

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 SSTA

12752



America's Newspapers

Opinion

Anchorage Daily News (AK) - January 18, 2008

Author: Staff

The answer is still no REAL ID remains a bad idea

Orwellian talk to the contrary, the REAL ID Act does give the United States its first national identification card. And it will create a national database of information about more than 240 million Americans.

Last week, Michael Chertoff, secretary of Homeland Security, unveiled revised rules for the REAL ID Act, which bombed beyond the Beltway after its passage in 2005. Seventeen states passed resolutions protesting it or prohibiting compliance. So Homeland Security tried to sweeten the deal by granting delays, slashing costs by a claimed 73 percent and exempting Americans 50 and older from carrying federally approved driver's licenses until 2017.

Red flag, citizens. If you can't peddle an idea without a fire sale and years of delay, it's probably not a good idea.

REAL ID requires the states to issue driver's licenses that comply with more rigorous federal rules for checking personal data and that have three layers of technical security to make counterfeiting harder. The law also requires each state database to connect with other state databases and federal databases so that information can be shared and checked.

By 2014, states would have to issue REAL ID licenses to all drivers born after Dec. 1, 1964. States could choose from a menu of high-tech safeguards to include in the card.

Last week's sweeteners came with a warning. Mr. Chertoff said the time for discussion and debate is over. States now must seek waivers for more time to comply with the act, or their licenses won't be valid ID for boarding airplanes or entering federal buildings.

And yet he claims the states aren't being coerced.

There remain two fundamental problems with REAL ID.

* Americans have long and wisely rejected any sort of national identification card, particularly one that could be used to restrict our free passage among the states or collect information about us. REAL ID -- or any American's lack of REAL ID -- would do both.

Americans for generations have conceded the need for a reasonably functioning government to have certain information about us. Social Security requires it. Federal loans require it. So do military service and the census. Justice and security sometimes require it. We bear, sometimes with clenched teeth, the intrusion of baggage and body searches to board airplanes.

But Americans also have maintained that the ordinary commerce, relationships and comings and goings of law-abiding citizens are none of Uncle Sam's business.

With REAL ID, such could become an increasingly routine part of Uncle Sam's business.

* Critics point out that REAL ID would not make us safer. It would not have stopped Timothy McVeigh, a homegrown terrorist, nor would it guarantee the apprehension of foreign-born terrorists like those who carried out the attacks of 9/11. It might provide a limited tool against illegal immigration, and, Mr. Chertoff argues, identity theft. But tech trackers insist shared databases would increase opportunities for ID theft and other information hacking -- not to mention government-sanctioned invasions of privacy.

Paranoia? No, just knowledge of current events, given the Bush administration's determination to tap Americans' communications with no court oversight and no accountability.

If the states want to tighten their rules for driver's licenses and ID verification, fine. Some of the checks required by REAL ID are being done now -- Alaska, for example, double-checks given Social Security numbers.

And few Americans would have any problem with states sharing information with one another and the feds -- given just cause for doing so.

We want law enforcement on any level to have the means to protect us and catch the bad guys before they strike. That calls for precision, not a universal net that restricts our freedoms and threatens our privacy.

REAL ID doesn't need tweaking or more time. It needs repeal.

BOTTOM LINE: Homeland Security gives ground on cost and time, but REAL ID is a bad deal at any price, at any time.

Alaska notebook

Winter biker

Meet Nick Hardigg, winter bicycle commuter.

Age: "Still in his 30s" (but not for long).

Married, no kids. His wife is also a bike commuter.

Lives in: Turnagain.

Works in: Downtown.

Route: Coastal Trail to Second Avenue, then uphill.

Bike: A Marin hybrid (not a mountain bike; not a street bike), with studded tires. "It's not heavy and it's fast. You don't need some fat balloon tire to get around."

Typical winter riding outfit: Multiple layers, rain pants, rain jacket, face mask, wool mittens.

This is his second winter in Anchorage commuting on bike. He's used to cold weather -- he did four years with the National Park Service in Denali.

Advantages: Doesn't need to belong to a health club -- commuting is his daily exercise. He and his wife get by with just one car. That saves thousands of dollars a year.

Disadvantages: When it snows so much during the day he can't pedal the bike. Riding to work through unpacked snow, he may get to the office sweating like a horse, and there is no shower there.

Moose encounters: "I see one every three weeks or so on the Coastal Trail. Generally they move out of way."

Near death experiences with Anchorage drivers: None so far. His bike has "nice, powerful blinkers" and he just added a strobe light to be seen more easily.

Take away message: "I can't believe how easy it is. It's relaxing. I hate traffic. It's just fun."

-- Matt Zencey

Caption: Photo 1: Alaska Notebook_011808.jpg

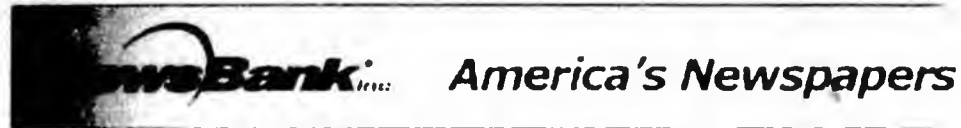
Edition: Final

Section: Nation World

Page: B4

Record Number: 1603665901/18/08

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**Local in brief****Fairbanks Daily News-Miner (AK) - February 28, 2007****Author: Staff Report**

Opposition registered to Real ID The Fairbanks City Council has registered concern with the government's progress in creating a national identification card system, and state lawmakers could soon consider a similar resolution.

The council approved a resolution aligning itself with states where legislatures have opposed, or are considering opposing, the upcoming requirement that drivers licenses and other identification documents comply with strict rules crafted by the federal government. The upcoming changes were laid out in the 2005 Real ID Act.

The council voted 5-0 to oppose the ID card requirements, set to take effect next spring. The resolution argues issues of state rights and citizen privacy have prompted states to oppose the upcoming changes.

Interior state lawmakers are considering introducing a similar resolution to the Legislature for consideration.

"There are not a lot that states can generally do aside from logging an opinion," said Rep. Scott Kawasaki, D-Fairbanks. Nonetheless, Kawasaki is working with Rep. John Coghill, R-North Pole, on a resolution similar to the City Council's. Kawasaki said a handful of lawmakers seem to feel the identification card changes would represent federal government overstepping its bounds.

Section: News**Record Number: /fdn/raw/2007-02-28/2007/02/28/5565.html**

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America's Newspapers

'Big Brother' is almost here

Juneau Empire (AK) - July 13, 2007

In his eerily farsighted book "1984," George Orwell describes a society in which privacy is unknown, slavish obedience a given, and nonconformity the ultimate enemy of the state.

In a nation crawling with domestic spies, the image of Big Brother is seemingly omnipresent. His gaze of loving authority encourages a compliant populace to maintain its herd mentality. Interestingly, while his face is everywhere, in reality, Big Brother is faceless. No one ever actually sees him. They merely assume he is in charge, that he cares for them like a familial overseer, and that his version of society is the only correct one.

It's taken us a while, but we're beginning to catch up with Orwell's vision. The Bush administration's virtually unrestricted government surveillance of Americans has expanded dramatically in the past few years. And while we still lack Winston Smith's ultra-cool spying television set in our living rooms, by this time next year we're slated to have something almost as nifty. It's called REAL ID, and when it kicks in, well, (Big) brother, we'll have all the personal security we could want. Really.

On May 11, 2005, President George W. Bush signed the REAL ID Act of 2005, as an attachment to a military spending bill. In essence, the law, which goes into effect in May of 2008 (or a year later with certain caveats), will create a federalized driver's license, with standards to be set by the Department of Homeland Security.

