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SENATE AND HOUSE JOINT JOURNAL SUPPLEMENT

February 12, 1992**Wednesday****No. 20****ADDRESS****BY****THE HONORABLE FRANK H. MURKOWSKI****U.S. SENATOR****STATE OF ALASKA**

BEFORE A JOINT SESSION
OF THE**SECOND SESSION OF THE****SEVENTEENTH ALASKA STATE LEGISLATURE****FEBRUARY 12, 1992****JUNEAU, ALASKA**

Mr. Speaker, Mr. President, fellow lawmakers, good morning. It's great to make it into Juneau to deliver my speech to the Legislature.

I think you remember last year it took three passes ... Wednesday, Thursday and finally Friday before I made it in — too late to deliver my speech. We had to wait until March, when I could return.

Well this year, a March return would not have been possible, because Congress has cancelled our March recess. The President has challenged us with a March 20 deadline to work on economic recovery legislation. That's another term for a jobs bill. And that's fine by me, because for Alaska — legislation creating jobs means another opportunity to open ANWR.

Let me begin my report to you today with a status report on where we are on ANWR.

Contrary to what you may have read in the newspapers there have been NO votes by the full Senate yet on ANWR.

Last November, we were disappointed with a filibuster that prevented an energy bill from coming to the floor. That bill included an ANWR provision, but you couldn't really call it a vote on ANWR because the bill also included a CAFE provision increasing fuel efficiency standards for automobiles — an issue almost as controversial as opening the coastal plain.

(I would mention, however, that we optimists were heartened by that particular vote. We could count more than 50 votes on our side — not the 60 needed to stop a filibuster unfortunately - but enough to win an up/down vote on ANWR.)

This year Energy Committee Chairman Bennett Johnston brought a new energy bill back to the senate MINUS both the ANWR and the fuel efficiency standard provisions.

Ted and I wanted the Senate Majority Leader to give us an opportunity to test our earlier optimism and have that up/down vote on ANWR.

We couldn't get it.

Our side of the aisle was game. But despite the senior Democrat Bennett Johnston's appeal to the Democrat leadership six of the Democrats objected.

As a result the best we can do is to get a promise to vote on a motion to table -- allowing the Senate to avoid a tough vote on the real merits of ANWR.

(By the way, I understand the media at home reported that we might have lost some sort of filibuster attempt by a 90-5 vote. There was no filibuster attempt — at least not yet anyway.)

Ted and I objected to proceeding to the bill in order to buy time while we tried to work out the agreement for a up/down vote. There was no significance to that particular vote -- we knew that cloture would be invoked. We were using the procedural delays available to us to give us two days to negotiate.

No one in the Senate saw it as a vote on ANWR and anyone outside the Senate who characterizes it as such either doesn't understand the process — or is intentionally mischaracterizing the cloture vote.

Ted and I have reserved the right to offer an ANWR amendment next Tuesday, but it will be subject to a tabling motion. (I'll discuss this more in a minute.)

I don't need to tell you how important ANWR is for Alaska,

- up to 13,000 jobs
- oil to keep the pipeline operating for decades
- and an estimated 125 billion dollars in federal and state tax revenues.

- ANWR would save this country from importing \$250 billion of oil each year. (That's money, by the way, that will be going to fuel the armies of countries like Iraq and Iran.)

- Opening ANWR will produce 735,000 jobs
- adding \$50 billion to our GNP
- and reducing our trade deficit dramatically.

These critics are the ones who don't believe in the American spirit, ingenuity, or the ability of U.S. industry to develop the resources that make our nation strong.

They're the people who say we can't do it, that we can't trust industry, that we should lock up everything instead.

Unfortunately for Alaska, for too long these elitest defeatists have had the ear of a majority of Congress to affect public policy. Their power is the fear created by the pessimism they spread.

ANWR has reached into the Presidential campaign with the 5 Democratic candidates opposed to ANWR and the two Republican candidates for it.

