

**ALASKA LEGISLATURE
JOINT ARMED SERVICES COMMITTEE**

May 3, 2002
1:30 p.m.

SENATE MEMBERS PRESENT

Senator Gary Wilken, Co-Chair
Senator Randy Phillips
Senator Loren Leman
Senator Ben Stevens
Senator Alan Austerman

SENATE MEMBERS ABSENT

Senator Bettye Davis

HOUSE MEMBERS PRESENT

Representative Eldon Mulder, Co-Chair
Representative Lisa Murkowski
Representative John Harris
Representative Jeannette James

HOUSE MEMBERS ABSENT

Representative Reggie Joule

OTHER LEGISLATORS PRESENT

Representative Gary Stevens
Representative Ken Lancaster

PUBLIC MEMBERS PRESENT

Mr. Frank Love
Mr. George Vakalis
Mr. Dean Owen
Mr. John Hoyt

COMMITTEE CALENDAR

Speakers:

Mr. Pat Ladner, Director Alaska Aerospace Development Corporation

Mr. George Vakalis' presentation of the "Advantage to Alaskans" brochure

Mr. Larry Crawford, Anchorage Economic Development Corporation

Admiral Thomas Barrett, U.S. Coast Guard 17th District

WITNESS REGISTER

Mr. Pat Ladner
Alaska Aerospace Development Corporation
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Anchorage, AK 99503

Mr. George Vakalis
JASC Committee Member
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Mr. Larry Crawford
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Mr. Michael Kean
Anchorage Economic Development Corporation
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Mr. Paul Fuhs
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Anchorage, AK 99501

Ms. Janice Nielsen
Governmental & Legislative Affairs
USARPAC
Fort Shafter, HI

ACTION NARRATIVE

TAPE 02-3, SIDE A
1:40 p.m.

CO-CHAIR GARY WILKEN called the Joint Armed Services Committee (JASC) meeting to order at 1:40 p.m. and recognized the presence of Representatives John Harris, Gary Stevens and Lisa Murkowski and Senator Ben Stevens. He announced that Co-Chair Mulder, Senator

Leman, and Senator Phillips were attending another meeting. He then welcomed JASC public members Mr. George Vakalis and Mr. Frank Love; Mr. Dave Lewis from the Civilian Advisory Board; Ms. Janice Neilsen from USARPAC; and Barb Mee, JASC committee staff. Mr. John Hoyt and Mr. Dean Owen were participating via teleconference.

SENATOR STEVENS moved to approve the minutes from the previous JASC meeting dated February 5, 2002. There being no objection, the minutes were approved.

CO-CHAIR WILKEN informed members that their packets contain an article from AIR FORCE Magazine entitled, "The Defense Budget at a Glance," and noted the Department of Defense's budget will increase from \$299 billion in FY 2001 to \$384.2 billion in 2007, a significant increase.

Senators Leman and Phillips arrived.

CO-CHAIR WILKEN asked Mr. Pat Ladner to address the committee on missile defense at the Kodiak Launch complex.

1:43 p.m.

MR. PAT LADNER, President and CEO of the Alaska Aerospace Development Corporation (AADC), gave the following background on the AADC launch site.

The AADC was created by statute in July of 1991. He came on board in August of 1992. The AADC has struggled, but he is proud to say the launch complex construction was completed in 1998 without any general fund money from the State of Alaska. Regarding future possibilities as they pertain to missile defense in Alaska, he noted the Northern test bed was funded this year and work has begun on the environmental impact statement for the Northern test bed, which includes Kodiak. Scoping meetings were held in Kodiak and Anchorage about two weeks ago. Those meetings went well.

MR. LADNER then showed a video of the Kodiak launch site facility and grounds and an actual launch. [A handout that accompanied the video is available in the committee file.]

MR. LADNER informed members that if everything goes according to plan, the infrastructure of the Kodiak launch site can be doubled. The launch complex was built for \$40 million; that could not be done again. Expansion of the facility will create many jobs. The U.S. Air Force estimated the last launch at the Kodiak site brought \$5 million to the state. Future plans include construction of a missile assembly building, possibly two additional target pads and

two silos to intercept, a motor storage facility, and a maintenance and storage facility. Eight launches are planned during a 12-month time period.

