

SB 55

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(HB 77 is  
vehicle)

**SENATE STATE AFFAIRS COMMITTEE**

**February 16, 1999**

**3:28 p.m.**

**MEMBERS PRESENT**

Senator Jerry Ward, Chairman  
Senator Lyda Green  
Senator Gary Wilken  
Senator Randy Phillips  
Senator Kim Elton

**MEMBERS ABSENT**

None

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**SB 55-JOINT ARMED SERVICES COMMITTEE**

SENATOR TIM KELLY, sponsor of SB 55, explained SB 55 establishes, for the first time, a standing joint committee of the Legislature to deal with all of the issues confronting the armed forces in Alaska. This new committee is structured to include public members from outside of the Legislature and will serve as the Legislature's focal point for the coordination of all issues, discussions, and policies that impact the military in our state. It creates the opportunity to speak with a single voice on military issues and to provide a unified liaison to Alaska's congressional delegation on matters of national defense. Until now, the Legislature has had a fragmented and short range approach to military issues. In 1994 a Joint Task Force on Military Bases was formed under the Legislative Council to coordinate the state's efforts in the 1995 base realignment and closure commission cycle. The task force was disbanded at the end of that year. Last year, in anticipation of a new round of base closures beginning in 2001, the Joint Committee on Military Bases was established with a single focus on base closure issues and a two year duration. A permanent committee with a longer range vision to include missile defense and other issues is overdue. Other states are aggressively pursuing opportunities to increase military operations and military spending in their states. Alaska is well positioned now to form an organization which can successfully compete with these states. Alaska's number one line of defense of the military in Alaska is Senator Ted Stevens who will not always be chair of the Senate Appropriations Committee. Other states view the presence of the military in their

states as an economic commodity. The military spends over \$1.7 billion annually in Alaska therefore Alaskans must stop taking the military presence here for granted.

CHRIS NELSON, Staff Director for the Joint Committee on Military Bases, added other states are working very aggressively to keep their military assets. The Texas Strategic Military Planning Commission developed a master plan and recommended to the Legislature that a committee be formed to deal with military issues. The Legislative Council will fund the committee formed by SB 55 in its initial year of operation. If the committee finds it needs to do further activities, an appropriation will be necessary. The five public members would incur per diem costs while attending meetings.

SENATOR KELLY confirmed the committee would operate on whatever amount the Legislative Council is willing to provide.

#### **Number 455**

SENATOR WILKEN commended the Rules Committee for bringing this legislation forward.

SENATOR GREEN asked why it is appropriate for this legislation to be a Legislative Council proposal.

SENATOR KELLY explained that is the way it was set up previously, and having Legislative Council oversight worked well in the past. He noted the existing committee was expanded to include representation by the Coast Guard contingent in Alaska. One of the public members will be recommended by the 17th Coast Guard District Auxiliary. In the event of mobilization, the Coast Guard will come under the command of the United States Navy so Coast Guard representation is important.

#### **Number 476**

SENATOR ELTON appreciated the inclusion of the Coast Guard, and asked what the committee's purview will be on Coast Guard affairs, recognizing only part of its mission is defense-related.

SENATOR KELLY replied the powers and duties section, on page 4, is broad enough to allow the committee to review and encourage state policies to ensure the continued well being and education of the armed forces, both active and reserve components, including the Coast Guard.

SENATOR ELTON commended the sponsors of the legislation but asked that more than one member of the committee be from the Minority since this issue is bipartisan.

SENATOR WILKEN moved SB 55 out of committee with individual recommendations. There being no objection, the motion carried. There being no further business to come before the committee, CHAIRMAN WARD adjourned the meeting at 4:15 p.m.

## **SENATE FINANCE COMMITTEE**

**February 23, 1999**

**9:02 AM**

### **TAPES**

SFC-99 # 35, Side A

### **CALL TO ORDER**

Co-Chair John Torgerson convened the meeting at approximately 9:02 AM.

