



Sectional Analysis for CSHB 281(STA) Campaign Finance Complaints

- Section 8** Amends AS 24.60.170(a), increasing the time limitation on complaints alleging a violation of this section from two years to five years. It also increases the time limitation for investigation of complaints against a former legislator from one year to five years. *Conflicting language*
- Section 9** Adds a new section, Sec. 24.60.255, allowing a person, as well as a member of the Alaska Public Office Commission or a member of its staff to file a written complaint alleging a violation of AS 24.60.200-24.60.260 has occurred or is occurring. The complaint must be filed within five years after the date of the alleged violation. *Conflicting language*
- Section 10** Adds a new section, AS 39.50.055, allowing a person, as well as a member of the Alaska Public Office Commission or a member of its staff to file a written complaint alleging a violation of this chapter has occurred or is occurring. The complaint must be filed within five years after the date of the alleged violation. An APOC member or staffer who files the complaint may not participate in any proceeding of the commission relating to the complaint.
- Section 11** Amends AS 39.50.100, allowing any person, not just a qualified voter, to bring a civil action to enforce any of the sections of this chapter. *BRAD WANTS CHANGED TO "PERSON"*
- Section 12** Amends AS 39.50.100, creating a statute of limitations of five years from the date of the alleged violation for a complaint to be filed under this section.
- Section 13** Establishes an effective date for the sections that have been amended and created in this act.
- Section 14** Allows the Alaska Public Offices Commission to immediately adopt regulations necessary to implement changes made by this act, in accordance with the Administrative Procedure Act, but not before Jan. 1, 2009. *1/24/09
APOC
39.50. Administration
Billings-Pattel*
- Section 15** Allows Section 14 to take effect immediately.
- Section 16** Except as provided in Section 15, allows this Act to take effect on Jan. 1, 2009.

State Affairs Committee Hearing
Thurs., Jan. 17, 2008, 8-10 a.m.

Briefly explain the bill

Longer time limit better for lawmakers, candidates, state and public

Credible investigation, confidence in the process and more fair

Nothing worse than hearing, "sorry, time is up ... can't investigate

Brief history of the SOL on campaign finance complaints

Spoke with APOC ... Brooke correct me ... in 1986 or so ... picked it because it was considered the norm on civil violations tied in with the election cycle for the longest terms for our statewide elected lawmakers ... senators, the governor, the Lt. governor ...

The change from four years to one ... occurred in 2003 ... spoke to many people on this, at APOC and with former administration ... depends on who you talk to ... it was an attempt to streamline complaint process and save money or have the AG's office take over the duties of APOC ...

Unfortunately, with recent events since 2003 ... appears to have hamstrung APOC and looks like attempt to run out the clock on accountability ...

Expedited adjudication process ... nothing changes still efficient

Brooke can speak to this ... 60 days from start of process to finish

Benefits candidates and public as well ...

Complaint, investigation, violation – negative connotations ... but most are innocent mistakes and oversights ...

HB

282




Alaska State Legislature

Mike Doogan
Representative
District 25, Anchorage

MEMORANDUM

To: Representative Bob Lynn, Chairman
House State Affairs Committee

From: Representative Mike Doogan 

Date: February 26, 2008

Re: Hearing request for HB 282: State Boards, Commissions & Authorities

I respectfully request that House Bill 282, an act relating to eligibility for membership on state boards, commissions, and authorities, be scheduled for a hearing in the House State Affairs Committee.

Attached you will find a current version of the bill, a sponsor's statement, a sectional analysis, a summary of changes, and pertinent background information.

Please feel free to contact me or my aide Priya Keane with questions or thoughts at 465-4998.

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Juneau, AK 99801
907-465-4998 or 800-689-4998
Fax 907-465-4419

716 West 4th Avenue
Anchorage, AK 99501
907-269-0216
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Rep Mike Doogan@legis.state.ak.us



Alaska State Legislature

Mike Doogan
Representative
District 25, Anchorage

SPONSOR STATEMENT

HB 282

Conflict of Interest and State Boards, Commissions & Authorities

It is currently legal for individuals serving without pay on state boards, commissions, and authorities to raise money for state or federal elective office. House Bill 282 would require they resign their position before they declare their candidacy and begin raising money.

Ethics laws serve many purposes. Among these is the elimination of conflicts of interest, both real and perceived. Allowing members of boards, commissions, and authorities to run for political office and raise money from the very people who have a stake in matters before these bodies leaves open a window of opportunity for abuse – a window that should be permanently closed.

Current law only requires members of state boards, commissions, and authorities who receive salaries to resign their post prior to declaring candidacy for state or federal office. That only covers 22 of the 120 boards, commissions, and authorities in the state, however. HB 282 would expand the law to cover all 120 state boards, commissions and authorities, requiring paid or unpaid members to resign their position before declaring candidacy. The law provides an exception for people appointed to state boards, commissions, or authorities due to their elective office.

HB 282 also stipulates that people who ran for elective office would not be eligible for appointment to a state board, commission, or authority for one calendar year following a bid for elective office. This creates a "cooling off" period after a person's bid for office, removing them from the immediate influence – real or perceived – of contributors who may have business before their board, commission or authority in the future.



Alaska State Legislature

Mike Doogan
Representative
District 25, Anchorage

SECTIONAL ANALYSIS

HB 282

An Act relating eligibility for membership on state boards, commissions & authorities

- Section 1:** Amends AS 39.05.100 to stipulate that a person is not eligible for appointment to a state board, commission, or authority if said person sought nomination or became a candidate for elective state or federal office during the preceding year. Provides exception for positions where holding a particular elective state or federal office is required by law for appointment.
- Section 2:** Amends AS 39.25.160(e) to stipulate that members of boards, commissions or authorities who do not receive salaries are no longer exempt from the requirement to resign once they seek nomination or become a candidate for state or national elective political office.
- Section 3:** States that the prohibition against appointment to a board, commission or authority for one year following a bid for office as outlined in Section 1 applies only to candidates who run for office after the effective date of the Act.



Alaska State Legislature

Mike Doogan

Representative
District 25, Anchorage

Summary of Changes in CS for HB 282

The following changes have occurred between the original version of HB 282 and HB 282 (CRA).

Allowing legislators to retain membership when serving due to their elective office

The previous version of the bill contained no exception for those appointed to state boards, commissions, or authorities due to their office or position to retain their positions when running for reelection. The CS adds a clause that allows those serving "ex officio" and those who are eligible candidates for appointment due to their elective office to retain their appointments despite declaring candidacy.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
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Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

February 13, 2008

SUBJECT: Requested amendment to HB 282
(Work Order No. 25-LS1117C.1)

TO: Representative Mike Doogan
Attn: Priya Keane

FROM: Alpheus Bullard *AB*
Legislative Counsel

This memorandum accompanies the amendment you requested.

The amendment excepts a person who would be appointed to a state board, commission, or authority due to the person's office or position from the operation of the bill's sec. 1. The amendment is drafted to apply to both a person who might serve "ex officio" and a person who is an eligible candidate for appointment due to the person's elective office.

Please note, (1) if the amendment is not made, there is some legal ambiguity as to whether a member serving "ex officio" is "appointed," and (2), that the bill would not make all legislators (legislators as an example) ineligible for appointment, only those legislators that had sought nomination or become candidates for elective state or federal office during the preceding year.

If you have any questions, please do not hesitate to contact me.

TLAB:ljw
08-082.ljw

Enclosure

AMENDMENT

OFFERED IN THE HOUSE

TO: HB 282

- 1 Page 1, line 7, following "year":
- 2 Insert ", unless holding a particular elective state or federal office is required by law
- 3 for appointment"

LEGISLATIVE RESEARCH REPORT

JANUARY 3, 2008



REPORT NUMBER 08.084

COMPENSATION FOR MEMBERS OF BOARDS, COMMISSIONS AND RELATED ORGANIZATIONS IN ALASKA

PREPARED FOR REPRESENTATIVE MIKE DOOGAN

BY THERESA SVANCARA, LEGISLATIVE ANALYST

You asked about boards, commissions, and related organizations, such as authorities, councils, committees, and conferences, in Alaska. Specifically, you wanted to know the number of such organizations that provide compensation other than per diem and travel reimbursement to their members.

Of the 120 currently active boards, commissions, and related organizations listed on the Office of the Governor's website, 22 organizations provide compensation besides per diem and travel reimbursement to their members.¹ Typically, the additional compensation includes salaries or honoraria paid to members for the days they attend meetings.² Table 1 shows the name of each organization and whether members receive additional compensation.

¹ Member compensation for these boards, commissions, and related organizations is available from the Office of the Governor, "List of Boards and Commissions: Fact Sheets, Rosters, and Websites," online at <http://gov.state.ak.us/boards/list.php>. According to Jacob Good, executive secretary for the Governor's Boards and Commissions Office, (907) 465-3500, this is a complete list of active boards and commissions to which the governor makes appointments. For organizations that do not address the details of member compensation on the website, we obtained this information directly from the organizations. Personal communication with James Marcotte, executive director, Board of Fisheries, (907) 465-6095; Dan Seamount, governor's official representative, Interstate Oil and Gas Compact Commission, (907) 793-1221; David Witherell, deputy director, North Pacific Fishery Management Council, (907) 271-2809; Gordy Williams, special assistant, Pacific Salmon Commission - Northern Panel and Pacific Salmon Commission - Transboundary Panel, (907) 465-6143; Nancy Bird, president, Prince William Sound Science Center, Prince William Sound Oil Spill Recovery Institute Advisory Board, (907) 424-5800; Kim Skipper, aide for Representative Fairclough, Task Force to Review the Council on Domestic Violence and Sexual Assault, (907) 694-8944; and Ann Wilde, commission section manager, Regulatory Commission of Alaska, (907) 263-2163. A contact for the Alaska Statehood Celebration Commission had not returned phone calls to provide member compensation information by the time this report was completed.

² Salaries are based on State of Alaska and federal pay scales; honoraria range from \$50-\$400 per day.

Table 2 shows the total number of organizations that provide additional compensation reported by the type of organization. / , you will see, 12 of the 58 boards provide compensation beyond per diem and travel reimbursement to their members. Six of the 29 commissions and two of the four authorities provide additional compensation. Also, one council and one committee compensate their members beyond per diem and travel reimbursement.

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

Table 1: Compensation for Members of Alaska Boards, Commissions, and Related Organizations, January 2008

Organization	Compensation for Members Other than Per Diem and Travel
Accountancy, Alaska State Board of Public	
Aerospace Development Corporation Board of Directors, Alaska	industry/business/public members \$100/day
Aging, Alaska Commission on	
Agriculture and Conservation Board	
Alaska Health Care Strategies Planning Council	
Alaska Retirement Management Board	\$400/day
Alaska Statehood Celebration Commission	(a)
Alaska-Alberta Bilateral Council	
Alcoholic Beverage Control Board	
Alcoholism and Drug Abuse, Advisory Board on	
Architects, Engineers, & Land Surveyors, State Board of Registration for	
Arts, Alaska State Council on the	
Assessment Review Board, State	
Aviation Advisory Board	
Bald Eagle Preserve Advisory Council, Alaska Chilkat	
Bar, Board of Governors of the Alaska	
Barbers and Hairdressers, Board of	
Big Game Commercial Services Board	
Boating Safety Advisory Board	
Broadcasting Commission, Alaska Public	
Children's Trust Board, Alaska	
Chiropractic Examiners, Board of	
Clemency Advisory Committee	
Commemorative Coin Commission, Alaska	
Commercial Fisheries Entry Commission, Alaska	exempt state salary range for Juneau, 26C
Commercial Fishing and Agriculture Bank Board of Directors	not to exceed \$250/day
Community Service Commission, Alaska	
Denali Access System Advisory Committee	
Dental Examiners, Board of	
Disabilities and Special Education, Governor's Council on	
Domestic Violence and Sexual Assault, Council on	
Domestic Violence and Sexual Assault, Task Force to Review the Council on	
Education and Early Development, Board of	
Education Commission of the States	
Emergency Medical Services, Alaska Council on	
Emergency Response Commission, Alaska State	

**Table 1: Compensation for Members of Alaska Boards, Commissions,
and Related Organizations, January 2008**
(continued)

Organization	Compensation for Members Other than Per Diem and Travel
Employment and Rehabilitation of People With Disabilities, Governor's Committee on	
Exxon Valdez Oil Spill Settlement Trustees	
Faith-Based and Community Initiatives Advisory Council	
Fire Standards Council	
Fisheries, Board of	state salary range 20A for board meetings (\$210/day); 1/2 Range 20A for other meetings (\$105/day)
Fishermen's Fund Advisory and Appeals Council	
Forestry, Board of	
Game, Board of	state salary range 20A for regulatory meetings (\$210/day); 1/2 Range 20A for other meetings (\$105/day)
Historical Commission, Alaska	
Historical Records Advisory Board, State	
Homeless Council	
Housing Finance Corporation, Alaska	\$100/day
Human Rights, State Commission for	
Humanities Forum, Alaska	
Independent Living Council, Statewide	
Industrial Development and Export Authority, Alaska	\$100/day
Interstate Oil and Gas Compact Commission	
Judicial Conduct, Commission on	
Judicial Council, Alaska	
Juvenile Justice Advisory Committee, Alaska	
Knik Arm Bridge And Toll Authority, Alaska	\$300/day
Labor Relations Agency	
Libraries, Advisory Council on	
Local Boundary Commission	
Marine Pilots, Board of	
Marine Transportation Advisory, Board of	
Marital and Family Therapy, Board of	
Medical Board, State	
Mental Health Board, Alaska	
Mental Health Trust Authority Board of Trustees, Alaska	\$200/day
Midwives, Board of Certified Direct-Entry	
Minerals Commission, Alaska	
Municipal Bond Bank Authority, Alaska	
Natural Gas Development Authority, Alaska	
Natural Resources Conservation & Development Board	

Table 1: Compensation for Members of Alaska Boards, Commissions, and Related Organizations, January 2008

(continued)

Organization	Compensation for Members Other than Per Diem and Travel
North Pacific Anadromous Fish Commission - Advisory Panel to the U.S. Section	
North Pacific and Bering Sea Fisheries Advisory Body	
North Pacific Fishery Management Council	non-governmental members federal salary, GS 15-10 (\$465/day)
North Pacific Research Board	
Nursing, Board of	
Occupational Safety and Health Review Board	\$50/day
Oil and Gas Conservation Commission, Alaska	salary of \$118,000 annually
Optometry, Board of Examiners in	
Pacific Marine Fisheries Commission	
Pacific Salmon Commission, Commissioners Panel	
Pacific Salmon Commission, Northern Panel	federal salary. \$553/day
Pacific Salmon Commission, Transboundary Panel	federal salary. \$553/day
Parole, State Board of	\$250/day
Permanent Fund Corporation Board of Trustees, Alaska	\$400/day
Personnel Board	
Pharmacy, Board of	
Physical Therapy and Occupational Therapy Board, State	
Pioneers' Homes Advisory Board, Alaska	
Police Standards Council, Alaska	
Postsecondary Education, Alaska Commission on	
Prince William Sound Oil Spill Recovery Institute Advisory Board	
Professional Counselors	
Professional Teaching Practices Commission	
Psychologist and Psychological Associate Examiners, Board of	
Public Offices Commission, Alaska	\$50/day
Railroad Corporation, Board of Directors of the Alaska	\$400/day
Real Estate Appraisers, Board of Certified	
Real Estate Commission	
Regents, University of Alaska Board of	
Regulatory Commission of Alaska	
Royalty Oil and Gas Development Advisory Board, Alaska	members receive monthly salaries at exempt state salary range 26C (\$7,142/month); chair at range 27C (\$7,402/month)
Safety Advisory Council, Alaska	
Seafood Marketing Institute, Alaska	

**Table 1: Compensation for Members of Alaska Boards, Commissions,
and Related Organizations, January 2008**
(continued)

Organization	Compensation for Members Other than Per Diem and Travel
Seismic Hazards Safety Commission, Alaska	
Social Work Examiners, Board of	
Student Loan Corporation, Alaska	
Subsistence Resource Commissions, National Park and Park Monument	
Suicide Prevention Council	
Uniform State Laws, National Conference of Commissioners on	
Veterans Advisory Council, Alaska	
Veterinary Examiners, Board of	
Violent Crimes Compensation Board	
Water and Wastewater Works Advisory Board	
Western Interstate Commission for Higher Education	
Wood-Tikchik State Park Management Council	
Workers' Compensation Appeals Commission	
Workers' Compensation Board, Alaska	members, except chair, \$50/day
Workforce Investment Board (formerly AHRIC), Alaska	
Yukon River Panel	members and alternates, federal salary, GS-15 (\$360/day)

Notes: The compensation amounts listed are provided to members for actual meeting days, unless otherwise specified.