CO-CHAIR WILKEN asked when that will begin.

MR. LADNER said the environmental impact statement is supposed to be finished in February of 2003. He stated, "We're trying to tell them right now you need to start designing facilities to be ready to start construction, you know, like we did on the launch complex. 30 days after the record of decision's signed, we ought to be pouring concrete. So we're pushing them on that." He noted the Kodiak Synchronization Workshop was held last month as a kick-off for infrastructure and operations planning for Kodiak. The AADC took it upon itself to start the initial design process and came up with a notional for the missile assembly building.

CO-CHAIR WILKEN asked what the new construction is contingent upon.

MR. LADNER explained:

There's two contingents. There's one - there's an interceptor and then there's the targets. The targets are going to happen. We're already doing those. There are some studies, continuous studies and studies and studies, by Boeing to determine whether or not they want to put two silos and interceptors - test interceptors - at Kodiak. Now, the infrastructure that I showed you, if, for whatever reasons Missile Defense and Boeing decide that we don't want to put two silos at Kodiak, we're just going to do it at Vandenberg, then the only things that won't happen is that IFIC building and the two silos. The target pads, the missile assembly building, the motor storage facility and - one of the things I didn't point out because I didn't have a picture - is it would probably increase the size of the launch control center. So the majority of the infrastructure probably is going to happen just to support targets so we're working very closely and, in fact, since our next launch is not scheduled until August of '03, my VP of operations, Ed Allen who is 30 years in this business, is going to be spending a majority of his time in Huntsville working very closely with Boeing and the Missile Defense people because what we found out is if you don't have a presence, people tend to make assumptions and we know all about assumptions. So, as I told the General, we want our people down there so that if you make a bad assumption, then it won't be our fault. So we're pretty happy with

that.

CO-CHAIR WILKEN asked what the committee can do to help.

MR. LADNER said that Senator Therriault has proposed allowing the AADC to begin construction without coming to the Legislature for approval. The statute that established the AADC requires it to get approval from the Legislature during the legislative session before spending funds for a project that will cost more than \$1 million. Therefore, if a customer comes to the AADC after session and is willing to spend hundreds of millions of dollars in Alaska but wants work to begin immediately, the AADC must wait to get approval the following January, at the soonest. Mr. Ladner said the AADC has been a good steward when it comes to funding, managing its affairs, and the environment. The AADC's business is primarily with the federal government, which has accounting system requirements in place. Contracts are audited by the Department of Defense. The state accounting system does not have the same requirements. AADC recently installed an accounting system that is compatible with the state's.

CO-CHAIR WILKEN thanked Mr. Ladner for his presentation and recognized the presence of Representative Lancaster and Major General Phil Oates of the Department of Military and Veterans Affairs. He then asked Mr. Vakalis to present to the committee.

2:14 p.m.

MR. GEORGE VAKALIS, public member of the Joint Armed Services Committee, gave the committee the following update on a brochure being produced by the Anchorage and Fairbanks Chambers of Commerce.

This brochure is being produced in a three-phase approach for the purpose of informing the public of the benefits derived from having military bases in Alaska. During the Base Realignment and Closure (BRAC) process, BRAC commissioners have the opportunity to visit different military sites proposed for closure. The commissioners hold town meetings to get feedback on how supportive the community is of the military in that location. Such support helps formulate their decisions and recommendations.

The brochure points out the advantages of having a military base located in a community. Even though Anchorage and Fairbanks are highlighted in the brochure, coastal Alaska is also mentioned.

MR. VAKALIS distributed copies of the final brochure and asked members to provide recommendations regarding changes or additions. He stated the committee has discussed providing funding for the

production of the brochures and estimates of the cost have been made available.

MR. VAKALIS said the second phase of this project entails a second brochure that will explain why it is advantageous for the military to be located in Alaska and what Alaska has to offer. Again, he is working with the Anchorage and Fairbanks Chambers of Commerce on Phase 2. They are also creating a power point presentation to be used when interfacing with decision makers so that everyone is working from the same sheet of music. He encouraged members to offer suggestions while both projects are underway.