### **PRESENT**

Senator John Torgerson  
Senator Sean Parnell  
Senator Randy Phillips  
Senator Loren Leman  
Senator Gary Wilken  
Senator Al Adams  
Senator Pete Kelly  
Senator Lyda Green  
Senator Dave Donley

### **Also Attending:**

Senator Tim Kelly

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## **SB 55 - JOINT ARMED SERVICES COMMITTEE**

This bill was heard and held in committee.

### **SENATE BILL NO. 55**

"An Act relating to the Joint Armed Services Committee, a permanent interim committee of the Alaska State Legislature; and providing for an effective date."

The prime sponsor, Senator Tim Kelly, spoke to the bill. He told the committee that SB 55 was designed to strengthen the existing joint committee on military bases. It would give a much broader scope of military activities in the State of Alaska, and would allow the committee oversee other aspects of the military beside base closures, such as national missile defense, US Coast Guard and items of that nature. It followed what other states were doing in terms of looking at military presence in their state and try to determine how they will be able to maintain that presence with another two rounds of Base Realignment and Closure (BRAC).

Senator Tim Kelly spoke of a meeting with Secretary of Defense, William Cohen, Representative Gail Phillips, Representative Eldon Mulder, Governor Tony Knowles and various generals last Friday at Elmondorf Air Force Base. Secretary Cohen indicated that he was still adamant about going through with another two rounds of base closures. The first would be in 2001 and the second in the year 2005. Senator Tim Kelly felt that might be more amenable to pass a reluctant US Congress.

Senator Tim Kelly felt the last round of BRAC closures worked reasonably well with the exception that President Clinton made political decisions on two of the base closures during an election year, which undermined the non-partisan nature of the BRAC process. He stated that the Republicans had no confidence in the integrity of the BRAC process while President Clinton is still in office.

He continued saying that the military had too many bases which consumed too much of their annual budget for operation and maintenance of the facilities as opposed to increasing benefits for troops and development of new weapon systems.

He explained what the Joint Committee on Armed Services would do. It would set up an institutional memory bank within the Legislature concerning the military presence of the State Of Alaska, how it could be maintained and increased. It would have a five-member public representation and would include a member of the coast guard. Members would be appointed to three-year terms.

He noted that other states were preparing themselves for the next round of base closures and pointed out copies of the State of Texas strategic master plan before the members. Arizona recently formed a military commission. Every state with military presence was moving toward a proactive stance, according to Senator Tim Kelly. He felt this step should be taken in Alaska as well.

He told the committee about a \$17,500 fiscal note to cover travel expenses of the five public members of the committee. Co-Chair John Torgerson pointed out that the committee did not have that fiscal note. There was only a zero fiscal note before the committee. He understood the House Finance Committee made up a fiscal note that represented that \$17,500. Senator Tim Kelly responded that he was prepared to accept the \$17,500 fiscal note and that he thought it was a fair amount. Any staff the committee might have, plus any travel done by Legislative members of the committee could be eaten within either the Leadership or the Legislative Council budgets.

Co-Chair John Torgerson asked if the sponsor would anticipate that Legislative Council would approve travel and per diem of committee members. Senator Tim Kelly responded that on a case by case basis he thought so. This was how BRAC committee had been set up in the past. He didn't think a new system would have to be set up to cover this funding scenario. At some point it might be necessary to do hire a Washington DC lobbying firm to lobby on Alaska's behalf. He said that the State of New York spent \$4 million per year for military retention. However, a large part of that \$4 million was designed to lobby US Senator Ted Stevens. Fortunately, Alaska would not have to spend that much. We would have to spend some money to develop contacts and defend the bases in Alaska.

Senator Al Adams asked how this worked with the current BRAC committee. "Would this committee take the place of the realignment committee?" Senator Tim Kelly said it would. He detailed that this process originally started in 1994 with a task force designed to protect Alaska against base closure. During the last Legislative session, a joint armed services committee was established. During this Legislature, he was looking for a permanent joint armed services committee to oversee various aspects of military presence in Alaska.