(a) A contact for the Alaska Statehood Celebration Commission had not returned phone calls to provide member compensation information, by the time this report was completed.

Sources: Details on the compensation of members of Alaska state boards, commissions, and related organizations are available from the Office of the Governor, "List of Boards and Commissions: Fact Sheets, Rosters, and Websites," online at <http://gov.state.ak.us/boards/list.php>. For organizations that do not address the details of member compensation on the website, we obtained this information directly from the organizations. Personal communication with James Marcotte, executive director, Board of Fisheries, (907) 465-0095; Dan Seamount, governor's official representative, Interstate Oil and Gas Compact Commission, (907) 793-1221; David Witherell, deputy director, North Pacific Fishery Management Council, (907) 271-2808; Gordy Williams, special assistant, Pacific Salmon Commission - Northern Panel and Pacific Salmon Commission - Transboundary Panel, (907) 465-8143; Nancy Bird, president, Prince William Sound Science Center, for the Prince William Sound Oil Spill Recovery Institute Advisory Board, (907) 424-5800; Kim Skipper, aide for Representative Fairclough, Task Force to Review the Council on Domestic Violence and Sexual Assault, (907) 594-8944, and Ann Wade, commission section manager, Regulatory Commission of Alaska, (907) 265-2163.

Table 2: Number of Alaska Boards, Commissions and Related Organizations Providing Additional Member Compensation, January 2008

Type of Organization	Total Number	Number that Provide Compensation Besides Per Diem and Travel
Board	58	12
Commission	29	6
Council	22	1
Committee	5	1
Authority	4	2
Conference	1	0
Agency	1	0
Total	120	22

Note: A contact for the Alaska Statehood Celebration Commission had not returned phone calls to provide member compensation information by the time this report was completed

Sources: Details on the compensation of members of Alaska state boards, commissions, and related organizations are available from the Office of the Governor, "List of Boards and Commissions: Fact Sheets, Rosters, and Websites," online at <http://gov.state.ak.us/boards/list.php>. For organizations that do not address the details of member compensation on the website, we obtained this information directly from the organizations. Personal communication with James Marcotte, executive director, Board of Fisheries, (907) 465-6095; Dan Seamount, governor's official representative, Interstate Oil and Gas Compact Commission, (907) 793-1221; David Witherell, deputy director, North Pacific Fishery Management Council, (907) 271-2809; Gordy Williams, special assistant, Pacific Salmon Commission - Northern Panel and Pacific Salmon Commission - Transboundary Panel, (907) 465-6143; Nancy Bird, president, Prince William Sound Science Center, for the Prince William Sound Oil Spill Recovery Institute Advisory Board, (907) 424-5600; Kim Skipper, aide for Representative Fairclough, Task Force to Review the Council on Domestic Violence and Sexual Assault, (907) 694-8944; and Ann Wilde, commission section manager, Regulatory Commission of Alaska, (907) 263-2163

Section 39.05.100 QUALIFICATIONS FOR APPOINTMENT.

(a) A person appointed to a board or commission of the state government shall be and have been before the last general election, (1) a registered voter in the state, if the appointment is made at large or (2) a registered voter from the judicial district, if the appointment is made from a specific judicial district. The student member of the Board of Regents of the University of Alaska appointed under AS 14.40.150(b), the student member of the Alaska Commission on Postsecondary Education appointed under AS 14.42.015 (e), and a member of the Alaska Human Relations Commission appointed under AS 44.19.600 . are exempt from the requirement of this subsection if the member was not old enough to be a registered voter in the last general election.

(b) A member of a board or commission of the state government who ceases to reside in the state during the member's term terminates membership on the board or commission. For the purposes of this section, the acceptance of employment outside the state for a six-month period or longer, or physical absence from the state for one year or longer, or registration as a voter in a municipal, county, district, state, or national election in a voting precinct outside the state is considered as discontinuing residence in the state.

ALASKA STATUTES

Title 39. PUBLIC OFFICERS AND EMPLOYEES

Chapter 39.25. STATE PERSONNEL ACT

Article 04. PROHIBITIONS

Sec. 39.25.160. Prohibitions generally.

(a) A classified employee may not take an active part in the management of a political party above the precinct level.

(b) A person may not give, tender, pay, offer, solicit, or accept money, services, or other valuable thing in connection with securing or making an appointment, promotion, or advantage in a position in the classified service.

(c) A person may not require an assessment, subscription, contribution, or service for a political party from a state employee.

(d) A person may not seek or attempt to use a political party endorsement in connection with an appointment or promotion in the classified service.

(e) An employee in the classified, partially exempt, or exempt service who seeks nomination or becomes a candidate for state or national elective political office shall immediately resign any position held in the state service. The employee's position becomes vacant on the date the employee files a declaration of candidacy for state or national elective office. This subsection applies to employees in the exempt service, except those listed below, notwithstanding AS 39.25.110. This subsection does not apply to

(1) a justice, judges, magistrates, and employees of the judicial branch, including employees of the judicial council;

(2) the governor or the lieutenant governor;

(3) a member of the legislature;

(4) an employee seeking election as a delegate to a constitutional convention;

(5) officers and employees of the University of Alaska;

(6) certificated teachers and noncertificated employees employed by a regional educational attendance area established and organized under AS 14.08.031 - 14.08.041 to teach in, administer, or operate schools under the control of a regional educational attendance area school board;

(7) certificated teachers employed by the Department of Education and Early Development as correspondence teachers, teachers in skill centers operated by the Department of Education and Early Development, or teachers at Mt. Edgecumbe School;

____ (8) members of boards and commissions and authorities if the member is not entitled to compensation other than per diem and travel for service on the board, commission, or authority;

(9) emergency fire-fighting personnel employed by the Department of Natural Resources for a fire emergency or for fire prevention and related activities conducted under AS 41.15.030;

(10) youth employed by the Department of Natural Resources under the Youth Employment and Student Intern programs;

(11) students employed by the state institutions in which the students are enrolled;

(12) persons engaged in employment or pre-employment training programs operated by the Department of Military and Veterans' Affairs;

(13) a participant in the Alaska temporary assistance program under AS 47.27 who holds a temporary position with the state in order to obtain job training or experience.

	Organization	Compensation for Members Other than Per Diem and Travel	Number of Members
	Organization		
1	Aerospace Development Corporation Board of Directors, AK	industry/business/public members \$100/day	11
2	Alaska Retirement Management Board	\$400/day	9
3	Commercial Fisheries Entry Commission, AK	exempt state salary range for Juneau, 26C	3
4	Commercial Fishing and Agriculture Bank Board of Directors	not to exceed \$250/day	7
5	Fisheries, Board of	state salary range 20A for board meetings (\$210/day); 1/2 Range 20A for other meetings (\$105/day)	8
6	Game, Board of	state salary range 20A for board meetings (\$210/day); 1/2 Range 20A for other meetings (\$105/day)	8
7	Housing Finance Corporation, AK	\$100/day	7
8	Industrial Development and Export Authority, AK	\$100/day	5
9	Knik Arm Bridge and Toll Authority, Alaska	\$300/day	7
10	Mental Health Trust Authority Board of Trustees, AK	\$200/day	7
11	North Pacific Fishery Management Council	non-governmental members federal salary, GS 15-10 (\$465/day)	15
12	Occupational Safety and Health Review Board	\$50/day	3
13	Oil and Gas Conservation Commission, AK	salary of \$118.00, annually	3
14	Pacific Salmon Commission, Northern Panel	federal salary, \$553/day	10
15	Pacific Salmon Commission, Transboundary Panel	federal salary, \$553/day	7
16	Parole, State Board of	\$250/day	5
17	Permanent Fund Corporation board of Trustees, AK	\$400/day	6
18	Public Offices Commission, AK	\$50/day	5
19	Railroad Corporation, Board of Directors of the AK	\$400/day	7
20	Regulatory Commission of AK	members receive monthly salaries at exempt state salary range 26C (\$7,142/month); chair at range 27C (\$7,402/month)	5
21	Workers Compensation Board, AK	members, except chair, \$50/day	19
22	Yukon River Panel	members and alternates, federal salary, GS-15 (\$360/day)	19
	Total Number of Members Receiving Compensation Other than Per Diem and Travel:		176

	Organization	Compensation for Members Other than Per Diem and Travel	Number of Members
1	Accountancy, Alaska State Board of Public	industry/business/public members	7
2	Aerospace Development Corporation Board of Directors, AK		11
3	Aging, Alaska Commission on		11
4	Agriculture and Conservation Board		7
5	Alaska Health Care Strategies Planning Council	\$400/day	14
6	Alaska Retirement Management Board		9
7	Alaska Statehood Celebration Commission		9
8	Alaska-Alberta Bilateral Council		16
9	Alcoholic Beverage Control Board		5
10	Alcoholism and Drug Abuse, Advisory Board on		15
11	Architects, Engineers, & Land Surveyors, State Board of Registration for		11
12	Arts, Alaska State Council on the		11
13	Assessment Review Board, State		5
14	Aviation Advisory Board		11
15	Bald Eagle Preserve Advisory Council, Alaska Chilkat		12
16	Bar, Board of Governors of the Alaska		12
17	Barbers and Hairdressers, Board of		6
18	Big Game Commercial Services Board		9
19	Boating Safety Advisory Board		7
20	Broadcasting Commission, Alaska Public		9
21	Children's Trust Board, Alaska		7
22	Chiropractic Examiners, Board of		5
23	Clemency Advisory Committee		3
24	Commemorative Coin Commission, Alaska	exempt state salary range for Juneau, 26C	11
25	Commercial Fisheries Entry Commission, Alaska	not to exceed \$250/day	3
26	Commercial Fishing and Agriculture Bank Board of Directors		7
27	Community Service Commission, Alaska		19
28	Denali Access System Advisory Committee		9
29	Dental Examiners, Board of		9
30	Disabilities and Special Education, Governor's Council on		28
31	Domestic Violence and Sexual Assault, Council on		7
32	Domestic Violence and Sexual Assault, Task Force to Review the Council		13
33	Education and Early Development, Board of		9
34	Education Commission of the States Emergency Medical Services, Alaska		7
35	Council on		17

36	Emergency Response Commission, Alaska State		16
37	Employment and Rehabilitation of People With Disabilities, Governor's Committee on		14
38	Exxon Valdez Oil Spill Settlement Trust: es		6
39	Faith-Based and Community Initiatives Advisory Council		23
40	Fire Standards Council	state salary range 20A for board meetings (\$210/day); 1/2 Range 20A for other meetings (\$105/day)	11
41	Fisheries, Board of		8
42	Fishermen's Fund Advisory and Appeals Council		6
43	Forestry, Board of	state salary range 20A for board meetings (\$210/day); 1/2 Range 20A for other meetings (\$105/day)	8
44	Game, Board of		8
45	Historical Commission, Alaska		9
46	Historical Records Advisory Board, State		9
47	Homeless Council	\$100/day	12
48	Housing Finance Corporation, AK		7
49	Human Rights, State Commission for		7
50	Humanities Forum, Alaska		20
51	Independent Living Council, Statewide	\$100/day	13
52	Industrial Development and Export Authority, AK		5
53	Interstate Oil and Gas Compact Commission		3
54	Judicial Conduct, Commission on		9
55	Judicial Council, Alaska		7
56	Juvenile Justice Advisory Committee, Alaska	\$300/day	23
57	Knik Arm Bridge and Toll Authority, Alaska		7
58	Labor Relations Agency		6
59	Libraries, Advisory Council on		12
60	Local Boundary Commission		5
61	Marine Pilots, Board of		7
62	Marine Transportation Advisory, Board of		9
63	Marital and Family Therapy, Board of		5
64	Medical Board, State		8
65	Mental Health Board, Alaska	\$200/day	13
66	Mental Health Trust Authority Board of Trustees, AK		7
67	Midwives, Board of Certified Direct-Entry		5
68	Minerals Commission, Alaska		11
69	Municipal Bond Bank Authority, Alaska		5
70	Natural Gas Development Authority, Alaska		7
71	Natural Resources Conservation & Development Board		6

72	North Pacific Anadromous Fish Commission - Advisory Panel to the U.S. Section		7
73	North Pacific and Bering Sea Fisheries Advisory Body	non-governmental member - federal salary, GS 15-10 (\$465/day)	12
74	North Pacific Fishery Management Council		15
75	North Pacific Research Board		20
76	Nursing, Board of	\$50/day	7
77	Occupational Safety and Health Review Board	salary of \$118,000 annually	3
78	Oil and Gas Conservation Commission, AK		3
79	Optomtry, Board of Examiners in		5
80	Pacific Marine Fisheries Commission		3
81	Pacific Salmon commission, Commissioners Panel	federal salary, \$553/day	2
82	Pacific Salmon Commission, Northern Panel	federal salary, \$553/day	10
83	Pacific Salmon Commission, Transboundary Panel	\$250/day	7
84	Parole, State Board of	\$400/day	5
85	Permanent Fund Corporation board of Trustees, AK		6
86	Personnel Board		3
87	Pharmacy, Board of		7
88	Physical Therapy and Occupational Therapy Board, State		7
89	Pioneers' Homes Advisory Board, Alaska		8
90	Police Standards Council, Alaska		11
91	Postsecondary Education, Alaska Commission on		14
92	Prince William Sound Oil Spill Recovery Institute Advisory Board		16
93	Professional Counselors		5
94	Professional Teaching Practices Commission		9
95	Psychologist and Psychological Associate Examiners, Board of	\$50/day	5
96	Public Offices Commission, AK	\$400/day	5
97	Railroad Corporation, Board of Directors of the AK		7
98	Real Estate Appraisers, Board of Certified		5
99	Real Estate Commission		7
100	Regents, University of Alaska board of	members receive monthly salaries at exempt state salary range 26C (\$7,142/month); chair at range 27C (\$7,402/month)	11
101	Regulatory Commission of AK		5
102	Royalty Oil and Gas Development Advisory Board, Alaska		8
103	Safety Advisory Council, Alaska		14
104	Seafood Marketing Institute, Alaska		7

105	Seismic Hazards Safety Commission, Alaska		11
106	Social Work Examiners, Board of		5
107	Student Loan Corporation, Alaska		5
108	Subsistence Resource Commissions, National Park and Park Monument		63
109	Suicide Prevention Council		15
110	Uniform State Laws, National conference of Commissioners on		6
111	Veterans Advisory Council, Alaska		13
112	Veterinary Examiners, Board of		5
113	Violent Crimes Compensation Board		3
114	Water and Wastewater Works Advisory Board		8
115	Western Interstate Commission for Higher Education		3
116	Wood-Tickchik State Park Management Council		7
117	Workers' Compensation Appeals Commission	members, except chair, \$50/day	5
118	Workers Compensation Board, AK		19
119	Workforce Investment Board (formerly AHRIIC), Alaska	members and alternates, federal salary, GS-15 (\$360/day)	26
120	Yukon River Panel		19
		Total Number of Members on Boards, Commissions, and Authorities:	1160
		Total Number of Members on Boards, Commissions, and Authorities affected by current law:	176
		Total Number of Members on Boards, Commissions, and Authorities affected by HB 282:	954

Dave Feekins Kenai

Perry Underwood Anchorage

Wendy Chamberlain
Assn of Realtors

Jerry Mackie
Prudential

Employee

LI Unins for buy down -

Am + 10% - can get
health ins.

