

**ALASKA STATE LEGISLATURE  
JOINT ARMED SERVICES COMMITTEE**

Anchorage, Alaska

June 25, 2013

1:08 p.m.

**MEMBERS PRESENT**

Representative Dan Saddler, Co-Chair  
Senator Pete Kelly, Co-Chair  
Representative Eric Feige - via teleconference  
Representative Doug Isaacson  
Representative Bob Lynn  
Representative Geran Tarr  
Senator Fred Dyson  
Senator Anna Fairclough  
Senator John Coghill  
Senator Bill Wielechowski

**PUBLIC MEMBERS**

Lieutenant General Tom Case - (retired) (via teleconference)  
Major General Jake Lestenkof - (retired)  
Brigadier General George Cannelos - (retired)  
Colonel Tim Jones - (retired) (via teleconference)

**MEMBERS ABSENT**

All members present

**OTHER LEGISLATORS PRESENT**

Representative Shelley Hughes (via teleconference)

**COMMITTEE CALENDAR**

Alaska Military Industry Strategic Plan, Summary Briefing of Findings and Recommendations

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

MCHUGH PIERRE, Deputy Commissioner  
Department of Military and Veterans Affairs (DMVA)  
Fort Richardson, Alaska

**POSITION STATEMENT:** Participated in the discussion about the Alaska Military Industry Strategic Plan.

STEVE HYJEK, Consultant  
Hyjek and Fix, Inc.  
Washington, D.C.

**POSITION STATEMENT:** Presented the Alaska Military Industry Strategic Plan findings and recommendations.

#### **ACTION NARRATIVE**

[1:08:07 PM](#)

**CO-CHAIR DAN SADDLER** called the Joint Armed Services Committee meeting to order at 1:08 p.m. Present at the call to order were Senators Dyson, Fairclough, Coghill, Wielechowski and Co-Chair Kelly; and Representatives Isaacson, Lynn, Tarr, Feige (via teleconference) and Co-Chair Saddler. Public members in attendance were Lieutenant General (retired) Tom Case (via teleconference), Major General Jake Lestenkof (retired), Brigadier General George Cannelos (retired), and Colonel Tim Jones (retired) (via teleconference).

#### **Alaska Military Industry Strategic Plan Findings and Recommendations**

CO-CHAIR SADDLER reviewed the history of the Joint Armed Services Committee (JASC). He stated that JASC was established in the 1990s in response to one of the first rounds of Base Realignment and Closure Commission (BRAC). The committee is comprised of five Senators, five Representatives, and six public members with a mission to monitor and address potential realignments of military facilities in Alaska; to advocate for the National Missile Defense System in Alaska; to seek ways to attract new missions to Alaska bases; and to support increased joint military training in the state. The mission is particularly timely as the country faces tremendous budget pressures brought about by the planned budget reductions, forced reduction and strategic reorientation toward the Pacific theatre, the process of budget sequestration, the possibility of future BRAC rounds, and the hollowing of Alaska forces as is seen with the proposed transfer of F-16s from Eielson Air Force Base (AFB) to Joint Base Elmendorf-Richardson (JBER).

He reminded everyone that Alaska's military services and agencies are essential for national defense, for force protection, for joint training and preparedness, the stability of the state's economy, and the safety of its citizens. In recognition of these facts, the legislature last year funded a contract to hire a leading national consulting firm to advise the state on how to soften the blow of reductions and how to take advantage of the changing defense environment. He said the committee would hear a presentation from consultant Steve Hyjek of Hyjek and Fix, Inc. He is joined by McHugh Pierre the Deputy Commissioner of the Department of Military and Veterans Affairs. He asked Mr. Pierre to provide opening remarks and introduce Mr. Hyjek.

1:10:35 PM

MCHUGH PIERRE, Deputy Commissioner, Department of Military and Veterans Affairs, Fort Richardson, Alaska, extended regards from General Katkus who was delivering the State of the State at the National Guard Bureau. He relayed that General Katkus is pushing hard to get an associate unit with the KC-135s (refueling tankers) at Eielson AFB. He reported that there is considerable support for this from the National Guard Bureau and Pacific Air Forces (PACAF). Now it is a matter of gaining support from the Air Mobility Command (AMC). He said it's critical to get all the pieces lined up in order to get more manpower at Eielson AFB and then set the stage for more airplanes.