Well, of course it's for our own good. We'd never be able to survive as a nation without it. We haven't so far. And only kooks, right-wing conspiracy theorists and the blatantly unpatriotic would balk at:

1. Providing an incredible amount of often difficult-to-obtain documentation proving they are who they say they are.
2. Either directly paying exorbitant fees for the new identification card or paying for it through ballooning taxation.
3. Submitting to the future possibility of biometric identifiers and radio-frequency identification within the card itself.
4. Being deposited in a massive database.
5. Being forbidden to travel freely in their own country by their method of choice.
6. Surrendering a whole lot more of their privacy and individuality.

But there is rebellion in the wind.

Montana, which as a state has always had the stomach for a good scrap, flatly refuses to implement the federal plan, stating that it is "inimical to the security and well-being of the people of Montana." New Hampshire Gov. John Lynch signed into law that state's official rejection of REAL ID, indicating that the unfunded federal mandate was "repugnant" to both the state and U.S. constitutions. Other states have expressed similar legislative opposition to what is rightly perceived as an egregious intrusion into the privacy of individuals, and a dismembering of states' rights. The National Governor's Association has

also expressed opposition to the federal law.

While compliance with REAL ID is "voluntary," it is also "mandatory," since noncompliance will result in your being barred from flying on a commercial airplane, entering federal buildings, opening a bank account, and engaging in a variety of other daily activities currently taken for granted. What REAL ID amounts to is the creation of a de facto national identification card and internal passport. For Alaskans, whose dependence on commercial air transport is a fact of life, refusal to "voluntarily" participate in this program means a virtual cessation of travel to the Outside.

Supporters of REAL ID claim it will help weed out illegal aliens, but our government's arrogant refusal to seal our southern borders exposes that defense as nothing more than smoke and mirrors. This program is geared toward American citizens, not illegal aliens.

Alaska is embarrassingly slow in opposing REAL ID. Though not currently requiring implementation of the law, our state legislature's milquetoast stance is a far cry from vigorous and outright rejection. For a place that supposedly prizes personal freedom and independence, this reluctance to take a stand is pitiful.

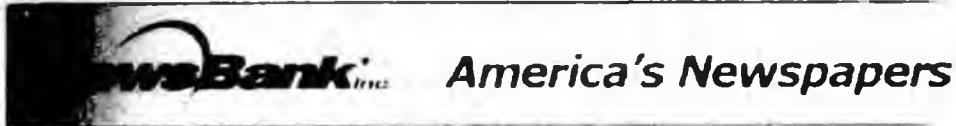
The only two options at this point are equally dramatic: boot REAL ID into the legislative oblivion it so richly deserves, or roll out the welcome mat for one fearmongering British writer. His ideas have been looking for a home for a long time.

- Kevin Reeves is a freelance writer living in Haines.

Section: *Opinion*

Record Number: 11A60BEE06BA4A40

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Opinion

Anchorage Daily News (AK) - August 31, 2007

Author: Staff

REAL ID Alaska should join list of states telling Uncle Sam no thanks

It's hard to believe Alaskans will stand for it.

By the end of 2009, the federal government says Alaska and every other state must produce drivers licenses that effectively function as a national ID card. To issue a license, states must demand to see a birth certificate and proof of residence, verify those documents, make sure the license can easily be read by federal scanners, and link all the license information to a national database. If Alaska dares reject this intrusive, burdensome federal mandate, the feds will refuse to accept Alaska's ID for "federal purposes" and Alaskans will need a passport to board any domestic flight or visit any federal building or national park.

What would we gain if we cave in to this unprecedented federal pressure?

- * More bureaucracy. States would have to vet and maintain huge volumes of personal information, and would have to do most of it on their own dimes. Homeland Security Secretary Michael Chertoff has made it clear that the states will pick up most of the tab -- \$23 billion nationwide over 10 years, by Homeland Security's own estimate.

- * Less security. Mr. Chertoff complains 8,000 separate ID cards for various purposes in the United States make it hard to recognize forgeries and protect our borders from illegal immigrants or terrorists. But the Electronic Privacy Information Center, for example, argues that a single card is like having one key to many doors. In the wrong hands, that key can shatter security and privacy on a vast scale. Security experts also warn that terrorists and other criminals will find ways to forge REAL ID cards, no matter how expensive and difficult, to steal identities of honest citizens.

- * Less freedom. A passport to fly to Seattle? To visit Denali? To walk into the Social Security office in downtown Anchorage? Ridiculous.

It is an absolute lie to say that a federally dictated driver's license is not a national ID.

It is absolutely a national ID. Homeland Security just refuses to call it that.

States are on their own to solve the implementation problems and cover the costs. If states balk, well, your citizens will be second-class, automatically suspect, because the feds reject any state ID that doesn't comply with federal rules.

There's no guarantee all this sound and fury will make us any more secure.

Seventeen state legislatures have taken a stand against the REAL ID Act. In 2006, Alaska Reps. Paul Seaton and Max Gruenberg led a successful effort to delay Alaska from complying. In 2007, a bipartisan group of state House members backed a resolution opposing the act. It languished in committee. So Alaska -- a state that was in the forefront of protests against the worst of the USA Patriot Act -- is still on the bubble about REAL ID.

Time to get off. REAL ID won't make living in the United States safer, just more controlled and complicated for ordinary citizens. This isn't just an overreaction to 9/11 and the tide of illegal immigration. It's a dangerous reaction. Alaska should say no. Congress should repeal a bill that passed with no debate or public hearings, that was tucked into a 2005 spending bill to cover the Iraq and Afghanistan wars and tsunami relief.

Duane Bannock, head of the state Division of Motor Vehicles, says he is neither for nor against REAL ID, but does point out that final regulations haven't been published yet, and that Homeland Security's revised regs may answer some objections. Maybe. But the devil isn't just in the details of REAL ID. It's in the idea.

We need reason to deal with the immigration issue and we need resolution to combat terrorism. A national ID born of fear defies both.

BOTTOM LINE: REAL ID is a real mistake. Alaska should protest and support repeal.

That's our Maggie

Maggie the elephant holds a peculiar place in Alaska's imagination. A peculiarly large place, in fact.

Are Alaskans leaving billions of dollars in oil company pockets? How many ex-Alaska legislators will go to jail for corruption? Will the Alaska gas line ever get built?

Who cares? The welfare of Alaska's lone elephant more than holds her own in the scramble for public attention.

She's our own Paris Hilton, our Brad and Jen, the tragic celebrity story that just gets weirder as it goes. (My GOD! Is that BOB BARKER?) Heck, as if to top off the picture of a celebrity in distress, Maggie even has a world-class cellulite problem. (If only she would hit that treadmill harder ...)

Will it cost too much to ship Maggie someplace warmer? Here comes Hollywood money to the rescue!

But wait, how are they going to ship her out -- by jumbo jet? Will she get a PETA-approved elephant airline safety seat? If she goes by ship, is it humane to send her across the Gulf of Alaska without Dramamine? Will poor Maggie feel deprived if she is no longer the center of so much national attention?

Well, she need not slink off into obscurity. The free ride awaiting her would end at an elephant sanctuary in California. Maybe Paris Hilton will trade in her ferret for an occasional outing with a once-famous elephant.

-- Peter Dunlap-Shohl and Matt Zencey

Caption: Photo 1: 31edit pg1_ID_083107.jpg

Edition: Final

Section: Alaska

Page: B4

Record Number: 1473888008/31/07

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America's Newspapers

National ID card proposal a bad idea

Juneau Empire (AK) - September 10, 2007

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Section: *Opinion*

Record Number: 11B97EB172F0C580

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Illegal ID 11/2/07

Real ID is a real problem

IF YOU WONDER whether this nation has gone nuts, consider this: New York, under the federally mandated and widely hated Real ID program, may issue three different kinds of driver's licenses, two for New Yorkers who actually belong in New York — and a third for illegal aliens.

Imagine if you will that someone could present themselves to an official of the state of New York, announce that he or she is an illegal alien and demand a driver's license without repercussions. That he or she would not be snatched up and put on a bus or a plane home is mind-boggling.

