices
- (3) Research facilities
- (4) Single purpose agriculture structures
- (5) Pollution control facilities

Currently discussion is underway to extend the investment tax credit to rehabilitation of the central business core of many of America's larger cities. I think based on the continued expansion of the tax credit I would have to conclude that the conventional wisdom is that the investment tax credit is an effective tool to encourage additional investment in targeted areas.

I thank you for this opportunity to testify and will be pleased to answer any questions you may have.

HJR

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Alaska State Legislature



REPRESENTATIVE
H. PAPPY MOSS
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DELTA JUNCTION, ALASKA 99737
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WHILE IN JUNEAU
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House of Representatives

Mr. Chairman and Members of the Committee:

I have introduced this legislation for the purpose of properly recognizing the servicemen still listed as missing in action in Viet Nam. Over 50,000 Americans gave their lives in the Viet Nam conflict; and in April of 1973, at the end of formal U.S. military involvement in Southeast Asia, some 1,400 American servicemen remained officially listed as prisoners of war or missing in action, with another 1,100 listed as killed in action, body not recovered. Today, with the exception of 14 cases, all 2,500 are now presumed dead. Among these are three Alaskans - Thomas Edward Anderson, Howard Mark Koslosky and Floyd Whitley Richardson.

There is little hope of ever recovering the bodies of these individuals. Since all recovered bodies were identified, there is no recovered unknown soldier of the Viet Nam conflict, however, there are 2,500 Americans who will remain, as the epitaph at the Tomb of the Unknown Soldier reads:

Here Rests In
Honored Glory
An American
Soldier
Known But To God

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M VS ANDERSON THOMAS EDWARD CPT S 621006 SPENARD 621006 03 BNR

N VN KOSLOSKY HOWARD MARK AN F 691002 ANCHORAGE 691002 NY BNR

F VN RICHARDSON FLOYD WHITLEY COL F 670303 ANCHORAGE 670106 NZ BNR

STA 3

ALASKA



NATIONAL LEAGUE OF FAMILIES
OF AMERICAN PRISONERS AND MISSING IN SOUTHEAST ASIA

1608 K STREET, N.W., WASHINGTON, D. C. 20006 (202) 223-6846

POW/MIA UPDATE

As of April 1973, at the end of formal U.S. military involvement in Southeast Asia, some 1,400 American servicemen remained officially listed as prisoners of war (POW) or missing in action (MIA), with another 1,100 listed as killed in action, body not recovered (KIA/BNR). Since that time, due primarily to the determination of the families and a nucleus of concerned citizens and dedicated Congressmen, the Vietnamese have been persuaded to provide information on about 75 of these 2,500 men; however, they have steadfastly denied holding any additional American prisoners and have refused to provide an accounting for those whose fate remains unknown.

Evidence of Live Americans

The influx of Indochinese refugees into this country over the past few years has brought convincing new evidence that the Vietnamese continue to hold American servicemen in captivity. The Defense Intelligence Agency is currently investigating over 900 such reports, some 450 of which pertain to sightings of men held captive. Specifically, one such substantiated report indicates three men were sighted in Hanoi as late as 1979.

While the government of the Socialist Republic of Vietnam claims to be searching for information on the missing, the sincerity of their efforts is dubious since recent substantiated intelligence information indicates they are secretly holding the remains of some 400 missing Americans in a Hanoi facility once used as a POW camp.

Current Efforts

Although the military services have presumed dead all but a few of those originally listed as POW or MIA, U.S. government officials are taking a new look at the issue and have increased efforts to corroborate, analyze and verify the sighting reports.

As a result, U.S. government policies and attitudes are changing. Where previous official statements claimed a lack of credible evidence that men were still alive, new government policy reflects the increasing reports indicating that some Americans are still in captivity. Additionally, an interagency working group has been formed to coordinate a cohesive national POW/MIA policy. The group is comprised of representatives from responsible agencies within the State and Defense Departments, the National Security Council, the National League of Families and the Congressional POW/MIA Task Force. However, presidential priority is what has been lacking during several years of effort to obtain the accounting.

The Current Status on the Prisoner of War/ Missing in Action
(PW/MIA) Issue

1. Many Americans are unaware that nearly 2,500 servicemen are still unaccounted as a result of the Vietnam war. There were 2,553 military and 41 civilian Americans unaccounted for at "Homecoming" in 1973. The military included 96 prisoners of war (POW's), 1,178 killed in action - body not recovered, and 1,279 missing in action (MIA). The civilians included 25 missing and 16 presumed dead. Since then, 74 remains have been returned and most individual cases of those unaccounted for have been administratively reviewed. Cases reviewed have invariably resulted in a presumptive finding of death, based on data accumulated in the file and the additional criteria of a lapse of time without information to indicate the individual is still living. Therefore, as of Nov 1980, only 14 military personnel, of those unaccounted for, have not been presumed dead. These 14 cases are broken down to 1-POW (USAF) and 13 MIA (11-USAF, 1-USN, and 1-USMC).

2. The fact that only 14 cases remain active does not minimize the need to achieve the fullest possible accounting for the approximately 2,500 men whose fate remains in question. The debt owed to each serviceman that is unaccounted for, as well as to that individual's family is well known. Although this obligation can never be fully satisfied, the USG can and should make every effort to achieve as extensive an accounting as possible. It should be emphasized that this is not just a humane gesture, but a US Government (USG) responsibility due every serviceman, past, present, and future.