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define:INDEPENDENT CONTRACTOR

Search

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Web

Related phrases: independent contractor services independent contractor status

Definitions of INDEPENDENT CONTRACTOR on the Web:

- A legal term for a person who is hired to do work for another person but who is not an employee or agent of that person. The hiring person is not responsible for the actions of the Independent Contractor nor does she owe that Independent Contractor the same legal duties owed by an Employer to an Employee under labor and employment laws.
www.tillecrookies.com/dictionary_i.htm
- A person or company retained to perform work for another, often under a written contract, whereby control is subjected to the end result and not as to how the work is performed. As opposed to an employee who receives direction on what, when and, to some degree, how to do a job. Care must be used in the classification of workers as either employees or independent contractors. What distinguishes them is the degree of control the employer has over the activities being performed. ...
www.faststart.state.nj.us/bfs_glossary.html
- The term is most important as used to describe the relationship of broker and salesperson, employee or independent contractor. If employee, the broker must withhold income tax and pay social security, provide workmen's compensation, and may be liable for some negligent acts of the salesperson while on the job. All of this is avoided by the broker if salesperson is an independent contractor.
www.ashcroftescrow.com/P1P.cfm
- An independent contractor relationship exists when the University has the right to control only the result of the service, not the manner of performance. Service is useful labor performed for another that may or may not produce a tangible commodity. Service includes, but is not limited to:
www.matmpt.ucsf.edu/ICA_Definitions.htm
- One who is retained to perform a certain act, but is subject to the control and direction of another, only as to the end result, and not as to the way they performs the act. This person normally sets their own working hours, pays their own expenses, receives no employee benefits, and pays for their own social security and income tax to the government, but not as a withholding from their paycheck. The majority of real estate salespeople work as independent contractors.
www.ronaynelearn.com/Resources/Glossary.htm
- Both parties acknowledges that NPll is an independent contractor; that it alone retains control of the manner of conducting its activities in furtherance of this Agreement; that it as well as any persons or agents as it may employ are not employees of You; and that neither this Agreement, nor the administration thereof, shall operate to render or deem either party hereto the agent or employee of the other. ...
www.naturalproducts-insider.com/ibg/terms.asp
- A person who is not employed by a company but does work for it.
www.caltia.com/education/terms.html
- an individual who is hired to complete a specific project but who is free to do that work as he or she wishes; it is not based on how the person is paid, how often the person is paid, or whether the person works part-time or full-time. An independent contractor is not an employee; thus, he or she cannot sue an employer for

a wrongful act or injury suffered on the job. The independent contractor will receive a 1099 form.
www.jaamtonline.com/pl/re/jaam/fulltext/01179370-200506000-00010.htm

- Vendor and Vendor's Staff are independent contractors and not employees of Legacy. Vendor's Staff are not eligible for and may not participate in any Legacy benefit and retirement plan or leave program. Vendor's Staff are not covered by Legacy's workers' compensation insurance. ...
www.legacyhealth.org/body.cfm
- An independent contractor is someone who performs a job for another, but is free from the control of the other regarding the details of the work to be done.
www.samakowlaw.com/articles7.html
- A taxpayer who contracts to do work according to his own methods and who is not subject to control except as to the results of such work. An employee, by contrast, is subject to the control of the employer as to the methods to be used to obtain the desired results.
www.bookkeeperlist.com/definitions1.shtml
- A person who works for him-, or herself in a governmental or private capacity.
wps.prenhall.com/chet_nathe_dental_2/0,9128,1352887-content,00.html
- A contractor who is self-employed.
www.mtgmortgages.com/glossary1.htm
- A person who is hired by a company, but works for himself/herself. The company is a client, rather than an employer.
www.marketconscious.com/dict2.htm
- Person who agrees with a party to undertake the performance of a task for which the person is not expected to be under the direct supervision or control of the party. Ordinarily this arrangement and relationship shields the party from liability for negligent acts of the independent contractor that occurred during the performance of the work. For example, a medical consultant is an independent contractor for whose negligent acts the attending doctor is not liable.
www5.aaos.org/oko/vb/online_pubs/professional_liability/glossary.cfm
- A person who acts for another but who sells final results and whose methods of achieving those results are not subject to the control of another.
www.sanderco.com/Glossary%20Pages/1.htm
- means an individual contractor or an employee of a contractor who provides personal services and who is not an employee of the state of Michigan.
www.state.mi.us/mdcs/Rules2002/crule9.htm
- One who is hired to do a particular job and is subject to the direction of the person in charge. Independent contractors pay for their own expenses and taxes and are not viewed as employees with benefits.
www.peakagents.ca/glossary/i3.htm
- An independent contractor is a person or business which provides goods or services to another entity under terms specified in a contract. Unlike an employee, an independent contractor does not work regularly for a company.
en.wikipedia.org/wiki/Independent_contractor

define:INDEPENDENT CONTRACT

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There are other groups
~~ever~~ Exempt FROM
Workers Comp and
aren't required to
have Workers Comp

MAJORITY of holders
smart people who understand
the business — int. in p/ers

5
Talking Points – House Labor and Commerce Committee 2/27/06
HB 409 – Exempt Worker's Comp. or Realtors

1. Disclose that you're licensed to sell real estate in Alaska

This is a bill that exempts real estate agents in Alaska from worker's comp.

Worker's compensation is the means through which injured workers are compensated for injuries sustained on the job or as a result of their job. Every state and the federal government have laws that require most companies to purchase worker's compensation insurance for their employees. However, most of the real estate agents in Alaska are considered *independent contractors, not employees.*

These "Qualified real estate licensee's":

1. Typically sign an "independent contractor agreement" with the broker and pay for their own services;
2. They don't receive a wage, salary or benefits
3. They receive payment for services directly related to their sales or other output rather than the hours work
4. When they do receive payment for their services, they are required to pay estimated quarterly income tax; pay their own social security taxes AND that portion of the social security tax an employer would normally pay for an employee.
5. They pay for all their business expenses. This would include licensing fees, continuing education classes, advertising, mailings, office equipment and supplies; long-distance telephone calls; design and implementation of a personal website – in short – EVERYTHING. They are a business within a business.
6. The broker has no control over the hours spent or how the licensee conducts his business as long as it's within the boundaries of the law.
7. The IRS considers qualified real estate licensees as "independent contractors"

Supported by Dept Labor & Workforce
O'Leary
Realtors not

HB

284

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: January 15, 2008

FURTHER REFERRALS: Finance

Date of Committee Action: 1-24-08

The STATE AFFAIRS Committee considered:

HB 284

HOUSE BILL NO. 284

PFD ALLOWABLE ABSENCE: FELLOWSHIPS

"An Act relating to participation in certain student fellowships as an allowable absence from the state for purposes of eligibility for permanent fund dividends; and providing for an effective date."

Recommends it be replaced with HCS or CS for _____ (_____)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of
Abbrev
for
Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LWF
- LAW
- LEG
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
Revenue				X

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	JOHANSEN	X			
	Rosen	X			
	Coyle			✓	
	Hall	X			
Chair:	LYNN	X			
Chair: _____					

Liberry

Before the State Affairs Committee, Alaska State Legislature
Written testimony of Demian A. Schane in support of HB 284 (PFD Allowable Absences:
Fellowships)

January 24, 2008

Dear Committee Members:

My name is Demian Schane, and I am a resident of Juneau, Alaska. I currently work for the National Oceanic & Atmospheric Administration, but I would like to make clear that I give this testimony as an individual and on my own behalf. I do not represent the views of my agency or the federal government.

I applaud the efforts of Representative Hawker and urge all legislative staff to support HB 284. I believe it is important, and the current PFD statute already does this to a certain extent, to support residents who leave the State for educational purposes or to serve the country and State (e.g., to serve in the military, in Congress, in the U.S. Peace Corps, or on the U.S. Olympic Team). The proposed amendment adds one more excusable absence that I believe is a worthy one.

Every year, a handful of Alaskans are offered fellowship opportunities to live abroad in the pursuit of educational and/or vocational training. I personally spent 10 months in Iceland on a U.S. Fulbright grant studying the European Union's mechanisms for regulating escapes from farm fishing operations. It was a uniquely rewarding experience and an honor and privilege to represent the U.S. and Alaska in Iceland.

The Fulbright Program is funded through the U.S. Department of State and it promotes a cultural and educational exchange program in numerous foreign countries. The grantees can enroll in a foreign university or conduct research independently under the auspices of a university or professional organization. During the grant period, grantees will typically meet with the staff of the U.S. embassy and the host country's counterparts. The host country may also offer a variety of forums to foster the exchange of ideas, experiences, and values. For example, in Iceland, there were conferences on international seafood trade, aquaculture innovations, and genetic impacts on wild fish populations from farmed fish escapes. In short, the program offers U.S. citizens an opportunity to further their understanding of issues and policies of international significance and experience how other cultures endeavor to resolve them.

U.S. sponsored fellowships such as the U.S. Fulbright Program are professionally and personally rewarding. I hope that the Legislature recognizes and supports its fellow Alaskans' efforts to pursue such opportunities by allowing them to do so without losing their residential status and eligibility for a PFD disbursement.

Thank you for your time and consideration.

Sincerely,
Demian A. Schane
836 Calhoun Ave
Juneau, AK 99801
907-463-5145

dschane@gmail.com

HOUSE STATE AFFAIRS
COMMITTEE

Amendment # _____

Conceptual
AMENDMENT

To Bill Number _____

Sponsor: _____

BY Date: _____ Logged By: _____

OFFERED IN THE HOUSE

TO: HB 284

- 1 Page 3, line 18, following "January 1"
- 2 DELETE "2009"
- 3 INSERT "2005"

*They decided
not to do it,
per Paulyn*

FAX COVER SHEET

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 466-2450
FAX (907) 485-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1162
Deliveries to: 129 6th St., Rm. 329

TO: Rep Lynn - Attn: Nancy Manly

FAX: 4316 PHONE: 4931

NUMBER OF PAGES
(including cover sheet): 2

DATE SENT 1/23/8 TIME 4:17 SENT BY MaryEllen

DISPOSAL OF ORIGINAL:

MAIL FILE THROW AWAY HOLD FOR PICKUP

NOTES/INSTRUCTIONS: from Ch. 69, SLA 2003

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Ch. 70

TEMPORARY AND SPECIAL ACTS

From Ch. 69, SLA 2003
28

APPLICATIONS. Notwithstanding permanent fund dividend application procedures, an individual who qualifies for a dividend for 2003 because of the amendment to AS 43.23.008(a) made in sec. 1 of this Act, or who may apply on behalf of another who qualifies because of the amendment, may apply for the dividend by September 15, 2003. The Department of Revenue shall prepare a form for applications under this section.

• Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to read:
RETROACTIVITY. Section 1 of this Act is retroactive to January 1, 2002. ←

• Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

Approved: June 11, 2003
Effective: June 12, 2003;
section 1 is retroactive to January 1, 2002

CHAPTER 70

AN ACT RELATING TO COST-OF-LIVING BENEFITS FOR RETIRED MEMBERS IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE TEACHERS' RETIREMENT SYSTEM WHO ARE CALLED TO ACTIVE MILITARY DUTY; AND PROVIDING FOR AN EFFECTIVE DATE.

SB 177

Be it enacted by the Legislature of the State of Alaska

Sections 1 and 2. Permanent law. See Table of Disposition of Acts.

• Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to read:
RETROACTIVITY. Sections 1 and 2 of this Act are retroactive to January 1, 2003.

• Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

Approved: June 11, 2003
Effective: June 12, 2003;
sections 1 and 2 are retroactive to January 1, 2003

CHAPTER 71

AN ACT AUTHORIZING THE ALASKA RAILROAD CORPORATION TO PROVIDE FINANCING FOR THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, MAINTENANCE, EQUIPMENT, AND OPERATION OF A NATURAL GAS PIPELINE AND RELATED FACILITIES FOR THE TRANSPORTATION OF NATURAL GAS RECOVERED FROM THE NORTH SLOPE OF THIS STATE; AUTHORIZING THE ALASKA RAILROAD CORPORATION TO ISSUE BONDS TO FINANCE THOSE FACILITIES; AND PROVIDING FOR AN EFFECTIVE DATE.

CSHB 267(FIN)

Be it enacted by the Legislature of the State of Alaska

• Section 1. The uncodified law of the State of Alaska is amended by adding a new section to read:
FINDINGS, INTENT, AND PURPOSE. (a) The legislature finds that:

(1) the Alaska Railroad Corporation is uniquely suited to serve essential functions of the state by providing financing for a facility for the transportation of certain natural gas resources located within the state;

(2) providing financing for that facility furthers the purposes of both the state and the Alaska Railroad Corporation by assuring that the state's natural gas resources will be transported to their appropriate markets, thus creating revenue for the Alaska Railroad Corporation and for the state and providing employment opportunities for residents of the state;

(3) the facility also will enhance and improve the state's ability to develop and transport other natural resources of the state, including oil and gas resources located off the North Slope of this state; and

TRANSACTION REPORT

JAN-23-2008 04:18 AM

FOR: REP LYNN

4654318

RECEIVE

DATE	START	SENDER	PAGES	TIME	NOTE
JAN-23	04:18 AM	907 465 2029	2	53"	OK

Representative Mike Hawker

Alaska State Legislature



House Bill 284 Sponsor Statement

Session:
State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim:
716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

Member:
House Finance Committee
Legislative Budget
& Audit Committee

House District 12:
Koyuk River
Anchorage
Rainbow
Indian
Bird
Goldwood
Partridge
Whisper
Sunrise
Hope

Short Title: PFD Allowable Absence: Fellowships

HB 284 corrects an inequity in our statutes regarding allowable absences for Permanent Fund Dividends. Current law provides for an allowable absence for students who are "receiving vocational, professional, or other specific education on a full-time basis for which, as determined by the Alaska Commission on Postsecondary Education, a comparable program is not reasonably available in the state." For some reason, the above statutory language has been interpreted by regulation to exclude students who are participating in an international educational exchange under a U.S. Fulbright Scholarship.

