



*Office of U.S. Senator Mark Begich
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Address to the State Legislature

11 a.m.; March 31, 2010; State House Chambers

President Stevens, Speaker Chenault, members of the House and Senate, and friends across Alaska. It's an honor to join you again to for my second presentation to the Legislature as Alaska's newest United States senator.

Having members of Congress report to the public in this forum is fairly unique among the states. When I tell my colleagues that I'm addressing a joint session of the Legislature, I receive a mix of congratulations and condolences. But I know you'll be easy on me.

I'm especially thankful to be here after surviving the great Washington blizzard of 2010. The 50-plus inches of snow we got over four days shut down much of the east coast and brought the federal government to a screeching halt. But I'm pleased to say the hearty Alaskans in my office and Senator Murkowski's braved the elements to report to work every single day. I'll tell you: the snow plow drivers from any community in Alaska could teach a thing or two to their colleagues at the other end of the country.

Today I want to detail for the Legislature and our shared constituents what we're doing in Washington to try to improve the lives and livelihoods of Alaskans.

Because of the unprecedented challenges facing our state and nation, I believe it's more vital than ever that we work in partnership to address those challenges.

Speaking of partnerships, let me address up front Alaska's relationship with the federal government. A couple of months ago many of us got a good laugh from Julia O'Malley's column on this subject, appropriately headlined, quote: "Dear feds: We loathe you. Please send money." I'm not usually in the business of handing out compliments to the media. But Julia wasn't far off the mark.

It seems like about once a week, I get a letter or a press release or a threatened lawsuit - many from the third floor of this building - taking the federal government to task for some evil under-taking.

I appreciate that beating up on the feds is good politics. I've done it myself. It generates headlines. And a lot of the time they deserve it. From ANWR to Second Amendment rights, the Obama administration and many in Congress are simply wrong, and need to be told so in no uncertain terms.

At the same time, the federal government is a vital partner to Alaska in the form of both essential services and the bucks we bring home. According to the state's own Department of Revenue, the federal government spent \$10.7 billion in Alaska in federal fiscal '08.

That includes benefits for the military servicemen and women we so cherish in our state, retirement and disability payments to our seniors, and health care to about half our population through the Defense Department, VA, Indian Health Service and Medicare.

That healthy payout ranks Alaska third among all the 50 states in per person federal spending. For every dollar Alaskans send to Uncle Sam in federal taxes, we get back nearly two dollars in return. Not a bad deal.

It gets even better when it comes to the gasoline tax. Since the time Dwight Eisenhower was president, Alaska has received more than 6 dollars for every dollar in federal gas taxes we pay. This underwrites the cost of road construction and maintenance in our state.

I know as you put the final touches on this year's state budget, the nearly \$2 billion in federal funds you'll receive next year is essential for services from road improvements and Medicaid payments to school assistance. That makes up almost a fourth of your entire \$8 billion budget.

In addition to this routine federal funding, Alaska received the biggest single federal payout in memory last year with the American Recovery and Reinvestment Act. This historic legislation is delivering about \$1.6 billion to our state and creating and protecting about 8,000 Alaskan jobs. I was proud to be one of the critical votes that put it over the top.

The federal government is more than cash machine for Alaska. We're also getting results on Alaska's needs by working with the new administration and building important relationships across the political aisles in Congress.

Let me highlight just a few examples.

After years of lawsuits and sloppy work by the previous administration, the Interior Department approved Shell's exploration plans for oil and gas development off Alaska's northern coast. The EPA also granted its draft air permit for that jobs-creating project.

In just 14 months in office, the President has dispatched seven of his department heads to Alaska to see first-hand our needs and unique conditions.

After 17 years, I helped persuade Congress to approve a permanent reauthorization of the Indian Health Service in the health care reform bill, which modernizes the nation's commitment to health care for thousands of Alaska Natives. I was the only member of our delegation to vote for it.

After 20 years of struggle, the Obama administration's EPA gave the green light to the Kensington Mine, which will create 250 good-paying jobs in this community.

After 36 years, the federal government has commissioned a sorely needed new research vessel, the Sikuliaq, which will be operated by the University of Alaska Fairbanks.

And just this morning, the President gave the green light for OCS development in the Chukchi and Beaufort seas.

The list is long of the fruits of the federal government's relationship with Alaska. I'll continue working with the Obama administration and members of Congress from both political parties to produce results for our state.

The area where we've been focused most is helping the millions of Americans who are hurting from the worst economic crisis since the Great Depression. Thankfully, Alaska has been sheltered from the worst of it. Still, last month's unemployment rate climbed to 8.5 percent, the highest in nearly two decades.