3. Since the end of the Vietnam war, there has been an ebb and flow of government and public interest in accounting for Americans missing as a result of the war. The DOD PW Policy Committee, which handled the PW/MIA issue prior to the end of US involvement, became inactive shortly after the US withdrew from Vietnam. However, in January 1980, an interagency group (IAG), which is comprised of representatives of the State Department, Office of the Secretary of Defense/International Security Affairs, Joint Chiefs of Staff, Defense Intelligence Agency (DIA), National Security Council, Subcommittee on Asian and Pacific Affairs/House Foreign Affairs Committee and the National League of POW/MIA Families, was established and has since been active. The main purpose of this group is to insure that priority is given to the issue and that US efforts are coordinated as we continue to press for resolution of the PW/MIA issue. The IAG is continuing the work started by the JCS to develop an explicit USG policy on the PW/MIA issue.

4. Although the Vietnamese claim to have released all POW's and to have been fully cooperative with the US Government, the facts deny this claim. The SRV has returned 72 remains and has allowed Laos to return four remains, two of which were identified as not being American. However, the Vietnamese have refused to account for Americans who were known POW's. In some cases, they have even acknowledged holding specific individuals at one time or another. These circumstances clearly belie their present claim to have fully cooperated in resolving the status of these individuals.

5. Of greatest concern are the recurring reports of the sightings of caucasians currently held captive in Indochina. As more Indochinese refugees are interviewed, the frequency of live sighting reports has also increased significantly. We now have over 280 firsthand reports of live sightings under investigation. Additionally, over 170 second hand or "hearsay" reports are being investigated. Due to the number of reports of live sightings, the following USG public affairs response to queries about unaccounted Americans has been formulated: "There is an increasing number of reports that Americans may be held against their will in Indochina, but the U.S. Government has thus far been unable to substantiate this information and priority effort will continue to be assigned to investigating these reports." The increasing possibility that Americans are still incarcerated in Indochina, seven years after the war has ended, mandates immediate, high-level, US government attention. One should be aware of the intelligence on this subject before forming an opinion.

6. One source testified that the SRV collected skeletal remains of Americans for many years and possessed, as late as early 1979, over 400 individual remains. Portions of this testimony have been independently verified by DIA and the witness has successfully passed polygraph tests. After first denying access to the building where the remains were reportedly stored, the Vietnamese, after several months, allowed reporters to visit the complex. As expected, no remains were found; however, DIA still considers this source valid.

7. Logically, successful resolution of the PW/MIA issue requires a number of specific actions: release of any live Americans presently being held; return of previously collected remains of US personnel; search, recovery, and return of any additional US remains; and a cooperative effort by the USG and Indochinese Governments in those cases where no remains exist or can be found. Additionally, fullest possible accounting requires priority attention to the issue and coordination of the efforts of all responsible US government agencies, as well as active participation and cooperation of all concerned nations.

8. Although both the USG and the Vietnamese Government have tacitly agreed that the PW/MIA issue is humanitarian in nature and should be resolved regardless of political differences, the Vietnamese continue to link the PW/MIA issue to other considerations. History shows that the Vietnamese, in dealing with France on the return and accounting for missing French personnel, responded only when it was beneficial to their self interests. Humanitarian ideals have had little significance; therefore, a new USG negotiation strategy is required. Although numerous demarches have been made to the Indochinese nations to this date, they have "stonewalled." The standard SRV response cites their inability to cooperate in search or accounting activities because their manpower is being fully utilized to defend against the threat of attack from the People's Republic of China (PRC). Recently, the Vietnamese have also stated that their people are reluctant to assist because of hostility over the "collusion" between the United States and the PRC. Although the Joint Casualty Resolution Center liaison team's recent trip to Hanoi (1 - 4 Oct 1980) had the potential for progress on the PW/MIA issue, once again, nothing of significance resulted.

9. The IAG is addressing the issues and any resulting proposed actions by the responsible US government executive agencies, the Congress, and the PW/MIA families. In respect to Congressional action, the Subcommittee on Asian and Pacific Affairs, House Foreign Affairs Committee, under Chairman Wolff is considering a hearing on the issue in December 1980. It is important not to lose the momentum generated during 1980, and to maintain unrelenting pressure on the Indochinese nations, especially the SRV, with respect to resolving the PW/MIA issue.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

Statement of

Lieutenant General Eugene F. Tighe, Jr., USAF

Director

Defense Intelligence Agency

on

Prisoners of War and Missing in Action

Before the

Subcommittee on Asian and Pacific Affairs

As Well As The

Foreign Affairs Task Force on Prisoners and Missing in Action

House Committee on Foreign Affairs

December 2, 1980

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to come before you today to testify on this most important issue. This will make my fourth appearance before this Subcommittee since June of last year. During this period, my staff has continued to keep this Subcommittee current on DIA's ongoing PW/MIA intelligence efforts through a series of informal briefings. I intend to discuss with you the current status of DIA's PW/MIA effort and the course we will pursue in the future.

There are still approximately 2,500 Americans unaccounted-for in Southeast Asia. At the completion of Operation Homecoming in 1973, these individuals were classified as Prisoners of War, Missing in Action, and Killed in Action (body not recovered). The status of most of these 2,500 Americans has since been changed by the Military Services to that of presumed dead. Notwithstanding, there is no distinction between these terms as far as DIA is concerned. We continue to seek an accounting for these 2,500 Americans regardless of the fact that an individual is listed as presumed dead or missing in action. We must pursue, with greatest vigor, our investigations of all reports from or of that area - whether they speak of the missing or the dead. We have no higher priority.

Since 1975, DIA has received approximately 900 reports from Indochinese refugees concerning alleged sightings of Americans, crash locations, grave sites and the handling and disposition of American remains. Of these reports, 280 have been first-hand and approximately 180 have been hearsay live sighting reports. The remaining reports concern crash site and grave site information. Of the about 900 reports from Indochinese refugees, approximately 125 have been

received since my last testimony before this Subcommittee in June, all of which have had follow-up action accomplished on them. These 900 refugee reports are an indication that there is information remaining to be obtained which may assist in determining the fates of those individuals still unaccounted-for.