MR. PIERRE discussed the national environment. He explained that the Department of Defense (DOD) is going through an historic after-conflict drawdown and a 25-30 percent reduction in the overall DOD budget can be expected. Procurement is generally the first to go in this situation and basing needs are part of the discussion.

MR. PIERRE explained that the state is exiting the contract with Hyjek & Fix, Inc. because of internal changes in that company. He said the DMVA will address the new concerns and needs when it issues a new Request for Proposal (RFP) in July. He opined that the state is on a great path forward to benefit the military community in Alaska.

MR. PIERRE introduced Mr. Hyjek with the explanation that he is the author of the report and that he was invited to talk about what he did working with the DMVA, Alaska Military Force Advocacy and Structure Team (AMFAST), and the Governor's Office to develop the strategic plan.

1:13:12 PM

STEVE HYJEK, Consultant, Hyjek and Fix, Inc., discussed the 2011 Budget Control Act, the actions of the congressional super committee, and the current situation called sequestration to

help explain what led to some of the actions that are proposed in the Alaska Military Industry Strategic Plan. He said sequestration sets out budget ceilings on an annual basis for the period of FY13-FY21. FY13 is a particularly difficult year because the DOD and most agencies decided to operate as though sequestration would not occur.

1:15:34 PM

He addressed the process of sequestering work. He explained that the Budget Control Act requires the defense budget to find \$42.7 billion in savings between April 1, 2013 and September 30, 2013. Because DOD was operating as though sequestration would not occur, it has to now find a way to squeeze those savings out of the last five to six months of the fiscal year. It also means that all the defense budgetary resources are being cut 7-8 percent. That has resulted in the grounding of aircraft and the reduction of training exercises except for overseas deployment. FY14 is also a very difficult year because "it is the bottom of the trough as it pertains to cuts between now and the end of the Budget Control Act, which is FY21."

MR. HYJEK displayed statistics from the Congressional Research Service to show that the reduction in the last six months of FY13 is 7.2 percent and the annual reduction in FY14 is 3.4 percent. DOD has the ability to plan for reductions after FY14, which will make it easier. He said the takeaway message is that DOD will take hits on the order of more than \$40 billion this year. The President's budget that was submitted to Congress does not reflect sequestration so Congress will have to cut the FY14 defense appropriation to \$475 billion or sequestration will provide automatic cuts across the defense accounts.

1:17:02 PM

MR. HYJEK warned that while life will get slightly brighter for DOD and other agencies after FY14, the longer sequestration goes the harder it will be to get rid of.

He displayed a graph showing the budget ceilings to illustrate that defense spending won't be outside the norm in the out years. He described the process of sequestration as difficult but manageable. He displayed a slide showing budget trends and personnel impacts to illustrate that defense is a cyclical business. However, DOD and Congress have to be cognizant that they have to provide sufficient flexibility for the future. Mr. Hyjek said those are some of the arguments for supporting Alaska military installations. He clarified that the numbers include modernization, operations and maintenance, infrastructure,

personnel, and healthcare costs. Overseas contingency operations are also included.

MR. HYJEK displayed a slide to give an idea of the various elements that the Department of Defense can cut, and how they will likely occur. He emphasized that modernization gets cut first, because it is the largest account in terms of funding. However, the largest savings comes from cutting personnel because that saves money into the out years. There are structure reductions today and more program cuts will come in the future.

[1:21:47 PM](#)

MR. HYJEK reviewed the places that DOD can cut: base closures, reduce force structure, cancel weapons systems, close contractor operated towers, cut food inspectors.

He said the administration characterized sequestration as "the sky is falling" but that hasn't happened. What occurs is that Congress now has the ability to say the dire consequences that were promised didn't occur, so there is no reason to believe that some of the other dire consequences that were projected will actually happen.