Among the approximately 1,000 letters and emails I receive every week are heart-breaking stories from Alaskans about their struggle to keep their families afloat in these tough times.

That's why Congress recently passed the first of several jobs bills to put Americans back to work. The HIRE Act is designed to help small businesses expand, hire workers and jump-start infrastructure projects, including many in Alaska.

Together with the Recovery Bill, thousands of Alaskans are going to work on projects from the new Nome Hospital in Senator Olson and Representative Foster's district to the new causeway scheduled for completion this summer in Senator Kookesh and Representative Thomas' area.

I commend this Legislature and local government leaders across the state for helping implement the Recovery Act in ways that benefit so many Alaskans. I thank you for the courage and resolve to help Alaskans get back to work.

Another issue I know is on the minds of small business owners and individual Alaskans is health care. A recent Anchorage Economic Development Corporation survey found that 58 percent of Anchorage businesses ranked the high cost of health insurance as a significant to growing their businesses in the future.

And 133,000 of our fellow Alaskans risk their economic and personal health by living without insurance because they can't afford it. The historic health insurance reform legislation the President signed into law last week saves lives, saves money and saves Medicare and holds insurance companies accountable.

I voted for the new law because Alaskans will see numerous immediate benefits from health insurance reform.

There's help for small business. Immediately, small businesses with fewer than 10 workers get a tax credit for a portion of what they spend now on health insurance to help provide coverage for their employees. As the law ramps up, more tax credits become available.

There's help for Alaskans with pre-existing conditions. Within three months, people with pre-existing conditions who have had their insurance cancelled by insurance companies will get help.

There's help for dependent children. Within six months, parents' health insurance will cover their dependent children up to age 26.

There's help for seniors. Those in the "doughnut hole" of expensive prescription drugs will get 250-dollar rebates this year. Eventually, the doughnut hole will close completely, saving Alaska seniors \$2,000-4,000 a year each. Within six months, all insurance plans must provide free checkups, including for seniors on Medicare.

There's help for Alaskans who can't afford health insurance today. More than 40,000 Alaskans will become newly eligible for basic health coverage under Medicaid. The federal government will pay 100 percent of the price tag the first three years and 90 percent after that – permanently. Some call this an "unfunded mandate."

I think providing tens of thousands more Alaskans health coverage at a cost to the state of 10 cents on the dollar is a pretty good deal.

I also included several Alaska-specific provisions in the health care reform bill. These include increased loan forgiveness for new primary care providers, added Medicare funding for community hospitals and a focus on improving health care for the 340,000 Alaskans who get their coverage from the federal government.

I also helped write the cost-containment amendment that cuts prices for consumers, increases value and innovation in the health care system and saves hundreds of millions of dollars.

I appreciate there are many Alaskans, including many of you in this room, who are skeptical about this new health care reform law. Unfortunately, there has been too much misinformation and not enough focus on the details.

That's why I am confident that, as Alaskans and Americans everywhere learn more about health reform, its cost-savings and enormous benefits will become part of the fabric of the country. Just like equally controversial landmark legislation from an earlier era, such as Social Security and Medicare. I believe as people see the details, they will see the benefits of health care for this country and our state.

Like you, I am deeply troubled by the enormous level of red ink facing this and future generations in the form of federal debt. In fact, that's one reason I voted for the health reform bill, because it reduces the federal deficit by \$143 billion the first 10 years and \$1.3 trillion in the second decade. This is single largest deficit reduction measure passed by this or any other Congress.

Those aren't my numbers. They're from the non-partisan Congressional Budget Office.

Today's unprecedented \$13 trillion federal debt didn't suddenly appear last year with this administration. It's the result of years of failing to pay for two wars, tax cuts for the wealthy and recent spending to prevent the economy from tail-spinning into a depression. Everyone is at fault – Democrats and Republicans – but we are here.

I'm actively working to make the painful and long-term changes necessary to reduce the federal debt. That's why I joined the Budget Deficit Caucus and why I was recently asked to become a member of the Senate Budget Committee.

It's why I supported legislation creating a Debt Commission to force congressional budget reductions and why I helped pass "pay-go" legislation which requires Congress to pay for spending it approves. And that's why I joined with a small group of Democrats and Republicans in supporting that any leftover TARP money go to pay off the debt.

While state and federal government investments in Alaska are enormously important, I know everyone in this room agrees that it's the private sector that leads the way in job creation. Government's role should be to help create a pro-business climate and then get out of the way.