I continue to emphasize to my people strong command attention to DIA's PW/MIA intelligence research and analysis effort and a close personal watch on all PW/MIA events is provided me, highlighted by reporting to me every single day on our progress in pursuit of reports on the missing. I have insured that DIA's capability to investigate reports of live sightings and crash and grave sites continues at a high level by approving the allocation of an additional three permanent billets to DIA's PW/MIA Branch. I recently emphasized in a personal message to all senior U.S. military intelligence officials worldwide, my keen interest and concern for priority collection and analysis of PW/MIA information. DIA has regularly participated in, and provided intelligence briefings at the four meetings of the Interagency Advisory Group which have been held since my testimony before this Subcommittee in June. As you are aware, the Interagency Group is comprised of representatives of the State Department, Office of the Assistant Secretary of Defense for International Security Affairs, Joint Chiefs of Staff, DIA, National Security Council, National League of Families and staff representatives from this Subcommittee. The main purpose of the group is to insure that priority is given to the PW/MIA issue and that U.S. efforts are coordinated as we continue to press for resolution of the issue. We provide the intelligence upon which decision-makers develop U.S. government policy.

We continue to have an excellent working relationship with the

other U.S. intelligence agencies and the military intelligence organization through near daily liaison and frequent meetings on this very important subject. When required, we've had marvelous cooperation from military personnel of other intelligence services and agencies in assisting in the interview of refugees with knowledge of use to the PW/MIA question. The Defense Attaches in Southeast Asia have received outstanding support from their host governments regarding the search for PW/MIA information. Cooperation from the Joint Casualty Resolution Center has been exceptionally good. The three personnel assigned to the Joint Casualty Resolution Center in Bangkok provide impressive and noteworthy responses to DIA's requests for interviews and follow-up actions. During the past year, these people have interviewed some 400 refugees and accomplished follow-up interviews on approximately 250 reports. They perform a difficult task in an exemplary manner.

Although travel to the various refugee camps in Southeast Asia is time-consuming, Joint Casualty Resolution Center personnel regularly meet the short suspenses we impose.

In addition to the follow-up action accomplished by Joint Casualty Resolution Center personnel, DIA's quick reaction team continues to travel far and wide to see possibly knowledgeable sources and has recently interviewed six Vietnamese refugees in Europe. As you know this DIA team was established for immediate deployment worldwide to debrief potential sources of PW/MIA information. Since just last June, the DIA team members have completed interviews with 25 refugees throughout the continental United States. Nineteen more interviews are in process. In this program, DIA has interviewed 15 Indochinese refugees in four European countries and 105 refugees in the United States in the past year. DIA has had no budgetary constraints imposed on travel monies

travel allowances are austere for other purposes.

There are currently a number of reports on refugee sightings of live PWs that we have extensively investigated and others for which follow-up action has been initiated. However, of all of the live sighting reports DIA has evaluated, there are none which can be substantiated relative to Americans being detained against their will in Southeast Asia.

DIA will continue to pursue all information which indicates the location of Americans, regardless of status, in Southeast Asia. In order to assure highest motivation of all DIA personnel involved in this investigative process my approach will always posit that one or more Americans are detained there against their will. In my judgment, no other approach will allow an objective evaluation of evidence or create an environment in which I can be sure that personnel working on this problem are doing everything they can to resolve the issue of unaccounted-for Americans in Southeast Asia.

The Southeast Asian Communist Governments continue to be intransigent on the PW/MIA issue. We know that the Governments in Indochina possess some information about our unaccounted-for people and we intend to continue collecting and analyzing all available information until as full an accounting as possible has been made. In spite of the intransigence of these countries, it is my intent, and I believe my duty, to see to it that DIA pursues each and every report which can help resolve this important issue. DIA continues to put our top emphasis on investigation of information relating to U.S. personnel who might still be held prisoner in Southeast Asia. I have insured that all of the intelligence collection disciplines are brought to bear on the matter.

I do my best to keep the very able Executive Director of the National League of Families informed of all our efforts in pursuing reports of PW/MIA information and the results of our interviews. Additionally, any report that DIA correlates to an individual that is unaccounted-for is provided to that individual's parent service for their use with that individual's next-of-kin.

In summary Mr. Chairman, it has been a pleasure to testify again before this Subcommittee on this most important subject. Let me assure you of DIA's resolve as unwavering. We will continue to provide a dedicated and professional effort directed toward the resolution of this issue. We will aggressively pursue every lead and leave no stone unturned in our quest to determine the fate of the U.S. personnel unaccounted-for in Southeast Asia. I consider as I know you do - that to do any less would be both unconscionable and unforgivable.

My staff and I will continue to cooperate closely with your subcommittee task force.

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ORIGINAL.

The Star & Tribune Nov 13 1980
200,000
Demand POW/MIA Accounting

Some 200,000 signatures on petitions demanding an accounting by Hanoi of those missing in action were delivered to the U.S. mission to the United Nations October 27 by Congressman Lewis Wolff (D-NY) while he was a Member of the Congress.

American Legion National Commander Michael J. Kogutsek joined Wolff and Representatives of other veterans and service organizations that helped collect the signatures in a press conference following the turnover ceremony.

Wolff is Chairman of the House of Foreign Affairs Committee's Subcommittee on Asia and Pacific Affairs, whose task force on POW/MIA solicited the signatures "to demonstrate to the Vietnamese that the American people have not forgotten our men."★

© 1981 CINCINNATI ENQUIRER JIM BERGMAN



GIFTS FOR THE RETURNEES

HJR

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

QUEST

Bill/Resolution No. House Joint Resolution No. 11

Title "Recognizing the services of Vietnam war veterans"

Requested by Commissioner's Office

Date 2/12/81

II. FISCAL DETAIL

Agency Affected Dept. of Health & Social Services

Program Category Affected Division of Mental Health & Developmental Disabilities

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No cost impact is foreseen to the Department of Health & Social Services as a result of this legislation.