The Fulbright Scholar Program, which was signed into law by President Truman in 1946, is sponsored by the United States Department of State, Bureau of Educational and Cultural Affairs. Every year, the program sends 800 scholars and professionals, chosen for their academic merit and leadership potential, to more than 150 countries, where they lecture or conduct research in a wide variety of fields.

Those chosen for the Fulbright program represent Alaska and the United States in foreign countries all over the world. Grants are typically for three months to one year. I encourage you to support this bill and correct this inequality in our current law.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 284
 () Publish Date: _____

Identifier (file name): HB284-DOR-PFD-1-21-08 Dept. Affected: _____ Revenue: _____
 Title: PFD Allowable Absence Fellowships RDU: Permanent Fund Dividend Division
 Component: Permanent Fund Dividend Division
 Sponsor: Reps. Heister, Kertula
 Requester: House State Affairs Component Number: 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	00	00	00	00	00	00	00	00
Travel	00	00	00	00	00	00	00	00
Contractual	00	00	00	00	00	00	00	00
Supplies	00	00	00	00	00	00	00	00
Equipment	00	00	00	00	00	00	00	00
Land & Structures	00	00	00	00	00	00	00	00
Grants & Claims	00	00	00	00	00	00	00	00
Miscellaneous	00	00	00	00	00	00	00	00
TOTAL OPERATING	00	00	00	00	00	00	00	00

CAPITAL EXPENDITURES	00	00	00	00	00	00	00	00
-----------------------------	----	----	----	----	----	----	----	----

CHANGE IN REVENUES ()	00	00	00	00	00	00	00	00
-------------------------------	----	----	----	----	----	----	----	----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	00	00	00	00	00	00	00	00
1003 OF Match	00	00	00	00	00	00	00	00
1004 OF	00	00	00	00	00	00	00	00
1006 OF Program Receipts	00	00	00	00	00	00	00	00
1037 OF Mental Health	00	00	00	00	00	00	00	00
1050 PFD Fund	00	00	00	00	00	00	00	00
TOTAL	00	00	00	00	00	00	00	00

Estimate of any current year (FY2008) cost: 00

POSITIONS

Full-time	00	00	00	00	00	00	00	00
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

PFD already has an education type absence category, and would incorporate this proposed absence reason into the current educational category, within its forms and databases. The financial effect to the operating expenses of the PFD program are anticipated to be minimal.

Prepared by: Amy Skow, Division Manager
 Division: Permanent Fund Dividend Division
 Approved by: Jerry Burnett
Department of Revenue

Phone: (907) 465-4784
 Date/Time: 1/18/08 4:38 PM
 Date: 1/21/2008



ABOUT - FULBRIGHT

Page location: <http://us.fulbrightonline.org/about.html>

"Fostering leadership, learning and empathy between cultures was and remains the purpose of the international scholarship program." - Senator J. William Fulbright

THE FULBRIGHT PROGRAM:

- Is sponsored by the U.S. Department of State.
- Is the largest U.S. international exchange program offering opportunities for students, scholars, and professionals to undertake international graduate study, advanced research, university teaching, and teaching in elementary and secondary schools worldwide.
- Was established in 1946 by the U.S. Congress to "enable the government of the United States to increase mutual understanding between the people of the United States and the people of other countries."
- Awarded approximately six thousand grants in 2006, at a cost of more than \$235 million, to U.S. students, teachers, professionals, and scholars to study, teach, lecture, and conduct research in more than 150 countries, and to their foreign counterparts to engage in similar activities in the United States.
- Receives its primary source of funding through an annual appropriation from Congress to the Department of State. Participating governments and host institutions in foreign countries, and in the United States, also contribute financially through cost-sharing and indirect support, e.g., through salary supplements, tuition waivers, and university housing.



J. William Fulbright

In This Section

Program History

The origins and development of the Fulbright Program, outlining its mission and vision.

U.S. Department of State

The role of the U.S. Department of State in the Fulbright Program.

Program Design

The U.S. Student Program

ABOUT - PROGRAM HISTORY

Page location: http://us.fulbrightonline.org/about_programhistory.html

"The Fulbright Program aims to bring a little more knowledge, a little more reason, and a little more compassion into world affairs, and thereby to increase the chance that nations will learn at last to live in peace and friendship." - J. William Fulbright

In 1945, Senator J. William Fulbright introduced a bill in the United States Congress that called for the use of proceeds from the sale of surplus war property to fund the "promotion of international good will through the exchange of students in the fields of education, culture, and science."

On August 1, 1946, President Harry S. Truman signed the bill into law, and Congress created the Fulbright Program.

The J. William Fulbright Foreign Scholarship Board (FSB) was created by Congress to supervise the Fulbright Program. This 12-member Board, appointed by the President of the United States, works in cooperation with the Bureau of Educational and Cultural Affairs of the U.S. Department of State, binational Fulbright Commissions and Foundations, and Public Affairs Sections of U.S. Embassies abroad, to administer the Program. The FSB sets policies and procedures for administration of the Fulbright Program, has final authority for selection of all grantees, and supervises the conduct of the program both in the United States and abroad. [Click here for a complete list of current FSB members.](#)

The primary source of funding for the Fulbright Program is an annual appropriation from Congress to the Department of State. Participating governments and host institutions in foreign countries, and in the United States, also contribute financially through cost-sharing and indirect support, e.g., through salary supplements, tuition waivers, and university housing.

The Fulbright U.S. Student Program is now the largest U.S. exchange program offering opportunities for students and young professionals to undertake international graduate study, advanced research, university teaching, and teaching in elementary and secondary schools worldwide. The U.S. Student Program currently awards approximately 1,300 grants annually in all fields of study, and operates in more than 140 countries worldwide.

Since the establishment of the Program, more than 45,000 students from the United States and 148,000 students from other countries have benefited from the Fulbright experience.

The Fulbright Program has provided more than 250,000 participants, chosen for their leadership potential, with the opportunity to observe each others' political, economic and cultural institutions, exchange ideas, and embark on joint ventures of importance to the general welfare of the world's inhabitants.

U.S. Fulbright Student alumni populate an entire range of professions and include heads of state, cabinet ministers, ambassadors, Members of Congress, judges, heads of corporations, university presidents, journalist, artists, professors, and teachers. Actor John Lithgow, composer Philip Glass, opera singer Renee Fleming and economist Joseph Stiglitz are among notable former grantees.

- From its inception, the Fulbright Program has fostered bilateral relationships in which other countries and governments work with the U.S. to set joint priorities and shape the Program to meet shared needs. The world has been transformed in ensuing decades, but the fundamental principle of international partnership remains at the core of the Fulbright mission.



President Harry S. Truman signs the Fulbright Act into law, 1946.



President John F. Kennedy signs the Fulbright-Hays Act into law, 1961.

ABOUT - U.S. DEPARTMENT OF STATE

Page location: http://us.fulbrightonline.org/about_us.html

The United States Department of State's Bureau of Educational and Cultural Affairs (ECA) sponsors the Fulbright Program under policy guidelines established by the J. William Fulbright Foreign Scholarship Board (FSB) and in cooperation with binational Fulbright Commissions/Foundations and Public Affairs Sections of U.S. Embassies abroad.

As the administrative and executive arm of the Fulbright Program, the Bureau has fiscal responsibility for the preparation of an annual budget request to Congress and makes decisions on funding allocations to participating countries. Under policies established by the J. William Fulbright Foreign Scholarship Board, ECA also holds primary responsibility for the administration of the Program, together with the assistance of cooperating non-profit organizations. The Bureau's contribution to the Fulbright Program in 2006 amounted to \$184.6 million.

Within a U.S. Embassy abroad (the Post), exchange-program activities are the responsibility of a Public Affairs Officer (PAO) or a Cultural Affairs Officer (CAO). At least one of these officers is a member of the local Binational Commission and maintains liaison with the Commission on policy and program matters on behalf of the Bureau. In countries without a Commission, the PAO or CAO administers the educational exchange program.

[HTTP://US.FULBRIGHTONLINE.ORG/THINKING_ELIGIBILITY.HTML](http://us.fulbrightonline.org/thinking_eligibility.html)

Page location: http://us.fulbrightonline.org/about_programdesign.html

THE U.S. STUDENT PROGRAM:

Awards grants to U.S. citizens in all fields of study

Operates in more than 140 countries worldwide

- Award more than 1,400 grants to U.S. students to study overseas
- Offers one academic year of study, research, or teaching assistantship experience
- Projects may include university course work, independent library or field research, or professional training in the arts.
- Preference will be given to candidates who have not had extensive recent experience abroad (excluding recent undergraduate study abroad), especially in the country of applications

THE U.S. STUDENT PROGRAM IS DESIGNED FOR:

- Recent BA/BS graduates,
- Master's, and doctoral candidates
- Young professionals, including writers, journalists, and those in law, business, and other professional fields
- Artists and musicians

Representative Mike Hawker

Alaska State Legislature

Session:

State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim:

716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

Member:

House Finance Committee
Legislative Budget
& Audit Committee

House District 32:

Fair River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope

To: Representative Bob Lynn, Chairman
House State Affairs Committee

From: Representative Mike Hawker



Date: January 16, 2008

Re: House Bill 284

I request that House Bill 284, which would add the Fulbright Scholar Program to the list of allowable absences for Permanent Fund Dividends, be scheduled for a hearing in the House State Affairs Committee at your earliest convenience.

The Fulbright is the largest U.S. international exchange program, allowing students, scholars and professionals to pursue graduate study, advanced research and teaching opportunities abroad. Scholars are sponsored by the United States Department of State's Bureau of Educational and Cultural Affairs and represent our state and country in more than 140 foreign countries.

Attached you will find the current version of the bill, a sponsor statement and some background materials. Please feel free to contact me, or my legislative aide, Juli Lucky, if you need any additional information.

HB

287



Targeted Divestment from Sudan Frequently Asked Questions

Library

Since 2004, AJWS has been a leader in the movement to end the genocide in Darfur, Sudan. Targeted divestment is an additional tactic in AJWS' ongoing campaign to put real and concerted pressure on the Sudanese government. While many of our elected officials have spoken out in support of actions to stop the violence, diplomatic efforts have fallen far short of what is necessary.

Targeted divestment:

- Offers an opportunity for citizens to increase economic pressure on Sudan and stop the flow of money that funds the genocide;
- Tells our elected officials that we are concerned about the genocide and expect them to act; and
- Keeps Darfur on the political agenda and in the media.

What is targeted divestment?

Targeted divestment focuses on companies that directly or indirectly finance the Sudanese government's military campaign against the people of Darfur. Of the 400+ international companies operating in Sudan, about two dozen are currently considered the "worst offending" and are targeted for engagement to change their corporate behavior.

While U.S. sanctions prevent domestically-owned companies from doing business in Sudan, many U.S. corporations, mutual funds and individuals are invested in foreign companies that operate there. Mainly in the oil, energy, mineral extraction or weapons industries, these offending companies provide little to no benefit to Sudanese civilians and have failed to address the genocide in Darfur through corporate action. If such companies prove unresponsive to shareholders' efforts to address their complicity and refuse to change their behavior, shareholders then remove their funds.

How does targeted divestment work?

When institutions divest from companies doing business with Sudan, demand for the companies' shares falls and the share price loses value. When more institutions divest from offending companies, this effect is multiplied. Targeted companies who feel that their investments are threatened may either encourage the Sudanese government to change its behavior or stop their operations in Sudan entirely.

Is targeted divestment the same as the anti-apartheid movement to divest from South Africa?

Since it focuses on the worst offending companies, targeted divestment differs greatly from the "blanket" approach used during the South Africa divestment movement.

Will targeted divestment hurt the general Sudanese population?

Targeted divestment does not affect companies involved in medicine, education, agriculture, consumer goods or the provision of humanitarian aid. While the Sudanese government is profiting greatly from its thriving oil industry, very little of that revenue benefits civilians. In fact, more than 70 percent of the government's oil revenues are spent on defense. Both Amnesty International and Human Rights Watch report that these funds have been used to purchase expensive military equipment like the bombers and helicopters used against civilians in Darfur.

Is targeted divestment effective?

Sudan has proven responsive to economic pressure in the past. In 1997, when the U.S. imposed sanctions on Sudan for sponsoring international terrorism (the regime hosted Osama bin Laden in the 1990s), the Sudanese government responded by breaking up terrorist networks and providing information to U.S. intelligence agencies. A similar divestment campaign in protest of the government's human rights abuses in South Sudan prompted several important oil companies to leave the country in the late 1990s, providing an incentive for the government to enter into peace negotiations to end a 20-year civil war between North and South Sudan.

Bill History/Action for 25th Legislature

BILL: HB 287

SHORT TITLE: DIVEST INVESTMENTS IN SUDAN

BILL VERSION:

CURRENT STATUS: (H) STA
THEN FIN

STATUS DATE: 01/15/08

SPONSOR(s): REPRESENTATIVE(s) LYNN, GARA

HEARING: (H) STA Feb 02 11:00 AM CAPITOL 106 TELECONFERENCE

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

Bill Number: [Display Bill](#) [Next Bill](#)

[Full Text](#)

[Sponsor Statement](#)

[Display Committee Action with Bill History](#)

Jm-Date	Jm-Date	Action
01/04/08	1696	(H) PREFILE RELEASED 1/4/08
01/15/08	1696	(H) READ THE FIRST TIME - REFERRALS
01/15/08	1696	(H) STA, FIN
01/15/08	1696	(H) RE. ERRED TO STATE AFFAIRS

Similar Subject Match or Exact Subject Match

- INTERNATIONAL RELATIONS
- INVESTMENTS
- OIL & GAS
- PERMANENT FUND
- PUBLIC EMPLOYEES
- PUBLIC FINANCE
- RETIREMENT
- RIGHTS
- SALARIES & ALLOWANCES

Bill Number: [Display Bill](#)

[Next Bill](#)

[Return to Basis Main Menu \(25th Legislature\)](#)

HOUSE BILL NO. 287

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES LYNN AND GARA

Introduced: 1/15/08
Referred: State Affairs, Finance

*Public testimony
was closed*

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to certain investments of the Alaska permanent fund, the state's
2 retirement systems, the State of Alaska Supplemental Annuity Plan, and the deferred
3 compensation program for state employees in companies that do business in Sudan, and
4 restricting those investments."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 * Section 1. AS 37.10 is amended by adding a new section to read:

7 Sec. 37.10.212. Investments in companies involved in business in Sudan.

8 (a) The board shall comply with requirements of AS 37.13.125. For purposes of this
9 subsection, references to the "board" in AS 37.13.125 are construed to mean the
10 "Alaska Retirement Management Board."

