

March 2, 1988

your continuing help and cooperation we have a realistic hope of achieving this goal.

Thank you again for inviting me to speak.

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SENATE-HOUSE JOINT JOURNAL SUPPLEMENT

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TUESDAY

No. 16

PREPARED ADDRESS

BY

THE HONORABLE TED STEVENS

U. S. SENATOR

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BEFORE THE JOINT SESSION  
OF THE  
SECOND SESSION  
FIFTEENTH ALASKA STATE LEGISLATURE

March 8, 1988

Juneau, Alaska

WHEN I FIRST APPEARED HERE AS A UNITED STATES SENATOR, ALASKA WAS IN TURMOIL. THE UDALL LAND FREEZE HALTED CONVEYANCE OF STATE LAND SELECTIONS -- LITIGATION DELAYED THE CONSTRUCTION OF THE TRANS-ALASKA PIPELINE -- AND, OUR STATE GOVERNMENT FACED A SEVERE FINANCIAL CRISIS.

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THOSE PROBLEMS BEGGED FOR INNOVATIVE SOLUTIONS. ALASKANS FOUND THEM.

THE ALASKA NATIVE CLAIMS SETTLEMENT ACT CLEARED THE WAY FOR STATE LAND CONVEYANCES. AND, APPROVAL OF THE TRANS-ALASKA PIPELINE TWO YEARS LATER OPENED THE DOOR TO UNPRECEDENTED PROSPERITY.

THOSE GOOD DAYS ARE BEHIND US, AND WE FACE NEW CHALLENGES.

THE CATASTROPHIC DECLINE IN WORLD OIL PRICES AND CONTINUING FEDERAL RESTRICTIONS ON DEVELOPMENT OF OUR RESOURCES HAVE BATTERED OUR ECONOMY.

FEDERAL ASSISTANCE IS VITAL TO OUR EFFORTS TO DEAL WITH THIS CRISIS -- AND MAY BE A KEY FACTOR IN OUR ABILITY TO COMPETE AND GROW IN THE NEXT CENTURY.

THE SIGNING OF THE 1991 BILL LAST MONTH WAS A MAJOR STEP FORWARD. THAT STEP WAS MADE POSSIBLE BY CONGRESSMAN DON YOUNG'S DECISION TO FORCE A ROLL CALL VOTE ON THE BILL IN THE HOUSE DESPITE ADMINISTRATION OPPOSITION.

THAT BILL WILL HELP PUT TO REST FEARS THAT OUR NATIVE PEOPLE WILL LOSE CONTROL OF THEIR LANDS.

OUR ANTI-REFLAGGING LEGISLATION -- SIGNED BY THE PRESIDENT IN JANUARY -- IS IMPORTANT TO ALASKA'S FISHING INDUSTRY. IT PLUGS A LOOPHOLE THAT ALLOWED REFLAGGED FOREIGN FISH PROCESSING VESSELS TO QUALIFY FOR A DOMESTIC PREFERENCE IN FISH ALLOCATIONS.

LEGISLATION RENEWING THE GOVERNING INTERNATIONAL FISHERIES AGREEMENT WITH JAPAN WAS ALSO SIGNED BY THE PRESIDENT. INCLUDED IN THE BILL WERE MY PROPOSALS TO CURB DRIFTNET USE AND PLASTIC POLLUTION. THE DUMPING OF NON-BIODEGRADABLE TRASH INTO THE OCEAN MUST BE RESTRAINED TO PROTECT OUR MARINE RESOURCES.

DESPITE INCREASINGLY TIGHT FEDERAL BUDGETS, WE'VE MADE PROGRESS ON IMPORTANT FUNDING INITIATIVES THAT WILL HELP WITH OUR IMMEDIATE ECONOMIC PROBLEMS AND BUILD FOR THE FUTURE.

WE BEGAN THE NEW YEAR WITH AN UNEXPECTED WINDFALL. IN ACCORDANCE WITH MY AMENDMENT TO THE FISCAL YEAR 1988 CONTINUING RESOLUTION, THE INTERIOR DEPARTMENT RELEASED \$320 MILLION IN OIL AND GAS LEASE SALE REVENUES AND ACCRUED INTEREST TO THE STATE. THAT MONEY HAD BEEN LANGUISHING IN AN ESCROW ACCOUNT AWAITING THE RESOLUTION OF THE DINKUM BANDS LAWSUIT.

WE SHOULD GIVE PRIORITY TO TRYING TO RESOLVE THE DISPUTE OVER THE REMAINING \$876 MILLION.