POSITION PAPER

HOUSE JOINT RESOLUTION NO.11

Resolution: "Recognizing the services of Vietnam war veterans and calling on the federal government to establish programs benefiting those veterans."

The Department of Health and Social Services fully supports House Joint Resolution No. 11.

The increasing awareness of problems relating to exposure to Agent Orange and the recognition of post-traumatic stress syndrome in Vietnam by male and female veterans dramatizes the need for more coordinated and comprehensive federal and state services for Vietnam war veterans.

Department Position: ~~_____~~

Recommended by: Verner Stillner
Verner Stillner, M.D., M.P.H.
Director
Division of Mental Health and
Developmental Disabilities

Date: 2/11/81

Approved by: Helen O. Beirne
Helen D. Beirne, Commissioner
Department of Health and Social
Services

Date: 2/17/81

POSITION PAPER / Department of Health & Social Services

POSITION PAPER

[REDACTED]

"Recognizing the service of Vietnam war veterans and calling on the federal government to establish programs benefiting those veterans."

The increasing awareness of problems relating to exposure to Agent Orange and the recognition of post-traumatic stress syndrome in Vietnam by male and female veterans dramatizes the need for more coordinated and comprehensive federal and state services for Vietnam war veterans.

The [REDACTED] of Health and Social Services supports CS for House Joint [REDACTED]

Recommended by [Signature]
[REDACTED] M.P.H.

Date: 4/28/81

Approved by: [Signature]
Helen D. Beirne, Commissioner
Department of Health and
Social Services

Date: 4/28/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS for House Joint Resolution No. 11
 Title "recognizing the services of Vietnam war veterans"
 Requested by Commissioner's Office Date 4/27/81

II. FISCAL DETAIL
 Agency Affected Dept. of Health & Social Services
 Program Category Affected Division of Mental Health & Developmental Disabilities
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No cost impact is foreseen to the Department of Health & Social Services as a result of this legislation.

IV. DATE 4/27/81 PREPARED BY Verner Stillner, M.D., M.P.H.
 AGENCY Health & Soc. Services/Mental Health & DD
 PHONE 465-3370
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) _____ M&B Approval [Signature] Date 4/30/81

Original sponsor: Moss

Offered: 3/18/81
Referred: Rules

1 BY THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 11 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Recognizing the service of Vietnam
6 war veterans and calling on the
7 federal government to establish
8 programs benefiting those veterans.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 WHEREAS veterans of the Vietnam war served our country with honor and
11 distinction in the face of extraordinary circumstances including a lack of
12 popular support from the United States civilian population; and

13 WHEREAS the United States government has not provided benefits, allow-
14 ances, and remuneration commensurate with those provided veterans of other
15 conflicts to veterans of the Vietnam war;

16 BE IT RESOLVED that the Alaska State Legislature urges the United
17 States government to reinstate all benefits and allowances in force during
18 the Vietnam war for all Vietnam war veterans regardless of time elapsed
19 since separation from active duty; and be it

20 FURTHER RESOLVED that the United States government is urged to reactiv-
21 ate discharge review boards and publicize their existence, and make all
22 efforts to provide case by case corrective measures for other than honorably
23 discharged Vietnam veterans; and be it

24 FURTHER RESOLVED that the United States government is urged to establish
25 a Vietnam war veterans' bonus program awarding those veterans a one-time
26 cash bonus; and be it

27 FURTHER RESOLVED that the legislature deplores and decries the most
28 recent actions of the federal administration to cut or eliminate major
29 programs that provide services to the Vietnam veteran, and urges immediate

1 action to rescind those cuts; and be it

2 FURTHER RESOLVED that the legislature endorses state participation in
3 programs which will emphasize or supplement federal assistance programs for
4 Vietnam war veterans.

5 COPIES of this resolution shall be sent to the Honorable Ronald Reagan,
6 President of the United States; the Honorable George Bush, President of the
7 United States Senate; the Honorable Thomas P. O'Neill, Jr., Speaker of the
8 United States House of Representatives; and to the Honorable Ted Stevens and
9 the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young,
10 U.S. Representative, members of the Alaska delegation in Congress.

"Sunday we can recognize the patriotism and dignity of America's Vietnam War soldiers and thank them for their sacrifices. I urge all Alaskans to do so," Hammond said.

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STATE OF ALASKA



Executive Proclamation

by

Jay Hammond, Governor

More than eight million young Americans fought for their country during the Vietnam War, most of them serving their country with honor, in keeping with the military traditions of the United States Armed Forces.

The nature of the Vietnam conflict left the American people deeply divided over the value of the conflict. Servicemen, upon returning from the war, often found themselves embroiled in disagreements over the country's policy and goals in Vietnam -- servicemen also being scorned by their peers and neglected by other Americans. This added the insult of rejection to the injury, both mental and physical, of the war in which they served.

This particular generation of American veterans may have suffered more grievously than any other due to a lack of recognition and appreciation for the service which it rendered, service which was as valuable and honorable as that of any other American veteran of any other conflict in our nation's history.

These young men and women have not been afforded the honor and recognition due them as citizen-soldiers of a grateful nation.

NOW, THEREFORE, I, Jay S. Hammond, Governor of the State of Alaska, do hereby proclaim Sunday, April 26, 1981, as:

VIETNAM VETERANS DAY

in Alaska, and in accordance with an act of Congress and the wishes of noted veteran groups such as the American Legion and Veterans of Foreign Wars, urge all Alaskans to display their American flags in observance of the day, and to participate in any special observances organized for the purpose of saying a long overdue "Thank you and welcome home" to those young Americans who served their country as an act of patriotism and with honor and dignity during the Asian conflict.