11 (b) To the extent that this section conflicts with AS 37.10.270(a) or other
12 provisions, the provisions of this section prevail. The board may cooperate with the
13 Board of Trustees of the Alaska Permanent Fund Corporation in carrying out the
14 requirements of AS 37.13.125.

Handwritten notes and signatures in the bottom right corner, including "Public testimony was closed" and other illegible text.

1 * Sec. 2. AS 37.13 is amended by adding a new section to read:

2 **Sec. 37.13.125. Investments in companies involved in business in Sudan.**

3 (a) The board shall make its best efforts to identify all scrutinized companies in which
4 the fund has direct or indirect holdings or might have holdings in the future that have
5 active business operations in Sudan. The board shall prepare and update on a quarterly
6 basis a scrutinized companies list. A company that stops active business operations in
7 Sudan shall be removed from the list, and a company that becomes engaged in or
8 resumes active business operations in Sudan shall be added to the list. The scrutinized
9 companies list shall be created and updated based on evolving information, including
10 information obtained by

11 (1) reviewing publicly available information regarding companies with
12 active business operations compiled by nonprofit organizations, research firms,
13 international organizations, and government entities;

14 (2) contacting fund asset managers regarding the identity of companies
15 with active business operations;

16 (3) contacting other institutional investors that have divested from
17 companies that have active business operations.

18 (b) A company may not be included on the scrutinized companies list if

19 (1) its primary purpose in Sudan is to provide humanitarian goods or
20 services, services of a purely clerical or reporting nature, or food, clothing, or
21 consumer goods that do not include oil-related activities, mineral extraction activities,
22 or power production activities and if the company has not taken actions within the
23 immediately preceding 20-month period that support or promote the genocidal
24 campaign in Darfur, including actions that prevent Darfur's victimized persons from
25 communicating with each other, that encourage Sudanese citizens to speak out against
26 an internationally approved security force for Darfur, or that alter the record on human
27 rights abuses in Darfur;

28 (2) it has adopted, publicized, and implemented a formal plan to stop
29 active business operations within one year and to refrain thereafter from resuming
30 active business operations;

31 (3) it has undertaken significant humanitarian efforts in conjunction

1 with an international organization, the government of Sudan, the regional government
2 of southern Sudan, or a nonprofit entity that has been evaluated and certified by an
3 independent entity to be substantial and of benefit to one or more marginalized
4 populations of Sudan; or

5 (4) it has materially improved conditions for the genocidally
6 victimized population in Darfur through negotiation with the government of Sudan.

7 (c) The board shall, on an ongoing basis, identify the companies on the
8 scrutinized companies list in which the fund has direct or indirect holdings. For each
9 identified company, the board shall determine whether the company is engaged in
10 active business operations or is now engaged only in inactive business operations. The
11 board shall send a written notice informing each company engaged only in inactive
12 business operations of the requirements of this section and shall encourage the
13 company to refrain from initiating active business operations. After sending the notice,
14 the board shall remove the company from the scrutinized companies list. The board
15 shall send a written notice to each company engaged in active business operations that
16 the company is subject to divestment by the fund. The notice must offer the company
17 the opportunity to clarify its activities in Sudan and encourage the company to stop its
18 active business operations or convert the active business operations to inactive
19 business operations to avoid divestment by the fund. If, within 90 days after the notice
20 has been sent, the company stops its active business operations, the company shall be
21 removed from the scrutinized companies list.

22 (d) If, 90 days after notice is sent by the board, a company continues to have
23 active business operations in Sudan, all publicly traded securities of the company held
24 directly by the fund and managed by an employee of the fund shall be immediately
25 sold, redeemed, or otherwise divested. At least 50 percent of the assets of the company
26 held directly by the fund but not managed by an employee of the fund shall be
27 divested within nine months after the company's most recent placement on the
28 scrutinized companies list, and the balance of those assets shall be divested during the
29 next six months.

30 (e) Indirect holdings of the fund in assets of a company on the scrutinized
31 companies list that has active business operations need not be divested if the assets are

get a copy of the PFD with a fund

PFD Small ref micro ref

what is a fund?

Basic principle

What is a fund?

What is a fund?

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What is a fund?

*How do you become part of a Coningled funds?
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Very possible is the
Coningled funds*

1 part of a separate, actively managed commingled fund in which other investors also
 2 own shares or interests. However, the board shall submit a letter to the manager of the
 3 actively managed fund requesting that consideration be given to removing the
 4 company from the fund or creating a similar actively managed fund with assets that do
 5 not include companies with active business operations in Sudan. If the manager
 6 creates that other fund, the board shall replace investments in the original fund with
 7 investments in the other fund in an expedited manner that is consistent with the
 8 prudent investment standard.

9 (f) By February 1 of each year, the board shall file a report with the
 10 legislature, the attorney general, and the United States Presidential Special Envoy for
 11 Sudan summarizing its activities under this section. The report must include the most
 12 recently updated list of scrutinized companies.

13 (g) To the extent that this section conflicts with AS 37.13.120 or other
 14 provisions, the provisions of this section prevail. The board may cooperate with the
 15 Alaska Retirement Management Board in carrying out the requirements of this
 16 section.

17 (h) In this section,

18 (1) "active business operations" means engaging in commerce in any
 19 form in Sudan, including acquiring, developing, maintaining, owning, selling,
 20 possessing, leasing, or operating equipment, facilities, products, services, and
 21 other apparatus of business or commerce, but does not include inactive business
 22 operations;

23 (2) "company" means any sole proprietorship, organization,
 24 association, partnership, corporation, joint venture, limited partnership, limited
 25 liability company, or other entity or business association, including all wholly owned
 26 subsidiaries, majority-owned subsidiaries, parent companies, or affiliates or business
 27 associations that exist for profit-making purposes;

28 (3) "government of Sudan" means the government in Khartoum,
 29 Sudan, lead by the National Congress Party or any successor government, including
 30 the coalition Government of National Unity agreed on in the Comprehensive Peace
 31 Agreement for Sudan, but does not include the regional government of southern

1 Sudan;

2 (4) "inactive business operations" means the mere continued holding
3 or renewal of rights to property in Sudan previously used for the purpose of generating
4 revenue but not presently used for that purpose;

5 (5) "marginalized populations" includes the portion of the population
6 in the Darfur region that has been genocidally victimized and in southern Sudan that
7 has been victimized by Sudan's north-south civil war, the Beja, Rashidiya, and other
8 similarly underserved groups of eastern Sudan, the Nubian and other similarly
9 underserved groups in Sudan's Abyei, Southern Blue Nile, and Nuba Mountain
10 regions; and the Amri, Hamadab, Manasir, and other similarly underserved groups of
11 northern Sudan;

12 (6) "mineral extraction activities" means exploring for, extracting,
13 processing, transporting, or wholesale selling or trading of minerals, and includes the
14 provision of supplies, services, or other forms of support for those activities;

15 (7) "oil-related activities" means exploring for oil, owning rights to oil,
16 exporting, extracting, producing, refining, processing, transporting, selling, or trading
17 oil, or constructing, maintaining, or operating an oil pipeline, refinery, or other oil
18 infrastructure, and includes the provision of supplies, services, or other forms of
19 support for those activities, but does not include the retail sale of gasoline and oil-
20 based consumer products;

21 (8) "power production activities" means any business operation that
22 involves a project commissioned by the National Electricity Corporation of Sudan or
23 other similar government of Sudan entity that engages in power generation and
24 delivers, sells, installs, or maintains components for power generation and delivery
25 projects, and includes the provision of supplies, services or other forms of support for
26 those activities;

27 (9) "scrutinized company" means a company

28 (A) with business operations that involve contracts with,
29 provision of supplies to, or provision of services to the government of Sudan, a
30 company in which the government of Sudan has a direct or indirect equity
31 interest, or a company that is involved in a consortium or project

1 commissioned by the government of Sudan if

2 (i) more than 10 percent of the company's revenue or
3 assets linked to Sudan involve oil-related activities or mineral
4 extraction activities and less than 75 percent of the company's revenue
5 or assets linked to Sudan involve contracts with or provision of oil-
6 related or mineral extracting products or services to the regional
7 government of southern Sudan or a project or consortium created
8 exclusively by that regional government; or

9 (ii) more than 10 percent of the company's revenue or
10 assets linked to Sudan involve power production activities and less than
11 75 percent of the company's power production activities include
12 projects to provide power or electricity to the marginalized populations
13 of Sudan:

14 (B) that is complicit in the Darfur genocide by supporting or
15 promoting the genocidal campaign, including taking action to prevent Darfur's
16 victimized persons from communicating with each other, to encourage
17 Sudanese citizens to speak out against an internationally approved security
18 force for Darfur, or to alter the record on human rights abuses in Darfur; or

19 (C) that supplies military equipment to Sudan, unless the
20 company can clearly demonstrate that the equipment is not being used by a
21 party participating in armed conflict in Sudan, or is supplied solely to the
22 regional government of southern Sudan or an internationally recognized
23 peacekeeping force or humanitarian organization.

24 * Sec. 3. AS 37.10.212 and AS 37.13.125 are repealed on the day after the Alaska
25 Retirement Management Board and the Board of Trustees of the Alaska Permanent Fund
26 Corporation jointly inform the revisor of statutes that

27 (1) the United States Congress or the President of the United States has
28 declared that the Darfur genocide

29 (A) has been halted; and

30 (B) has not resumed for at least 12 months;

31 (2) the United States has revoked all sanctions it imposed against the

1 government of Sudan;

2 (3) the United States Congress or the President of the United States has
3 declared that the government of Sudan has honored its commitments

4 (A) to stop attacks on civilians;

5 (B) to demobilize and demilitarize the Janjaweed and associated
6 militias;

7 (C) to grant free and unfettered access for deliveries of humanitarian
8 assistance; and

9 (D) to allow for the safe and voluntary return of refugees and internally
10 displaced persons; or

11 (4) the United States Congress or the President of the United States, through
12 legislation or executive order, declares that mandatory divestment of the types provided for in
13 AS 37.13.125 interferes with the conduct of United States foreign policy.

14 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 **TRANSITION.** Within 90 days after the effective date of AS 37.10.212, added by sec.
17 1 of this Act, and of AS 37.13.125, added by sec. 2 of this Act, the Alaska Retirement
18 Management Board and the Board of Trustees of the Alaska Permanent Fund Corporation
19 shall prepare the initial list of scrutinized companies required to be identified by those
20 sections.

Alaska State Legislature

Chairman
State Affairs Committee

Vice-Chairman
Economic Development, Trade & Tourism
Committee

Member
Judiciary Committee
Joint Armed Services Committee

Finance Subcommittees
Corrections
Labor and Workforce Development
Military and Veterans' Affairs
Public Safety



A Communication From
REPRESENTATIVE BOB LYNN
District 31 Anchorage

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"Bob Lynn's Alaska Blog" RepBobLynn13log.com

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Sponsor Statement HB 287

Alaska should not invest money in companies that have a business relationship and are complicit with the Sudanese Government's policy of genocide in the Darfur region of Western Sudan.

More than 400,000 people have been killed, an additional 2.5 million have been forced from their homes, and untold thousands of women and children have been abducted and raped, since Sudan began sponsoring attacks on innocent civilians in Darfur.

On July 22, 2004 the U.S. Congress declared that "the atrocities unfolding in Darfur, Sudan are genocide." This is the first time in history that the United States government has recognized genocide while it's still occurring.

HB 287 mandates targeted divestment and prohibits future investment of the state managed PFD and Pension funds in targeted companies that do business with Sudan. The overall objective of this legislation is to pressure Sudan economically until it ends its genocide in Darfur.

There are few things an individual state can do to end genocide. Targeted Divestment is one promising strategy to do just that: Pressure the Sudanese government to end its genocide in Darfur. The State of Alaska can do this with slim to no impact on the fund manager's wise investment mandate to invest principal while maximizing total return.

Alaska has very little invested in Sudan, about 36 million, or 0.1% of total assets and it's important to note that none of the targeted businesses currently operating in Sudan are American.

U.S. Senator Sam Brownback and former republican presidential candidate, said: "We've said often 'never again' and taken up the pledge of 'not on our watch.' We also need to take up the pledge of 'not on our dime.'"

To date, 20 states have already divested assets from companies doing business with the government of Sudan. Alaska is the 49th State to join the union, but it should not be the last to say: "No to genocide. not on our dime."



Alaska Permanent Fund Corporation
 Analysis of HB 287 Divest Investments in
 Sudan

Estimated first year costs of implementing a divestiture plan **\$10.9 - \$14.6 million**

Estimated ongoing costs of implementing a divestiture plan - **\$8.3 - \$8.9 million**
Excludes impact of divestiture on performance of fund assets

Breakdown of initial costs of implementing a divestiture plan

Equities portfolio restructuring **Estimated cost**

Some managers will not be able to customize their account mandates. APFC will need to search for replacement managers.

Manager search

Callan Associates (consultant) fee for three manager searches: \$26,000 search **\$78,000**
 Staff due diligence travel for manager searches **\$4,800**

Transaction costs to transfer holdings to new managers

Transaction costs range from 0.25%-0.5% of portfolio value
 Tukman - manages \$523.6mm large-cap value portfolio **\$1.3 - \$2.6 mm**
 GEAM - manages \$494.7mm large-cap growth portfolio **\$1.2 - \$2.5 mm**
 GEAM - manages \$468.3mm EAFE fund **\$1.2 - \$2.3 mm**

Transition Manager to facilitate holdings transfers **\$745,000**

Legal

Review of contracts for 3 replacement managers, estimated at 2 days per manager. All remaining equities and fixed income contracts would need to be reviewed, estimated at a half-day per contract. We believe that in-house counsel will be able to absorb this workload. **\$0**

Internal costs to implement legislation

Additional staff costs to perform tasks in HB 287: Review public information, contact fund managers and other institutional investors to identify companies engaged in restricted activities; Contact identified companies to determine nature of business; If activities are deemed restricted, notify company to encourage divestiture; 90 day follow up to determine if company has complied with divestiture; Ongoing monitoring.