REAL ID, passed by Congress in 2005, has its share of critics among civil libertarians who say they worry about the security of information gathered under the program. Proponents say it will make obtaining fake driver's licenses more challenging and increase the safety of the traveling public.

But some 17 states have passed . . .

(cont'd from front page) legislation defying the federal REAL ID mandate that is scheduled to be phased in by 2013. The program requires 245 million drivers to renew their licenses in person and provide various documents to prove their citizenship or legal residency.

The program's costs are staggering. The New York Times reports: "The Department of Homeland Security puts the price of the program nationally at \$23 billion over 10 years, while the National Governors Association estimates that the cost to states will exceed \$11 billion in the first five years alone."

Congress, the Times reports, came up with just \$40 million for start-up costs last year, the rest of the burden was dumped on the states.

In Alaska, officials have made no decision on Real ID pending final release of federal regulations. When they do, we can only hope it is not as nutty as New York's.

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FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 202
 () Publish Date: _____

Identifier (file name): SB202-DOA-DMV-01-22-08 Dept. Affected: Administration
 Title: "Expenditures to implement the federal Real ID Act..." RDU: Division of Motor Vehicles
 Component: Motor Vehicles
 Sponsor: Sen. Wielechowski
 Requester: (S) STA Component Number: 2348

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							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0						
CHANGE IN REVENUES ()	0.0						

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1156 Receipt Supported Services							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill does not have a financial impact on the Division of Motor Vehicles; therefore, the Division submits a zero fiscal note.

Prepared by: Whitney H. Brewster, Director Phone 907-269-5574
 Division: Motor Vehicles Date/Time: 1/22/08 12:00 PM
 Approved by: Kevin Brooks, Deputy Commissioner Date: 1/22/2008
Department of Administration

SB

213

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 1/16/08

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: _____

State Affairs Committee considered SENATE BILL NO. 223

SB 223 G.O. BONDS FOR CRIME LAB

"An Act providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of a scientific crime detection laboratory; and providing for an effective date."

and recommends:

- be replaced with SCS or CS _____ ()
- adopt previous SCS or CS _____ ()
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
<input type="checkbox"/> Same Title
<input type="checkbox"/> New Title
<hr/>
HOUSE BILL:
<input type="checkbox"/> Same Title
<input type="checkbox"/> Technical Title Change
<input type="checkbox"/> New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
OOG ELECTIONS	01/16	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	STEVEN GREEN			✓	
	Green				✓
	Burke		✓		
CHAIR:	McGuire			✓	

**CS FOR SENATE BILL NO. 213(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION**

BY THE SENATE STATE AFFAIRS COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATOR DYSON

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the powers and duties of the legislative audit division."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 *** Section 1. AS 24.20.271 is amended to read:**

4 **Sec. 24.20.271. Powers [AND DUTIES]. The legislative audit division may**
5 **[SHALL]**

6 (1) conduct a performance post-audit of boards and commissions
7 designated in AS 44.66.010 and of those programs and activities of agencies subject to
8 termination as determined in the manner set out in AS 44.66.020 and 44.66.030, and
9 make the audit, together with a written report, available to the legislature not later than
10 the first day of the regular session of the legislature convening in each year set out
11 with reference to boards, commissions, or agency programs whose activities are
12 subject to termination as prescribed in AS 44.66; the division shall notify the
13 legislature that the audit and report are available;

14 (2) audit at least once every three years the books and accounts of all
15 custodians of public funds and all disbursing officers of the state;

1 (3) at the direction of the Legislative Budget and Audit Committee,
2 conduct performance post-audits on any agency of state government;

3 (4) cooperate with state agencies by offering advice and assistance as
4 requested in establishing or improving the accounting systems used by state agencies;

5 (5) require the assistance and cooperation of all state officials and
6 other state employees in the inspection, examination, and audit of state agency books
7 and accounts;

8 (6) have access at all times to the books, accounts, reports, or other
9 records, whether confidential or not, of every state agency;

10 (7) ascertain, as necessary for audit verification, the amount of agency
11 funds on deposit in any bank as shown on the books of the bank; no bank may be held
12 liable for making information required under this paragraph available to the legislative
13 audit division;

14 (8) complete studies and prepare reports, memoranda, or other
15 materials as directed by the Legislative Budget and Audit Committee;

16 (9) have direct access to any information related to the management of
17 the University of Alaska and have the same right of access as exists with respect to
18 every other state agency;

19 (10) conduct an audit every two years of information found in the
20 annual reports required under AS 42.05.211 and AS 42.06.220 regarding compliance
21 by the Regulatory Commission of Alaska with the requirements of AS 42.05.175(a) -
22 (e) and of the timeline extensions made by the commission under AS 42.05.175(f),
23 and of other performance measures adopted by the commission; and

24 (11) perform an audit of an organization that receives money from
25 or through the state, including money that the state has received from the federal
26 government, when the performance of the audit is approved by the Legislative
27 Budget and Audit Committee.

SENATE BILL NO. 213

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY SENATOR DYSON

Introduced: 1/16/08
Referred: State Affairs, Finance

*\$10,000 - \$100,000
\$50 an hr fee
division.
Should we
say that?
no dept.*

A BILL

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- 22 and of other performance measures adopted by the commission; *and may*
- 23 **(11) perform an audit of an organization that receives money from**
- 24 **or through the state, including money that the state has received from the federal**
- 25 **government.**

amend #1 ->

- legal analysis
- political motives →
- what about duplication

*when # amend #2
when a LBA*

ALASKA STATE LEGISLATURE

Sen. Lesil McGuire, Chair
Sen. Gary Stevens, Vice-Chair
Sen. Lyda Green
Sen. Hollis French
Sen. Con Bunde



State Capitol, Room 125
Juneau, AK 99801-1182
(907) 465-2995
Fax (907) 465-6592

SENATOR LESIL McGUIRE
CHAIR, STATE AFFAIRS

Memorandum

To: Terry Bannister, Leg. Legal
From: Shalon Szymanski, Committee Aide
Senate State Affairs Committee
Date: March 20, 2008
Re: Final CS Request

Please create a Final Committee Substitute (STA) for work order # 25-LS1259\A, mirroring # 25- LS1259\A but also including:

-2 attached conceptual amendments

SB 213 did move out of committee today and we would like to have it read across on the floor tomorrow.

Thank you!

CONCEPTUAL AMENDMENT #1

TO: SB 213
OFFERED BY: Senator *McGuire*

Page 1, Line 4:

After "division"

Delete:

"shall"

Insert:

"may"

Page 2, Line 22:

After "commission;"

Insert:

"and may"

CONCEPTUAL AMENDMENT #2

TO: SB 213
OFFERED BY: Senator Bunde

Page 2, Line 25:

After "government"

Insert:

"when approved by Legislative Budget and Audit."