Chris Nelson, staff of Senator Tim Kelly joined him at the witness table. He said that the current BRAC process as established in 1991, 1993 and 1995 was unfair to Alaska because it provided no system through which value could be assigned to some of the unique assets that Alaska bases had. Specifically that process set up criteria, the highest of which was military value. Then it asked each of the individual services to rank their own bases and apply that criterion within those ranks. The Alaska army bases suffered, he testified, because Fort Richardson and Fort Wainwright were ranked as maneuver bases and compared to places like Fort Bragg, North Carolina, Fort Hood, Texas and other major maneuver bases. In that analysis, Fort Richardson got no credit for being co-located on a military reservation with Elmendorf Air Force Base, which housed the brand new joint mobility complex, the most modern deployment facility of any army in the world. Because the mobility complex was physically located on EAFB, Ft. Richardson did not include it in its ranking.

Mr. Nelson said that the joint armed services committee was beginning to develop alternative criteria they would advocate the US Department of Defense and Congress to adopt. The new criteria would require the DOD to consider things like joint operations, power projection, co-location and "jointness" within the services as measurable criteria. This would give a truer picture of the value of Alaska bases. He also stressed that any criteria should be reviewed and updated regularly before any new base closure rounds. The alternate criteria would also call for an independent rater of the bases. Any base closure round should learn from the previous three, he argued.

Senator Tim Kelly restated that the US Department of Defense compartmentalized its expenditures for each military service just like the State Of Alaska did with its capital budget, debt service, etc. Alaska's strength is in the joint overall combination of all services he stressed.

Senator Randy Phillips asked if the \$17,500 was to cover the expenses of the five public members and staff. Senator Tim Kelly replied that it was for the public members only. The Leadership or Legislative Council would cover the staff expenses. He said he wanted to keep

Chris Nelson as staff for this committee. He didn't anticipate any big staff increases beyond the one position.

Senator Randy Phillips then wanted to know when the BRAC process would end. Senator Tim Kelly responded that it was legally ended with the 1995 closures. However, the US Department of Defense was pressuring Congress to authorize two additional rounds beginning in 2001. There was some question when the next round would begin, but if the department was successful in 2001 in getting Congress to pass a new BRAC authorization, that is when it would begin. He again spoke of attempted legislation to change the BRAC criteria.

Senator Tim Kelly stressed that every base was on the line for closure and that every state was nervous. The easy base closures had already been done. Now was the time for the tough decisions.

Senator Randy Phillips asked for clarification of when the base closures would happen. Senator Tim Kelly said department asked for two rounds, the first in 2001, the second in 2003. In the conversation with Secretary Cohen, the secretary indicated that he wanted to stretch out the second round to 2005. There was some question whether this Congress would be willing to approve BRAC, but the next Congress would be under a lot of pressure to go forward, according to Senator Tim Kelly. This was because the military had to have base closure and had to spend less money from their budget on physical facilities and more money on personnel retention and new weapons.

Senator Randy Phillips referred to the language of SB 55 and noted "Powers of Duty". He said that six of the ten powers of duty related to realignment with the other four dealt with military presence in Alaska. Senator Tim Kelly responded that there had been no provision to expand the scope of the committee to do this. That was a new concept that developed over the last two years, he said. He wanted to make the language a little broader in the new authorization to allow the committee to address other issues as they might occur in the military in the future.

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Senator Lyda Green wanted to know if since there had never been a joint armed services committee in the past, was this something that would normally be handled by a standing legislative committee? Senator Tim Kelly replied that the Legislature would see an increased concentration of effort on state legislation that might be able to help military presence in Alaska that wouldn't be seen without this joint armed services committee. He pointed out that the House of Representatives had a special committee on military and veteran's affairs that the Senate had never done. This committee would provide a single point that the military could approach if they felt there was something the State Of Alaska could do to help the military presence in Alaska.