	<u>FY09</u>	<u>Ongoing</u>
	\$33,775	\$11,580

Purchase of externally generated lists

IW Financial	\$13,000	\$13,000
RiskMetrics Group	\$12,000	\$12,000
KLD Research	\$5,000	\$5,000



Alaska Permanent Fund Corporation

Analysis of HB 287 Divest Investments in
Sudan

Breakdown of annual costs of implementing a divestiture plan

Note: Annual costs will be incurred in the first year as well as in subsequent years

Existing managers that need to customize their strategy or replacement managers may charge higher annual fees:	Estimated cost
Passive equity index manager - assume manager increases fee by 1 basis point. Since the APFC has \$5.1 billion in passive index assets, this would increase manager fees by \$509,000 per year.	\$509,000
Active US equity managers (large and small-cap) - assume managers increase fee by 2.5 bps. Since the APFC has \$4.7 billion in US equity assets, this would increase fees by \$1.2 million per year.	\$1.2 million
Active Non-US equity managers (global, developed and emerging) - assume managers increase fee by 5 bps. (Such firms may have more exposure in their portfolios and may experience a greater impact on how they manage their portfolios. They may need to find replacement stocks that they otherwise wouldn't have to worry about.) Since the APFC has about \$8.7 billion in global and non-US equity assets. This would increase costs by \$4.2 million per year.	\$4.2 million
Assume fixed income manager fees rise by 3%, producing an increase of \$381,000.	\$381,000

Note: Manager fees are based on the volume of assets under management. The increase in fees for customizing mandates for the first year is estimated at \$6.3 million. All budget projections for fees are based on APFC's mid-case assumption of an annual growth in assets of 7% each year. Accordingly, we expect that this fee increase will adjust upwards at 7% each year.

General Consultant Costs

The general consultant may increase its fee to reflect its higher costs associated with monitoring the impact of divestiture. For example, for each manager running a customized strategy, that manager's performance would need to be compared to the non-customized strategy. The consultant would have to prepare analysis and report to the APFC board on a periodic basis.

Unknown

Operational Considerations that could affect the APFC Finance, IT, Training and

To be determined

Higher compliance costs - need to monitor manager holdings

May need to add staff

May need to develop or buy special software

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3887 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 17, 2008

SUBJECT: Restrictions on investments in companies that do business in Sudan; Sectional Summary (HB 287; Work Order No. 25-LS1170M)

TO: Representative Lee Gara
Attn: Meagan Foster

FROM: Tamara Brandt Cook
Director *TBC*

Sec. 1. The Alaska Retirement Management Board is required to comply with AS 37.13.125, a new section added in bill sec. 2. The board is permitted to cooperate with the Board of Trustees of the Alaska Permanent Fund Corporation in complying with the new section.

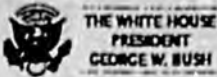
Sec. 2. A new section is added restricting certain investment in companies involved in business in Sudan. Under subsection (a), the Board of Trustees of the Alaska Permanent Fund Corporation is required to identify all scrutinized companies in which the Permanent Fund has direct or indirect holdings or might have holdings in the future that have active business operations in Sudan. The board must prepare and update on a quarterly basis a scrutinized companies list. Subsection (b) identifies the characteristics of companies that may not be included on the scrutinized companies list. Subsection (c) requires the Board of Trustees to send certain notices to companies regarding divestment requirements. Under subsection (d), if, 90 days after the notice is sent, a company continues to have active business operations in Sudan, all publicly traded securities of the company held directly by the Permanent Fund and managed by an employee of the fund must be divested. A divestment schedule is set out for securities not managed by an employee that are held directly by the fund. Subsection (e) addresses indirect holdings of the fund. The board is required to submit a letter to the manager of the fund requesting that consideration be given to removing investments in companies from the fund that have active business operations in Sudan. Under subsection (f), the Board of Trustees is required to file a report by February 1 each year summarizing its activities relating to divestment of investments in companies with active business operations in Sudan and including the list of scrutinized companies. Under subsection (g), this new law prevails over other provisions of law. The Board of Trustees is permitted to cooperate with the Alaska Retirement Management Board in carrying out the requirements of the new law. Subsection (h) sets out definitions of terms used in the new law.

Representative Les Gara
January 17, 2008
Page 2

Sec. 3. The new provisions in this Act are repealed when the U.S. Congress or President declares that the Darfur genocide has stopped and not been resumed for at least 12 months, the U.S. revokes sanctions against the government of Sudan, the U.S. Congress or President declares that the government of Sudan has honored commitments to stop attacks on civilians and take certain other actions, or the U.S. Congress or President declares that mandatory divestment of investments in companies that do business in Sudan interferes with the conduct of foreign policy.

Sec. 4. The Alaska Retirement Management Board and the Board of Trustees of the Alaska Permanent Fund Corporation are required to prepare the initial list of scrutinized companies within 90 days after the effective date the new sections added in this Act.

TBC:ljw
08-018.ljw



[CLICK HERE TO PRINT](#)

For Immediate Release
Office of the Press Secretary
December 31, 2007

Statement by the President

Today, I have signed into law S. 2271, the "Sudan Accountability and Divestment Act of 2007." I share the deep concern of the Congress over the continued violence in Darfur perpetrated by the Government of Sudan and rebel groups. My Administration will continue its efforts to bring about significant improvements in the conditions in Sudan through sanctions against the Government of Sudan and high level diplomatic engagement and by supporting the deployment of peacekeepers in Darfur. [White House News](#)

This Act purports to authorize State and local governments to divest from companies doing business in named sectors in Sudan and thus risks being interpreted as insulating from Federal oversight State and local divestment actions that could interfere with implementation of national foreign policy. However, as the Constitution vests the exclusive authority to conduct foreign relations with the Federal Government, the executive branch shall construe and enforce this legislation in a manner that does not conflict with that authority.

GEORGE W. BUSH

THE WHITE HOUSE.

December 31, 2007.

Return to this article at:

<http://www.whitehouse.gov/news/releases/2007/12/20071231.html>

[CLICK HERE TO PRINT](#)

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESS.ON

Fiscal Note Number: _____
Bill Version: HB 287
() Publish Date: _____

Identifier (file name): HB287-DOR-TRE-02-08-08 Dept. Affected: Revenue 04
Title: Divestment of investment in Sudan RDU: Taxation and Treasury
Sponsor: Rep Lynn Component: Treasury
Requester: House State Affairs Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
OPERATING EXPENDITURES							
Personal Services	33.8		11.6	11.6	11.6	11.6	11.6
Travel	4.8						
Contractual	2,954.3		2,876.3	2,876.3	2,876.3	2,876.3	2,876.3
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	2,992.9		2,887.9	2,887.9	2,887.9	2,887.9	2,887.9

CAPITAL EXPENDITURES							
-----------------------------	--	--	--	--	--	--	--

CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	2,992.9		2,887.9	2,887.9	2,887.9	2,887.9	2,887.9
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	2,992.9		2,887.9	2,887.9	2,887.9	2,887.9	2,887.9

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0	0
Part-time	10		1	1	1	1	1
Temporary							

ANALYSIS: (Attach a separate page if necessary)

Please see the details on page two.

Prepared by: Brian C Andrews
Division: Revenue / Treasury
Approved by: Jerry Burnett
Department of Revenue

Phone: 907 465-3663
Date/Time: 2/8/08 12:00 AM
Date: 2/8/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. HB 287

ANALYSIS CONTINUATION

Identify and hire screening service providers - \$30,000

Decide on, hire, and fund information providers to provide a daily screening service that could be used by all of the ARMB's active managers.

IW Financial - \$13,000

RiskMetrics Group - \$12,000

KLD Research - \$5,000

Money manager contract revision - \$2.8 million

Restricting investment may require contract revisions and increases in management fees:

Passive equity index managers - assume fees increase by 1 basis point. With \$3.0 billion assets in this category, manager fees will increase by \$297,798 per year.

Active US Equity managers - assume fees increase by 2.5 basis points. With \$3.2 billion assets in this category, manager fees will increase by \$801,633 per year.

Active Non-US equity managers - assume fees increase by 5 basis points. With \$3.5 billion assets in this category, manager fees will increase by \$1.7 million per year.

Money manager replacement, incurred only in FY09 - \$82,800

Restricting investment may also result in a change in managers if some managers are unable or unwilling to comply.

Callan Associates fee for three manager searches: \$28,000/manager.

Staff due diligence travel for manager searches: \$4,800.

Internal cost for initial implementation - \$33,800 in FY09 and \$11,600/FY thereafter

Additional staff costs associated with monitoring and reporting for compliance with HB287

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 17, 2008

SUBJECT: Restrictions on investments in companies that do business in Sudan: Sectional Summary
(HB 287; Work Order No. 25-LS1170M)

TO: Representative Les Gara
Attn: Meagan Foster

FROM: Tamera Brandt Cook
Director *TBC*

Sec. 1. The Alaska Retirement Management Board is required to comply with AS 37.13.125, a new section added in bill sec. 2. The board is permitted to cooperate with the Board of Trustees of the Alaska Permanent Fund Corporation in complying with the new section.

Sec. 2. A new section is added restricting certain investment in companies involved in business in Sudan. Under subsection (a), the Board of Trustees of the Alaska Permanent Fund Corporation is required to identify all scrutinized companies in which the Permanent Fund has direct or indirect holdings or might have holdings in the future that have active business operations in Sudan. The board must prepare and update on a quarterly basis a scrutinized companies list. Subsection (b) identifies the characteristics of companies that may not be included on the scrutinized companies list. Subsection (c) requires the Board of Trustees to send certain notices to companies regarding divestment requirements. Under subsection (d), if, 90 days after the notice is sent, a company continues to have active business operations in Sudan, all publicly traded securities of the company held directly by the Permanent Fund and managed by an employee of the fund must be divested. A divestment schedule is set out for securities not managed by an employee that are held directly by the fund. Subsection (e) addresses indirect holdings of the fund. The board is required to submit a letter to the manager of the fund requesting that consideration be given to removing investments in companies from the fund that have active business operations in Sudan. Under subsection (f), the Board of Trustees is required to file a report by February 1 each year summarizing its activities relating to divestment of investments in companies with active business operations in Sudan and including the list of scrutinized companies. Under subsection (g), this new law prevails over other provisions of law. The Board of Trustees is permitted to cooperate with the Alaska Retirement Management Board in carrying out the requirements of the new law. Subsection (h) sets out definitions of terms used in the new law.

Representative Les Gara

January 17, 2008

Page 2

Sec. 3. The new provisions in this Act are repealed when the U.S. Congress or President declares that the Darfur genocide has stopped and not been resumed for at least 12 months, the U.S. revokes sanctions against the government of Sudan, the U.S. Congress or President declares that the government of Sudan has honored commitments to stop attacks on civilians and take certain other actions, or the U.S. Congress or President declares that mandatory divestment of investments in companies that do business in Sudan interferes with the conduct of foreign policy.

Sec. 4. The Alaska Retirement Management Board and the Board of Trustees of the Alaska Permanent Fund Corporation are required to prepare the initial list of scrutinized companies within 90 days after the effective date the new sections added in this Act.

TBC:ljw
08-018.ljw

Representative Bob Lynn
100 W. 4th Ave Ste 650
Anchorage, AK 99501-2133

Dear Representative Lynn:

12/7/07

Thank you very much for your leadership on the issue of divesting Alaska's Permanent Fund and state pension funds from foreign businesses that are helping to fund the genocide in Darfur, Sudan. I am deeply disturbed that a small portion of Alaska's assets are in foreign companies that are complicit in the first genocide of the 21st century. I join you in saying "not in our watch" and "not on our dime." I am proud that you have taken the lead on this urgent issue, and I ask you to continue working hard to pass divestment legislation in the upcoming session.

Thank you once again for taking initiative!

Sincerely,

Sarah C. Wallner

Sarah C. Wallner
18527 Neumann Circle
Eagle River, AK 99577

LISA MURKOWSKI
ALASKA

COMMITTEES:

ENERGY AND NATURAL RESOURCES
RANKING MEMBER
SUBCOMMITTEE ON ENERGY

FOREIGN RELATIONS
RANKING MEMBER, SUBCOMMITTEE ON
EAST ASIAN AND PACIFIC AFFAIRS

HEALTH, EDUCATION, LABOR,
AND PENSIONS

INDIAN AFFAIRS
VICE CHAIRMAN

Kelley Nixon
2439 Ronny Place, #1
Anchorage, Alaska 99508

United States Senate

WASHINGTON, DC 20510-0203

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August 28, 2007

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110 TRADING BAY ROAD, SUITE 105
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(907) 283-5808

540 WATER STREET, SUITE 101
KETCHIKAN, AK 99901-6378
(907) 225-6880

851 EAST WESTPOINT DRIVE, SUITE 307
WASILLA, AK 99654-7142
(907) 376-7665

P.O. Box 1030
311 WILLOW STREET, BUILDING 3
BETHEL, AK 99558-1030
(907) 543-1639

Dear Kelley:

Thank you for contacting me about the situation in Darfur, Sudan. I appreciated receiving your views and the petition you submitted to my office.

You will be pleased to know that I joined with 95 of my Senate colleagues in sending a letter to Chinese President Hu Jintao urging him to put pressure on the government of Sudan to end military operations in Darfur. As one of Sudan's main investors and a member of the U.N. Security Council, China's cooperation is critical to ending the crisis.

You also should be aware that, on October 10, 2006, all 100 United States Senators signed a letter to Arab League Secretary General Amr Moussa asking that the Arab League press Sudanese President Omar Hassan El-Bashir to halt Sudan's military offensive in Darfur, withdraw Sudanese troops from the area, and facilitate the deployment of United Nations peacekeepers to the region. In addition, on September 19, 2006, the President named former USAID Administrator Andrew Natsios as his Special Envoy to Darfur to lead the United States' efforts in bringing peace to the region.


On December 9, 2006, the U.S. Senate passed Senate Resolution 631, urging the Government of Sudan to implement the agreement for a United Nations peacekeeping force in Darfur. Congress also has passed into law the Darfur Peace and Accountability Act of 2006, directing the President to block the assets and deny visas and entry into the United States of any individual (and family member) and associates responsible for acts of genocide, war crimes, or crimes against humanity in Sudan. The legislation also prohibits U.S. port entry to cargo ships or oil tankers engaged in trade activities in Sudan's oil sector or involved in the shipment of goods for the Armed Forces of Sudan. It also prohibits U.S. assistance to countries that violate the United Nations Security Council embargo on military assistance to Sudan. I am hopeful that the European Union will follow suit and enact sanctions as well.

As you know, the Government of Sudan recently stated that it would accept a United Nations international peacekeeping force to be deployed to the Darfur region. With about 20,000 soldiers and 6,000 civilian police officers, it will be the world's largest peacekeeping operation, costing \$2 billion in the first year. The force is expected to deploy later this year. I will continue to press Khartoum to stick to this agreement.

With regard to divestment of state funds from companies that do business with the government of Sudan, as you may know, Florida recently became the first state to enact a law divesting state pension funds from Iran and Sudan. The governor signed the bill into law on June 8, 2007. Connecticut, Illinois, Maine, New Jersey and Oregon have also begun to divest public pension funds from Sudan. S. 831, the Sudan Divestment Authorization Act of 2007, would safeguard a state's right to divest such funds. S. 831 was introduced on March 8th and referred to the Senate Committee on Banking, Housing, and Urban Affairs, of which I am not a member. Should the full Senate consider related legislation or additional appropriations for the crisis in Darfur, I will keep your support for it in mind.

Again, thank you for contacting me.

Sincerely,



Lisa Murkowski
United States Senator

THE WHITE HOUSE

WASHINGTON

August 29, 2007

**Ms. Kelley Nixon
Unit 1
2439 Ronny Place
Anchorage, Alaska 99508-3823**

Dear Ms. Nixon:

Thank you for sharing your views on the crisis in Sudan. President Bush appreciates your taking the time to write about this important issue.

