

February 23, 1973

HB 32 A message was received from the Senate stating it has passed HOUSE BILL NO. 32 (relating to persons engaged in the healing arts). It was enrolled, signed by the Speaker, Chief Clerk, President and Secretary of the Senate and transmitted to the office of the Governor at 2:00 p.m., Friday, February 23, 1973.

The following was enrolled, signed by the Speaker, Chief Clerk, President and Secretary of the Senate and transmitted to the office of the Governor at 3:15 p.m., Friday, February 23, 1973.

CSHB
1 am
S COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1 am S

ANNOUNCEMENTS

Finance	Room 425	1:30 p.m.	Feb. 23
H/S HESS	Assembly	1:30 p.m.	Feb. 23
	Baranof	2:30 p.m.	Feb. 23
State Affairs	Assembly	1:30 p.m.	Feb. 23
HB 79, 219, 221, 117			
Resources	Conf. Room	3:30 p.m.	Feb. 23
HB 116, 186, 191			
Commerce	100 Assembly	10:00 a.m.	Feb. 24
Commerce	100 Assembly	8:00 a.m.	Feb. 26
HB 9			
Judiciary	104 Assembly	3:30 p.m.	Feb. 23
HB 154, 91, HCR 54, SB 2			
Legislative Council	LAA	10:00 a.m.	Feb. 24

ADJOURNMENT

Mrs. Banfield moved and asked unanimous consent that the House adjourn until 10:00 a.m., February 26, 1973. There being no objection, the House adjourned at 12:05 p.m.

Constance H. Paddock
Chief Clerk

February 1973

JOURNAL
SUPPLEMENT

SENATE AND HOUSE - SUPPLEMENT NO. 3

February 23, 1973

SENATOR TED STEVENS' SPEECH TO THE
ALASKA STATE LEGISLATURE
FEBRUARY 23, 1973

THE HONORABLE TERRY MILLER, PRESIDENT OF THE SENATE

DEAR MR. PRESIDENT:

It is good to be talking to you today--from the vantage point of four years in Washington, but more importantly, from a position of looking six years ahead. For me this is a new year of beginning.

Coupled with most of the modern dilemmas faced by other states, Alaska has some problems that this generation of legislators and Congressional delegations from other states knows little about: the myriad problems that go along with our being still a Last Frontier.

More than any previous year, however, Alaska should be able to work with Washington. And Alaska--as compared to other states--must work not only with our federal government, but with other governments of other countries too. We're a people few in number with international responsibilities.

PIPELINE

Important on the international, national and local scene is--of course--the pipeline. "Appalled" was the word I used on the Senate floor when I made a statement on the February 9th decision by the Court of Appeals. "Appalled" not only at the decision the court issued, but at the decisions it did not render--particularly on the large and passion-evoking environmental issues.

In Congress we have reacted as quickly as possible and taken several steps.

First: I have introduced a bill which will give Congressional approval to the pipeline; declare that it may legally be built, make a specific finding that the National Environmental Protection Act issues have been satisfied; and close the federal courts to any challenge to this finding. This legislation answers all the challenges based on the Mineral Leasing Act as well as those based on NEPA.

Second: After extensive consultation with the Chairman of the Senate Interior Committee, Senator Jackson, Governor Egan, Senator Gravel, and myself, the Interior Department is presently drafting language which will amend the Mineral Leasing Act to eliminate the technicality on which the Court based its opinion. If Congress acts quickly on this second proposal, we can, I feel, proceed to a court determination of the NEPA issues. But, if there is to be a long delay on this narrow issue, then TIME IS ON OUR SIDE. The day will come when national security considerations are so great that the Trans-Alaska Pipeline must be built as a matter of national emergency. When that day comes, the first bill I mentioned will be the type of legislation enacted by Congress.

Third: I have written to the Attorney General, Richard Kleindienst, urging the federal government to pursue its appeal to the Supreme Court as quickly as possible. We must know whether this case will go on to the Supreme Court.

Fourth: I have asked the Interior Department to consider other alternatives, such as the possibility of transferring the pipeline corridor to the state. The option of federal construction of the pipeline has not yet been fully explored.