ALASKA WILL ALSO BENEFIT FROM MILLIONS OF DOLLARS OF NON-MILITARY FEDERAL SPENDING INCLUDED IN THE APPROPRIATIONS BILLS AT MY REQUEST. THIS MONEY WILL FUND A WIDE VARIETY OF PROJECTS -- FISHERY ENHANCEMENT, INCREASED CADASTRAL SURVEYING, VISITOR FACILITIES IN DENALI NATIONAL PARK AND OTHER CONSERVATION UNITS, WATER PROJECTS THROUGHOUT THE STATE, AND DESIGN AND SITE PURCHASE WORK FOR THE NEW ALASKA NATIVE MEDICAL CENTER IN ANCHORAGE.

DESPITE THAT, I KNOW WE AGREE WE HAVE TO DO MORE TO HELP REVIVE OUR STATE ECONOMY.

OUR FEDERAL GOVERNMENT DOES NOT HAVE THE ABILITY TO REVERSE THE DECLINE IN WORLD OIL PRICES. NOR DOES IT HAVE THE RESOURCES TO RESTORE THE LOSSES EXPERIENCED BY OUR STATE'S ECONOMY.

THE FEDERAL GOVERNMENT CAN, IN COOPERATION WITH STATE GOVERNMENT, HELP US BUILD A MORE DIVERSIFIED STATE ECONOMY.

THE DEPARTMENT OF DEFENSE'S GROWING RECOGNITION OF ALASKA'S STRATEGIC IMPORTANCE IS CRUCIAL TO THIS EFFORT.

ALASKA MILITARY BUILDUP IS BASED ON OUR NATIONAL SECURITY NEEDS -- NOT PORK BARREL POLITICS. STILL, THERE'S NO DENYING THAT MILITARY SPENDING IS GIVING OUR ECONOMY A MUCH NEEDED BOOST.

TO COMPLY WITH THE BIPARTISAN BUDGET SUMMIT AGREEMENT REACHED LAST YEAR BETWEEN THE WHITE HOUSE AND CONGRESS, THE DEPARTMENT OF DEFENSE HAS CUT MORE THAN \$30 BILLION FROM ITS FISCAL 1989 BUDGET REQUEST. AS THAT WAS DONE, WE HAD TO WORK OVERTIME TO KEEP THE DEPLOYMENT OF THE SIXTH LIGHT INFANTRY DIVISION ON TRACK.

AS A RESULT, MORE THAN 254 MILLION MILITARY CONSTRUCTION DOLLARS WILL BE SPENT IN ALASKA THIS YEAR. TOTAL DEFENSE SPENDING IN ALASKA FOR FY 1988 IS ALMOST \$1.3 BILLION.

NOW, WE ARE CHANGING OUR FOCUS TO HOMEPORTING. THE DEFENSE DEPARTMENT'S DECISION TO BASE NEW SURFACE VESSELS IN ALASKA IF WE INVEST STATE MONEY IN THE NECESSARY ON-SHORE FACILITIES PRESENTS US WITH A HISTORIC OPPORTUNITY. I HOPE THAT IT WILL LEAD TO THE EVENTUAL DEPLOYMENT OF AN ENTIRE SURFACE ACTION GROUP OF UP TO 10 SHIPS IN OUR STATE.

THE UNIVERSITY OF ALASKA'S INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH REPORTS ALASKA'S ECONOMIC RECOVERY WILL BE DRIVEN BY GROWTH IN OUR BASIC INDUSTRIES, INCLUDING FISHING, TOURISM, TIMBER, AND THE FEDERAL MILITARY.

ACCORDING TO THE INSTITUTE, THE MILITARY IN ALASKA ALREADY PROVIDES THE MOST JOBS OF ANY BASIC INDUSTRY. MORE IMPORTANTLY, IT HAS THE GREATEST POTENTIAL FOR JOB GROWTH IN THE NEAR FUTURE.

HOMEPORTING IS THE BEST OPPORTUNITY WE WILL HAVE IN OUR LIFETIMES TO DIVERSIFY AND STRENGTHEN THIS ESSENTIAL BASIC INDUSTRY.

COMPARISONS BETWEEN CURRENT HOMEPORTS AND POSSIBLE ALASKA HOMEPORTS ARE DIFFICULT. BUT THE NAVY'S FIGURES GIVE SOME INDICATIONS OF HOW WE COULD BENEFIT.

SINCE A NAVY FAMILY AVERAGES 2.3 DEPENDENTS, TWO FRIGATES COULD ADD OVER A THOUSAND RESIDENTS TO AN ALASKA COMMUNITY.

THE SUPPORT COSTS OF TWO FRIGATES -- COMBINED WITH THE PAYROLL OF ON-BOARD AND ONSHORE PERSONNEL AND EXPENDITURES ON ONSHORE FACILITIES -- WOULD PROBABLY HAVE A GREATER ECONOMIC IMPACT THAN THE ESTABLISHMENT OF A PULP MILL THE SIZE OF THE MILL IN KETCHIKAN OR OF A MINE THE SIZE OF GREENS CREEK OR RED DOG.