CO-CHAIR WILKEN recognized the presence of Co-Chair Mulder and acknowledged that the funds for the first brochure were provided. He mentioned that Ms. Mee has suggested the funds for the second brochure be solicited from industries that would be involved.

CO-CHAIR MULDER complimented Mr. Vakalis on the brochure and suggested looking into the cost of having the brochure inserted in all of the major newspapers throughout the state.

SENATOR PHILLIPS asked Mr. Vakalis to meet with him to review a survey he took of his constituents regarding support for spending money to protect Alaska's military interests through the BRAC process. He noted he represents the largest military district in the state and he was surprised at the results.

MR. VAKALIS responded that through the BRAC process, it has been found that many communities that have benefited most from military bases have not realized the benefits so the public needs to be educated early on.

CO-CHAIR WILKEN recognized the presence of Senator Austerman and then asked Mr. Larry Crawford to present to the committee.

MR. LARRY CRAWFORD, President of the Anchorage Economic Development Corporation (AEDC), introduced Michael Kean of the AEDC and Paul Fuhs, a consultant to the AEDC.

TAPE 02-3, SIDE B

MR. CRAWFORD gave the following introduction and a power point presentation.

AEDC began the Military/Commercial Global Logistics Initiative in 2000 and is now completing Phase 2. Funding has been provided by the state and private sector. The AEDC Board has been very supportive of this project. Steering committee members are from

Anchorage, Fairbanks, and the Mat-Su Borough, so the focus has been on the Railbelt. During Phase I, initial efforts were focused on a military logistics study that was done by Price Waterhouse Coopers (PWC). PWC concluded that opportunities exist in the areas of distribution and maintenance. PWC recommended that the AEDC work with third party logistics providers and with Department of Defense prime source vendors because it is clear that the military is using a considerable amount of commercial infrastructure.

With those recommendations, AEDC moved into Phase 2 and engaged a company with experience in transportation issues to look at the global logistics operations as they currently exist worldwide. The company did an analysis of the growth and trends of logistics and of the strengths and weaknesses of the Anchorage area. It also established a set of criteria to identify and pre-qualify a number of companies it would meet with to discuss how Anchorage would fit into their supply chains. They are also preparing a sales plan, which is a detailed approach to meeting with interested companies.

The conclusions of the Phase 2 study were to continue to focus on high value time sensitive products and to target specific industries. AEDC is looking at narrowing its focus to aviation, automotive, electronics, information technology, pharmaceuticals and high value consumer goods. The study also recommended targeting specific services and operations: aircraft maintenance, parts distribution, packaging of components, automotive parts distribution and others. The study recommended that AEDC conduct structured site visits and present opportunities available in the Railbelt to specific companies. The last recommendation was to facilitate formulation of joint ventures.

AEDC will be entering Phase 3 in the first part of July. That will entail following up with prospective companies it has already met with to have more detailed discussions about how they might benefit from being located in the Railbelt. The AEDC plans to do more marketing in Asia and will conduct site visits to Anchorage for Asian companies. AEDC will also be working with major cargo and passenger airports. The consultant has recommended that the Anchorage airport partner with other airports such as Los Angeles, that make more money on passenger traffic, so that those airports do not have to handle as much cargo.

MR. CRAWFORD concluded by saying that facilitating joint ventures involves packaging, that is, putting together a specific package that includes a logistics provider, manufacturers and shippers as customers, and a developer with an interest in financing and operations. AEDC has done a lot of marketing, knows the opportunities and who the players are and is at a point where it is

ready to start packaging and getting involved in specific sales. Potential benefits include jobs and a larger tax base.

MR. CRAWFORD said that AEDC has advertised the fact that Anchorage is nine hours from 95 percent of the industrialized world often. After further analysis, the AEDC found that Anchorage is very close to a majority of the world's gross product, so it is in the center of most of the world's buying power.

SENATOR LEMAN asked where the consultant will meet with the AEDC on May 22.

MR. CRAWFORD said it will probably be held in CIRI's conference room in Anchorage.

SENATOR LEMAN asked the name of the transportation consultant.