Much has been written and predicted about the energy crisis--and it is coming closer to a reality both nationally and internationally. We just can't afford to risk our national standard of living and security by becoming dependent--both politically and economically--on imported oil.

NORTH SLOPE ROAD

I have tried to articulate my understanding of the Court of Appeals' decision as it affects the state road to the North Slope. The District Court was directed to declare valid under the Mineral Leasing Act of 1920 the right-of-way for a public highway, and free use gravel permits proposed to be issued to the State of Alaska. But, at another place, the Court indicated its opinion that this road would not be built at the present time unless Alyeska built the pipeline. In its discussion of the NEPA issues, the Court of Appeals did not mention anything but the pipeline. In fact, the Court said "we question whether

resolution of the NEPA issues presented to us at this time will have any practical significance".

I can tell you how we can force this case back to court: The road to the North Slope is authorized-- I urge you to appropriate funds to start it--start it as soon as the District Court delares the road right-of-way valid as it was directed to do. If the road is started, the extreme environmentalists will have to challenge this action in court, which will get the environmental issues back to the Court of Appeals quickly. If they ignore this state action, in my opinion, their failure to act will remove the road from any further environmental challenges. As I stated when I appeared before this Legislature in past years, I feel the road to the North is essential to the state without regard to the pipeline. The pipeline merely offers the opportunity to reimburse the state for accelerated construction of the road by granting exclusive use to the pipeline company during pipeline construction.

And, now we know there will be a delay in the pipeline, that road could be built at less cost and greater benefit to Alaska's work force if it is built now. Simply stated, the question really is whether we invest in the road or face higher unemployment and welfare costs. This assumes we have the alternative available, but we won't even know unless we try.

REVENUE SHARING

There is a new challenge for you running through the 1974 federal budget: Revenue sharing. Many of the decisions--and many of the problems we have been facing back in Washington will now be yours. This year, the President is proposing Special Revenue sharing for four broad categories: 1) Education; 2) Manpower; 3) Urban community development; and 4) Law enforcement and criminal justice. More than 70 uncoordinated programs are slated to be combined into these four groups with the hope more efficient administration, and more money, will be spent on the state and local level rather than on overextended federal monies. Some of the programs which have been federally funded could be funded through revenue sharing monies-- those that are proposed to be cut back could be maintained or even expanded--if you decided to do it.

Alaskans have long been in the paradoxical position of having too much federal control yet receiving too little in the way of services--too controlled and too ignored all at once.

Now if both general and special revenue sharing is authorized, you will be the ones to choose between community action programs and libraries, between lower taxes and new schools. The choice is yours, but I hope you recognize your responsibility to rural Alaska. Most of the money involved in these programs would have gone to rural Alaska, and it should continue to do so.

Personally, I have voted against revenue sharing, and probably will again unless some provisions are added to special revenue sharing to assure that federally-funded programs are continued by the states. Also, I will continue to fight for additional federal aid to Alaska, because under the present revenue sharing formula--which I voted against--Alaska comes out with the barest minimum. Our population is too low, and our per capita income is too high--and neither index truly reflects the overwhelming needs Alaska has in nearly every category.

BUDGET

Priorities nationally are changing, however, for the good of the whole nation--and especially for us.

Nationally, in just four years, defense and human resources budgets have reversed roles. In Fiscal Year 1969, defense had 44% of the entire budget, human resources had 34.4%--in 1974, Human resources have 46.7% while defense has 30.2%. Looking at health, in 1963, Health accounted for 1.3% of the total U. S. budget--in 1974, it accounts for 8.1%. In community development and housing...in 1965, 2/10ths of a percent of the national budget went to these areas--in 1974, 1.8%... income security has risen from 21.7% of the national budget in 1965, to 1974 levels of 30.5%.

The following table shows another way of looking at budget priorities, and illustrates the nation's commitment to return power to the States and localities and to the American people.