IN PASCAGOULA, MISSISSIPPI, THE DEPLOYMENT OF FOUR NAVY VESSELS IS EXPECTED TO ADD 1700 MILITARY AND 450 CIVILIAN FEDERAL JOBS WITH A TOTAL PAYROLL OF \$36 MILLION DOLLARS TO THE LOCAL COMMUNITY. THE SPIN-OFF PRIVATE SECTOR JOBS ARE EXPECTED TO TOTAL 1500 WITH A PAYROLL OF \$29 MILLION DOLLARS. WE ARE TALKING ABOUT LONG-TERM ECONOMIC DEVELOPMENT OF THE SAME MAGNITUDE AS THE DEPLOYMENT OF THE LIGHT INFANTRY DIVISION.

MY MEETINGS IN HAWAII ON SUNDAY AND MONDAY CONVINCED ME THAT APPROVAL OF THE HOMEPORING RESOLUTION BY THIS LEGISLATURE IS ESSENTIAL TO THE ONGOING DIALOGUE BETWEEN ALASKA AND THE NAVY. BASED ON MY CONVERSATIONS WITH ADMIRALS HAYS AND JEREMIAH, I'AM CONVINCED THAT THE NAVY IN HAWAII IS MAKING PREPARATIONS FOR HOMEPORING IN ALASKA.

THIS SUMMER, THE NAVY PLANS TO DEPLOY TWO FRIGATES TO ALASKA. ONE OF THESE FRIGATES WILL VISIT EACH OF THE ALASKA PORTS UNDER CONSIDERATION.

HOMEPORING IN ALASKA MAKES VERY GOOD SENSE IN TERMS OF MILITARY STRATEGY AND OPERATIONAL COSTS. VESSELS THAT DEFEND OUR NATION'S INTERESTS IN THE NORTH PACIFIC SHOULD BE HOMEPORING IN THE NORTH PACIFIC RATHER THAN STEAM UP FROM HOMEPORING IN HAWAII OR THE LOWER 48.

THE NAVY IS DESPERATELY SHORT OF CONSTRUCTION FUNDS. IT CANNOT AFFORD TO BUILD BRAND-NEW HOMEPORING FACILITIES. THAT FACT HAS GIVEN US A TREMENDOUS EDGE IN THE HOMEPORING COMPETITION.

OUR WILLINGNESS TO CONSIDER INVESTING STATE MONEY IN THE ONSHORE FACILITIES NEEDED TO SUPPORT HOMEPORING VESSELS IS ESSENTIAL TO THE SUCCESS OF OUR HOMEPORING EFFORT. WITHOUT THAT INVESTMENT, THE NAVY WILL DOUBTLESS CHOOSE COMMUNITIES IN THE LOWER 48 THAT ALREADY HAVE IN PLACE ONSHORE FACILITIES THAT CAN BE RENOVATED RELATIVELY CHEAPLY.

YOUR HOMEPORING RESOLUTION DOES NOT COMMIT THE STATE TO INVEST MONEY, BUT IT SENDS A CRUCIAL MESSAGE TO THE NAVY: "WE'RE READY TO TALK TURKEY. IF YOU OFFER US A FAIR DEAL, THEN WE'RE READY TO MAKE ALASKA HOMEPORING A REALITY."

FOREIGN FISHING AND OTHER ACTIVITIES WITHIN AND AROUND THE HIGH-SEAS "DOUGHNUT" JEOPARDIZE OUR EFFORTS TO ENSURE SOUND MANAGEMENT OF THE RESOURCES OF THE BEARING SEA. WE DON'T HAVE TIME TO WAIT FOR MULTI-LATERAL NEGOTIATIONS TO RESOLVE THIS PROBLEM.

UPON MY RETURN TO WASHINGTON, A RESOLUTION WILL BE READY FOR ME TO INTRODUCE URGING THE SECRETARY OF STATE TO PURSUE BILATERAL NEGOTIATIONS WITH THE SOVIET UNION AIMED AT CLOSING THE DOUGHNUT TO FISHING BY ANY NATION AS AN EMERGENCY INTERNATIONAL CONSERVATION MEASURE.

NEXT WEEK A DELEGATION OF AMERICAN FISHERMEN, INCLUDING ALASKA FISHERMEN, WILL MEET IN KHABAROVSK. THEY HOPE TO NEGOTIATE AN INDUSTRY-TO-INDUSTRY AGREEMENT TO AUTHORIZE AMERICAN-SOVIET JOINT VENTURES IN THE SOVIET EXCLUSIVE ECONOMIC ZONE.