MR. CRAWFORD replied the consultant is a company named Transfair.

MR. KEAN clarified that the Los Angeles airport is landlocked and does not have room to expand its harbor facilities. If the harbor transfer work is done in Anchorage, flights could terminate in Los Angeles, download, upload and take off again to their place of origin. He added that the military may be able to piggyback onto the maintenance and recalibration work, from the standpoint of having parts recalibrated within the state, rather than in another state, as is the case now.

MR. CRAWFORD added that the AEDC has worked closely with Fairbanks and the Mat-Su Borough to make this a Railbelt project. The Mat-Su Borough would benefit from any development at the airport and Fairbanks would benefit because it markets a lot of fuel to the Anchorage airport. When AEDC makes presentations to groups, it shows slides of the Fairbanks airport as well.

MR. PAUL FUHS, consultant to the AEDC, pointed out the military is in the "midst of a revolution" regarding how it treats parts in storage. Right now, when an aircraft is purchased, it is purchased with a complete contract for maintenance and parts supply so when Mr. Crawford explained the concept of packaging, a manufacturer, logistics distributor and carriers are necessary to compete in this new world. He added the AEDC learned from the Pacific Command about the issue of maintenance of aircraft parts, and how that is where a bottleneck occurs. Aircraft parts are constantly being switched out and sent for testing and recalibration so that offers Anchorage an opportunity to be a global maintenance facility for all international air traffic in Anchorage.

CO-CHAIR WILKEN thanked Mr. Crawford, Mr. Kean, and Mr. Fuhs and asked Major General Oates to address the committee.

MAJOR GENERAL PHIL OATES, Commissioner of the Alaska Department of Military and Veterans Affairs (DMVA), gave the following update on the Alaska National Guard and the military as a whole.

He just returned from Washington, D.C. where he received an award for the youth talent program in the Alaska National Guard. Alaska has received this award three years in a row. Also, Alaska's aviation battalion in the Army Guard is being recognized as the best Army aviation battalion in the entire Army Air Guard nationwide. A new combined support maintenance shop was recently opened in Ft. Richardson. That shop is absolutely the best in the entire Department of Defense. It will allow the National Guard to expand and do maintenance operations and repairs for the entire military in Alaska. Alaska's 104 Civil Support Team was just certified and, in fact, the fifth Army came down and certified them. They certified every team in the country and, in their words, the team in Alaska is the best they have seen yet. That team is critical to rapidly assess, identify and detect nuclear, biological, chemical, radiological or high explosive events, set up a command post, and operate in a hazard protective environment and give advice and recommendations to DMVA.

MAJOR GENERAL OATES continued.

We recently had the National Guard bow and I went through three pages of one-line bullets of what we had done over the last year and it was absolutely staggering. And the National Guard, as you know, is your military. There's a lot of military here but, you know, the National Guard is the legislative and the state military and it's because of your strong support that we've done as well as we have. There are also some changes that you see happening in Alaska that go back, I would say, to the mid-80s, probably with Senator Stevens back when Barb was working for him, and seeing a vision of what Alaska could be, not only in the Guard but in the active military and a lot of what you see coming together now is the vision from back in that era and now you see us adding to it the component of a Pacific test bed. And that adds to our ability to have a fully integrated missile defense testing and exercise capability here. It allows us to integrate that with our air and ground test facilities and it allows us to take advantage of - the real jewel in the crown is our broad expanse of training areas from the air, the land and the sea.

All that is happening right now as we think about the military here but there's also another dimension of this that is just happening that you may not be aware of - is we've got another 'CINCDom' [Commander in Chief - Northern Command] coming to Alaska. We have both unified and combatant commands, our four star war fighters if you will, and we will now have four of those with a foothold here in Alaska, a mission in Alaska and force structure in Alaska.