We've been fighting to do exactly that when it comes to Alaska's resource industries. From new OCS oil and gas exploration to the Kensington Mine, from responsible timber harvesting in Southeast and development in ANWR and NPRA on the North Slope, we're fighting for Alaska's right to develop its abundant natural resources.

Let me commend the members of this Legislature for your intense focus this session on Alaska's natural gas pipeline. I agree with those who believe it should be the private sector sponsors of a gasline, not politicians, which determine the best project to deliver Alaska's enormous gas reserves to market. And I also agree that any gasline project must address the in-state needs of Alaska businesses and consumers.

We're working to do our part in Washington. I was pleased the Senate recently unanimously confirmed my recommendation of Larry Persily as the new federal gas pipeline coordinator. I hope Mike Hawker will start speaking to me again one of these days.

Soon you can expect new demonstrations of support by the Obama administration for the Alaska gasline project. And we're poised to increase loan guarantees and other federal support for this vital national project.

There also is progress in many other business sectors important to Alaskans.

Our recent reauthorization of the FAA included my amendment exempting Alaska from a rule which threatened rural Alaskans' access to the compressed oxygen necessary for medical treatment and construction purposes.

The FAA reauthorization also makes significant investments in Alaska's airport infrastructure and will greatly improve aviation safety by modernizing our Air Traffic Control system. The technology at the heart of this "NextGen" modernization was proven in Alaska as part of the Capstone program.

I know each of you are happy to know the FAA just a few weeks ago installed a new cutting-edge tracking system here at the Juneau airport - one of only two in the country - to make flying in and out of Juneau safer than ever.

With one of my Republican colleagues, Nebraska Senator Mike Johanns, I recently formed the first-ever Senate General Aviation Caucus to work with pilots, aircraft owners, the aviation industry and government agencies for this important sector of our economy. It's a job-creator and also for Alaska, it's life and death.

As the tourism industry suffers from the international recession, we passed the Travel Promotion Act last month. It will help generate jobs in Alaska's visitor industry. This national public-private partnership is focused on bringing more high-spending overseas travelers to America.

Alaska fisheries continue to be a major part of Alaska's economy and a driver of many of our coastal communities. I am working to keep that harvest strong, healthy and sustainable by supporting research needed by federal and state biologists to ensure that decisions affecting our fisheries are based on the best available science.

I believe that science is on our side and we want to make sure that decisions affecting fisheries, whether on Cook Inlet belugas or Steller sea lions - are based on the best, scientifically valid research.

In January, we were able to persuade Commerce Secretary Gary Locke to declare a fishery disaster for the Yukon River. Because of low salmon runs, there has been no commercial Chinook fishing on the river for the past two seasons. Even subsistence fishing has been harmed dramatically. I'm on the side of the fishing families who are hurting because of these poor runs. Senator Murkowski and I are working to fund this disaster declaration in an upcoming bill.

I'm also keeping a close eye on the Coast Guard - that as they seek to tighten the budget they don't pare back on missions vital to Alaskans, such as search and rescue, fishery patrols and port security. I've conveyed my concerns to the in-coming Coast Guard commander about the proposed loss of the Cutter Acushnet from Ketchikan and Marine Safety and Security teams.

Alaska has garnered a lot of national media attention this year, a lot of it because of climate change. As every Alaskan knows, we're on the cutting edge when it comes to experiencing the impacts: Coastal erosion undercutting villages, warming permafrost, thawing of the Arctic sea ice, changing fish and animal migration patterns.

That's why the first legislation I introduced was seven bills I called the "Inuvikput" package, Inupiat for "place where we live." These bills are designed to help Alaska adapt to these climatic changes with more research,

community assistance through revenue sharing, strengthened Coast Guard presence, new icebreakers and stronger diplomacy.

Because Alaska is America's only Arctic state, I'm pleased to announce that I have convinced the Senate Commerce Committee to hold an Arctic field hearing in Alaska this year. My fellow senators need and want to hear directly from Alaskans about the changes we're experiencing and the need for action.

I'll invite Alaskan experts to detail both the challenge and opportunities climate change presents our state, including resource development, new sea shipping lanes and even new tourism potential.

When it comes to understanding our changing world and preparing young Alaskans to meet the challenges it presents, there's nothing more important than education. I commend this Legislature for your generous investment in Alaska's schools and for efforts to forward fund education.

Alaska is fortunate to have great teachers and excellent schools. But what's especially troubling is our persistently low graduation rate, with a third of our students failing to graduate from high school.

The earning gap between a high school drop-out and a high school graduate is \$10,000 a year, a huge difference over a lifetime. Drop-outs just from the class of 2008 will cost Alaska almost \$1 billion in lost wages over their lifetimes.