The brutal treatment of innocent civilians in the Darfur region of Sudan is unacceptable to the President. He abhors the loss of life in Sudan and has called this massive violence a genocide. He believes that the people of Darfur have suffered too long and that the world has a moral obligation to help stop the violence. Sudan remains one of the highest foreign policy priorities for President Bush and his Administration, and he is committed to working with the international community to resolve this humanitarian crisis.

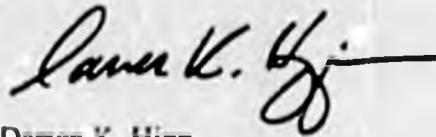
President Bush has demanded that the Sudanese government work with peacekeepers and end the campaign of violence that targets defenseless men, women, and children. However, President Bashir of Sudan has repeatedly obstructed international efforts to bring peace to his country. As a result, President Bush expanded sanctions against the Sudanese government and targeted economic restrictions against companies and individuals responsible for the violence. The United States is also prepared to impose additional punitive measures and sanctions against those violating human rights or impeding the peace process.

The President is working with our allies throughout the world to provide security for the people of Darfur and promote political reconciliation. The United States strongly supports the important work of the United Nations-African Union hybrid peacekeeping operation. This force of nearly 26,000 military personnel and police can play a critical role in stopping armed attacks, protecting civilians, and preventing further disruptions to the implementation of the Darfur Peace Agreement. America will remain focused on pursuing the full implementation of the peace agreement and a lasting political settlement so that the atrocities come to an end.

As America works individually and with other nations to increase pressure on Sudan's government, we will continue to help the refugees and support the people of Darfur. Over the past several years, the United States has led the world in protecting the lives of civilians in Darfur. America is the largest single donor to the people of Darfur and has provided more than \$1.7 billion in humanitarian and peacekeeping assistance since this crisis began.

The President will continue to stand for the innocent until peace in Darfur is secured. For more information, you may wish to visit the White House website at whitehouse.gov/in/focus/africa. Thank you again for writing.

Sincerely,



Darren K. Hipp
Special Assistant to the President
and Director of Presidential Correspondence

**Congress of the United States
Washington, DC 20515**

November 15, 2006

Governor Elect Sarah Palin
245 W. 5th Avenue
Anchorage AK 99501-2358

Dear Governor Elect Palin:

As you prepare to become the new governor, we write today to call on you to direct your state to take action to divest itself from companies identified as assisting the current regime in Sudan. This matter is of the highest priority relating to the ongoing genocide in the Darfur region of Sudan. As you may know, most recently the states of California, Connecticut, Illinois, Maine, New Jersey and Oregon have moved to divest from companies doing business with Sudan.

For over 20 years the government of Sudan was engaged in a brutal civil war with the people of Southern Sudan. This conflict took the lives of over 2 million people. During this time slavery flourished and terrorism took root in Sudan. In the 1990's Osama bin Laden took refuge in Sudan and operated terrorist training camps. In 2003, as the war was ending, a conflict in Sudan's Darfur region broke out. The government reacted by arming a militia and beginning a campaign of genocide. That was three years ago. Over 400,000 people have died since and over 2 million continue to be at risk.

We have followed Sudan for many years. Many of us have traveled to Sudan. We have witnessed the horrors and the impact of decades of war. There is no question that the government of Sudan orchestrated and continues to direct the genocide in Darfur. Bold action is now warranted. The United Nations is working to try to get desperately needed U.N. troops on the ground but the government of Sudan continues to reject this deployment. Targeted divestment from companies doing business in Sudan is an action that should be taken. The genocide in Sudan can be stopped and it is up to every American to do his or her part. The United States Congress and the president have called it genocide. Therefore, anything that can be done, should be done.

Enclosed is a list of companies that may warrant scrutiny, provided to us by the Sudan Divestment Task Force. We encourage you to review your state's pension funds and identify companies which are doing the type of business in Sudan that is aiding the government and fulfilling this genocide, not helping the people. Then we ask that you work with your state legislators to enact legislation to divest from those companies. We urge you to join the six states that have already passed divestment legislation. California just passed a law last month and its model of targeted divestment limits the scope of companies and investments, providing a good plan for action. We need to send a signal to the government in Khartoum that America and the

Governor Elect Sarah Palin
November 15, 2006
Page 2

West will not stand silent in the face of genocide – that the women and children in those camps matter as much to us as our own families.

History will judge our willingness to act. We all must play a part.

Best wishes.

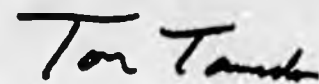
Sincerely,



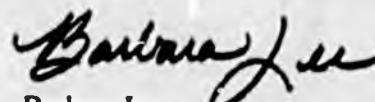
Frank R. Wolf
Member of Congress



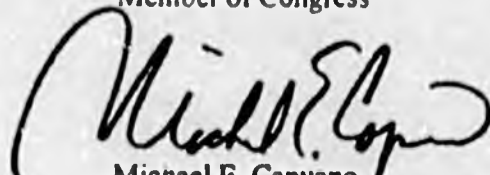
Donald Payne
Member of Congress



Thomas G. Tancredo
Member of Congress



Barbara Lee
Member of Congress



Michael E. Capuano
Member of Congress



James P. Moran
Member of Congress

Terrorism Awareness Project

Islamofascist Bigotry: The Persecution of Fellow Believers

Islamic jihad violence has captured worldwide attention when focused on unbelievers – in the Twin Towers, as well as in London, Madrid, Bali, and in so many other places. But the jihadists don't hesitate to target fellow Muslims as well, when they regard them as insufficiently Islamic.

The most notorious example of this throughout Islamic history is the Sunni-Shi'ite strife that has broken out in many times and places – and today in Iraq, Afghanistan, and Pakistan. Sunni suicide killers and Shi'ite death squads have targeted one another since the removal of Saddam Hussein in Iraq. Nor have they hesitated to target holy sites: Sunni jihadists destroyed the tenth-century Shi'ite Al-Askari Mosque in Samarra, Iraq, in a two bombings in 2006 and 2007. Some estimate that 4,000 have been killed in Sunni-Shi'ite strife in Pakistan since the late 1980s, and in Afghanistan, while the Taliban was in power they waged relentless jihad warfare against the Shi'ite Hazaras.

The Qur'an forbids a Muslim to kill a fellow believer intentionally (4:92), but both sides justify these conflicts by appealing to the Islamic practice of *takfir*: the declaration that, because of some doctrinal deviation, some group of Muslims are not actually Muslims at all, and their blood can lawfully be shed. One of the chief characteristics of modern day Salafist movements – that is, movements to restore the purity of Islam – is their frequent use of *takfir* and subsequent targeting of those whom everyone in the world except they themselves would regard as their fellow Muslims. This phenomenon is playing out all over the world today, as Wahhabis and other Salafist preachers take an Islamic hardline into areas where a more relaxed cultural Islam has long prevailed. The result is often violent. In fact, the Algerian sociologist Marieme Helie Lucas explains that the controversial term "Islamofascism" was "initially coined by Algerian people struggling for democracy, against armed fundamentalist forces decimating people in our country, then later operating in Europe, where a number of us had taken refuge." These pro-democracy Algerians were, of course, Muslims – Muslims who were massacred by jihadists in the 1990s for being insufficiently Islamic. Over 150,000 were killed.

In November 2003, a Somali journalist named Bashir Goth complained in the *Addis Tribune* about a group of Islamic clerics, the "Authority for Promotion of Virtue and Prevention of Vice," who were "trying to impose draconian moral codes on Somaliland citizens." Goth was himself a Muslim, but he objected to the Wahhabi Islam that Saudi preachers were bringing into Somalia.

Wahhabism, said Goth, was "an austere and closed school of thought," deviating from the established schools of Islamic jurisprudence. "Wahhabism," according to Goth, "is the only school that compels its followers strictly to observe Islamic rituals, such as the five prayers, under pain of flogging, and for the enforcement of public morals to a degree unprecedented in the history of Islam." He characterized it as "a closed mind sect that turned Islam into a fragile creed that lives in constant fear of children's toys and games such as Barbie dolls and Pokemon." Wahhabi clerics, Goth noted, were challenging Somali Muslims: "They want to tell us that over the LAST 14 CENTURIES, our people have been practicing the wrong religion; that since the dawn of Islam, Somali people had lived in vain, worshipped in vain and died in vain. God help them, they all will be burned in hell because they did not follow the correct path – Wahhabism."

Their devotion to this "correct path" led them to despise numerous manifestations of Somali culture, despite its Islamic character. "These people," Goth continued, "are out to eradicate our culture, our traditions, our songs, our poetry and our folklore dances.... If we let them have their way, these prophets of 'purity' would soon be on a mission to destroy what has remained of our culture." He listed several female Somali singers, warning that "the cassettes of their songs will be burned in the streets. Just remember Taliban." Goth went on to explain that the jihadists also wanted to eliminate co-ed schools and compel Somali girls to go out only "fully shrouded with black from head to toe."

The Wahhabi-influenced Islamic Courts Union that held power in Mogadishu for seven months in 2006 bore out Bashir Goth's fears. It criticized indigenous Somali practices as not sufficiently Islamic. One militia commander, Mohamed Ali Aden, explained: "We've neglected God's verses for so long. We want our women veiled and we want them at home. We men have to grow our beards." The Courts forbade music (which is prohibited according to strict Islamic law), dancing and soccer within days of taking power. Women began to don Saudi dress, which covered their faces, rather than traditional Somali garb, which did not.

ICU militiamen were ready to enforce Islamic law with an iron fist: after banning all movies and television viewing, jihadists shot and killed two people who were watching a World Cup soccer match in early July. Raids in Mogadishu led to sixty

arrests for the crime of movie-watching. Islamic Courts militiamen also raided a wedding reception in Mogadishu because men and women were attending the celebration together and music was playing. "We had warned the family," explained Sheikh Iise Salad of the ICU, "not to include in their ceremony what is not allowed by the sharia law. This includes the mixing of men and women and playing music. That is why we raided and took their equipment. What was going there was un-Islamic." In September 2006, the ICU closed down Radio Jowhar, a station in a town about fifty miles from Mogadishu, because it was playing love songs. ICU Sheikh Mohamed Mohamoud Abdurahman explained that the programming was "un-Islamic." The station was later allowed to return to the airwaves, without music. The Islamic Courts even decreed that Muslims who did not perform the five daily prayers would be executed.

Salafists target Muslims they regard as insufficiently Islamic also in Darfur, where Arab Muslims attack non-Arab Muslims whose Islam is closer to the cultural version that prevailed in Somalia than to Wahhabi austerity. Dr. Hassan Al-'Audha of the Sudanese Muslim Brotherhood explained in July 2007 that "we are not zealous for this land because of the rivers that flow in it. We are zealous for it because it is the land of Islam." Another Sudanese leader situation the activities of the brutal Janjaweed militia within the larger struggle of the Muslims against the infidels: "Those scumbags want to play with us? They want to come to the children of Darfur? The children of Darfur will eat them alive. By Allah, there are some ferocious tribes there. They call them Janjaweed, and they want to attack them. There is a tribe called 'Al-Masiriya.' Are they men or not? By Allah, when we ride horses and make these battle cries... By Allah, the infidels die of fear. They die of fear." In 2004, Sudanese President Omar al-Beshir charged that international efforts to aid Darfur were actively targeting Islam. Referring to the 1990s Sudanese jihad against the Christians in the southern part of the country, he said: "The door of the jihad is still open and if it has been closed in the south it will be opened in Darfur."

That jihad in Darfur features Muslims targeting Muslims. Such episodes, whether in Somalia, Darfur, or anywhere else, emphasize the need for peaceful Muslims to stand up strongly, in deed as well as word, against global jihadist violence. The sword of *nakfir* ought to cut both ways, with peaceful Muslims willing to distinguish themselves from their bloody-minded coreligionists, and to repudiate their murders not just of fellow Muslims but of non-Muslims also.

Meanwhile, Islamic jihadists and Sharia supremacists continue, with increasing confidence and brutality, to impose – violently – their vision of Islam upon their coreligionists.

Robert Spencer is a scholar of Islamic history, theology, and law and the director of Jihad Watch. He is the author of seven books, eight monographs, and hundreds of articles about jihad and Islamic terrorism, including the New York Times Bestsellers *The Politically Incorrect Guide to Islam (and the Crusades)* and *The Truth About Muhammad*. His latest book is *Religion of Peace?*.

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Daily News Opinion

COMMUNITY VOICES: A guest columnist's view

Permanent Fund could be used to fight genocide in Darfur

In my more cynical moments, I complain that Alaskans are too parochial — that the only issues that seem to matter here are Alaska issues. Fortunately, it never takes long for a caring Alaskan to prove me wrong.

One particularly memorable incident took place on a bitter October morning in Noorvik, an Inupiaq village north of the Arctic Circle. I met an elder in that village who had fallen on hard times. However, she didn't want to talk about her own troubles. Knowing that I worked for an anti-hunger agency, she asked me what I knew about the hungry children in Darfur, the long-suffering region in western Sudan. Her eyes welled up with tears as we discussed the plight of the victims of genocide in a desert land on the other side of the planet.

This elder's grief was well-founded: More than 200,000 people have died and 2.5 million more been displaced in Darfur since the Sudanese government began sponsoring military attacks on their own civilians in 2003. Whether you live in Noorvik or New York City, it is hard not to be distressed and angered by stories of burned villages, raped women and murdered children. The situation

**SHAWN
POWERS**
COMMUNITY
VOICES



in Darfur — the first to be declared a genocide by the U.S. government while the atrocities were ongoing — pleads to the sense of common humanity in all of us.

We may be a world away from Darfur, but there is something very concrete that we Alaskans can do to help. Thirteen other states have taken a stand against genocide through a promising strategy called targeted divestment. These states have divested their pension funds of holdings in a handful of "highest-of-fending" foreign companies that are indirectly funding or otherwise enabling genocide through their relationship with the Sudanese government. Seven additional states have divested using different strategies but with similar aims. Alaska could

At negligible or no cost to Alaska, we can join a growing and successful movement against the first genocide of the 21st century. All it will take is a few courageous legislators who will introduce a targeted divestment bill.

be doubly influential by divesting both the Permanent Fund and our state pension funds from companies that are accomplices to genocide.

Under these divestment policies, only companies that meet very stringent criteria become targets for divestment: they must have a business relationship with the government of Sudan, impart minimal benefit to the country's underprivileged, and have shown no substantial corporate governance policy regarding the Darfur genocide. Since the United States has had sanctions on Sudan since 1997 (Sudan is a state sponsor of terror), there are no American businesses operating in the country that would meet these criteria. Most state divestment laws have several sunset clauses, which would deactivate the law if divestment ever became obsolete or went against U.S. foreign

policy interests.

Alaskans may rightly be concerned about the financial impact of targeted divestment, especially with those \$1,654 dividends coming next month. Fortunately, we can look to the experience of the 13 states that have already divested using the targeted strategy. In every case, the states' holdings in the highest-of-fending companies amounted to less than 0.5 percent of total assets. In other words, target divestment would involve simply selling a tiny fraction of the funds' shares and buying other financially equivalent assets to take their place.