Now adding to PACOM's presence here, Pacific Command, where we're missioned to go to the Pacific, added to NORAD's presence here to defend our air sovereignty and our air defense, added to U.S. space commands presence here with clear and the rapidly evolving missile defense activity, will come Northern Command and Northern Command is being stood up by our nation as a combatant command to provide our homeland security. It will cover the United States, it will include Alaska less Hawaii, and it will also have as its air of operation Canada, Mexico, part of the Caribbean, and 500 nautical miles out to sea. This command, it looks like it will be located in Colorado, and it's very important that we make Alaska a very, very strong presence in that command and you can see it's easy from a military perspective to be an afterthought when the Lower 48 is the center of the universe, if you will.

So one thing that's important for this committee and important for the military is make sure our needs are known well in that command and as that is evolving and standing up this October, I think that's probably worthy of your time to get more information. And what this command will do, it will bring the military support to civilian authorities and it will provide the federal military assistance to the agencies on the crisis response, which is headed by the Department of Justice and the consequence management response, which will be headed by FEMA. We're doing a lot in homeland security but, again, added to everything we have in Alaska, we have four unified or combatant commands that are located in Alaska as well in this area of operation, which has really become a microcosm of the Department of Defense. We've got a joint subordinate unified command here, we've got a combined presence with Canada. We've got full service representation. We've got broad training areas that are becoming more and more used and we've got a fully integrated National Guard.

And let me just conclude with just talking about the National Guard and where we're going. There are really three legs to our mission. The first [is] our mobilization or go to war missions and for us that's our tactical airlift, our combat search and rescue, our combat communications, our aerial-refueling, and our critical site security in our Army aviation battalion. Those are our mobilization and go to war missions where all our war planned in those missions. In fact, some of our forces now are currently deployed in their war plan areas for the ongoing fight against terrorism. The second mission area [is] where we're a force provider. We're very, very unique in Alaska and I think leading the nation as a force provider.

Now what do I mean by force provider? The National Guard recruits the forces, initially trains the forces, equips the forces, professionally develops the forces, takes care of the families and then we provide a package to the active duty on a daily and operational basis but those forces are still available to the state and to the governor through a memorandum of agreement. Which areas of those? It's the rescue coordination center, it's the aerial-refueling mission, rescue coordination for 11th Air Force aero-refueling for NORAD and now beginning the second year of manning the regional air operations center. It's the space surveillance mission at Clear that we just started to recruit for and it's also the missile defense activity that we'll man once this becomes more than just a test bed operation.

And then the third area that's very unique is homeland security and we're uniquely structured for that with our 103rd Civil Support, our scout group that is organized for critical site defense in a hazardous environment, our Army aviation, our communications capability and our 103rd Civil Support team. So we're becoming very unique and integrated in the National Guard for homeland security.

So, I will conclude by saying that a lot of this is possible because of you and those that preceded you, not only the support that you give to the military, but the fact that you make it a very key part of the legislative process here and I'd like to thank you for that.

MAJOR GENERAL OATES informed members that Boeing is starting the

process of opening offices in Anchorage and Fairbanks and asked members to encourage that effort.

CO-CHAIR WILKEN noted that last year the Legislature funded a second one-star position for missile defense and asked for an update.

MAJOR GENERAL OATES said the nominee, Jim Welsh, is going through the legislative confirmation process right now. Mr. Welsh, an executive with British Petroleum, was selected by the Governor. He has an extensive background in project management and has unique military and industry skills.

CO-CHAIR WILKEN asked about the status of legislation that allows the state to pay the difference in wages when National Guard members who are state employees are called to duty.

REPRESENTATIVE JAMES thought the bill was still in the House State Affairs Committee.

MAJOR GENERAL OATES informed members that due to many deployments, National Guard members no longer serve just one weekend a month and two weeks a year. Many businesses are realizing the critical need of having individuals ready to serve our country, and that those individuals should not be penalized for doing so. Many of those individuals earn less while on military duty, yet they incur the same financial obligations that civilians do, such as home mortgages. Nationwide, the trend is to help pay some of the burden for those who serve; many other states have passed similar legislation. He noted it is not unusual for National Guard members to be called to duty for 9 to 12 months in a year's time.

CO-CHAIR MULDER asked Major General Oates if he was familiar with a bill that relates to the Army site at Eagle River.

MAJOR GENERAL OATES said he was not.

SENATOR STEVENS clarified that legislation is SB 371.