The "can't do" philosophy has succeeded in putting excessive restrictions on American industry — so much so that they're driving industry out of the country.

Now as I said, I'm an optimist. I think the pendulum is about to swing the other way.

As the pendulum swings we will have a better opportunity to bring up ANWR and be sure of a victory.

Some would say that opportunity won't come until next Congress — after this year's presidential election.

On the other hand, if we see an opportunity to make our move sooner we must be ready to take it.

One good possibility will be when the President's economic recovery package is debated.

That's this year's jobs bill — and if there is one strong point going for ANWR — it's jobs. Think about it.

Not just here in Alaska, but in virtually every one of the 50 states. An estimated 735,000 new jobs.

The opponents know this, they're mobilizing hard to head off that vote.

One Senator attempted to object to our right to bring up the ANWR amendment, asking that ANWR not be allowed to be brought up at any other time this Congress and particularly not on the economic recovery package.

He explained he did not want to be in a position where to oppose ANWR he would have to filibuster the jobs bill.

Now, about the opportunity we have reserved for an ANWR vote in the Senate next Tuesday.

Ted, Don and I have been meeting with Alaskans all over the state to discuss our present strategy. It's one that I discussed at length with Gov. Walter Hickel and with a number of you as well.

Our strategy will be to talk about the merits of opening ANWR — the jobs ANWR would create, and so forth. Yet we know next Tuesday may not be the best time to push the issue to a vote.

Such a vote would be on a tabling motion, and since Sen. Johnston has already committed to his caucus that he will table the ANWR amendment, many feel it may not be advisable for Alaska to force that vote now.

We may do better if we have time for the state, labor and industry to get the jobs message out across the country -- and it's getting out.

To start the ball rolling we convinced the President to put ANWR in the economic recovery bill that he sent to Congress.

The ANWR provision is in the House and Senate versions of that bill.

Like all milestone Alaska issues — Statehood, ANCSA, pipeline authorization, the 200-mile limit — ANWR continues to be a long, difficult campaign.

Like the others, it's one that we will win. But Alaskans must work together — the state, the industry, labor, all of us have to work to build a consensus for ANWR.

We have to counter all those nay-sayers who have been leading the nation down the path of no economic growth.

Kind of reminds me of the old man interviewed by the newspaper reporter on his 100th birthday. "To what do you attribute your longevity?" asked the reporter.

The old timer thought and began ticking off items: "I never smoked, drank or overate and I always rise at six every morning."

"I have an uncle who did all those same things, yet he only lived to be 60," said the reporter. "How do you account for that?"

"Well," said the old man, "He just didn't stay at it long enough."

Recent Accomplishments

Sometimes you would think ANWR is all we have to work on in Washington -- but it isn't.

I'm pleased to report that our state has fared extremely well since we last met.

For our fishermen, the prospect of trade sanctions finally succeeded in pushing Japan, South Korea and Taiwan to agree to stop high seas drift netting.

We won passage of a boundary treaty between the U.S. and Russia. That agreement will help close the Bering Sea's "doughnut" hole. .

We scored a significant triumph when we crafted the formula for the new federal highways bill, one that will pump an extra \$230 million a year -- nearly \$1.4 billion overall -- into Alaska over six years.

That legislation will produce thousands of construction jobs for you to build new roads, repair old ones and renovate our ferries.

We won the President's support for treating Alaska differently in his Wetlands policy -- allowing us to use up to 1% of our 170 million acres of wetlands without replacement.

And we stopped a serious threat to our nation's mining laws, at least for a while.

We gave our Native corporations breathing space from the threat of hostile takeovers by Wall Street corporate raiders. And gave our federal workers four years of breathing space from a threat to take away cost-of-living adjustments.

Those are among a long list of accomplishments.
(As a side light on the Washington scene, I'm the next Republican in line for a seat on the Senate Finance Committee.)

But more important than what's been done, is what we can do for our future.

We need to work on new ideas for the next century.

We have just eight years left in this century. By the dawn of a new one, Prudhoe Bay, which has accounted for more than half of the state's gross product these past 15 years, will be producing 45 percent less oil than last year.