AMENDED

SENATE BILL NO. 213

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY SENATOR DYSON

Introduced: 1/16/08

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the audit authority of the legislative audit division."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 *** Section 1. AS 24.20.271 is amended to read:**

4 **Sec. 24.20.271. Powers and duties.** The legislative audit division ~~shall~~ *may*

5 (1) conduct a performance post-audit of boards and commissions
6 designated in AS 44.66.010 and of those programs and activities of agencies subject to
7 termination as determined in the manner set out in AS 44.66.020 and 44.66.030, and
8 make the audit, together with a written report, available to the legislature not later than
9 the first day of the regular session of the legislature convening in each year set out
10 with reference to boards, commissions, or agency programs whose activities are
11 subject to termination as prescribed in AS 44.66; the division shall notify the
12 legislature that the audit and report are available;

13 (2) audit at least once every three years the books and accounts of all
14 custodians of public funds and all disbursing officers of the state;

15 (3) at the direction of the Legislative Budget and Audit Committee,

1 conduct performance post-audits on any agency of state government;

2 (4) cooperate with state agencies by offering advice and assistance as
3 requested in establishing or improving the accounting systems used by state agencies;

4 (5) require the assistance and cooperation of all state officials and
5 other state employees in the inspection, examination, and audit of state agency books
6 and accounts;

7 (6) have access at all times to the books, accounts, reports, or other
8 records, whether confidential or not, of every state agency;

9 (7) ascertain, as necessary for audit verification, the amount of agency
10 funds on deposit in any bank as shown on the books of the bank; no bank may be held
11 liable for making information required under this paragraph available to the legislative
12 audit division;

13 (8) complete studies and prepare reports, memoranda, or other
14 materials as directed by the Legislative Budget and Audit Committee;

15 (9) have direct access to any information related to the management of
16 the University of Alaska and have the same right of access as exists with respect to
17 every other state agency;

18 (10) conduct an audit every two years of information found in the
19 annual reports required under AS 42.05.211 and AS 42.06.220 regarding compliance
20 by the Regulatory Commission of Alaska with the requirements of AS 42.05.175(a) -
21 (e) and of the timeline extensions made by the commission under AS 42.05.175(f),
22 and of other performance measures adopted by the commission;

23 (And may) **(11) perform an audit of an organization that receives money from**
24 **or through the state, including money that the state has received from the federal**
25 **government.**

conceptual
Am # 2
(PASSED)

when
approved
by LBNA

SPONSOR STATEMENT

Senate Bill 213

Legislative Audit Division Powers

This bill clarifies the scope and authority of the Legislative Audit Division. This clarification is necessary because of differing opinions currently being debated. The current director of Legislative Audit believes the division only has audit authority for state organizations. Senator Dyson, on the other hand, believes that Legislative Audit also has (and should have) the authority to audit any organization or function that utilizes state or public funds that are administered by state departments.

In the past, the Legislature has requested the division to conduct audits as a result of allegations that non-profit organizations were "steering grants" to family members. At other times, the Legislature requested audits because of allegations that grantees failed to follow state policy. The director of the Legislative Audit Division contends that the division does not have authority to audit non-state organizations.

There are also differing legal opinions on this subject. SB 213 would remove this ambiguity. Passage of this bill will make it clear that the Legislature has the power to direct the Legislative Audit Division, and when so directed the Legislative Audit Division has the authority, to audit not only state agencies, but any organization or function that utilizes public funds.

SENATOR FRED DYSON

Contact: Lucky Shultz
(907) 465-2199

February 15, 2007

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: SB 213
 Bill Version: _____
 () Publish Date: _____

Identifier (file name): SB213-CED-CO-03-17-08 Dept. Affected: DCCED
 Title Legislative Audit Division Powers RDU Executive Admin & Dev (119)
 Component Commissioner's Office
 Sponsor Dyson
 Requester Senate State Affairs Component Number 1027

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	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
-------------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time							
Part-time							
Temporary							

ANALYSIS. (Attach a separate page if necessary)

This legislation would expand the audit scope of the Legislative Budget & Audit Agency to include audits on organizations that receive money from or through the state, including money the state has received from the federal government.

Each year the department awards, on average, 2,000 grants of state, federal and other funds to a wide variety of grantees, ranging from communities to fishermen, to businesses, to utilities, and to a variety of nonprofit organizations. In FY08 these grants totaled in excess of \$217 million. While it is unclear what impact this legislation would have upon the administrative operations of the department, it would create an impact on those entities that would be audited; many of which are already subject to audit requirements.

Prepared by: Sally Saddler, Legislative Liaison
 Division Commerce, Community, and Economic Development
 Approved by: Emil R. Notti, Commissioner
 Agency Commerce, Community, and Economic Development

Phone (907) 465-2503
 Date/Time 3/17/08 2:04 PM
 Date 3/17/2008

SB

215

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 1/16/08

FURTHER: Transportation

Date of 5-Day Notice: _____
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 02/14/08

State Affairs Committee considered SENATE BILL NO. 215

SB 215 REQUIREMENTS FOR DRIVER'S LICENSE/I.D.

"An Act relating to issuance of identification cards and to issuance of driver's licenses; and providing for an effective date."

and recommends:

- be replaced with SCS or CS _____ ()
- adopt previous SCS or CS _____ ()
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
<input type="checkbox"/> Same Title
<input type="checkbox"/> New Title
<hr/>
HOUSE BILL:
<input type="checkbox"/> Same Title
<input type="checkbox"/> Technical Title Change
<input type="checkbox"/> New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
Admin	01/22/08	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	French			X	
	Green	✓			
CHAIR:	McGuire			✓	

ALASKA STATE LEGISLATURE

Senate District H
600 E. Railroad Avenue
Wasilla AK 99654
907-376-4866
907-373-4724 :Fax



State Capitol
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
800-862-3878

Charlie Huggins Senator

1/20/08

Sponsor Statement

SB 215 - "An Act relating to issuance of identification cards and to issuance of driver's licenses; and providing for an effective date."

SB 215 - "An Act relating to issuance of identification cards and to issuance of driver's licenses; and providing for an effective date."

SB 215 requires that, for the purposes of issuing a State of Alaska identification card or Alaska driver's license, proper documentation shall be provided to the Alaska Division of Motor Vehicles. The required documentation must establish that an applicant is either a United States citizen or legally present in the United States. Currently, the Alaska Division of Motor Vehicles, by regulation, requires this documentation.

For those applicants who are legally present in the United States on a temporary basis, the expiration of the license will coincide with their authorized length of stay. If the period of stay is indefinite, the expiration date of the license is one year from the date of issue.

Alaskans who currently have an Alaska driver's license or state-issued identification card who are seeking a renewal, duplicate, or change of legal name on a license are presumed to meet the requirements of this law if the license has not been expired for more than 90 days, been cancelled, suspended, revoked, and the person has not been disqualified from obtaining a license.

For the convenience of those citizens 60 years of age or older who receive a free state identification card, this legislation would extend the date of renewal from five to eight years.

SB 215 puts into statute those practices that are currently governed by regulation and sets forth the legislature's policy on allowing only those who are legally present in the United States the privilege of obtaining a State of Alaska issued driver's license.

Staff Contact - Deborah Grundmann - 465-4711

Journal Text for SB189 in the 24th Legislature

04-07-2006

Senate Journal

2708

SB 189

CS FOR SENATE BILL NO. 189(STA) was read the third time.

The question being: "Shall CS FOR SENATE BILL NO. 189(STA)
"An Act relating to issuance of identification cards and to issuance of
driver's licenses; and providing for an effective date" pass the
Senate?"

The roll was taken with the following result:

04-07-2006

Senata Journal

2709

CSSB 189(STA)

Third Reading - Final Passage

Effective Date

YEAS: 17 NAYS: 1 EXCUSED: 2 ABSENT: 0

Yeas: Bunde, Cowdery, Davis, Dyson, Ellis, French, Green, Guess,
Hoffman, Huggins, Olson, Stedman, Stevens B, Stevens G, Therriault,
Wagoner, Wilken

Nays: Elton

Excused: Kookesh, Seekins

and so, CS FOR SENATE BILL NO. 189(STA) passed the Senate.

Senator Gary Stevens moved and asked unanimous consent that the
vote on the passage of the bill be considered the vote on the effective
date clause. Without objection, it was so ordered.

Senator Ellis gave notice of reconsideration.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 215
 () Publish Date: _____

Identifier (file name): SB215-DOA-DMV-01-22-08 Dept. Affected: Administration
 Title: "Requirements for Driver's License / I.D. ..." RDU: Division of Motor Vehicles
 Component: Motor Vehicles
 Sponsor: Sen. Huggins
 Requester: (S) STA Component Number: 2348

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	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual	20.0							
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()	0.0							
-------------------------------	------------	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1156 Receipt Supported Services	20.0						
TOTAL	20.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation will add the requirement of 'legal presence' in the U.S. to obtain a driver's license or ID card. Also, international customers who are lawfully in the U.S. for a limited times will now have an expiration date on the DL/ID that coincides with the date of stay.