MAJOR GENERAL OATES noted a major environmental clean-up occurred in that area because of white phosphorous fired into it. He thought the military has become more environmentally conscientious but he noted the more Alaska restricts the military's ability to train, the more the military will be driven to train elsewhere.

CO-CHAIR WILKEN noted that legislation will be heard at 3:30 in the Senate Resources Committee. He then thanked Major General Oates for his service and asked Ms. Nielsen to address the committee.

MS. JANICE NIELSEN, Director of Governmental and Legislative Affairs for USARPAC, Fort Schafter, Hawaii, gave the committee the following update on some movements within the military.

Yesterday, the Commander in Chief of the Pacific had a change of command. Admiral Dennis Blair relinquished command to Admiral Fargo, who was the Commander of CINCPAC fleet at Pearl Harbor. Also, President Bush, in conjunction with Secretary Rumsfeld, announced recently that General Keane will replace General Shinseki as Chief of the Army next year. Regarding the change of command for the Commander of the Pacific of the Army, no date has been set of when Lt. Gen. Smith will relinquish his command to Lt. Gen. Campbell. She will work with the committee to arrange a visit by Lt. Gen. Campbell once a firm date is set.

CO-CHAIR MULDER said that when General Myers was in Anchorage during the Salute to the Military, he was asked for suggestions regarding what Alaska could do to enhance its position nationally. General Myers recommended hosting an annual event in Washington, D.C. for Pentagon officials to put names to faces and locations and heighten awareness. The committee has discussed hosting such an event in September. He asked Ms. Nielsen to assist the committee in organizing that event and said he intends to appropriate funds to the Joint Armed Services Committee for that purpose.

MS. NIELSEN agreed to work with the committee and noted that she has helped the Hawaii Chamber of Commerce host a similar event every year.

CO-CHAIR MULDER said the committee intends to host the event with the Anchorage and Fairbanks Chambers of Commerce. Co-Chair Mulder then apologized for having to postpone the first Salute to the Military - Southeast Style event until next year.

CO-CHAIR WILKEN thanked Mr. Love and Mr. Knapp for the work they did on that event. He then asked Ms. Mee to update the committee.

MS. MEE said the problems at Eagle River are one reason that the brochure was created. She then announced that she plans to depart as staff in the near future but will help put the September event together in Washington, D.C. She noted that three things were on her priority list when she began working for the committee last June. The first was to get Anchorage and Fairbanks talking. She believes the work the two chambers did on the brochure is a good start. The second priority was to make sure all players in Alaska are "playing from the same sheet of music" and she believes that is being accomplished. The third priority is to entertain the "movers

and shakers." The committee will have an opportunity to touch base with some movers and shakers from Washington, D.C. on June 2 who will be coming to Alaska. She encouraged committee members not to get ahead of Senator Ted Stevens, who is working tirelessly with Senator Inouye and others to see that the military is placed where it should be. She said it is important to continue to make people aware that Anchorage is 7.5 hours from any possible hot spot in the country. Although she believes the military structure and components in Alaska may change over the next decade, she still believes Alaska remains the "best game in town" so keeping each other informed will help keep it here.

CO-CHAIR MULDER asked members to plan to attend the June 2 event as it will provide a great opportunity for committee members to touch base with Senators Reed, Hagel, and Thompson and Congressmen Kolbe, Tauscher and Snyder. Also, on June 3, Anchorage kicks off its military appreciation week with a Chamber of Commerce luncheon. Co-Chair Mulder then thanked Ms. Mee for her wonderful work as committee aide.

CO-CHAIR WILKEN announced that Major General James Lovelace has been promoted to Assistant Deputy Chief of Staff, the G-3 position in the Pentagon. He also announced that Admiral Tom Barrett will be receiving his third star and moving to the Coast Guard headquarters as Vice Commandant. He will be replaced by Rear Admiral James Underwood. Last, Brigadier General Doug Fraser has left the Third Wing at Elmendorf and has been replaced by Colonel Dutch Remkes.