You might also wonder if divestment would actually work. Once again, the experience to date is encouraging. Since the targeted divestment movement began, several major companies

have either changed their problematic practices or withdrawn from Sudan, citing divestment as a factor in their decisions. The movement has also caught the attention of the Sudanese regime, which has gone so far as to purchase a six-page New York Times ad for more than \$1 million in an attempt to counteract the divestment tidal wave. Sudan has shown responsiveness to economic pressure in the past, as it did when it deported Osama bin Laden under threat of U.S. sanctions in 1996.

At negligible — no cost to Alaska, we can join a growing and successful movement against the first genocide of the 21st century. All it will take is a few courageous legislators who will introduce a targeted divestment bill and a critical mass of compassionate and globally minded Alaskans to make sure the Legislature does the right thing. I know that if my friend from Noorvik is reading, she will do her part.

Shawn Powers is a Community Voices columnist. He lives in Anchorage and is a member of Save Darfur Anchorage. His e-mail is shawn.m.powers@gmail.com.

Daily News Opinion

Letters to the Editor

Alaska should boycott investment in Sudan and Darfur genocide

Massachusetts and New Mexico became the 21st and 22nd states to pursue policies of targeted Sudan divestment. These policies require that each state sell its holdings in foreign companies currently engaged in business with the government of Sudan and complicity in the Darfur genocide.

I believe Alaska should waste no time in becoming the 23rd state to require investments that are genocide free. We Alaskans would know then that our state funds are not in any way helping finance Khartoum in its ongoing genocidal campaign of murder, torture, rape and forced displacement.

Targeted divestment focuses the financial impact on the government of Sudan and its chief financiers, while minimizing the impact on Sudan's citizens and investment returns. This strategy has already proven to be effective. The government of Sudan took out a multi-page ad in the New York Times to try to combat divestment campaign efforts, and several companies, including Siemens, Schlumberger and Rolls Royce, have either left Sudan or substantially altered their business operations to benefit the marginalized populations in Sudan. This policy is responsible and safe for investments.

We Alaskans do not condone the Darfur genocide and we certainly don't want to help finance it. Genocide should not occur on our watch and it should not occur on our dime!

— Kelley Nixon
Anchorage

The New York TimesPRINTER FRIENDLY FORMAT
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January 1, 2008

Bush Signs Bill Allowing Sudan Divestment

By SHERYL GAY STOLBERG

CRAWFORD, Tex. — President Bush signed legislation on Monday allowing state and local governments to cut investment ties with companies doing business in Sudan, even as he expressed concerns that the bill could interfere with his right to set foreign policy.

The measure, called the Sudan Accountability and Divestment Act, is aimed at pressuring Sudan to end the violence in the Darfur region, where 200,000 people have been killed and more than two million driven from their homes in a four-year conflict that Mr. Bush has termed a genocide.

The bill, which passed both houses of Congress unanimously, makes it easier for mutual funds and private pension fund managers to sell their investments and allows states to prohibit debt financing for companies that do business in Sudan. It also requires companies seeking contracts with the federal government to certify that they are not doing business in Sudan.

"I share the deep concern of the Congress over the continued violence in Darfur perpetrated by the government of Sudan and rebel groups," Mr. Bush said in a statement issued from his ranch here, where he planned to celebrate the new year with his wife, Laura, and some friends.

But the administration has expressed reservations about the bill, and Mr. Bush's signature was accompanied by a proviso known as a signing statement, in which he said he was reserving the authority to overrule state and local divestment decisions if they conflicted with foreign policy. The statement said the measure "risks being interpreted as insulating" state and local divestment actions from federal oversight.

Mr. Bush has long sought an effective way to press Sudan to end the violence in Darfur, and he has been under intense pressure from human rights advocates to do more. The administration imposed stiff economic sanctions on the Sudanese government at the end of May, trying to force it to accept a United Nations-led peacekeeping force.

On Monday, formal authority was transferred from the current African Union peacekeeping force to a joint United Nations-African Union mission. But advocates complained that the deployment was delayed for months because of bureaucratic foot-dragging by the Sudanese government.

The peacekeeping force will be staffed far below the levels set by the United Nations Security Council when it voted unanimously in July to deploy 26,000 troops to try to stop the violence in Darfur.

As planned, the peacekeeping force would have been the largest such effort in the world, costing about \$2 billion in its first year and drawing on military and police forces from the African Union and the United Nations.

Instead, after months of wrangling, the force that made its debut on Monday had 9,000 troops, United Nations officials said. Experts worry that it may never get to the level where it will make any difference in the region's troubles.

"What we are seeing and hearing is a reprisal of their same stall-and-delay tactics," said Allyn Brooks-LaSure, a spokesman for the Save Darfur Coalition.

The coalition, an umbrella group of more than 170 organizations, has been waging a "Divest in Darfur" campaign aimed at big investment companies like Fidelity and Vanguard, highlighted by the question "Is your mutual fund funding genocide?" After a State Department official testified that the divestment bill might not be necessary, the coalition put together a letter-writing campaign urging Mr. Bush to sign it.

"The Congress passed this measure unanimously in both chambers, and I think that sent a strong message to the White House," Mr. Brooks-LaSure said. "We believe they were right to heed that message."

Maria Newman contributed reporting.

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Darfur: The economic lifeline to genocide

How can institutional investors ensure they are not supporting death in Sudan?



by Scott Wisor | December 8th, 2007

In early 2003, rebel groups in Darfur, the western region of Sudan, took up arms over their systematic exclusion from political power and development. The government of Sudan responded with a brutal counter-insurgency campaign targeting non-Arab civilian populations in Darfur. By conservative estimates, 2.5 million people have been displaced and over 200,000 killed, but numbers are likely much higher. The conflict is known as the first genocide of the 21st century.

In 2004, several institutions identified divestment as a possible tool to exert pressure on the government of Sudan. While the Government of Sudan in Khartoum has been resistant to political and diplomatic pressure, it previously has been sensitive and responsive to economic pressure. It has to be: the government carries a debt burden as large as its GDP and garners 80% of its export revenue from oil. Sudan lacks the internal expertise or capital to extract resources itself and is therefore completely dependent on foreign companies to exploit its oil reserves. Furthermore, the majority of the oil revenues received by the Khartoum regime are spent on military expenditures.

Firms like China National Petroleum Corporation, Oil and Natural Gas Company of India, and Petronas of Malaysia provide the economic lifeline for a genocidal regime. They have the leverage with the government necessary to change the situation on the ground in Sudan. Unfortunately, these major players have proven reluctant to do so.

Developed by the Sudan Divestment Task Force, a project of the Genocide Intervention Network, the targeted model of divestment encourages shareholders to exert pressure only on companies that have a truly problematic presence in Sudan, encouraging them to adopt a substantial policy in response to the Darfur genocide. Problematic companies, particularly those involved in Sudan's oil, power, mining, and defense sectors provide significant support to Khartoum and fail to benefit Sudan's marginalized populations. Rather than necessarily asking these companies to leave Sudan completely, shareholders should encourage companies to remain in Sudan and to use their considerable leverage to contribute to positive change. Shareholder divestment should

only be used as economic incentive for the company to change if they are unresponsive to engagement. Targeted Sudan divestment will have two immediate outcomes. First, divestment can influence key foreign companies to cease their operations in problematic industries in Sudan, thereby increasing economic pressure on Khartoum. Reports indicate that the departure of Rolls Royce earlier this year specifically commanded the attention of the Sudanese government. Second, companies that remain in Sudan can use their leverage to push for peace, expand their humanitarian programs, and implement improved corporate social responsibility policies (specifically focusing on security, revenue transparency, corruption, labor standards, and environmental practices). These companies will contribute to an end to the Darfur conflict, and help assure a sustainable peace throughout the country.

Fiduciary duty, a paramount concern of investors, requires that financial risk be managed appropriately. Investors that hold securities in companies with links to problematic industries in Sudan face substantial material risk. These companies are subject to operational risk from spreading violence in the country, an unstable business environment created by political crisis, and substantial reputational risk posed by public campaigns highlighting their financial ties to a genocidal regime.

A widespread divestment campaign also has the ability to affect share price negatively. It has been argued that there always is a buyer for a sold share. However, if a critical mass of investors begins to sell a company, its share price will depress relative to peer competitors.

Furthermore, a number of countries have threatened to sanction Sudan if the situation continues to deteriorate. Notably, a piece of legislation pending in the US Senate would prohibit companies with scrutinized operations in Sudan from receiving US federal contracts.

"By conservative estimates, 2.5 million people have been displaced and over 200,000 killed, but numbers are likely much higher."

Some fund managers have mistakenly argued that they cannot divest because of legal restrictions or fiduciary obligations. First, it is consistent with prudent management of financial risk to exclude targeted companies because of the substantial material risk they present to investors. Second, no single market, sector, or asset class within Sudan is excluded categorically from a portfolio; therefore, financially equivalent alternatives are available. Targeted ex-Sudan market indices will have a tracking error of less than 0.3%, and the total percentage of most portfolios invested in Sudan-linked companies is less than 0.2%. Third, it also is important to consider the interests of funds' beneficiaries, particularly whether they want their money invested in companies that subsidize a genocidal regime when financially equivalent alternatives exist. For companies in Sudan, the business case is also strong.

The absence of peace and equitable development increasingly poses a threat to profitability in Sudan. Twenty-two US states have adopted Sudan divestment policies for their public pension funds, as have 54 university endowments, both in the US and abroad. Investors outside the United States are also beginning to address Sudan-linked companies. Many of the Dutch pension funds currently are engaging Sudan-linked companies, and PGGM has committed to exclude Sudan-linked companies that prove unresponsive to shareholder engagement. Several major mutual fund families in the US are under increasing client pressure to address Sudan-linked companies. In addition, a number of asset managers based in the UK, France, the US, and elsewhere in Europe are developing collective engagement strategies to influence company behavior. Berkshire Hathaway and Fidelity recently cut stakes in PetroChina in the midst of Sudan-related pressure, though both denied that it was because of PetroChina's parent company's operations in Sudan.

Investors and activists have seen the tangible results of the pressure they place on companies. A number of companies have responded to the targeted divestment campaign. Rolls Royce, CHC Helicopter, ICSA of India, and others left Sudan completely, citing as a reason the humanitarian crises in the country. Schlumberger and La Mancha Resources continue their operations, having adopted and implemented responsible business plans in

Sudan. Tremendous opportunities for mainstream and SRI investors exist to engage with problematic Sudan-linked companies, and ultimately to bring about positive change for the people of Sudan.
Scott Wisor is a senior field organizer with the Sudan Divestment Task Force

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Sudan

The oil factor

Jun 21st 2007

From The Economist print edition

The oil may not be enough to protect Sudan's government for ever

Get article background

FEW countries owe so much, over so little time, to the magic of black gold as does Sudan. From near-bankruptcy in the early 1990s, Sudan has trebled its GDP in the past seven years thanks to the discovery and exploitation of oil; it is now one of Africa's fastest-growing economies. Sparkling office blocks are beginning to crowd the skyline of Khartoum, the capital. Oil has also brought vital political dividends. China, which buys about 80% of Sudan's oil exports, has proved a loyal friend at the UN when Sudan has been criticised for murder and mayhem in its Darfur region.

With so much resting on oil, the government of President Omar al-Bashir likes to talk up the industry's prospects. Production now stands at 480,000 barrels a day, with proven reserves estimated at 1.6 billion barrels. The bullish oil minister, Awad Ahmed al-Jaz, often says he expects output to rise to about 1m b/d next year.



But this scenario may be too rosy. The country's original and most reliable oilfields, which produce valuable low-sulphur crude marketed as Nile Blend, are maturing. Their output dropped from a peak of 300,000-odd b/d in early 2005 to 254,000 b/d in the first quarter of this year. Prospects for pushing production back up using better oil-recovery techniques are poor, and this dip will be only partly offset by output from new fields that have begun to be exploited in Sudan's south (see map).

For though oil from a number of new fields began to flow last year, there have been setbacks. Much of the new oil is of inferior quality, selling for less than a third of average international prices. Sudan has some scope to raise production from these fields, but it has less incentive to do so. So exploration for further reserves (and even for offshore gas) is being conducted across the country. In recent months, a flurry of new oil concessions have been awarded.

But many of them have been granted to small and inexperienced operators, often partners of local companies tied to the government. A consortium exploring one southern block is made up wholly of Sudanese firms. A new concession in north Darfur was also given last year to six companies from Arab countries. In both, a substantial stake is held by Hi-Tech Petroleum Group, a company set up by a former oil minister, Abdel Aziz Osman. This firm, in which a brother of President Bashir has a senior post, was recently named as a target of new American sanctions against Sudan.

Many of the big Western oil companies are being scared off by the prospect of more sanctions and humanitarian divestment campaigns over Darfur. In 2003 a Canadian firm, Talisman, was forced out by pressure from campaigners. Similar reasons were cited for the departure of the Cliveden Group, a Swiss firm, last year. There is speculation that Marathon, an American oil company, may dispose of its 32.5% share in Block B, in southern Sudan.

Without the big internationals' wealth and experience, smaller local and regional players may struggle. If, for example, they have to build export facilities, the lengths of pipelines in a country the size of western Europe are daunting. And any company wanting a secure export route in case the southern half of the country chose to secede in a referendum promised in 2011 would have to lay a pipeline to the Kenyan port of Lamu—another huge challenge.

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LEGISLATIVE RESEARCH REPORT

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TARGETED DIVESTMENT OF COMPANIES OPERATING IN SUDAN FROM ALASKA PUBLIC FUNDS

PREPARED FOR REPRESENTATIVE BOB LYNN

BY DANIEL LESH, LEGISLATIVE ANALYST

You asked about state economic sanctions against the government of Sudan via the divestment of public assets in qualifying companies. Specifically, you asked for a review of relevant U.S. state laws and an analysis of the effects of a "targeted divestment" law on the State of Alaska with respect to the Alaska Permanent Fund, the Alaska Retirement Management Board's funds, and other Alaska state funds.

SUMMARY

Currently, at least 35 states have adopted or are considering implementing policies to divest state assets from Sudan, where the U.S. Congress has determined that genocide is taking place. Twenty of these states have enacted divestment policies. By our calculation, investments within the Alaska Permanent Fund totaling \$41.2 million, or about 0.1% of the fund's total value, would be subject to divestment if Alaska adopted targeted divestment legislation. Under such a law, divestment of these assets would be accomplished over an 18-month period and would incur additional administrative costs. The direct impacts of divestment on the state's investment earnings, as well as on targeted companies, are debatable, but in both cases would likely be minimal.

STATUS OF STATE DIVESTMENT LEGISLATION

Currently, at least 35 states have adopted or are considering implementing policies to divest state assets from Sudan, where the U.S. Congress has determined that genocide is taking place.¹ Lawmakers in 16 states have enacted laws that require state funds to divest holdings in some or

¹ Data on state legislation from LexisNexis and the Sudan Divestment Task Force's report "State of Sudan Divestment" (Attachment A).