The requested FY09 costs are to make major changes in DMV's computer system, ALVIN, to accept the new expiration dates and other verification fields.

Contract programmer: 160 hours @ \$125/hour

Prepared by: Whitney H. Brewster, Director
 Division: Motor Vehicles
 Approved by: Kevin Brooks, Deputy Commissioner
Department of Administration

Phone: 907-269-3770
 Date/Time: 1/22/08 12:00 PM
 Date: 1/22/2008

SB

227

**SENATE COMMITTEE REPORT,
First Committee of Referral**

DATE: 1/16/08

FURTHER: Finance

Date of 5-Day Notice: 3/27/08
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 04/01/08

State Affairs Committee considered SENATE BILL NO. 227

SB 227 DIVEST INVESTMENTS IN SUDAN

"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."

and recommends:

- be replaced with SCS or CS _____ ()
- adopt previous SCS or CS _____ ()
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
<input type="checkbox"/> Same Title
<input type="checkbox"/> New Title
HOUSE BILL:
<input type="checkbox"/> Same Title
<input type="checkbox"/> Technical Title Change
<input type="checkbox"/> New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
REV	03/28/08	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC.	AMEND
	French	X			
	Steyer			X	
CHAIR:	McGuire	X			✓

FISCAL NOTE

**STATE OF ALASKA
2008 LEGISLATIVE SESSION**

Fiscal Note Number: 1
 Bill Version: SB 227
 () Publish Date: 1/15/2008

Identifier (file name): SB227-REV-APFC-04-01-08 Dept. Affected: Revenue
 Title: Divest Investments in Sudan RDU: Alaska Permanent Fund Corp
 Component: Alaska Permanent Fund Corp
 Sponsor: Senator French
 Requester: Senate State Affairs Committee Component Number: 109

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	FY 2014
OPERATING EXPENDITURES								
Personal Services	33.8		11.6	11.6	11.6	11.6	11.6	11.6
Travel	4.8							
Contractual	5,062.0		574.6	812.8	653.5	697.2	743.9	
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	5,100.6	0.0	586.2	624.4	665.1	708.8	755.5	

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
-------------------------------	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1105 APFC Receipts	5,100.6	0.0	586.2	624.4	665.1	708.8	755.5
TOTAL	5,100.6	0.0	586.2	624.4	665.1	708.8	755.5

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time	1.0		1	1	1	1	1
Temporary							

ANALYSIS: (Attach a separate page if necessary)

SB 227 would require that the Alaska Permanent Fund Corporation develop a list of companies doing business in Sudan that support the Sudanese government, excluding humanitarian efforts and other activities listed in the legislation. Once identified, APFC would write to the companies in question to ask them to cease operations in Sudan. If they do not cease operations, APFC would divest these holdings from the Alaska Permanent Fund's portfolios over 15 months. APFC estimates that it will take a part-time Equities Analyst to perform the initial analysis, undertake the engagement with the listed companies and notify APFC external managers to divest of any holdings if necessary. Estimated costs include purchasing external contractors' information on companies doing business in Sudan, increased manager fees due to mandate customization, and costs necessary to search for new managers when mandates can not be customized.

Prepared by: Michael J. Burns, Chief Executive Officer Phone 907-796-1520
 Division: Alaska Permanent Fund Corporation Date/Time 3/28/08 12:00 AM
 Approved by: _____ Date _____



Alaska Permanent Fund Corporation

Analysis of HB 287 Divest Investments in Sudan

Estimated first year costs of implementing a divestiture plan	\$5.1 - \$8.9 million
--	------------------------------

Estimated ongoing costs of implementing a divestiture plan - <i>Excludes impact of divestiture on performance of fund assets</i>	\$600,000 - \$800,000
--	------------------------------

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 amended, 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

	<u>FY09</u>	<u>Ongoing</u>
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.	\$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. **\$509,000**
Since the APFC has \$5.1 billion in passive index assets, this would increase manager fees by \$509,000 per year.

Note: Manager fees are based on the volume of assets under management. All budget projections for fees are based on APFC's midcase 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 Travel budgets **To be determined**

Higher compliance costs - need to monitor manager holdings

May need to add staff

May need to develop or buy special software

Alaska State Legislature



Senator Hollis French

SB 227 - Divest Investments in Sudan

Sponsor Statement

Government supported genocide has killed hundreds of thousands of people and displaced approximately 2.5 million residents from the Darfur region of Sudan. This legislation will enact a targeted divestment program that prevents the state of Alaska from investing Permanent Fund and retirement plan dollars in companies that directly finance genocide in Darfur. SB 227 gives Alaska the opportunity to join the states, businesses and educational institutions that refuse to fund such atrocities.

Targeted divestment is a proven tactic to reduce the viability of genocide in Darfur. Twenty other states have divested from businesses that operate in the region. The cost to these states has been negligible. Institutions have found no noticeable decrease in returns when divestment only targets companies that have explicit financial links to the conflict. Holdings in these companies amount to less than 0.1% of all Permanent Fund assets, showing that the implementation of this legislation will not require a major shift in investment strategy.

Results from the divestment movement have been promising. Sudan, unlike many foreign governments that sponsor genocide, has responded favorably when threatened with economic sanctions. Partly as a result of the divestment movement, the Sudanese government recently purchased a six-page, \$1 million advertisement in the New York Times that sought out foreign direct investment. As more companies pull out of the region or encourage the government of Sudan to halt violent acts, the end of genocide is highly probable.

Ignoring genocide has left several scars on recent American history. With the cost of action so small, Alaska has no excuse to sit on the sidelines. I urge you to support this important and meaningful piece of legislation.

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 22, 2008

SUBJECT: Restrictions on investments in companies that do business in Sudan; Sectional Summary (SB 227; Work Order No. 25-LS1305\A)

TO: Senator Hollis French
Chair of the Senate Judiciary Committee
Attn: Andrew Moderow

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.

Senator Hollis French

January 22, 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
08-024.ljw

ALASKA STATE LEGISLATURE



SENATOR HOLLIS FRENCH

December 11th, 2007

Michael Burns, Executive Director
Permanent Fund Corporation
P.O. Box 115500
Juneau AK 99811-5500

Dear Mr. Burns,

Alaskans are showing greater interest and awareness in how investments can finance human rights violations in distant countries around the globe. The Darfur region in particular is highlighting this issue. The Sudan government has demonstrated that, through direct military action and by financing militia groups, tax dollars can cause human rights violations. The companies that have chosen to invest in Sudan are paying the taxes that have then been used to make this genocide fiscally possible. In an effort to dry up funding and encourage a peaceful resolution in the region, numerous businesses, colleges and nineteen other states have decided to divest money that is currently invested in the region.

I am writing today to find out if the Permanent Fund Corporation gives any consideration to some of the far reaching impacts of the corporation's investments. While I'm acutely aware that it would be very difficult, if not impossible, to stop investing in any company that may promote a morally questionable activity, I am particularly interested in knowing whether the Permanent Fund Corporation has ever discussed or considered any divestment action for businesses operating in Sudan.

The nineteen states that have divested in the region have found no noticeable effects on their returns when the divestment has been targeted only against the companies and funds that have explicit links in the region - roughly two dozen companies in total. Furthermore, the potential positive effects of divestment are large. In addition to discouraging business interests from opening in the region, it can also force companies with existing investments to take a firm stance against government-sponsored genocide.

Please let me know if the Permanent Fund Corporation has considered divesting from interests that are active in Sudan, or if the issue will be taken up in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Hollis French".