Done on _____
A handwritten signature of Jay Hammond.

Jay Hammond, Governor
who has also authorized
the seal of the State of
Alaska to be affixed to
this proclamation.

Study says Vietnam combat vets suffer delayed stress reactions

The Associated Press

NEW YORK — A new study says more than a third of all veterans who saw heavy combat in Vietnam still suffer delayed stress reactions such as nightmares, depression and feelings of rage and guilt, and emphasizes a need for continued counselling.

Newsweek magazine said Sunday the \$2 million, eight year study showed that while "Vietnam syndrome" is more prevalent among black combat veterans, it can afflict all races, all income groups and all personality types, even those with stable family backgrounds who are unlikely prospects for chronic stress.

The study, "Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers," was made by the Center for Policy Research and the City University of New York, and was to be made public at a news conference Monday.

The report comes as President Reagan's budget slasher, David Stockman, has put funds for 91 storefront Vietnam veterans' counselling centers across the country on his "hit" list.

The five-volume study, based on 1,380 inter-

views around the nation, shows the stress syndrome is more prevalent than previously believed.

It also shows, Newsweek said, that more important than a veteran's background is the kind of combat he underwent in Vietnam. Among those who saw heavy combat, those from stable backgrounds were as likely to suffer stress symptoms as those from the least stable homes.

The study also found, according to the magazine, that the worst stress problems are found among those who served after 1968, when the war became unpopular among a large percentage of the population at home.

The study's authors urged continued support for "well-trained veteran peer counselling."

Sociologist Robert Laufer, who directed the study, said Vietnam veterans are now being "used politically without any serious effort to address the problems they have and that we have with them.

"Our report suggests," he added, "that it is time to attend to their needs."



"Thoughts by a Young Veteran"

The years others knew as youth, I spent learning the meaning of Death.
The times others spent learning to love, I passed hoping to live
through endless nights.
The moments others remember as laughs in classrooms, I remember as
terror in the jungle.
The instants of pleasure taken for granted by others, I remember as
forgotten hopes,--long ago crushed by the reality of war.
The unfulfilled dreams of others are yet to be thought by me since I
am in search of my elusive youth, looking for years lost in
combat, which are no more---and will never be.

The Troubled Vietnam Vet

and spilled over into the media. Last week, under thinly veiled pressure, it scrubbed its TV show, released its donors from their pledges and went out of business. "I hope they'll stay involved," a relieved Reagan man said—but not too closely or aggressively next time.

Reagan and his recovery program, as it happens, have found allies aplenty in corporate America prepared to help without being prompted or pushed. John Swearingen, chairman of Standard Oil of Indiana, sent a letter to his stockholders endorsing the package in passionate tones—"The future of the nation is at stake"—and urging them to write their congressmen in its support. Boston's First National Bank dropped a plug into its newsletter, between some tips on spring house painting and a promo for the New England Aquarium, and will mail it to 300,000 depositors with their next statements. Dow Chemical urged its 22,000 employees in a mailer to "make your views known" to the Hill. W.R. Grace & Co. bought full-page ads in three newspapers defending Reagan's tax proposals. Eddie Chiles, a septuagenarian Ft. Worth oil millionaire who has done more than 200 "I'm mad" radio commercials attacking Washington liberals, changed his run for Reagan and Reaganomics. "I'm not mad," his latest spots proclaim. "I'm glad."

More Than Sizzle: But the most imposing lobby of all may be the Budget Coalition, a germinating ad hoc alliance of hundreds of businesses and business associations including the U.S. Chamber of Commerce, the National Association of Manufacturers, the National Federation of Independent Business and the blue-chip Business Roundtable. They tested power together shellacking Big Labor in a series of lobbying wars three years ago and are regrouping now in Reagan's service, with high-tech computer and telecommunications capabilities that make his now defunct coalition of friends look like a cottage industry by comparison. "They were the sizzle," said an operative in the new group. "We are the steak."

There was a measure of political risk for Reagan in the enthusiasm of Big Business for a program he has doggedly advertised as equitable to everybody. The embattled Democratic left has already seized on it as an attack issue and fired some opening rounds against what Edward Kennedy called an effort by the privileged to "sell the Reagan plan like soap." But the President showed little inclination to turn away support, from the boardrooms or anywhere else. He is fighting to keep his honeymoon alive at least long enough to see his programs safely through to passage—a struggle in which he will need all the help he can get.

PLTER GOLDMAN with ELEANOR CLIFT, THOMAS M. DeFRANK, JAMES DOYLE and RICH THOMAS in Washington and bureau reports

There are nights even now when Dan Spranger dreams of Vietnam. It is 1969 again: he is back with his buddies at Tiger Lair, a Ninth Infantry Division firebase in the Mekong Delta. They are laughing as they load the mortars, fire and load again. Spranger watches the mortar rounds arc upward, sees them fall and explode in a nearby hamlet. The villagers run screaming from their hootches, but they are not Viet Cong; they are women and children, *Americans*—and there, trapped in the barrage, are his wife and baby daughter. Like many dreams, it is a mixture of fantasy and reality, a metaphor for Spranger's fear that his family is among the casualties of the war. They

Its symptoms, ten and even fifteen years after the vet's return, are rage, guilt, flashbacks, nightmares, panic, depression and emotional numbing. Although it is more prevalent among black combat veterans, the researchers showed that Vietnam syndrome can afflict all races, all income groups and all personality types—even those who, because of their stable family backgrounds, were once thought unlikely to develop chronic stress.