As state revenues fall, we can't rely on federal funding to take up the slack.

Alaska should pretty much hold its own in military funding, even though the military nationally is experiencing sizable budget cuts. We'll lose some, but not like the rest of the nation.

The major reason for that is Ted Stevens. As the ranking Republican on the defense appropriations subcommittee, Ted has done a superb job.

I used my seniority to maintain my ranking position on the Foreign Relations Asian and Pacific Affairs subcommittee to stay on top of changes like the Philippines base closings and the draw down in Korea to support military presence in Alaska.

Alaska's strategic position in the Pacific region is ideal for forward stationing of troops and training.

We should treat Alaska's economy like a tree, building roots for a stable foundation, a strong trunk, and healthy branches.

**Education, health, public safety, and a land base for growth
form the foundation on which we can build for the future.**

Education

We need sharp focus on preparing young Alaskans for the challenges of the next century.

Given our geographic position, Alaska has unique opportunities in the global market, especially the Pacific Rim.

Our students must be highly educated, conversant with foreign cultures, fluent speakers of foreign languages and literate in the high-tech world of science, computers and telecommunications.

Last year, in my position as vice chairman of the Senate Intelligence Committee I supported taking \$150 million from the intelligence budget to improve foreign language and foreign culture programs at universities -- ideal for UAA and UAF.

I'm also advancing legislation to end one of the last vestiges of the Cold War, a law that barred Alaska universities from receiving federal AID funds to set up joint research and training programs with universities in former communist countries.

The proposal could provide a real shot in the arm to joint programs at the University of Alaska, Alaska Pacific University and Sheldon Jackson College.

It could help increase Alaska ties to Russia — ties that may pay dividends for trade and commerce.

While learning about cultures abroad, we can't ignore our unique cultures here at home.

Last year, I also won Senate approval for my bill to help preserve Alaska's Native languages — many of which are threatened with extinction.

My bill is designed to involve families and communities and bring elders together with children to teach languages and culture.

I hope that working to preserve languages will enhance community pride and involve families in education.

I strongly urge you to help Native language preservation yourself by providing a waiver to permit Native elders to come into village schools to teach their languages to the children.

I support and applaud Rep. Georgianna Lincoln's efforts in this area.

Other legislation before Congress should result in more federal dollars for educating Alaska's youth.

This past year I pushed for and won approval of a \$700 million hike in Head Start funding and a \$250 million increase in the Women, Infants and Children food program — both vital to give our less affluent children a fair start in life.

I'm also happy to report the Senate last month passed a federal education reform bill that will pump \$850 million into innovative efforts to realign the American educational system. Some of those funds will be used to design an innovative school curriculum right here in Alaska

Health care

Another important part of building our economic foundation is health care.

Last fall I introduced legislation to reform our nation's health care system.

It clearly is not acceptable that 37 million Americans do not have access to affordable medical care in a country with the most advanced technology in the world.

The proposal includes tax credits for the working poor, a new state-operated care system, and expanded free community-clinic health care for the unemployed.

Critical is its emphasis on preventative care and tort reform that could save society \$15 billion a year.

The president's new voucher plan promises to cover all Americans, low-income adults and children below the poverty level to the middle class, with a market-oriented health care plan.

I hope that plan and mine will be merged and approved by the Congress.

Like health care, crime is another issue on the agenda for Congress this year.

Crime

Alaska, like the rest of the nation is experiencing increases in crime

There's no question, but we must make Alaska safe, if we are to build on our foundation.

That's why I'm fighting for a tough crime bill and have supported the death penalty for drug dealers who commit murders.

We need to stop the flow of illegal drugs into the US and bust the criminal organizations that sell them.

As vice chair of the Intelligence committee I can assure you the military and our intelligence agencies are doing a great deal to interdict drugs, from Kodiak to the Florida Keys.

I'm told that drug organizations are on the rise in Alaska. One reason is they know our drug laws are weak.