Senator Lyda Green asked if there was anything to prevent a staff member such as Chris Nelson from working for a Senator and accomplishing the same things versus not having the committee. Senator Tim Kelly replied that there would not be the focal point that a joint committee would have. The military would not have a source to go to. There would not be five Senators, five House of Representative members and five members of the public focused proactively on the military in the State Of Alaska and what could be done to advance their cause at the state level.

Senator Lyda Green wanted to know what a permanent interim committee was? Senator Tim Kelly answered, "whatever you want to think it is, I suppose." He said what he wanted to do was establish a long-range committee with an institutional memory in its membership. That was the reason for including the five public members on the committee. He noted that every two years the Legislature reorganized and that some members of a previous Legislature would have to be on the committee again. The current committee had three seats designated as members of the public. They would continue as such under SB 55.

Senator Lyda Green repeated her question asking for a definition of a permanent interim committee. She also questioned if there should be a sunset clause in the bill. She stated that if it would be a permanent committee that would end when its purpose was over, why it wouldn't have a sunset. "Would the committee only meet during the interim of the Legislature or would it meet between base closures?" She asked. Senator Tim Kelly clarified that his intentions were that this would be a permanent committee that would transcend Legislatures. He suggested "interim" might have been the wrong word.

Chris Nelson responded saying that their approach to previous BRAC rounds had always been to sunset. However, in doing that, the institutional memory was lost as well as the focus on BRAC. He referred to a past Joint Task Force on Military Bases committee that was organized in 1994 as subordinate part of the Legislative Council to prepare for the 1995 BRAC round. After that committee sunset there was no joint focus on military bases, although the House of Representative still had their Military and Veteran's Affairs committee. He further detailed the desire to not have a special committee to address the upcoming BRAC yet

end after that sole task had ended. He added that the current committee would be dissolved at the end of this Legislative session. Since the formation of the first BRAC committee it was discovered Alaska had an opportunity to bring new military to Alaska with the missile defense system. Without this committee, there was no way to do this. He referred to the Texas Master Plan, saying it was an astonishing document. It talked about the need to speak with a single voice, and to have an organization focused on the entire presence of the military in Texas, according to Chris Nelson. He then spoke of the State of New York that put \$4 million per year into this focus. Arizona and Florida were also making efforts. He summarized saying that other states were waking up to the fact that the military was a key economic multiplier in their economy and that this bill was not operating in a vacuum.

Senator Tim Kelly interrupted and told the committee he would have no objection if the word "interim" was deleted and a ten-year sunset clause was added.

Senator Lyda Green asked if there was mission statement for the committee. Senator Tim Kelly answered that there was and referred to the series of eight or nine statements listed on the second to the last page. Senator Lyda Green asked Senator Sean Parnell if that was appropriate.

Co-Chair John Torgerson asked if the sponsor would object to the removal of the word "permanent" before "interim committee" as well. Senator Tim Kelly said he liked the word permanent and felt it implied a certain amount of weight that the military would view as positive.

Senator Randy Phillips read from the statutes governing the Legislative Budget and Audit Committee and the Legislative Council. He clarified the definition of permanent interim committee. He pointed out one section under Administrative Regulation Review relating to staff, he felt the sponsor should consider for inclusion in the bill: "LAA shall provide the committee with professional and clerical assistance under the auspices of the Legislative Council." Senator Tim Kelly said there was a similar provision already in the bill that would allow the committee to spend public money. Co-Chair John Torgerson noted the language was on page 4 line 11 and read it aloud. Senator Tim Kelly stressed that there was no immediate plan to hire a

lobbyist firm in Washington DC. He qualified that it might be necessary in a couple of years if the BRAC language was reauthorized. The Legislative Council would make that decision and handle the contract.

Senator Loren Lemman suggested keeping with our other authorizations and insert a four-year sunset rather than ten years. The committee would then be audited and the Legislature could extend its term. He felt the first four-year sunset would be enough to get through the first round of the BRAC process. Then two Legislatures from now, the sunset could be extended.