Hollis French



Alaska Permanent Fund Corporation

PO Box 115500 Juneau, AK 99811-5500
Tel (907) 465-2047 • Fax (907) 463-1573
www.apfc.org

December 19, 2007

Senator Hollis French
Alaska State Capitol
Room 417
Juneau, AK 99801-1182

Senator French –

Since shortly after its inception, the Alaska Permanent Fund Corporation Board of Trustees has regularly been urged to employ divestment policies for a number of reasons. Labor unions have asked that we not invest in companies currently undergoing labor strife; conservative groups have asked that we not invest in companies that do business with communist countries; religious groups and health-conscious individuals have questioned the morality of our investment in alcohol and tobacco companies; when the movie *Silkwood* came out, questions were raised about why we were invested in Kerr-McGee; and as political activity in South Africa became more repressive, our investments in multinational firms which do business in that country were challenged.

The position of the Board has been two-fold: first that state law prohibits the Board from divesting of assets for non-fiduciary reasons, and second, that the Board does not support a policy of this kind. While the Board understands that the Legislature has the prerogative to place a divestment policy in statute, they do not believe that it is the best course of action for the State's investment funds.

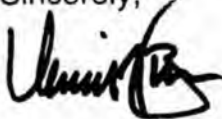
I know that you take a pragmatic and thoughtful approach to every issue that comes before you. As you think about the issue of divestment, I would respectfully ask that you consider the following:

- Enacting a divestment policy would represent a significant shift in the mission that the Legislature laid out for the Permanent Fund in 1980. No matter how minor the effect, the Fund would be shifted away from purely investing for maximum return while protecting principal, to investing for social policy. In the past, when asked this question (South Africa and tobacco are two subjects of

- legislation that we are aware of) the Legislature has chosen not to change the mission of the Fund.
- As you mentioned in your letter, it would likely be impossible to divest from every company that may promote a morally questionable activity. But the Legislature will have to face this question if you pass a divestment bill on any subject. Legislatures that have recently passed divestment bills are now being presented with additional requests for divestment. This is not a reason that we shouldn't divest, but you should be prepared for the effect of opening the door to social investing.
- The states that have enacted Sudan divestment legislation have only done so in the last year to two years, and many are still in the process of implementation. I think it is too early to determine whether or not there has been an impact on their returns, management costs or outcomes in the Sudan.
- While the process seems easy from the outside, simply selling the shares of a handful of corporations, it is more complicated. Model legislation that we have seen will impact (at a minimum) more than one third of the Fund's managers. These managers not only will have to divest of shares that they own, but every day will have to consult with the APFC to determine which shares they may not purchase. It will bring research, monitoring and investment costs. And it could cost us some managers who are unwilling to customize their investment style.

This is a weighty question, and we appreciate the compassion that is driving it. To pass divestment legislation will permanently change the investment practices of the Permanent Fund, and so we have provided the issues listed above for your consideration. Please let me know if you wish to discuss this further.

Sincerely,



Michael J. Burns
Chief Executive Officer

LEGISLATIVE RESEARCH REPORT

NOVEMBER 8, 2007



REPORT NUMBER 08.034

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 U.S. state laws related to divestment from Sudan and an analysis of the effects of a "targeted divestment" law on the State of Alaska with respect to the Alaska Permanent Fund, Alaska Retirement Management Board's funds, the Constitutional Budget Reserve Fund, and all other Alaska state funds.

SUMMARY

Currently, a total of 34 states have adopted or are considering implementing policies to divest state assets from Sudan, where the U.S. Congress has declared that the genocide of minorities is taking place. Twenty of these states have enacted divestment policies. By our calculation, investments within the Alaska Permanent Fund totaling \$35.6 million, or 0.01% of the fund's total value, would be subject to divestment if Alaska adopted targeted divestment legislation. Divestment of these assets would be accomplished over a two-year 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 34 states have adopted or are considering implementing policies to divest state assets from Sudan, where the U.S. Congress has declared that the genocide of minorities is taking place.¹ Lawmakers in 16 states have enacted laws that require state investment funds to divest of holdings in some or all companies operating in Sudan. Four additional states have

¹ Data on state legislation from LexisNexis and Sudan Divestment Task Force's report "State of Sudan Divestment" (Attachment A). House Concurrent Resolution 467, declaring the atrocities in Sudan to be genocide, was passed on June 24th, 2004.

adopted similar policies through their executive branches.² Louisiana and Maryland, respectively, have weaker laws that encourage and allow divestment or encourage divestment and prohibit future investments. Lawmakers in another eleven states are considering measures that address divestment from Sudan. In addition, the U.S. Congress is currently considering the Sudan Accountability and Divestment Act (SADA), which would authorize, but not require, state and local governments to divest from companies operating in Sudan and would prohibit granting new federal contracts to such companies.³ In Table 1, we detail the status of state legislation related to divestment of public assets from Sudan.

The laws and pending legislation listed in Table 1 generally follow one of two divestment models. Of the 34 laws and pending measures, 18 follow a "targeted divestment" approach that applies only to specific types of foreign companies operating in Sudan.⁴ This approach relies on the creation and maintenance of lists of companies that are deemed to be supporting genocide in Sudan.⁵ Most of the targeted companies operate in Sudan's oil industry and pay taxes and royalties that fund the Sudanese government. States that do not follow a targeted divestment approach prohibit investments in any companies operating in Sudan, though generally with an exception for humanitarian and some other types of organizations. A number of states (Florida, Georgia, Kentucky, Louisiana, and Missouri) also include other countries, such as Iran, North Korea, and Syria, in their legislation. As you may know, no domestic companies are affected by these divestment laws, as U.S. companies are prohibited from operating in Sudan by federal executive orders dating from 1997.⁶

² In Nevada, executive and legislative leaders have urged state pension fund managers to enact a targeted divestment from Sudan but no action has been taken.

³ This bill, H.R. 180, has passed the House, and on October 17th, 2007, passed out of the Senate Committee on Banking, Housing, and Urban Affairs. It partially addresses constitutional concerns raised by President Bush and a U.S. District Court decision that struck down a 2005 divestment law in Illinois. Recently, Illinois passed new divestment legislation to address the court's concerns.

⁴ Targeted divestment is advocated by the Sudan Divestment Task Force (SDTF), the leading advocacy organization on this issue. According to the SDTF, fourteen states have adopted versions of its model legislation on targeted divestment. We include this model as Attachment B and apply its provision to Alaska in this report. We include an example of non-targeted divestment legislation from Illinois as Attachment C.

⁵ In this report, we use the Sudan Divestment Task Force's list of targeted companies, which is available at <http://www.sudandivestment.org/reportrequest.asp>, to screen Alaska state funds.

⁶ Executive Orders 13067 (1997), 13400 (2006), and 13412 (2006)

Table 1: Status of State Legislation Related to Divestment of Public Funds from Sudan

State	Citation	Pending Legislation
Targeted divestment legislation		
California	Cal. Gov. Code § 7513.6 (2007)	
Colorado	Colo. Rev. Stat. § 24-54.8-100 (2007)	
Florida	Fla. Stat. § 215.473 (2007)	
Hawaii	Act No. 192, Session Law 2007	
Indiana	Ind. Code Ann. § 5-10.2-9	
Iowa	Chapter 10a, Session Law 2007	
Kansas	Kan. Stat. Ann. § 74-4923 and 74-4960 (2007)	
Minnesota	Minn. Stat. § 11A.243 (2007)	
New York ^(a)	Executive Branch Policy	
North Carolina	Session Law 2007-486	
Rhode Island	Chapter 93, Session Law 2007	
Texas	Tex. Gov't Code Ann. § 806.001 (2007)	
Vermont ^(b)	Executive Branch Policy	
Kentucky		HB 25
Michigan		SB 0555, HB 4854
Ohio		SB 161
Pennsylvania		HB 1140
Wisconsin		AB 124, SB 57
Non-targeted (blanket) divestment legislation		
Illinois ^(c)	Public Act No. 95-521, Session Law 2007	
Maine	Me. Rev. Stat. Ann. tit. 5, § 1956 (2007)	
Massachusetts	Mass. Gen. Laws Ann. ch. 32, § 23 (2006)	
New Jersey	N.J. Stat. Ann. § 52:18A-89.9 (2007)	
Oregon	ORS § 293.811-817 (2006)	
Delaware		SB 9
Georgia		HB 256, SB 199
Non-binding measures encouraging divestment		
Arkansas ^(d)	SCR 20 & Executive Branch Policy	
Connecticut ^(d)	Conn. Gen. Stat. § 3-21e (2007) & Executive Branch Policy	
Louisiana	La. Rev. Stat. Ann. § 11:312 (2007)	
Nevada ^(e)	Executive Branch Policy	
Maryland ^(f)	Md. Code Ann. § 21-123.1 (2007)	
Missouri		HCR 32
New Hampshire ^(g)		L.S.R. 2506
Oklahoma		H.R. 1026
Wyoming		HB 245

NOTES: (a) New York state comptroller adopted a targeted divestment policy

(b) Vermont's pension fund has enacted a targeted divestment from Sudan.