TAPE 02-04, SIDE A

CO-CHAIR WILKEN noted the Legislature recently passed a resolution in appreciation of the Yukon government's assistance to Alaska when allowing a Korean Air jet to land in Whitehorse on September 11. His office worked very closely with Premier Duncan's office to make sure that everyone who participated was thanked. He then asked members if they had further comments or questions.

MR. VAKALIS said he plans to have the second brochure and power point presentation finished before the committee hosts its September event in Washington, D.C. so they will be available for the committee's use. In addition, on June 7th, the Anchorage Chamber of Commerce will feed about 8,000 military members and their families. This event has been held for the past three years. He noted that volunteers are needed.

MR. LOVE informed members that Admiral Barrett's change of command will take place on Monday [May 6] in Juneau. His successor is an Alaska veteran who formally commanded the Sweetbriar out of

Cordova.

REPRESENTATIVE HARRIS noted, regarding Northern Edge, the marine aspect of that program in his district is going very well.

CO-CHAIR MULDER asked for suggestions for the next meeting.

MS. MEE said the committee had hoped to go to Kodiak before Admiral Barrett left. If the committee meets in Kodiak, it could visit the world's largest Coast Guard base and the Alaska Aerospace Development Corporation.

SENATOR LEMAN commented that the Coast Guard base is not only large, it is incredibly clean.

MR. DAVE LEWIS, Citizens Advisory Committee, encouraged committee members to think homeland defense priorities and although it will take a lot of money, it would be a shame to approach the anniversary of September 11 less prepared. He urged members to leave it up to the folks who really know what needs to be done to protect Alaskans. As current chairman of the Armed Services YMCA of Alaska, he thanked all participants for their efforts on the YMCA's behalf. He noted this year, the Armed Services YMCA of Alaska worked with Ft. Wainwright and Eielson Air Force Base; next year it will work with the Coast Guard.

CO-CHAIR WILKEN pointed out that discussions about homeland defense funds are underway in the Legislature at this time.

MR. LADNER said he would e-mail members with an update about the June 2 workshop in Kodiak.

MR. VAKALIS noted the bill referred to by Senator Stevens [SB 371] is very important because if the suing party prevails in the Eagle River military range case, it will set a precedent, affecting the military throughout the United States.

CO-CHAIR WILKEN acknowledged that bill is in committee members' sites.

CO-CHAIR MULDER introduced Admiral Thomas Barrett, and informed members he will be receiving his third star, a tremendous promotion. Committee members congratulated Admiral Barrett.

ADMIRAL THOMAS BARRETT, U.S. Coast Guard, 17th District, introduced Rear Admiral Jim Underwood, presently the National Security Advisor to the Secretary of Transportation. Rear Admiral Underwood will relieve Admiral Barrett on Monday; he knows Alaska and will do well

by Alaska.

ADMIRAL BARRETT thanked the Alaska Legislature, and the members of the Joint Armed Services Committee in particular, for their support of the Coast Guard. He also thanked members for their support of the military in general. No other state in the nation provides better support to men and women in uniform, whether that be resource support to get the infrastructure, training, or equipment, or better services for their families. Admiral Barrett then gave all committee members a medallion commemorating the Coast Guard's commitment to operational excellence in Alaska in appreciation of members' efforts.

ADMIRAL BARRETT then gave a power point presentation to update members on what the Coast Guard is doing in Alaska at this time. The highlights of that presentation are as follows.

- The cutter Monroe is underway in the Bering Sea, headed up to the maritime boundary with Russia to patrol. Ships are coming to the area as the ice has fallen back.
- The icebreaker Healy is in transit to Nome and is scheduled to arrive within two days. The Healy will be going further North to do polar research with a National Science Foundation team.
- The Acushnet, another cutter, just left for law enforcement patrol in the Aleutians.
- The cutter SPAR is doing law enforcement and navigational aids work in Unimak Pass.
- An HC-130 is flying today over the Western Aleutians and the Bering Sea and a Canadian Orion is staged out of Shemya doing high seas drift net patrols. So far, it has not seen any drift net activity in that area.
- The Coast Guard has an H-60 in the Eastern Aleutians supporting the Acushnet.
- The Liberty is on patrol in Prince William Sound; another cutter, the Mustang, is just leaving there after working with Northern Edge.
- Two new small boats have been deployed in Valdez for port security and a helicopter and crew was deployed to Cordova for the summer months to provide support to the fishing industry.
- The Coast Guard is providing vessel escort for submarines.
- An H-60 is flying out of Sitka, doing law enforcement and cruise ship watch patrol.
- The cutter Sycamore is en route to Cordova.
- Other activities involve presenting boating safety awards and participation in contests involving school children.