He discussed the flight reductions for operational and training aircraft. There are significant reductions in terms of operations and maintenance, which is taking care of facilities and training. In Alaska that means impacts to the Red Flag exercises. He said two issues arise when training doesn't occur on a regular cycle. The ability to deploy quickly and efficiently is impacted, and there is a 3-6 month lag to get back to the readiness ratings a field commander would want to have. He highlighted that DOD is looking at a \$1.2 billion defense cut in terms of spending, well over 130,000 personnel reduction, and a zero percent reduction in infrastructure.

[1:24:47 PM](#)

MR. HYJEK stated that the Air Force and Army are big presences in Alaska and they are the biggest drivers behind the desire for a BRAC within the administration. The Air Force is big business in Alaska. It has a lot of assets and it takes a lot of money to manage the many moving parts. He said they have to find ways to be more efficient and cut the cost of running their physical plant.

He credited the Air Force with looking beyond physical encroachments to things like spectrum encroachment, waste water treatment, and other impacts. Sixteen areas of potential

encroachment have been identified in what is called the Installation Complex Encroachment Management Action Plans (ICEMAP). He noted that the Air Force is about a year ahead of the Army in this area but the Army is looking to replicate this capability. He noted that at this point there are no ICEMAP plans for Alaska.

1:26:59 PM

REPRESENTATIVE ISAACSON asked how the Joint Land Use Study (JLUS) in the Fairbanks North Star Borough supplements the efforts to save Eielson AFB.

MR. HYJEK replied that JLUS is for both Army and Air Force installations. The Army has a program called the Army Compatibility Use Buffer (ACUB) program that allows them to look at how to manage potential future encroachment. The JLUS for Eielson AFB provides the baseline to be able to ensure there are no physical airspace encroachments today. JLUS will not cover the new full spectrum items that are part of ICEMAP, but it is an important foundation for managing encroachments into the future.

REPRESENTATIVE ISAACSON asked if that supports the argument for keeping Eielson AFB.

MR. HYJEK replied it's a plus without a doubt, but it isn't the key. The Air Force is looking for ways to create intergovernmental partnerships that benefit both the community and the installation. The Air Force is basically asking what the community can do to help it stay the community because it will be mutually beneficial.

1:29:52 PM

MR. HYJEK said the Air Force has begun tabletop exercises at 15 installations. Part of the discussion with the Air Force two weeks ago was to make sure that Alaska is on the FY14 tabletop manifest.

MR. PIERRE added that the Air Force hasn't said that Alaska needs that as a gateway and it is well ahead of what would normally be done for a tabletop exercise, but to help out it can do the tabletop with Alaska. If Alaska continues to move along without needing the exercise, he said the state will implement shared services in coordination with the borough with the borough in the lead. That can be moved from the Fairbanks North Star Borough to the Municipality of Anchorage to allow shared services to work there as well. Shared service can help all

regions of the state that have military facilities and save costs for both entities.

CO-CHAIR SADDLER asked for examples of the kinds of services that are shared with communities.

[1:31:24 PM](#)

MR. HYJEK displayed a list of the shared services the Air Force is evaluating within the tabletop exercises. He noted that one that isn't on the list but is worth looking at is commissary services in Class VI (liqueur) stores. The question is whether that's a government function that needs to be retained by the government; is that a way to create benefits to the community, the installation and the military community including retirees. He noted that the Air Force has said that the state's only constraint is the ideas it comes up with. The Air Force is just beginning to release a public policy letter and the Secretary of the Army indicated she would issue a policy letter in the next few weeks. They hope to have guidelines for Army installations by the end of the year.

MR. HYJEK said the point of spending so much time on shared services is to emphasize that the state needs to be proactive, because DOD is looking for partnerships in this budget constrained environment. The more the state is intertwined and in mutually beneficial partnerships, the harder it will be for DOD to walk away.

CO-CHAIR SADDLER recognized that Representative Shelley Hughes was online.

