

**ALASKA STATE LEGISLATURE
JOINT ARMED SERVICES COMMITTEE**

April 8, 2010
5:33 p.m.

MEMBERS PRESENT

Senator Bill Wielechowski, Co-Chair
Representative Nancy Dahlstrom, Co-Chair
Senator Charlie Huggins
Senator Lesil McGuire
Senator Joe Paskvan
Senator Fred Dyson
Representative John Harris
Representative Charisse Millett
Representative Jay Ramras
Representative Pete Petersen

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Representative Tammy Wilson
Representative John Coghill

COMMITTEE CALENDAR

Briefing: Alaska Military Force Advocacy and Structure Team;
Alaska Railroad Involvement in the Military Range Access
Project;
Jobs and the Pacific Alaska Range Complex Bridge Project

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record.

WITNESS REGISTER

BRIGADIER GENERAL THOMAS KATKUS
Adjutant General Alaska National Guard and
Commissioner, Alaska Department of Military and Veterans Affairs
POSITION STATEMENT: Delivered a briefing on the Alaska Military
Force Advocacy and Structure Team.

GENERAL JOSEPH RALSTON, member

Alaska Military Force Advocacy Structure Team (AMFAST)

POSITION STATEMENT: Provided supporting testimony for the bridge project to access the Tanana Flats training area.

JIM DODSON, President and CEO

Fairbanks Economic Development Corporation, and

member, Alaska Military Force Advocacy Structure Team

POSITION STATEMENT: Provided supporting testimony for the bridge project to access the Tanana Flats training area.

TOM BROOKS, Vice President, Engineering

Alaska Railroad Corporation

POSITION STATEMENT: Provided supporting testimony for the bridge project to access the Tanana Flats training area.

BARBARA HUFF TUCKNESS, Director

Legislative and Governmental Affairs

General Teamsters Local 959,.

POSITION STATEMENT: Stated support for the bridge project from a jobs and training perspective and expressed concern that members had been laid off.

ACTION NARRATIVE

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CO-CHAIR BILL WIELECHOWSKI called the Joint Armed Services Committee meeting to order at 5:33 p.m. Present at the call to order were Senators Dyson, Paskvan, and Wielechowski, and Representatives Harris, Ramras, Peterson, and Dahlstrom. Representative Millett arrived soon thereafter. Senator Coghill was also present.

Alaska Military Force Advocacy Structure Team (AMFAST) Briefing

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CO-CHAIR WIELECHOWSKI announced the first order of business would be to hear a briefing from General Katkus.

REPRESENTATIVE MILLETT joined the committee.

BRIGADIER GENERAL THOMAS KATKUS, Adjutant General, Alaska National Guard, and Commissioner, Alaska Department of Military and Veterans Affairs, directed attention to the Alaska Military Force Advocacy Structure Team (AMFAST) report on access to the Joint Pacific Alaska Range Complex (JPARC). This was in response

to the Governor's request to establish a cooperative environment for the state to partner with the military in projects that will strengthen Alaska's economy by improving infrastructure to make training areas in Alaska the best in the world.

The Governor tasked AMFAST with providing recommendations on how to retain and build on the current military force capability in Alaska and to suggest strategies for attracting future missions and infrastructures that will benefit national security and provide Alaskans with economic opportunity.

GENERAL KATKUS said that AMFAST identified large areas and vast resources for military training as a primary strategy. Training today requires maneuver areas for synchronizing large forces of multiple services. Alaska has that area and it has the oceans off the Gulf coast so that the Navy has an opportunity to synchronize with forces in the air and on the ground.

Certainly there are issues to address with transportation and access and communications, but the report has good ideas and achievable goals, he said. General Katkus noted that AMFAST sunsets November 1, 2010.

CO-CHAIR WIELECHOWSKI asked what it will take for Alaska to acquire Unmanned Aircraft Systems (UAS).

GENERAL KATKUS replied Alaska doesn't have crowded airspace, it's easy to do business in the state, and senior leadership at UAS is supportive. It's a very viable program that needs to be fleshed out for the next report, he added.

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GENERAL JOSEPH RALSTON, said he spent 38 years on active duty with the military and during that time his best assignment was commander of Alaskan Command. He said he is pleased to be part of the AMFAST effort.

GENERAL RALSTON explained that from a Washington, D.C. perspective the things that AMFAST proposed will have a large impact on the defense budget in the years to come. He predicted that by 2013 there will be another round of base closures because the services are strapped for cash and infrastructure. All the easy decisions were made in the last 5 base closures; this next round will be more difficult for Alaska.