That's why I support the President's Race to the Top initiative. This innovative effort is designed to encourage and reward states making dramatic education reforms.

Unfortunately, our former governor declined to apply for this additional funding in the first round, forcing us into the company of states like Texas, which said no thanks. I've encouraged Governor Parnell to reconsider for the second round of funding, which could mean up to \$75 million to help turn around low-achieving schools, retain teachers and principals, enhance special needs and English as a second language and focus on student learning.

He recently wrote me expressing reservations about this initiative. Like the governor, I'm a strong believer in the independence of local school districts. But I also believe Alaska must capitalize on every opportunity to bring resources to bear to produce young Alaskans fully prepared to meet the rapidly changing challenges of the global economy.

Let's help fulfill President Obama's challenge that by 2020, America will once again have the highest proportion of college graduates in the world.

One way of ensuring this is making student loans more affordable. That's exactly what we did in our student loan reform legislation, placing the needs of students ahead of private banks and eliminating the middle man between students and lenders.

As a former chair of Alaska's Student Loan Corporation, I have a lot of history and credentials on this issue. I fought to preserve the integrity of our non-profit lenders. The reform I voted for means a thousand more Alaska students will be eligible and our students will receive \$103 million in the coming decade, a \$44 million increase.

As we start the reauthorization of the Elementary and Secondary Education Act, formerly known as No Child Left Behind, I'll continue to fight for Alaska and especially for rural schools so our children can compete on a national and global level.

When I was Anchorage's mayor, legislators like Senators Ellis and Meyer and Representative Hawker partnered with us to make our community safe. Our efforts helped drive down crime to a 28-year low. As your senator, I continue to focus on public safety.

The Recovery Act includes \$5 million dedicated to hiring cops or public safety officers across the state, including about half that in Anchorage. Another \$2.6 million is combating sexual assault and domestic violence in Anchorage, Fairbanks, Bethel and other communities.

I was pleased the Senate recently unanimously confirmed my recommendation of former Anchorage Police Chief Rob Heun as Alaska's new U.S. marshal.

Despite these efforts, there is much more we must do. Legislators like Senator Hoffman and Representative Jule know all too well the unacceptable statistics plaguing rural Alaskans: disproportionately high rates of suicide, sexual assault, alcohol and substance abuse. I certainly commend the efforts underway across the state today to focus attention on these crimes.

The state of Alaska has tried to address these problems with Village Public Safety Officers and other initiatives. But we must do more. That's why when I return to Washington I'll be introducing the Alaska Safe Families and Villages Act.

My bill recognizes that tribes and tribal courts, like those in Sitka and Kake, have successfully tackled these challenges and provides them federal resources through a series of demonstration projects. The state administration is a little lukewarm to this bill. Frankly, what we're doing now isn't working. That's why I believe we've got to try something new.

One of my greatest privileges as Alaska's senator is making sure the federal government keeps its promises to our active duty servicemen and women and veterans. With 30,000 active duty military members and more veterans per capita than any other state, that's why I sought positions on the Armed Services and Veterans committees.

Last spring I visited Afghanistan and Pakistan to check on our troops, including Alaskans. As you know, the 4-25th Stryker Brigade – the “Spartans” – recently returned home.

Please join me in thanking them and their families for their service and sacrifice.

I expect to return to Afghanistan later this fall to make sure troops are receiving the resources to get the job done.

I’m also working to make sure we take care of them when they are home. I was pleased to help secure a well-deserved pay raise for all service members, more than recommended by the Obama administration. Just last week, I introduced legislation to help ease the financial burden for military members when they are transferred from the lower 48 to military bases in Alaska, Hawaii or Guam.

Working with Senator Murkowski, we also secured more than \$300 million for Alaska’s military installations to improve the quality of life for our military members, with new housing and other facilities.

I’ve also been working with the Department of Defense to permanently allow for a higher reimbursement rate for TRICARE providers in Alaska. This will ensure the program better serves our active duty, dependent and retiree TRICARE population by adequately compensating doctors for treatment.

Thanks to this Legislature for working with us on a permanent fix to restore retirement benefits for the two dozen surviving members of the Alaska Territorial Guard, who so bravely defended our nation during World War II. Thank you for doing that.

In reflecting on the enormous opportunities and challenges that faced each of us the past year, I’m reminded of the words of Mark Twain.

“Do the right thing,” he said. “It will gratify some people and astonish the rest.”

I’ve certainly astonished my share of Alaskans this year while making tough decisions that I thought were the right ones to move this country forward. Those of us in public service should do no less.

It is a great honor to serve you and all Alaskans in the United States Senate. May God bless Alaska and America.