DISTRIBUTION OF BUDGET OUTLAYS BY PURPOSE Fiscal years 1969 and 1974

	Billions of dollars		Percent of total outlays	
	1969	1974	1969	1974
Grants to State and local governments (Grants to urban areas)	20.3 (14.0)	44.8 (31.4)	11.0 (7.5)	16.7 (12.3)
Major retirement and social insurance benefit payments, <u>excluding</u> retired military pay	44.3	87.1	24.0	32.4
National defense (Retired military pay)	81.2 (2.4)	81.1 (4.7)	44.0 (1.3)	30.2 (1.7)
All other	<u>38.8</u>	<u>55.7</u>	<u>21.0</u>	<u>20.7</u>
Total	184.5	268.7	100.0	100.0
(Human resources)	(63.5)	(125.5)	(34.4)	(46.7)

There seems to be anxiety about what this budget will do to Alaska--so lets look at some specifics. Under the special revenue sharing for education would be funding for adult basic education and vocational education. Under manpower revenue sharing would be the emergency public employment programs, and under the Urban Community sharing would be much of the Economic Development Administration programs.

There ARE many problems for Alaska in this budget. One is impact aid money Alaska's districts could lose. Yet, I'm not too worried--every president every year since Harry Truman has proposed cutting off the "B" impact aid--and every year, Congress has restored it. That will very likely be the case again this year.

Also, the highly effective Alaska Regional Medical Program and the Arctic Health Research Center near Fairbanks are slated for phasing out, but I intend to fight to keep both--I am working through the Appropriations Committee and its HEW subcommittee to get their funding restored.

HOUSING

In the area of housing, initial construction of new homes under the Indian Housing Program will begin this spring in Southeast on 160 units. Another 1000 units are currently being reviewed in Washington by the Office of Management and Budget to determine the financial feasibility in the higher cost areas of the state.

I want to try to clarify one point--the delay in obtaining new housing in the bush is not the fault of HUD. The federal government will pay for the construction of the units and the debt service on the loans, but it will not pay for the day-to-day operating expenses of heat, electricity and water under the HUD program. This has been the responsibility of the tenants. But many people who will occupy this housing do not have incomes sufficient to cover their operating expenses. In the urban areas of the state where there are rental units available, additional public assistance payments are made to cover shelter cost. There are hardly any rental units available in the bush now--but we could make some available under the HUD program.

Both the state and the BIA must reassess their programs and provide for shelter cost allowances for the village people. The housing program will not absorb costs which should be paid by public assistance programs. But we need this Indian Housing badly. I intend to keep pushing on this, too, until the problems of the operating costs deficit is solved.

FISHING

In the area of fisheries--the issues take on international importance. America is a fish eating nation--but 62% of all fish consumed in the United States are imported. Our own fishermen are in trouble financially. Here in Alaska, more than 19-thousand people each year are employed in the fishing industry, more proportionately than in any other state. We have got to help our domestic fishermen--not the foreign industries.

In this regard, I have called on the Departments of State and Commerce to stop importing halibut from Japan, and to seize those fish currently in storage in Seattle

which have been taken by the Japanese in violation of the North Pacific agreement.

I am presently drafting legislation which would expand the contiguous conservation zone to 200 miles and extend protection over anadromous species spawning in American streams and waters. It would impose a moratorium on foreign fishing operations on U. S. coastal stocks of fish unless this country enters into specific treaty.

A related problem is that of boundary lines, and as a result of hearings we held here last year, the proposed boundary charts are now being reconsidered and hopefully redrawn on a straight line basis. Also, the federal government is considering the thorny area of limited entry--regulating fishing in the nine mile contiguous zone.

The Law of the Sea Conference is a most vital and important project which my staff and I have been supporting---but it will probably take unilateral measures--prohibiting foreign fishing entirely around individual countries--to get a serious conference off the ground. Up till now, America has been DEFENSIVE in our fishing policy--we must be progressive if conservation--and true aquaculture--is to become a viable international policy.

CONCLUSION

This is just a brief overview of the major problems and federal participation in these issues--there is a parallel challenge here for the local governments. Just as the federal lawmakers are trying to become more fiscally responsible, and have redirected our priorities, so will you here have to reconsider our state's basic needs, priorities and procedures to successfully and effectively administer Alaskan problems. Big Brother may no longer be watching, but the people will. They are a far harder master to serve--but, a far more worthy one.