ADMIRAL BARRETT noted that key areas of homeland security from the Coast Guard perspective are the Valdez Marine Terminal and the tankers transiting to and from there. The Coast Guard just completed participation in Northern Edge, which focused for the first time on port security. He noted Alaska is ahead of the rest of the country on port security. The Coast Guard was the lead federal agency in that training exercise, and ALCOM, the Alaska Army National Guard, the Air National Guard, U.S Army, Navy and Marines dive teams and boat units from the "Lower 48" participated, as well as the FBI, Alaska State Troopers, Alyeska Pipeline Service personnel and the Valdez Police Department. He complemented Representative Harris and the community of Valdez for their support. Safety and environmental concerns with oil transportation is a major issue for Alaska. He believes Valdez is the safest oil transport port in the country.

Passenger vessels are also an issue. In addition to security risks, there is a personnel protection issue. Those ships carry 2,000 to 3,000 passengers. The risk of fire or a grounding is of concern to the Coast Guard, for which it exercises a high capacity Search and Rescue Transponder (SART) system. Again, because of the work of a lot of people, Alaska has a much better posture with regard to the environmental concerns with cruise ships. Senator Murkowski closed the "donut holes" with federal legislation last year. On the state level, the Legislature worked to get a better regime in place. In addition, the Legislature passed a recreational boating law two years ago. The boating related death rate has decreased by 40 percent since that legislation passed.

Fisheries remain a big issue for the Coast Guard. The Coast Guard has had some good operational successes over the last year when working with the Russians. It is trying to show Russians to see how the U.S. regulates fisheries and, for the first time, the Coast Guard brought in some representatives from Russia to appear and testify before the North Pacific Fisheries Management Council with the Coast Guard. The net result is fewer incursions on the MBL (Maritime Boundary Line). The Coast Guard has reached an agreement with the state to delay openings in high-risk fisheries when weather conditions require such action. The Coast Guard deploys helicopters to St. Paul and Cold Bay during the winter fisheries. The Coast Guard is very proactive on boating safety, including charter boats and small vessels. The number of SAR cases is slowly decreasing. The Coast Guard is still saving about 200 to 250 lives per year, but the caseload is starting to decrease as the result of prevention efforts.

Regarding the Coast Guard's budget, President Bush and the Alaska Legislature have been highly supportive of the Coast Guard, which

will see about an 18 percent increase in FY 03. That increase will not immediately solve the homeland security issues confronted by the Coast Guard on a nationwide basis, but the Coast Guard hopes to ramp up to that level over the next three years. About 6,000 people will be added nationwide, as well as several thousand reservists.

The Coast Guard needs better support in the St. Paul area. Fueling capability is not adequate. This winter, the Coast Guard had to fly a fuel truck from Kodiak to St. Paul to refuel its helicopters, an expensive and unreliable way to do business. Penn Air has always been willing to help out the Coast Guard. The Coast Guard is looking for private and public partnerships to address its housing problem. An ice radar project is coming on line in Valdez - that will solve a major problem for the Coast Guard. The port was closed to transits a few days this week because of ice in the shipping lanes. The Coast Guard has partnered with the weather service in Alaska so that it can broadcast weather from its high sites, which increases range by about 300 percent.

REPRESENTATIVE GARY STEVENS asked Admiral Barrett to elaborate on the housing needs.

ADMIRAL BARRETT estimated the number of housing units needed in Kodiak is about 200. Congressman Young and President Bush have been supportive of improving housing. In Cordova, the number is about 30.

CO-CHAIR WILKEN thanked Admiral Barrett on behalf of the committee and welcomed Rear Admiral Underwood. There being no further business to come before the committee, he adjourned the meeting at 3:40 p.m.