Senator Tim Kelly asked what was the sunset on the Administrative Regulation Review Committee. Senator Randy Phillips believed that was a constitutionally mandated committee and had no sunset.

Co-Chair John Torgerson recommended that some of the measures such as highlighting Alaska for military presence should continue past the BRAC process. Budget situations would dictate whether or not the committee was funded and how much money. That was an adequate check and balance. He had no problem with a sunset of ten years.

Senator Loren Lemman wondered why one seat was specified to represent the US Coast Guard, when there were considerably more US Army and US Air Force personnel stationed in the state. Senator Tim Kelly replied that he wanted to make certain that the USCG was included because it was felt they had a large enough presence in Alaska. He noted that there would also be two public members of the committee that would be appointed at the recommendation of the Mayor of Fairbanks and the Mayor of Anchorage. Currently, the mayoral appointee from Anchorage represented the US Army. "There is another way to get input from air force and the army and the navy outside of the one public member that is selected in that particular provision," he testified. He added that Alaska had the largest coast guard base in the world in Kodiak. He felt they should have a voice at the table.

Chris Nelson added that, in peacetime, the USCG was a part of the US Department of Transportation rather than the US Department of Defense.

Co-Chair John Torgerson asked if the USCG was subject to base closure under the BRAC provisions. Chris Nelson didn't believe so, but said other restrictions were placed on them.

Senator Gary Wilken referred to Amendment #1 and suggested that if the amendment was adopted adding a designated rural Alaska representative, the designated US Coast Guard position could be deleted to keep the total at 15 members.

Senator Al Adams said he would not be offering Amendment #1 to the committee.

Co-Chair John Torgerson wondered why, instead of each session, committee status reports would only be submitted every second session. Senator Tim Kelly responded that annual reports would cause too much paperwork. He thought the Legislature had a tendency to overreport.

Senator Al Adams offered a motion to insert a sunset date of 1/1/2009, as a clause on page 5 line 26. Senator Lyda Green objected. Senator Gary Wilken spoke to the objection saying that the military was so important to the state that he couldn't imagine the state without it. To put any time limit on this potentially important committee would send the wrong message, he felt. Senator Al Adams said if the majority of the members felt that way, he was willing to withdraw the motion and had only offered it to help the bill move through the committee. The amendment passed by a vote of 5-4. Senator Gary Wilken, Senator Pete Kelly, Senator Lyda Green and Senator John Torgerson cast the nay votes.

The discussion turned to the fiscal note. Senator Tim Kelly said that to date this committee had a \$3500 line item and wanted that to continue. [Inaudible discussion] He noted that some of the public members would not want to travel at all while others would want to go to Washington DC.

Senator Dave Donley referred to a recommendation submitted by the Legislative Affairs Agency and urged to committee to take that advice. [Inaudible discussion] He didn't want to take resources from others to fund this committee.

Co-Chair John Torgerson understood there was a request for \$120,000 in the LAA budget for this committee. It was

Senator Tim Kelly's understanding that it was under the auspice that it was included in the Legislative Council Chair's budget, which would be the amount the chair requested last year. It wouldn't be a separate item of new money it would be funds incorporated by the Legislative Council Chair.

Senator Al Adams thought there was sufficient money within the Legislative budget and that there was no need to worry about the \$17,500. He referred to the over one million dollars the Legislative Budget and Audit Committee rolled over.

Senator Dave Donley said he wanted to hear from LAA. If they felt they needed that much money, they could present their argument. This could be a huge committee and cost a lot of money, he warned. [Further comments were inaudible]

Senator Sean Parnell understood Senator Tim Kelly to say that the Legislative Council had already put that item in their budget as opposed to adding an additional fiscal note. Therefore, the fiscal note represented funds on top of that, he surmised. Senator Tim Kelly if the money developed through the Legislative Council the \$17,500 in the fiscal note would not be needed. Co-Chair John Torgerson qualified that it wasn't known if the \$120,000 budget request would be approved.