GENERAL RALSTON said people in the Washington D.C. Beltway just don't understand that Alaska has enormous joint training

opportunities. They look at the fact that the Army can only get its equipment across the Tanana River in the winter on an ice bridge and say that Alaska isn't a good place to train. Everyone at the table knows that the opposite is true, he said.

GENERAL RALSTON said that forces in Alaska can deploy to Europe or Asia equally well and if the U.S. is unable to keep forces in Japan as it has for the past 60 years, there's no better place to move than to Alaska. But to make it attractive to bring those forces to Alaska there has to be training opportunities. That's what it's the number 1 priority in the AMFAST effort, he said.

GENERAL RALSTON said he is only here today because he believes that this is a critically important subject. If Alaska wants to keep the military in the state for generations to come, this is the opportunity that is available.

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CO-CHAIR DAHLSTROM thanked General Ralston for all he's done to contribute to the growth of the military in the state and to its general wellbeing.

REPRESENTATIVE HARRIS thanked General Ralston for his service. He said that in addition to improving access to the Tanana training area, he assumes that improving the loading capabilities at Fort Richardson and Fort Wainwright will also need to be addressed.

GENERAL RALSTON replied while that is important and will be addressed, the Tanana Bridge is the most important in the near term.

REPRESENTATIVE HARRIS asked if he anticipates that AMFAST will return to ask the Legislature for money to do these projects.

GENERAL RALSTON said the team was put together by the Governor for the purpose of giving advice. He anticipates that the team would try to outline for the Legislature the things that are important for the state to do in order to maintain a military presence.

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GENERAL KATKUS added that specific requirements will be assessed as the team presents the project ideas to the Governor. The projects will be prioritized, but the goal is to retain the

military in Alaska by making it a viable state to come to and work from. We're talking about building infrastructure so all the parties are going to have to come together and put some skin in the game. It's not going to be solely on the back of the military, he said.

CO-CHAIR WIELECHOWSKI urged them to bring their needs to his and Co-Chair Dahlstrom's attention so that the committee could provide support.

CO-CHAIR DAHLSTROM asked if there is a standard practice and timeline for closing a base.

GENERAL RALSTON said it depends on the legislation that implements the closure. The last round started in 2005 and had to be completed by 2011.

CO-CHAIR WIELECHOWSKI recognized that public members, Colonel Bill Brophy, retired, and Chick Wallace had joined the committee online from Fairbanks.

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JIM DODSON, President and CEO, Fairbanks Economic Development Corporation, and member of AMFAST, said Alaska obviously has a great relationship with the military, but it is one of 25 states that have an organization like AMFAST. As they put the report together they were looking at the things to do to maintain the current military industry presence in Alaska and at things that could be done to generate more activity.

MR. DODSON provided the following statistics to show what the military contributes to the Alaska economy.

- The military industry contributes 69,000 of the 437,000 jobs in Alaska.
- The military industry contributes \$6 billion of the \$32 billion gross state product in Alaska.

For a number of years Alaska had a strong congressional delegation that was able to bring economic activity through military spending to the state. To some degree that time has passed and now it's time for Alaska to step up to the plate and become part of that game, Mr. Dodson concluded.

SENATOR MCGUIRE joined the committee.

Alaska Railroad Corporation

CO-CHAIR WIELECHOWSKI announced the next order of business would be to hear from General Gamble.

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GENERAL PAT GAMBLE, President, Alaska Railroad Corporation (ARRC) and member of the AMFAST group, { described his efforts since 2003 to figure out a strategy to get rail to Delta Junction and to support Fort Greely. Over time the range improvements were being made and Striker came into Alaska "So over the years the force structure and the BRAC issue all had its affect on the thinking about this strategy to move the rail down to Delta Junction," he said. But with huge war bills and no more Senator Stevens in Congress things changed. So we collapsed efforts around the enabler for these things and that enabler is this bridge because if you can get across the river on a year-round basis, you're able to plan. "We're just about to reach agreement with the Department of the Army to get the right-of-way for Alaska to have Alaska's railroad coming off of Alaska's bridge," he said. This won't be a Department of Defense bridge it will be the state's bridge. It will be a bridge that for the next 100 years will carry passengers and freight going south to Canada someday. The military will be the first customer on that bridge, but it won't be the last.

GENERAL GAMBLE explained that they came up with \$14 million for the EIS and \$16 million to buy additional locomotives and railcars to support military transportation from the strategic port to the bases and onto the range. They picked up another \$116 million trying to get the whole project done, but then they ground to a halt \$40 million short. That is the enabler to build the bridge project, which is an investment in Alaska's future.