It is time to give law enforcement in Alaska the tools it needs to break the criminal organizations that prey on our youth.

I urge you to pass a state conspiracy law. There is no excuse for Alaska to be one of the few states without such a law.

A conspiracy law would allow us to bring down entire drug organizations rather than just prosecuting the pushers who are easily replaced.

We can't rely only on the federal system, but need to use the state's law enforcement and judicial resources to stem the tide of drugs washing up on Alaska's shores.

The lack of a conspiracy law is attracting some very tough criminals to Alaska.

Wetlands

In addition to education, health and fighting crime, full use of our private and state lands is vital to our economic foundation.

The greatest threat to the expansion of our communities and the development of our natural resources is wetland regulation. Without responsible use of our wetlands we can not realize the benefits of statehood.

I have sponsored legislation to protect Alaska's right to use at least some of our 170 million acres of wetlands for responsible development.

My personal appeals to the President's and his Domestic Policy Council helped to get the President to exempt Alaska's wetlands from his "no net loss" wetlands policy.

Regulations implementing that policy still aren't final, but progress is being made. Just last weekend I brought the top wetlands policy maker in the nation, LaJuana Wilcher, to Anchorage and Fairbanks for public hearings to gain a better insight into our unique problems.

And while we're talking about the EPA, we have made real progress in our efforts to get the President to create a separate EPA Region 11 office in Alaska.

I'm going to continue to press for EPA decisions affecting Alaska's future to be made in Alaska rather than Seattle. After all 11 other federal agencies have Alaska offices, why not EPA?

**Other than oil, the trunk of our economic tree is held together
by our fisheries, mining, tourism, and timber.**

We need to keep this trunk strong -- protecting it from the disease of over-regulation and the parasites who would steal our resources at the expense of Alaska jobs.

Fisheries

First, we need to win administrative approval of the on-shore/off-shore bottomfish allocation program. Approval is vital to guarantee fish to workers in our coastal communities.

I'm also fighting for legislation to make sure that commercial and subsistence fishing can continue inside the boundaries of Glacier Bay National Park and Preserve.

In the wake of our success at halting high seas drift netting, we have to be doubly concerned about a rise in fish piracy.

While Ted handled the issue at the United Nations', I've spent years in personal diplomacy with foreign leaders in Asia convincing them of the need to stop high seas drift netting. It is those personal contacts that should prove useful now as we make sure there is enforcement to back up their pledges.

As Vice Chairman of the Senate's Intelligence Committee, I am committed to putting our intelligence assets to work protecting our fisheries.

I'll be holding Intelligence Committee field hearings this spring in at least Ketchikan, Anchorage and Kodiak to get ideas on how we can better monitor the high seas.

I also am convinced that we, the state and federal government, must work together to repurchase outstanding oil and gas leases in fish-rich Bristol Bay.

We need to start a dialogue soon to try to find a system that will produce the revenues to buy back the leases before the cost of a buy-back escalates out of sight.

Mining

In mining, we are fighting to keep the mining law intact and work to improve access to federal lands.

But we need to do more than just discover valuable minerals in Alaska, we need to add value to them here creating jobs.

One interesting prospect is the development of a smelter -- perhaps near Wrangell where abundant power is available.

It could process ore from Red Dog and Greens Creek and from Canadian mines, accessed by the proposed Bradfield Canal road.

Concentrates otherwise shipped as far away as Europe for processing could be processed here giving marginal mining projects in the Panhandle a chance.

A smelter would have to meet rigorous environmental standards, but with new thinking and new technology Alaskans can achieve it.

For coal, I have been championing new technology to upgrade our sub-bituminous clean-burning coal at Beluga near Anchorage to make it more desirable for Asian markets.

The results of my last Asia trade trip were the most optimistic in years as far as Alaska being able to find real buyers for upgraded Beluga coal.

The job potential for Anchorage of this project is too great to be ignored any longer.

Tourism

If we want tourism to grow then we need places for tourists to go.