MR. HYJEK displayed a slide from Assistant Secretary of the Army Katherine Hammack's presentation at the Association of Defense Communities. It illustrates the dramatic drop in base operation support costs. He noted that the numbers are based on the President's budget request before the \$45 billion cut so the number will get even smaller.

CO-CHAIR SADDLER asked what the acronym stands for.

MR. HYJEK explained that BOS stands for base operations support, MILCON stands for military construction, O&M stands for operations and maintenance, SRN stands for sustainment, restoration and modernization (minor military construction), and FP stands for family programs.

SENATOR DYSON asked which category acquisition of weapons systems would fall under.

MR. HYJEK clarified that he was only showing the Army installations portion of the budget.

He displayed a slide from Ms. Hammack that shows the cyclical nature of Army end strength. He acknowledged the announcement today that as part of their force structure adjustment, the Army would reduce their end strength by 72,000 people by 2019, which has an Alaska impact. He said the Army and Air Force desperately need BRAC, but the problem is that BRAC 2005 was very poorly executed. It was not a cost saving.

Mr. Hyjek said he is not advocating BRAC, but the Air Force Force Structure Adjustments hit Eielson AFB last year and the Army force structure adjustment has some impacts in Alaska today. The Air Force has already indicated that if a BRAC isn't authorized for 2015, there will be another force structure adjustment released in February 2014 as part of the Air Force FY15 budget process. That raises the question of whether to operate with the risks and benefits and process that is open and transparent and has an independent review, or leave it to unelected officials in the DOD to decide where to make cuts, where to starve installation budgets, and where to reduce personnel or take missions away. The latter choice leaves no other course or alternative but for Congress to block the entire force structure adjustment, and that is unlikely to happen.

[1:36:13 PM](#)

MR. HYJEK said he is making no recommendations but there are certainly two sides to the coin that's the BRAC process. He directed attention to a slide that articulates the need for BRACs from the perspective of the Air Force.

[1:36:43 PM](#)

GENERAL LESTENKOF asked if there were any savings for the Army or Air Force as a result of joint basing.

MR. HYJEK replied that the anecdotal information is that there hasn't been a significant savings, but the belief is that it will ultimately lead to cost savings. Similarly, there's still a belief that there will eventually be significant savings from BRAC 2005.

MR. PIERRE added that local reports indicate there has been an increase in costs at JBER. The reason is that the individual

installations at both Fort Richardson and Elmendorf Air Force Base had much lower than required base operating costs. The requirements that were identified during the joint basing process increased the overall budget of the joint base but through the sequestration process the costs have come back down.

[1:38:34 PM](#)

MR. HYJEK described the strategic plan that Hyjek & Fix, Inc. developed in conjunction with the Alaska Military Force Advocacy and Structure Team (AMFAST) group. He noted that the AMFAST group reviewed and approved the items in the presentation. He reiterated that the Budget Control Act reductions particularly constrained personnel costs modernization costs, and operations and maintenance.

MR. HYJEK addressed force structure adjustments. He explained that last year when the Air Force released their force structure adjustment proposal it was met with significant resistance by Congress. The Army learned a lesson from that and when they did their force structure adjustment they developed a process. They went through the Programmatic Environmental Assessment process and identified 21 installations and the effect of losing or gaining personnel, including the economic impact. Listening sessions were held in each location and the public and public officials came in for comment. He noted that the Air Force learned from that and will be using the same process for preparations for next year.

MR. HYJEK described the information that he received today that is very positive overall for Alaska. Fort Wainwright will gain approximately 552 people, the 4th Brigade and the 25th Brigade will gain an enhanced engineer and mission command elements, and Fort Richardson will lose approximately 894 military personnel spaces. Although Alaska will lose about 345 personnel spaces, the average loss in states that have military installations is 1,500. This validates the points about Alaska's tremendous training environment, its current infrastructure, and its strategic location.

Alaska has done a good job of holding its own, but it has to be prepared for what comes next.

CO-CHAIR SADDLER asked if those decisions are "done deals" for which there is no appeal.