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CO-CHAIR WIELECHOWSKI asked if the railroad could bond for the money.

GENERAL GAMBLE replied it could probably be done.

CO-CHAIR WIELECHOWSKI asked if there is a timeframe for doing this and if the money lapses at some point.

GENERAL GAMBLE answered the DoD money is lapse money so the order and rate at which the money is spent is important.

CO-CHAIR WIELECHOWSKI summarized that somehow getting \$40 million makes it possible to leverage \$116 million from DoD plus it opens the entire Tanana Flats area for potential military expansion.

GENERAL GAMBLE agreed.

REPRESENTATIVE HARRIS asked if he has any assurances from the military that it would use the railroad and move equipment to the ranges.

GENERAL GAMBLE answered absolutely. He added that he believes it's unlikely that the military would ever say it's a requirement to do their mission, but he does know it will increase access to the range and they will take advantage of that.

REPRESENTATIVE HARRIS commented that Alaska needs to do whatever it can to make its bases as economical and efficient as possible in preparation for the next round of base closures.

GENERAL GAMBLE responded this training area has a combination of air and ground that doesn't exist anywhere in the Lower 48 and he expects to see allies and friends in the Pacific coming into the Anchorage port and getting on the railroad to access the training on that range when it becomes a reality.

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TOM BROOKS, Vice President, Engineering, Alaska Railroad Corporation, displayed several slides showing the location of the project, what it will look like, and information on the financing that's in place and needed for the project. The first graphic shows the location of the Tanana Flats and Donnelly training areas relative to Fairbanks, the alignment of the future railroad, and the proposed location for the bridge, which is in the Salcha area near the fairgrounds. He noted that from the railroad's perspective, this is a five-phase project. The bridge is phase one and phase two extends the railroad to the bridge at some later date.

MR. BROOKS highlighted that building a 3,300 foot bridge over the Tanana River is quite an engineering challenge because the river tends to wander. The project includes a levee system, which will protect the bridge, keep the river in the channel, and stabilize the ongoing erosion. This will be an added benefit for Salcha.

MR. BROOKS said the cost estimate for the bridge includes \$120.4 million for the crossing structure and \$38.4 million for river training for a total project cost of \$158.8 million. In 2008 and 2009 DoD appropriated a total of \$104.2 million to the project and the railroad is currently working with DoD to reprogram to this project, \$11.8 million that had been authorized for Fort Wainwright. That would bring DoD funding for the project to \$116 million leaving a \$42.8 million gap. Each authorization is for 5 years so the lapse funds expire in 2012-2014, which means time is of the essence.

Current plans are to start this fall at which time they will have final plans and costs to take to the board of directors for the final authorization.. The board has a concern about undertaking the project without having full funding in place. While the railroad has the potential for bonding, the railroad won't reach the bridge for some time so the possibility of revenue paying for those bonds is remote. It's a decision the board will make in the fall, he said.

CO-CHAIR DAHLSTROM asked if Alaska currently has a work force to do this.

MR. BROOKS replied it's their belief that experienced Alaskan contractors are available to do the work. He added that the railroad is currently out to bid for a contractor to help through final design and value-engineering so that all parts of the project are optimized.

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SENATOR HUGGINS joined the committee.

REPRESENTATIVE RAMRAS asked General Gamble to distinguish the \$40 million for this project versus some of the other worthy items in the capital budget.

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GENERAL GAMBLE said his answer has two components. First, the legislative intent in the Railroad Act had four roles for the railroad; three were economic development and one was transportation. In 2003 this project started as economic development and still today after all the inquiries from oil companies, mining companies, farmers about whether they were going to build the railroad to Delta Junction, he still believes

that for the state of Alaska extending the railroad to Delta Junction is the next step that has economic benefit. Second, the line items in the capital budget in years past are largely what the railroad would call capital maintenance projects - a million dollars here and there to fix something that isn't running right or is broken or run down. It can be capitalized so it's called capital, but it's really capital maintenance. When these projects hit about \$25-\$30 million, people start talking about the return on the project and the beneficial or financial value that accrues to the state or the people or both. This project falls in that category. It's a project that has an investment return of beneficial value and ultimately financial value will be accessed through the ability to get across the river and to build the rail south.

He continued:

Whether that's an oil company coming forward and saying I can save so much money by extending the pipeline using rail instead of going over the road or whether it's the mine or whether it's working with the military, this bridge will be there for the next 100 years and it will not cost the state any money because the railroad will maintain it. From a business case - an investment - this bridge looks pretty attractive to me.