Prodded by veterans' complaints and mounting evidence that such delayed reactions to the war were indeed common, Congress two years ago appropriated \$20 million to finance 91 storefront counseling centers nationwide. This year, funding for the centers is on the hit list proposed by budget director David Stockman. The cutback, and Stockman's deferment from the draft in 1968-69, provoke many veterans to fury. "This is the one meaningful program for Vietnam veterans," says John Terzano of the Vietnam Veterans of America. "We're being slapped in the face by a guy who was hiding out in divinity school" during the war. The vets' allies in Congress are fighting to preserve the funds—and last week, the veterans' affairs committees in both houses agreed to restore funds for the centers.

Cook: The Vietnam veterans' special burden, as angry returnees have insisted for years, was the nation's wholesale refusal to welcome—much less honor—those who served in the only war America has lost. Veterans were treated as "baby killers or drug freaks," says Dr. Jack Ewalt, a psychiatrist who is assistant chief of



James D. Wilson—Newsweek

Storefront help in San Francisco: 'I wake up screaming'

are: Spranger, 32, has lost his job, he and his wife are divorcing, and his daughter has congenital deformities he thinks may be the result of his battlefield exposure to Agent Orange.

Spranger is one of thousands of Vietnam veterans still haunted by the nation's longest and least-wanted war—and his dark dreams, like the slow disintegration of his life, bespeak his continuing inability to make a separate peace. According to a disturbing new study* by the Center for Policy Research in New York City, more than a third of those who saw heavy combat in Vietnam suffer from what is now recognized as "post-traumatic stress disorder," a slow-fuse emotional reaction that is often known as the "Vietnam syndrome."

*Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers

mental-health services for the Veterans Administration, and the public's hostile indifference gave the vets little support for purging especially brutal memories. Spranger, proudly returning to his home in Detroit in the months before Kent State, was stunned by the hostility he encountered. He clammed up, telling acquaintances he had served his time as cook. "At least," he says, "no one could ask me if I had killed any kids or women." Others complained of being rushed home without any time to decompress. "On Thursday I was in Vietnam," says Angel Almedina, a vet who runs a counseling center in New York City. "On Friday I was drinking beer on 109th Street."

The VA, backed by studies showing that 80 per cent of the war's veterans had made successful transitions to civilian life, was

NATIONAL AFFAIRS

slow to provide special programs for the troubled minority, and some of its officials still question the need. "There is a great deal of feeling that this program has performed its function," says a VA spokesman in New York, referring to the imperiled counseling centers. And some VA doctors, convinced that most vets traumatized in the war were predisposed to stress reactions by unstable family life during childhood, refused to concede the very existence of a Vietnam syndrome. "You'd be amazed at the number of guys who have been counseling at the VA and the subject of combat was never brought up," says Reggie McCaw, a former 101st Airborne medic who works in a San Francisco counseling center. "When a vet brings it up, the psychiatrist says, 'That's all very interesting—now let's get back to your childhood'."

Stable: The notion of a lasting stress reaction is now accepted by leading psychiatrists—and the new five-volume study, based on 1,380 interviews across the nation shows the Vietnam syndrome is more prevalent than previously believed. A crucial finding: the persistence of stress depends much more on the veteran's exposure to combat than on the emotional stability of his childhood. In light combat, soldiers from disadvantaged backgrounds did develop more psychological problems than their buddies who had more stable upbringings. But in heavy combat all such differences disappeared: soldiers from stable backgrounds were just as likely to report delayed stress symptoms as veterans from the least

stable homes. The study also found that combat-related stress is largely concentrated among veterans who served after 1968, when American involvement intensified and dissent became a powerful force at home.

To the VA's Ewalt, the Vietnam syndrome is much the same as "shell shock" among World War I doughboys or "combat fatigue" among veterans of World War II. But this time, he says, "it has a tendency to come on later, and as far as we can tell, there have never been so many cases"—up to 700,000 of the nation's nearly 3 million Vietnam veterans, by his estimate. Still, Ewalt says, "the idea that every Vietnam vet is a ticking time bomb or a druggie is simply not true."

But for those vets still suffering from the trauma of Vietnam combat, the problems are often acute. Arlen Tibbetts, an ex-marine who counsels vets in San Francisco, recently found one vet, an alcoholic, living in the weeds below San Francisco's Bay Bridge. "He said he felt more comfortable in the bush," Tibbetts said. "In his mind, he never left Vietnam." Brooklyn vet Steven Cytryszewski, 32, is also still fighting the war. He has flashbacks, nightmares and bouts of panic. "I smell the sulfur from the ammunition and I feel the heat from the sun," he says. "Sometimes I wake up screaming 'Incoming rounds!' When I drive along a road with trees on both sides, I don't look at the road, I look at the trees. I'm looking for snipers."

Like many veterans, Cytryszewski is critical of the VA's regular programs and enthusiastic about the counseling centers the vets run themselves. "Nobody laughs

at me," he says. "If I tell them I hit the ground when I hear sudden noises, they say they do, too." The centers' simple premise is that talk is the first step to exorcising the past. One anguished vet told Dr. John Caknipe, chief counselor at Detroit's Flight of the Phoenix center, about a hand-to-hand night battle that wiped out his unit. When dawn came, he found himself surrounded by the grotesquely mutilated bodies of his men and 36 wounded Vietnamese, all without hope of medical aid. In despair, he shot and killed all 36; his superiors ordered him never to tell what he had done. "When he finally broke," Caknipe says, "he cried for three hours. Then he stood up and said, 'I feel light . . . I feel light.' And he left."

Betrayal: Despite their support in Congress, the veterans have little assurance that their funding will survive the labyrinthine budget process—and the prospect of closing the storefront centers has already revived their sense of betrayal by an uncaring nation. The study's authors, who found the vets' approach can help, urge continued support for "well-trained veteran peer counseling." Vietnam veterans are "used politically without any serious effort to address the problems they have and that we have with them," says sociologist Robert Laufer, who directed the study. "Our report suggests that it is time to attend to their needs." By doing so, the corollary seems to be, America can at last begin its own long-deferred reckoning with Vietnam.