(c) This law amended the state's 2005 law, which was found unconstitutional.

(d) Legislation is non-binding but the state has divested significant assets

(e) Nevada's governor and legislative leaders urged the state's pension fund to adopt a targeted divestment policy but no action has been taken.

(f) Maryland law encourages divestment and prohibits future investments in all companies with operations in Sudan.

(g) A bill was filed on October 3rd, but not has not been introduced, no details are available at this time.

SOURCES: LexisNexis, Sudan Divestment Task Force's report "State of Sudan Divestment," which is available at http://www.sudandivestment.org/docs/state_of_sudan_divestment.pdf and we include as Attachment A.

TARGETED DIVESTMENT OF ALASKA STATE FUNDS

By our calculation, at the writing of this report, the balances of all state invested assets total approximately \$67.2 billion.⁷ Of these investments, a very small portion would be subject to divestment under a targeted approach.⁸ Of the \$37.8 billion in the Alaska Permanent Fund, we calculated that a maximum of \$35.6 million (less than 0.1%) would require divestment (Table 2). We screened the Alaska Retirement Management Board's investments and did not find any holdings in companies targeted for divestment. We did not screen state funds outside the investment authority of the Alaska Permanent Fund Corporation or Alaska Retirement Management Board.

Table 2: Alaska Permanent Fund Stock Holdings Subject to Divestment

Company	Market Value	Country
WEATHERFORD INTL LTD BERMUDA	\$ 20,157,763	Bermuda
ALSTOM	\$ 6,883,272	France
PETROCHINA CO HKD 0.1	\$ 2,375,614	China
WEATHERFORD INTL LTD	\$ 2,156,478	Bermuda
PETROFAC LTD USD 0	\$ 1,091,701	UK
DONGFENG MOTOR GRP CO LTD-H	\$ 1,084,951	China
WARTSILA B EUR 3.5-METRA OYJ ABP 'B'ORD EUR3.5	\$ 778,410	Finland
WEIR GROUP PLC (THE)	\$ 508,336	UK
MITSUI ENGINEERING + SHIPB JPY 50.0-& SHIPBUILDING Y50	\$ 401,628	Japan
LUNDIN PETROLEUM AB	\$ 74,408	Sweden
CNPC HONG KONG LIMITED	\$ 63,335	Bermuda
TOTAL	\$ 35,575,896	

NOTES: Holdings subject to divestment determined using the Sudan Divestment Task Force's (SDTF) divestment lists. Some of the stocks listed above may be indirect holdings in actively managed investment funds, which are exempt from divestment under the SDTF targeted divestment model applied in this report.

SOURCES: All stock information was obtained on October 30, 2007, from the Alaska Permanent Fund Corporation's website at <http://www.apfc.org/investments/stocks.cfm?us=show&int=show>.

⁷ These funds include the Alaska Permanent Fund (\$37.8 billion), funds under the fiduciary responsibilities of the Commissioner of Revenue, which include Alaska Retirement Management Board funds (\$19.2 billion, including the Public Employees' Retirement System, Teachers' Retirement System, Judicial Retirement System, National Guard/Naval Militia Retirement System, Alaska Supplemental Annuity Plan, Alaska Deferred Compensation Plan, Alaska Defined Contribution Plan), General Fund and other Non-segregated Investments (GeFON), \$4.4 billion), Constitutional Budget Reserve Fund (\$2.7 billion), and other funds (\$2.7 billion, including the Public School Trust Fund, Alaska Children's Trust, Investment Loss Trust Fund, Supplemental Benefits Trust Fund, General Obligation Bond Fund, International Airports Fund, International Airports Construction Fund, Retiree Health Insurance Fund, Power Cost Equalization Endowment Fund, Mine Reclamation Fund, and Alaska Sport Fish Construction Fund), and state funds outside the fiduciary responsibility of the Commissioner of Revenue (\$0.4 billion, including the University of Alaska Trust Fund, Alaska Student Loan Corporation Fund, Exxon Valdez Oil Spill Investment Fund, and Mental Health Trust Reserve Fund). Information on state funds obtained from Gary Bader, Chief Investment Officer, Alaska Department of Revenue, (907) 465-4399.

⁸ Only the portions of funds with publicly-traded equity in foreign companies would be affected, which for these funds is typically a small proportion of total investments. Furthermore, the targeted approach we apply here includes an exception for indirect holdings in actively managed, commingled investment funds—the most difficult and expensive type of fund to customize.

Under the targeted divestment model we apply here, divestment of the assets described in Table 2 would occur over an 18-month period. First, fund directors would be required to notify targeted companies in which they have direct or indirect investments and allow them 90 days to change their offending operations in Sudan. Following this 90-day period, funds would have nine months to divest of 50% of *direct* holdings and 15 months to divest of their remaining *direct* holdings. In many cases, this would require revising current contracts with external asset managers. Funds are not required to divest of *indirect*, actively managed holdings.⁹ This timeframe is within that which the Alaska Permanent Fund and the Alaska Retirement Management Board have stated would be reasonable.¹⁰ In addition, a number of ongoing reporting requirements and the screening of future investments would be required of fund directors.

The increased transaction and administrative costs involved in implementing the steps described above would probably be the most significant effects of divestment legislation in Alaska. It could be argued that the performance of Alaska funds might decline following divestment of targeted companies, but most research suggests any changes would be minimal.¹¹

Due to the nature of the global investment marketplace, it is debatable, but unlikely, that the divestment of Alaska public funds from targeted companies would have a direct, negative economic impact on those companies. However, it is not debatable that divestment laws have drawn considerable press attention and are a significant factor in the ongoing public debate regarding our response to the genocide occurring in Sudan.

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

⁹ For more information on the differences between direct and indirect holdings see Sections 2(e), 2(h), and 4(e) in Attachment B, the SDTF's model legislation.

¹⁰ Personal correspondence with Laura Achee, research and communications liaison, Alaska Permanent Fund Corporation, (907) 796-1522. We asked Ms. Achee how long it would take to divest the assets listed in Table 2. She stated that most of the assets could be divested in several weeks with minimized transaction costs. In addition, managers of two accounts that do not allow customization would have to be fired and new manager searches conducted, which generally require several months. Ms. Achee expressed concern that these new searches could yield managers that do not perform as well as current managers. Personal correspondence with Gary Bader, chief investment officer, Alaska Department of Revenue, (907) 465-4399, yielded similar responses to Ms. Achee's. The Alaska Retirement Management Board would have to review, and possibly revise, contracts with seven asset account managers.

¹¹ Gary Bader, chief investment officer, Alaska Department of Revenue, (907) 465-4399, expressed his belief that Alaska funds would likely perform worse after divestment; however, Ms. Achee at the Alaska Permanent Fund did not emphasize any similar concern, nor did we find support for Mr. Bader's opinion in the academic literature we reviewed (for more details see page 6 of Attachment D)



SUDAN DIVESTMENT

TASK FORCE

A project of the Genocide Intervention Network

400 742 4000
www.SudanDivestment.org
www.GenocideIntervention.org

EFFICACY OF TARGETED DIVESTMENT: AT A GLANCE

The government of Sudan has been historically responsive to economic pressure.