MR. HYJEK replied the final decisions were announced today and there will be a press release tomorrow. Absent legislation from the U.S. Congress, there will be no changes.

CO-CHAIR SADDLER thanked members of the committee and others in the state that took part in the comments on the "Defend Alaska" position. It's a good example of how it works to pull together.

1:42:40 PM

REPRESENTATIVE ISAACSON directed attention to the two handouts he distributed thanks to the Tiger Team and the Fairbanks Economic Development Corporation. He said the Air Force already has their Strategic Basing Process and it doesn't appear to have been followed at all so the document is convoluted and contradictory to known facts. He asked if that might be a leg to stand on in this battle.

1:44:01 PM

MR. PIERRE asked for clarification about the document he was referencing.

MR. HYJEK said he wasn't defending the Air Force, but the strategic basing plan is a process that's used for new missions versus force structure adjustments. The latter are the ability to move manpower or equipment that is not subject to either 10 USC 2687, which is the BRAC law or 10 USC 993, which constrains the realignment of installations. The Air Force Strategic Basing Process is primarily designed for purposes evaluating bases to come up with a preferred alternative. He said his personal experience is that the process has sometimes recommended course A and the Air Force has selected course B, because the trump card in all these actions is military judgment. If military judgment supersedes the strategic basing analysis, that will be the deciding factor by Air Force leadership. The Air Force describes this as a defensible, transparent, repeatable process.

1:46:06 PM

REPRESENTATIVE ISAACSON summarized that the state is misinterpreting the strategic basing process application to the F-16 move even though the Air Force is looking for a home for F-16s

MR. HYJEK said correct. If it's a mission that is already there, what's being done is an internal force structure operational cost analysis. Separately, Pacific Air Force (PACAF) General Carlisle is doing a strategic assessment within his command of Eielson AFB and how it fits into the Air Force for the future.

He clarified that is a command review and not part of the strategic basing process.

REPRESENTATIVE ISAACSON said his testimony to the Air Force information seeking group was that the SATAF came at the wrong time.

MR. HYJEK explained that SATAF is a group of Air Force officers that are tasked with finding out how to execute a basic plan that has been provided to them. In the case of Representative Isaacson's testimony before SATAF, the Air Force made an internal analysis that resulted in the force structure process announced in March 2012 for FY13, which included the 18th Aggressor Squadron move from Eielson AFB. As a result of the announcement, the Air Force has to have an implementation plan to execute the movement that was part of the force structure process. To develop the Plan, a Site Activation Task Force (SATF) is sent out and their defined mission is to figure out how to execute the answer. They went out of the norm for purposes of the 18th Aggressor SATF because of the concerns expressed by the community, the state, and the Alaska delegation. Normally they wouldn't take public testimony for a SATF because it's an internal review. This was an exception to the rule because of the contentiousness of this particular action.

He reiterated that the foregoing is separate from the Strategic Basing Process, which is also an internal Air Force process done at Air Force headquarters with input from the bases and various major commands.

[1:48:44 PM](#)

REPRESENTATIVE ISAACSON asked if the validity of the EIS is compromised if it's basically the same document as the SATF.

MR. HYJEK discussed the basic difference between an EIS and SATF. He explained that the EIS has a public process where new input is taken and if that is substantial and shows there's been a clear deviation from fact leading to the preferred alternative, the Air Force would be compelled to modify the preferred alternative in their final EIS. The SATF doesn't need public input; it basically identifies the end point and how to get there.

REPRESENTATIVE ISAACSON expressed frustration that none of that is reflected in the document, and relief that all public communication has to be included in the final EIS.

1:52:08 PM

MR. HYJEK highlighted that not every record of decision reflects the preferred alternative. He cited an example and emphasized that those who have concerns must put together solid, fact-based data and substantiated arguments to show the flaws in an EIS.

MR. HYJEK discussed the Strategic Plan Development. He relayed that the process included gathering input from multiple database resources such as DOD budget materials, lessons from BRAC 2005 and subsequent Force Structure analyses, and information from Alaska installations and their surrounding communities. The participants in the analysis included: the Alaska installations, AMFAST, ADMVA, DOD, the Alaska Congressional Delegation, the State of Alaska and its consultant. The objective is to protect what Alaska has and look for opportunities to expand. Efforts were focused on partnering with DOD on shared services.