IT IS MY HOPE THAT AN IMPROVED RELATIONSHIP WITH THE SOVIET UNION ON NORTH PACIFIC FISHERIES ISSUES IS IN THE MAKING.

WE ARE CONTINUING EFFORTS TO MAINTAIN FEDERAL LEGAL PROTECTIONS FOR THE SOUTHEAST TIMBER INDUSTRY, WHICH IS IN THE MIDDLE OF A TREMENDOUS RECOVERY. THE COMMITMENTS MADE BY CONGRESS IN 1980 SHOULD BE KEPT.

WE ARE ALSO WORKING ON LEGISLATION TO PROCEED WITH OIL AND GAS LEASING IN ANWR. AS A RESULT OF THE HARD WORK OF SENATOR MURKOWSKI IN THE SENATE ENERGY COMMITTEE AND CONGRESSMAN DON YOUNG IN THE HOUSE OF REPRESENTATIVES, WE HAVE MADE MAJOR PROGRESS.

SCHEDULING ANWR LEGISLATION FOR FLOOR ACTION THIS YEAR IS PROBLEMATIC BECAUSE THIS IS AN ELECTION YEAR -- THE CONGRESSIONAL SESSION WILL BE SHORTENED BY NATIONAL CONVENTION, PRIMARY, AND GENERAL ELECTION RECESSSES. AS I SAID LAST YEAR, HOWEVER, WE ARE READY TO ACT QUICKLY IN THE EVENT OF ANY CHANGE IN THE INTERNATIONAL SCENE.

ON A DIFFERENT FRONT, WE MUST WORK TOGETHER TO DEAL WITH THE PROBLEMS AFFLICTING OUR YOUTH -- THE FUTURE OF OUR STATE.

THESE PROBLEMS, IN RURAL AND URBAN ALASKA, STEM IN MY JUDGMENT, FROM EDUCATIONAL PROBLEMS AND A LACK OF EMPLOYMENT OPPORTUNITIES. WE MUST RESCUE THE YOUNG MINDS THAT ALCOHOL AND DRUG ABUSE ARE DESTROYING AND TRAIN THEM SO THAT THEY CAN TAKE ADVANTAGE OF JOB OPPORTUNITIES. THE KEY IS EDUCATION.

AS THE RECENTLY-SIGNED INF TREATY DEMONSTRATES, WE ARE ON THE ROAD TO THE REDUCTION OF INTERNATIONAL TENSIONS. WE WILL STILL PROVIDE FOR THE DEFENSE OF OUR NATION, BUT SOON WE SHOULD BE ABLE TO PUT MORE AND MORE EFFORT INTO PROVIDING BETTER EDUCATIONAL AND EMPLOYMENT OPPORTUNITIES.

HOPE MUST BE RESTORED. WE NEED TO CONVINCED OUR YOUNGER GENERATION THAT THEY ENJOY THE GREATEST OPPORTUNITIES OF ANY GENERATION SINCE THE TURN OF THIS CENTURY.

ON NEARLY EVERY ISSUE I'VE MENTIONED TODAY, THE ALASKA CONGRESSIONAL DELEGATION HAS WORKED WITH THE GOVERNOR, STATE LEGISLATORS, AND OTHER STATE OFFICIALS TO DEVELOP A COMPREHENSIVE LEGISLATIVE AND ADMINISTRATIVE STRATEGY.

CONTINUED COOPERATION BETWEEN ALASKA'S FEDERAL REPRESENTATIVES AND STATE OFFICIALS IS VITAL.

THE LESSON WE LEARNED IN THE EARLY 1970S IS JUST AS RELEVANT TODAY: A STATE DIVIDED AGAINST ITSELF CANNOT PREVAIL IN WASHINGTON.

I'M PROUD TO HAVE THE OPPORTUNITY TO WORK WITH YOU. I DEEPLY APPRECIATE THE TIME AND RESOURCES THAT YOU HAVE DEVOTED TO HELPING US REPRESENT ALASKA IN WASHINGTON. YOUR IDEAS AND SUGGESTIONS HELP US MAKE THE FEDERAL GOVERNMENT MORE RESPONSIVE TO ALASKANS.

LET'S CONTINUE TO WORK TOGETHER TO DO WHAT'S RIGHT FOR ALASKA.

IF WE REMAIN TRUE TO THE REAL ALASKA SPIRIT -- A COMBINATION OF PIONEERING, HARD WORK, AND COOPERATION -- WE CAN OVERCOME THE OBSTACLES ALASKA NOW FACES. WE CAN BUILD A BETTER FUTURE FOR OUR CHILDREN.