I've been pushing for the use of a monorail for travel into Denali -- a system that would move more visitors and have far fewer environmental impacts than vehicles or the current bus system.

We need to move ahead before its too late with the joint state-federal partnership to buy and restore the historic Kennicott mining district near McCarthy in Wrangell-St. Elias National Park. With the history preserved and a new road this could be an important tourist attraction.

Finally, we must increase vessel access to Glacier Bay. I have legislation pending to do this if the Park Service doesn't complete it's vessel management plan soon.

Timber

Poor markets and tight financing have taken a toll on our timber industry. Mills are down in Seward, Haines and Klawock.

Our timber industry is more vulnerable than ever to those who want to shut it down.

I'm pressing for legislation to simplify the appeals process on federal timber sales.

Let's put an end to the ability of a few to simply derail all timber cutting in our nation's forests by an endless stream of lawsuits.

When we agreed in the Tongass Reform legislation to prohibit logging on lands around the small communities, it was with the understanding that other available timber lands could be used more freely to support logging in a timely manner.

I'm committed to see that those who benefitted from land set asides live up to their end of the bargain. It's time all the communities pull together for a strong Southeast Alaska economy.

I believe the branches of our economic tree must reach out to trade and science for the future growth of our economy.

Trade

As you know, Alaska is uniquely situated to serve as the trading partner to the world -- let's take advantage of our geography.

The restructuring of the former Soviet Union makes this a time for Alaskans to look to their neighbors to the west.

Last year I won approval for legislation that will require the U.S. to establish a new consulate in the Russian Far East.

I'm pleased to report that the State Department is near a final decision on the location of the consulate -- one that should help ensure that Alaska has its feet firmly in the door when Russia recovers enough to focus on commerce.

I will pay close attention to the need to reenact air route agreements with Russia this year.

We also should not ignore our neighbors to the east. This year we'll work on an "open skies" agreement that promises to improve flight access to Canada -- more good news for the tourism industry.

The success of Federal Express and UPS in Anchorage is an example of companies capitalizing on our geography.

More air freight moves through Alaska than through Los Angeles and Chicago combined. Jobs could be created by increasing the handling.

Why not attract a prominent Asian firm, like Sony, to locate a parts transshipment plant near Anchorage International or Fairbanks International airports.

Another innovative idea is the concept of a new polar shipping route from the Russian Far East to Europe -- an idea that promises big benefits for Alaska.

Science

Let's not forget science.

We need to turn the Last Frontier into the new frontier through a renewed emphasis on applied science -- workable, high-tech projects.

Alaska is the scientific gateway to the oceans, the arctic, the climate, and space.

Government agencies like NOAA should consider the Poker Flats launch site for its polar orbital payloads.

Let's make it happen. Space spending should provide a boost for Alaska in the years ahead.

Arctic Science can be another big winner. In part, due to my Arctic research bill, there is a proposed \$262 million increase in funding -- to nearly \$1.4 billion -- for research into global climate change this year.

I strongly support the University of Alaska Fairbanks' efforts to open a world-class climate change center.

Dutch Harbor's gas thermal energy project is another example of a hi-tech project waiting to happen.

It will allow processing plants for the largest seafood port in America to generate their power from geothermal resources rather than oil -- a major accomplishment.

Let's market our ocean coastline and geology. Alaska can expand its economy by actively pushing to become a leader in both earthquake and ocean sciences research.

Why not export our growing knowledge of environmental sciences and cleanup techniques?

Our oil-spill cleanup capabilities are now the best in America.

Conclusion

As I've said, I'm an optimist. I see a very bright future for our state.

But as with ANWR, that future won't come easy. It's going to require continued hard work and team work from all Alaskans.

There are many exciting challenges ahead -- some will be fun to tackle, others will be difficult. But all will be rewarding.

Those of us in public office, especially, owe it to other Alaskans that we do our best to make sure new generations of Alaskans have the same wonderful opportunities that those of our generation have enjoyed.

Thank you for your time and attention.