He highlighted that this version of the presentation has been sanitized to a certain extent to protect against out-of-state competitors. A more detailed document is available for review, but not in a committee hearing.

1:56:33 PM

MR. HYJEK said that overall the Strategic Plan stresses Alaska's strategic location and unencumbered training space. This is a military friendly state whose military defense role is growing. Alaska has good will and that translates to real advantage in times of constrained budgets. That message has to be taken out to the major commands that oversee the installations in Alaska as well as the DOD.

He discussed the prospect of expanding training for U.S. Army units from the Lower 48. Prepositioning equipment in Alaska will make it easier and more likely to attract interest versus hauling all the equipment themselves at huge cost.

REPRESENTATIVE ISAACSON asked for specifics.

MR. HYJEK replied that the forces are being drawn down by 72,000 people and some of the equipment those people used will remain in Alaska. Also, the U.S. Army Pacific and PACOM are looking at prepositioning stores in either Hawaii or Alaska. Part of the Strategic Plan is to help define what the package would look like and identify where to secure those assets. Further, the Alaska delegation can help convince the Army leadership to help

provide the tools to help others to come here and train, because it's a cost savings.

REPRESENTATIVE ISAACSON asked if the legislature needs to appropriate funds to build storage structures.

[2:01:06 PM](#)

MR. HYJEK replied that's a measure of good faith that the state should consider, but it's a question of risk management and whether it's putting the cart before the horse.

REPRESENTATIVE ISAACSON questioned whether Alaska might be behind the power ball, because some states, like Louisiana, are already building in hope of the mission.

MR. PIERRE said that is the point he and Mr. Hyjek are trying to make; is that other states are doing it and Alaska needs to figure out how to compete. What Alaska has to offer that's better than any other state is training space. The next step is to identify how much to spend and where to spend it to get the best bang for the buck.

REPRESENTATIVE ISAACSON added that the key might be to identify the amount of prepositioned equipment.

MR. HYJEK suggested the target should be a battalion size. He reiterated that the more the state steps up to the plate and makes an offer, the more difficult it will be for DOD to say no.

Returning to the presentation, Mr. Hyjek said there is some hope that there will be some positive movement involving F-35 actions that could impact the state. He opined that Alaska is very well positioned for purposes of Outside the Continental United States (OCONUS) basing.

MR. HYJEK discussed the importance of the U.S. Coast Guard to Alaska. He relayed that Rear Admiral Underwood has been very active working with the AMFAST team and the state on what to do to support the Coast Guard including modernization of the light combat rescue helicopter. He noted that Mr. Pierre has plans regarding Coast Guard leadership visiting the state.

MR. PIERRE mentioned the legislature's support that allowed AIDEA to lend to federal entities. In particular, a building is under construction on Joint Base Elmendorf Richardson for Anchorage Sector to be co-located with ADMVA. This will provide Alaska with the search and response nexus that no other state

has. He relayed that he would accompany Secretary Napolitano on a tour of the facility and would also promote adding a squadron of C-27J Spartan aircraft on JBER or Eielson AFB. Existing infrastructure could be utilized and allow the Coast Guard to patrol the Arctic while keeping the C-130s in Kodiak to police the biomass. He noted that the Coast Guard, thankfully, is not under the same budget cuts.

2:06:28 PM

MR. HYJEK discussed the priority actions that have been identified for purposes of the Strategic Plan. He identified energy cost reductions to the DOD in Alaska as a priority action item for maintaining Alaska's bases and military missions in a constrained budgetary environment. A long-term solution may require the state to execute a strategy for conversion of coal-based energy generation in northern Alaska to natural gas based power generation to address military, community and economic development needs for lower life-cycle utility costs. He asked Mr. Pierre to talk about a recent conversation with Mr. Bridges on the issue of energy and the potential for the use of natural gas for power generation versus coal.