US sanctions declared in 1997 caused the Sudanese government to drop its support for terror and cooperate with the US on counter-terrorism. The emerging Sudan divestment movement has already caught the attention of the Sudanese government, which has spent considerable time and energy attacking the campaign, even going so far as to purchase a six page ad for more than \$1 million in the New York Times to counteract the divestment movement. Unlike isolated countries that tend to shrug off sanctions, the Sudanese government is desperately trying to attract foreign investment. Threats to these efforts are taken very seriously by Sudan.

Divestment makes genocide costly.

Under current political and diplomatic pressure the Sudanese government incurs virtually no cost for continuing its genocide in Darfur, beyond further damage to its image in the West. Divestment, however, forces the Sudanese government to pay a price for its refusal to restore peace and security to Darfur.

Widespread divestment causes share price depreciation.

While the effect of divestment on offending companies' share prices thus far remains unclear, the divestment movement is spreading with enormous speed, both in the US and internationally. It is only a matter of time before enough assets have been divested to actually make a substantial impact on share prices. There is precedent for share price depreciation vis-à-vis a previous Sudan divestment campaign—Talisman Energy's share price was estimated to have dropped roughly a third on account of the divestment campaign against it.

Foreign direct investment enables the Sudanese government to carry out genocide in Darfur.

Recent increases in foreign direct investment in Sudan, particularly in the oil industry, have disproportionately benefited Sudan's military and elite. Since oil was first extracted in 1999, Sudan's military budget has more than doubled. It is estimated that 70-80% of oil revenue is now funneled into Sudan's military.

The Sudanese government is paying attention to the divestment movement.

The Sudanese embassy authored a press release and an op-ed condemning divestment, and the Sudanese ambassador actually spoke by phone with activists in an attempt to discourage divestment. The Sudanese government even took out a six-page ad in the New York Times this past March extolling Sudan as a peaceful country worthy of foreign direct investment.

Companies in Sudan are already responding to shareholder pressure.

CHC Helicopter Corporation, the world's largest provider of helicopter services to the global offshore oil and gas industry and previously a highly scrutinized company in Sudan, recently ceased all business operations in Sudan for the indefinite future after substantial levels of inquiry from a range of concerned investors. Another firm operating in Sudan and an S&P 500 company, Schlumberger, which provides oil-field services to the major oil consortiums in Sudan, has committed to reinforcing its existing outreach programs by implementing substantial humanitarian programs to reach marginalized populations in the country.

Also this year, Rolls Royce PLC, which sells oil-engineering equipment, announced its decision to leave Sudan citing "increasing international humanitarian concerns about the situation in Darfur." Additionally, Swiss power giant ABB announced its decision to suspend all non-humanitarian operations in Sudan—a decision in which divestment played a partial role. Shortly thereafter, one of Germany's largest companies, Siemens, pledged to pull out of the country, also citing the pressure created by divestment as a factor.



SUDAN DIVESTMENT

TASK FORCE

A project of the Genocide Intervention Network

Some American firms exempted from US sanctions, including Xerox and 3M, have decided to curtail all non-humanitarian operations in the country. Companies have also begun to go so far as to list the divestment movement as a potential concern on SEC filings. Finally, in a clear sign of concern, companies tied to Sudan have spent increasing amounts on political contributions to Congressional leaders who are supporting Sudan divestment legislation.

Sudan divestment keeps the media focused on Darfur.

Divestment continues to keep Darfur in the public eye and sends a clear message to both the Federal government and the international community that the crisis warrants attention. Additionally, the divestment campaign highlights the role that foreign corporations and governments play in sustaining the genocidal policies of the government of Sudan. Coverage for divestment has appeared in the New York Times, Wall Street Journal, Washington Post, International Herald Tribune, LA Times, BBC, Financial Times, NPR, Christian Science Monitor, and many other media outlets. See www.sudandivestment.org/inthenews.asp for a representative listing.

Targeted Divestment: Supported by Foreign Policy and Financial Experts

Prominent foreign policy experts and think tanks which do not classically support blanket sanctions, including experts from the International Crisis Group, Harvard University, the Heritage Foundation, and former UN Envoy to Sudan, Jan Pronk, have all endorsed targeted sanctions, including divestment, on the Sudanese regime calling it a critical tool for influencing the behavior of the Sudanese government and bringing long-term peace and security to the region. In March 2007, the *Associated Press* reported that opposition leaders in Sudan have also expressed support for targeted sanctions on the Khartoum government. Finally, a number of Sudan experts from around the globe have pointed to targeted divestment as a financially prudent strategy for helping to stop genocide in Darfur.

International Crisis Group

"The [targeted Sudan divestment] campaign should be encouraged, including by naming and shaming companies, and copied in other countries."

Roberta Cohen - Senior Advisor, The Brookings Institution

"In the view of some analysts, divestment campaigns may prove more effective than sanctions. Rolls Royce's withdrawal from Sudan this past year reportedly surprised the government and affected the import of needed machine parts. The Sudanese government has publicly urged an end to divestment actions, underscoring the potential sting of their impact."

UN Human Rights Council

"...the General Assembly should call upon all UN institutions and offices to abstain from entering into business transactions with [foreign companies that have an adverse impact on the situation of human rights in Darfur]."

Joseph Stiglitz - Nobel Prize Winner and Trustee of Amherst College

"The government does not have a heavy development agenda--it's not as though the government is busy building schools in Darfur. It's a pretty clear case of this money being used against the government's own people."

Alfred Taban, editor of the independent newspaper, the Khartoum Monitor

"[Sudanese officials are] very worried about such sanctions. They get a lot of money from these companies."

A Coalition 15 Former European, Canadian, and US Foreign Ministers

"If by the end [of 2006], Mr Bashir still refuses or, more likely, continues pretending to agree one day and saying no the next, he should pay a stiff price. That price should include...measures to target revenue from Sudan's oil sales."

For a full report on the efficacy of targeted divestment and complete references, visit www.sudandivestment.org/position.asp.

SB

232

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 1/18/08

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 02/21/08

State Affairs Committee considered SENATE BILL NO. 232

SB 232 NAT'L GUARD: COMMAND/ACTIVE SERVICE/PAY

"An Act authorizing the governor to delegate to the adjutant general the authority to order the organized militia into active state service and authorizing the payment of Alaska National Guard called into active state service to fight wildfires at rates of pay established for certain emergency fire-fighting personnel; and providing for an effective date."

and recommends:

- be replaced with SCS or CS _____ ()
- adopt previous SCS or CS _____ ()
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
Admin	01/18/08			✓	1
DNR			✓		2
MLV			✓		3

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	French			X	
	Green	X			
	Bunde	✓			
CHAIR:	McGuire	X			

STATE OF ALASKA

Department of Military and Veterans Affairs

OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 5800
FORT RICHARDSON, AK 99505
PHONE: (907) 428-6003
FAX: (907) 428-6017

February 6, 2008

The Honorable Lesil McGuire
Chairman, Senate State Affairs Committee
State Capitol, Room 125
Juneau, AK 99801

Dear Senator McGuire:

I am writing to request you schedule Senate Bill 232, the act relating to Emergency Firefighter Pay for National Guard members. SB 232 will pay Alaska National Guard members, called by the Department of Natural Resources to fight fires, the same amount of money that emergency firefighters are paid. This will provide equal pay for equal work on the fire lines.

Currently, the law states that Alaska National Guard members called to duty must be paid at state active duty rates. The state active duty rate of pay is $\frac{1}{2}$ to $\frac{1}{4}$ of what the Emergency Firefighters are being paid for the same work.

Thank you for your consideration.

Sincerely,



Maj. Gen. Craig E. Campbell

Commissioner of the Department of Military and Veterans Affairs