TOM MOROANTHAU with STEVEN SHABAD in New York, MARY LORD in Washington, JACOB YOUNG in Detroit and GERALD C. LUBENOW in San Francisco



Diane Walker



John Ficarra—Newsweek



Wally McNamee—Newsweek

Nancy's Ups and Downs

It was an up-and-down week for Nancy Reagan, but if anyone had to take a spill, better the First Lady than the Reagans' 22-year-old son, Ron, who danced for the first time at New York's Metropolitan Opera House in a performance to benefit the Joffrey Ballet. Ron, a member of the Joffrey training company, kept his balance in "Unfolding," an "abstract neoclassical" ballet, and was rewarded with a bravura hug from his mother at intermission. Three days later, at

a visit to St. Ann's Infant Home in Hyattsville, Md., the First Lady was bowled over by the greeting of a 5-year-old named Brian, who rushed to hug her when she crouched for a greeting. "That's all right," she reassured the youngster. "I thought you were being affectionate." She was inspecting one of her favorite projects, the federally funded Foster Grandparent Program. All was dignity, however, at the glittering Kennedy Center premiere of "The Little Foxes," where Nancy had a warm chat with the wife of Sen. John Warner of Virginia—the star of the show, Elizabeth Taylor.

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Strategic Surge in U Viet Force Is Unlike

By FRED S. HOFFMAN
Associated Press Military Columnist

WASHINGTON (AP)—Although another large increase seems probable, U.S. officials discount the likelihood of any dramatic immediate reinforcement of U.S. troops in South Viet Nam to counter the mounting infiltration of North Vietnamese soldiers.

The key to the pace of the buildup, which some say may see an eventual doubling of the present 165,000 U.S. fighting men in South Viet Nam, is the progress made in developing the port depot and other facilities to receive the additional troops and to support them once they are in the country.

Work on the pivotal Cam Ranh base on the Vietnamese coast is moving ahead on a two-shift-a-day footing but even at that tempo, engineer officials say it will be quite a while before this and other new ports are in high gear.

Airfields Pushed
Priority construction also is being pushed on new airfields to handle heavier Air Force operations in prospect.

No responsible official at this point will stand behind any

specific figure as the maximum goal for Viet Nam. Secretary of Defense S. McNamara, who on Tuesday from a short Viet Nam, hasn't yet done his latest findings in dept President Johnson—and son has the final say. The ultimate extent reinforcement will depend the actions of the enemy perency—especially the fence of this past year shown that manpower have had to be lifted again.

May Go to 200,000
Some speculation is that forces in Viet Nam increase from the present to 200,000 or 300,000 men eventually, the eventual could soon even higher.

Not counted in the present 165,000 are some 60,000 Navy men aboard Fleet vessels in Southeast waters.

Gradually, the Army assumed a greater share U.S. ground effort in Viet Three months ago there 39,000 soldiers in the c Now there are 101,000 troops, representing ab per cent of total Army st

Marine manpower in Nam has remained fair-stant over the past months. But the 39,000 on the ground account nearly 20 per cent of the corps.

Training Accelerated
Both ground fighting have accelerated their of trainees as part of a all national military bull in motion last summer.

Nine Army training are turning out nearly basic trainees a month Marine centers are pr nearly 7,000 from boot month.

Enlistments are up ab all the services, and th is taking in about 40,000 tes this month.

Draft calls are certain main about this high could go higher if the t demands growing out of t Nam war become acute.

Manpower plans are t the need to beef up the forces worldwide by 340, to a total just below th lion, and by the need to casualties, the sick, a whose enlistments and active duty expire.

Military authorities pipelines of replacements Nam is in good shape.

23-Month Tour
At present, the Defense department is holding a month tour for service Viet Nam. By spring, th same problems even at sently projected buildup —It may be that top tration officials may face the question of e-Viet Nam duty bey months to avoid losing seasoned men from the zone.

When the buildup at ercept last summer, weighed whether to military reservists. T cided to acquire more the services through draft and intensified r

In all probability U hold off on any reserv as long as they can.

The strategic reserve troops and Marines United States has been the Viet Nam War.

One Division Le
A total of two full divisions and a brigade, plus support units, has drawn into the Southern conflict.

The Marines have a division left in the sta of a division normally California has been m



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HJR

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Alaska
Environmental
Lobby

419 6th St., Suite 32
Juneau, Alaska 99801

566-2345

March 3, 1982

Senator Vic Fischer
Chairman State Affairs
Pouch V Mail Stop 3100
Juneau, AK 99811

Dear Senator Fischer:

The Alaska Environmental Lobby would like to propose the following amendment to HJR-30 am:

Page 1, Lines 27, 28--Change the comma after "land" to a period, eliminate the words, "including National Park, National Forest, National Wildlife Refuge, and Bureau of Land Management land."

Reason: It is reasonable to ask the federal government to use federal land for military maneuvers, but it would seem to be inappropriate to specify by resolution which federal lands in Alaska they should use. In fact, the use by the military of some of the lands specified in this resolution would conflict with federal law.

Thank you for your attention to this matter.

Sincerely,

David L. Allison

Jay Nelson

DLA/JN/amc
Enclosure

HJR

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TO: REPRESENTATIVE RANDY PHILLIPS
FROM: JANET J.
DATE: MAY 15, 1981
RE: COLA

I spoke with David Garman, an aide in Senator Murkowski's office in DC (202-224-6665), regarding your question on COLA.