I finally get to the military part and I went through BRAC and I sat at the table like this in 2005 in Fairbanks and watched those folks as we tried to convince them of the value and utility that General Ralston talked about and we made it. But we made it by the skin of our teeth. That one's going to be easy compared to the next one. In my view, the bases don't have the value that the training opportunity has. They'll close a base in a heartbeat - we've closed bases in the Air Force that nobody ever believed would close - but when you close a range you close a range forever and it never comes back because development fills in. Here in Alaska we have the largest, best, joint training opportunity in the entire U.S. probably in the entire Pacific and this is going to open that up. It's an enabler this little project we're talking about. From my perspective, that's the way I view this whole thing and that's why I'm so strongly behind it.

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REPRESENTATIVE RAMRAS observed that this project doesn't come with a lot of operating and maintenance costs but it will contribute to the state's gross domestic product (GDP) for decades to come. He thanked General Gamble for articulating why this should remain a priority in the capital budget.

SENATOR PASKVAN asked if the state putting \$40 million in this project would send a message to the military that would help keep the aviation brigade at Fort Wainwright. Although it's been at Fort Wainwright for a number of years, it's not been permanently assigned there.

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GENERAL GAMBLE deferred to an Army representative or General Katkus.

REPRESENTATIVE HARRIS commented that the engineering for the bridge will have to recognize and accommodate the fact that the Tanana River carries a lot of ice in the spring.

MR. BROOKS replied they have spent considerable time looking at the associated ice and hydraulic challenges.

REPRESENTATIVE HARRIS said there are a many reasons to do work to keep the military in Alaska not the least of which is that it's a tremendous economic driver.

REPRESENTATIVE T. WILSON asked if this project would take care of the flooding in Salcha.

MR. BROOKS replied much of that flooding relates to groundwater flow, but the bridge will help attenuate the problem.

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SENATOR COGHILL commented on the importance of the significant mission of the Alaska Air National Guard to not only train in the area but also to fuel the trainers in the area. They would become less effective if they didn't get that training mission, he said.

GENERAL KATKUS, responding to Senator Paskvan's earlier question, said that the National Guard doesn't have much to say about where the Army will station its units. But this project does send a strong message that Alaska continues to support the military and there is no doubt that Alaskan Command supports

this project. Referring to Senator Coghill's comment, he noted that the AMFAST report specifically mentions the 168th Air Refueling Wing as it tries to get additional tanker capacity because this project will draw additional training opportunities. "We're looking to give them the opportunity to expand and associate with the active duty," he said.

General Teamsters Local 959

CO-CHAIR WIELECHOWSKI announced the next order of business is to hear from Barbara Huff.

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BARBARA HUFF TUCKNESS, Director of legislative and governmental affairs, General Teamsters Local 959, stated support for the railroad bridge project from a jobs and training perspective for both Anchorage and Fairbanks. She directed attention to the packet they sent to the congressional delegation and Governor Parnell briefing them on the lack of clear information related to the Pacific Alaska Range Complex (PARC) and the bridge project. She said that while they support the bridge as an important part of expanding the training program, they are getting a very different message as the workforce is cut. As of March 31, six members have received layoff letters and recently Local 959 was notified that probably another 20-30 employees will be laid off by August 30, 2010. These employees live and work in Fairbanks year around. There is some talk that they will be replaced by a staff for exercise periods and a staff for non exercise periods, both of which may be from out-of-state.

MS. HUFF TUCKNESS explained that under this particular contract their working members include radar and maintenance technicians as well as maintenance facilities technicians. These members are all highly skilled and have either a secret or top secret rating to perform their particular tasks. Local 959 currently represents about 52 positions and if another 20-30 are cut that will be a significant impact for Fairbanks and Elmendorf Air Force Base. While we recognize that this is actually a federal issue, it should at least raise some questions on the statewide level with respect to where the RED FLAG Program is going, she concluded.

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REPRESENTATIVE HARRIS expressed support for maintaining jobs for Alaskans and urged the co-chairs to work to bring the issue to the forefront.

CO-CHAIR WIELECHOWSKI said he and Co-Chair Dahlstrom would work together to protect Alaskan jobs; first they'll draft a letter. He noted that they did something similar at Representative Ramras's request and it helped Alaskan businesses.

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There being no further business to come before the Joint Armed Services Committee, Co-Chair Wielechowski adjourned the meeting at 6:31 p.m.