Senator Dave Donley argued that the costs related to the committee should be attached by a fiscal note. It shouldn't wait to see what budget was approved.

Co-Chair John Torgerson ordered the bill held in committee for more information regarding the funding for the committee. He understood Senator Dave Donley's concerns. He said the bill would be brought back up at Thursday's meeting.

Senator Randy Phillips asked if the National Guard had been considered with this bill. Senator Tim Kelly said they were included in the language of the bill.

MINUTES  
SENATE FINANCE COMMITTEE  
March 17, 1999  
9:04 AM

## TAPES

SFC-99 # 57, Side A

## CALL TO ORDER

Co-Chair John Torgerson convened the meeting at approximately 9:04 AM.

## PRESENT

Senator John Torgerson, Senator Loren Leman, Senator Gary Wilken, Senator Al Adams, Senator Lyda Green and Senator Dave Donley were present when the meeting convened. Senator Randy Phillips arrived shortly thereafter.

Co-Chair John Torgerson noted the committee had an earlier hearing on SB 55. Since that meeting, the house bill was referred to the committee and would be the focus of this hearing.

CASEY SULLIVAN, aide to Representative Lisa Murkowski, testified to the House bill. He said Alaska was being considered for the site of a National Missile Ballistic Defense System. The Pentagon and the Secretary of Defense recently stated that another round of Base Realignment and Closures were forthcoming. Because of those challenges, Representative Lisa Murkowski introduced HB 77.

HB 77 would replace the existing Joint Committee on Military Bases in Alaska with the Joint Armed Services Committee and would have a longer existence than called for in the Uniform Rules, thus requiring a change in statute. The committee would be activated on July 1, 1999 and the Legislative Council would provide administrative and other services to the committee.

He continued saying that this committee would provide a unified front by the House, Senate, Military and Civilian members to monitor timely military topics relative to Alaska.

Alaska was in the crux of two swaying forces with regard to its military - the potential creation of new sites for a National Ballistic Missile Defense System and possible consolidation of existing military operations. These

events would require considerable and constant attention. With the military accounting for approximately \$1.7 billion of Alaska's economy, it was imperative that the Legislature take a leading role to monitor the economic impact of future military related events. The Joint Armed Services Committee would provide that focus, summarized Casey Sullivan.

Senator Loren Leman noticed a couple differences between the House and Senate bills. One was the transition clause contained in Section 3 of SB 55 but not included in HB 77. The other was the first listed power and duty, which was to review and encourage state policy regarding the National Guard.

Casey Sullivan addressed the second difference. Page 4 lines 19 and 20 of the Senate bill discussed the reviewing policy. This was removed in the House because it was felt it would be a duplication of services.

He then explained the reason for change in the transition language in Section 3. [Inaudible]

He noted that a sunset was also added to both versions.

CHRIS NELSON, staff to Senator Tim Kelly, sponsor of SB 55, testified that they had reviewed the House version of the bill and concurred with its content. He felt the sunset clause was not necessary but that future Legislators would chose to extend it.

Regarding the transition there was considerable discussion in the House. He concurred with the language in the House bill because it was important to have the historical knowledge.

Co-Chair John Torgerson brought the committee's attention to the Legislative Council's zero fiscal note. Senator Lyda Green had a problem with the source of funding on this bill and felt that it should stand on its own rather than contained in the council's operating budget. Co-Chair John Torgerson did not disagree but said that the Legislature had the request before them in the legislative operating budget. There would be two opportunities for discussion on the funding.

Senator Al Adams noted that the \$18,000 would be debated in subcommittee as part of the Legislative operating budget. Co-Chair John Torgerson agreed and said that if it fell out during the budget debates there would be no funding for the program.

Senator Gary Wilken offered a motion to move CS HB 77 (FIN) from committee. Without objection it was so ordered.