David advises that there are four different categories of COLA as follows:

1. Local retail and private housing
 - ANCHORAGE 17.5%
 - FAIRBANKS 25.0%
 - JUNEAU 25.0%
 - REST OF STATE 25.0%
2. Local retail/federal housing
 - ANCHORAGE n/a
 - FAIRBANKS 25.0%
 - JUNEAU 17.5%
 - REST OF STATE 25.0%
3. Commissary & PX access and private housing
 - ANCHORAGE 10.0%
 - FAIRBANKS 15.0%
 - JUNEAU 25.0%
 - REST OF STATE 25.0%
4. Commissary and PX access and federal housing
 - ANCHORAGE n/a
 - FAIRBANKS 15.0%
 - JUNEAU 17.5%
 - REST OF STATE 25.0%

Category #1 is the one that was lowered recently (over the past two years this category has been lowered 7.5% from 25.0% to present 17.5%). Other categories either stayed the same or were raised, according to Garman.

Senators Stevens and Murkowski have been working on this matter. There was a hearing yesterday about this conducted by Stevens' subcommittee on Governmental Affairs, Postal Service and Civil Service (or whatever the correct title is).

Murkowski had asked the GAO to do a study on the methodology of deciding the percentage and the reduction. Apparently the methods used was okay but the whole COLA adjustment system, which is a hangover from the Truman administration, is perhaps faulty. Murkowski has requested the Office of Personnel Management to investigate alternatives to the COLA system (i.e., comparable pay basis, where the pay of a federal employee would be rated to a state or private

employee with the same duties. This would mean that the COLA would be lost but that the pay scale for Alaskan employees would be raised to compare with others in same jobs. As near as I understand it, this would be a doing away with the COLA nationwide and adopting a comparable pay basis nationwide).

Bureau of Labor Statistics show that Anchorage is a rather expensive place to live as compared with other intermediate cities of its size. Anchorage is some 48% above DC living, for example. Even with this type of statistics, the COLA in Anchorage has been lowered over the last two years.

Senator Murkowski also feels that the Office of Personnel Management has statutory authority at present to do away with COLA and adopt some other pay scale.

David does not know of any bills regarding COLA that Murkowski is for/against, just knows that he is investigating the whole system.

David is telecopying some information to the Senator's Juneau office for your use. The pages will pick it up.* We did it this way because the DC LIO office was closed by the time we finished our discussion (2:05 PDT).

** David advises no one in Juneau office until Monday - He will send them.*

New Rates

The results of the 1980 review of the cost of living allowance rates paid to Federal white-collar and Postal Service employees residing in the State of Alaska were announced today, by the Office of Personnel Management in Washington, D.C.

The new allowance rates, which become effective on the first pay period beginning on or after February 1, 1981 are shown in the table below.

ALLOWANCE CATEGORIES

AUTHORIZED ALLOWANCE RATES

	<u>Anchorage*</u>	<u>Fairbanks*</u>	<u>Juneau*</u>	<u>Rest of State</u>
Local Retail/Private Housing	17.5%	25.0%	25.0%	25.0%
Local Retail/Federal Housing	N/A	25.0%	17.5%	25.0%
Commissary/PX/Private Housing	10.0%	15.0%	25.0%	25.0%
Commissary/PX/Federal Housing	N/A	15.0%	17.5%	25.0%

*Only employees with duty stations within 50 road miles of the major city receive the Anchorage, Fairbanks or Juneau allowance rates.

The Anchorage Local Retail/Private Housing allowance rate is reduced from 20.0 percent to 17.5 percent. The Commissary/PX/Private Housing rate is increased from 7.5 percent to 10.0 percent. No Federal housing rates have been computed since the agencies reported no housing units in Anchorage.

The Fairbanks Local Retail/Private Housing rate remains at 25.0 percent. The Local Retail/Federal Housing rate is increased from 20.0 to 25.0 percent. The Commissary/PX/Private Housing rate remains at 15.0 percent and the Commissary/PX/Federal Housing rate is increased from 7.5 to 15.0 percent.

The Juneau Local Retail/Private Housing and Commissary/PX/Private Housing rates are increased from 22.5 percent to 25.0 percent. The Local Retail/Federal Housing rate remains at 17.5 percent and the Commissary/PX/Federal Housing rate is increased from 15.0 percent to 17.5 percent.

Allowance rates remain at the 25 percent maximum for all other areas in Alaska.

It is important to bear in mind that cost-of-living allowances for nonforeign areas are based by law on the difference in the living costs between the nonforeign areas and Washington, D.C., and that the Office of Personnel Management is required to review the rates annually and make appropriate changes in the allowance rates as needed. If living costs increase more rapidly in the Washington area than in a nonforeign area the difference between the two

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decreases and the allowance rate may go down. The reduction in the allowance rate for Anchorage for 1980 stems from the fact that survey data show living costs in Washington, D.C., increased at a faster rate than those in Anchorage between 1979 and 1980.

Inquiries: Allowances and Special Rates Division
Room 3353
1900 E Street, N.W.
Washington, D. C. 20415

202-632-8742



SENATE STATE AFFAIRS COMMITTEE -- HEARING SIGN-IN SHEET

DATE:

LOCATION:

AGENDA:

NAME	AFFILIATION/POSITION	ADDRESS/PHONE	TESTIFYING ON:
✓ Bob Jones	U.S. Forest Service	P.O. Box 1678 Juneau, AK 99802 586-7510	HB 348 & HB 18
✓ Dave TonKovich	Budget & Mgmt	465-4242	HB 508
✓ Geo. W. Rogers		1790 EVERETT, JUNEAU	HB 508, 509
✓ Terry Gardner	Legislature	FU ISIS	Tree Point, Alaska 00001
Gloria Houston Way	EMS/DHSS	Pouch H-06C 465-3027	HB 348 avalanche Warning System
Rep. Randy Phillips			HJR 46