2:07:53 PM

MR. PIERRE stated that the discussion centered on the antiquated power plant at Eielson AFB. The 1950s era boilers are being replaced slowly, but not quickly enough to benefit the community and air quality. One solution is for the state to step in and replace the boilers and send energy down to Fairbanks. It will help the air quality in Fairbanks if the energy is generated at Eielson AFB, and at some time in the future the boilers could be upgraded to burn natural gas. He noted that every four boilers would be replaced with three new ones.

MR. HYJEK addressed the action item to develop state, community and industry partnerships that cut costs to military installations in Alaska. He described the Patriot Power plan that the New York Legislature implemented in 2005 to provide military installations an economic development rate, which resulted in reduced base operation support costs for natural gas and electricity by 10-15 percent.

SENATOR FAIRCLOUGH asked if Eielson AFB would be allowed to upgrade its boilers to a new coal-fired plant without new permitting when the University of Alaska Fairbanks is facing the same antiquated infrastructure problems with no easy solution being offered.

MR. PIERRE replied that the new boilers at Eielson AFB were already permitted, and he didn't know how that intersected with the issues UAF is facing. He spoke of the challenges associated with using coal and the importance of getting natural gas to the area.

SENATOR FAIRCLOUGH asked if replacement boilers were so much more efficient that only three would be needed rather than four.

MR. PIERRE agreed the new boilers are more efficient and provide more power.

SENATOR FAIRCLOUGH asked if he was proposing that the state invest in gas generation plants so that communities could have better air quality. She also asked if gas plants are more expensive.

MR. PIERRE explained that natural gas is more expensive but with the additional filtration costs associated with burning coal it would be cheaper overall to operate natural gas plants. He added that he and others have emphasized to the Pentagon that there is no way the state can invest in physical infrastructure if there isn't an active duty mission at the base. He acknowledged that further discussions and cost analysis was warranted.

2:14:15 PM

REPRESENTATIVE TARR asked if the recent work at JBER related to power generation and consolidation was an example of a shared services agreement.

MR. PIERRE said no, but it is an agreement where the Municipality of Anchorage is using the land for the landfill and the base has taken a green energy initiative to harvest the natural gas that's developed by the landfill. It's been a success; costs have been reduced and power production in the first year is far more than projected. He relayed that Mr. Bridges is very concerned and involved in the Alaska power situation. He was eager to see the Eielson AFB power plant modernized.

MR. HYJEK pointed out that Mr. Bridges is the deputy assistant secretary for installations, and he sits on the basing committee that looks at new missions for installations. He also has a role with regard to the 18th Aggressor Squadron EIS. The fact that he was engaged on the power plant replacement is an attribute for consideration, he said.

[2:16:46 PM](#)

SENATOR FAIRCLOUGH asked if there is a breakdown on overall costs for prepositioning assets.

MR. PIERRE answered no; this is the idea stage. Going forward with it will be necessary to identify the cost of each idea and what the investment will return.

SENATOR FAIRCLOUGH asked if there is a power share agreement or some ability to actually lower utility costs for Fairbanks.

MR. PIERRE said there is an agreement where GVEA can buy excess power and that might have to be developed further under some type of shared services plan.

SENATOR FAIRCLOUGH suggested that if the state is going to invest and it lowers the cost of a kilowatt of power, then the people in the adjacent community should be able to receive that cost benefit versus a non-profit or a for-profit electrical utility.

MR. PIERRE said that was the number one concern when the idea first came up, and the decision was that it wouldn't be prudent to propose the idea if the community didn't benefit as well.

CO-CHAIR SADDLER relayed that General Hoog was working on a jurisdictional task force that is addressing the same questions. He asked public member Colonel Jones if he had any comments.

[2:19:47 PM](#)

COLONEL JONES said he wasn't aware of any agreement in place for the military to sell excess power to the civilian market, but some sort of agreement could probably be worked out. He agreed that energy is a major cost driver for the high cost of operations, but it isn't specific to the military installations. He pointed out that the high cost of energy in the Interior drives the higher costs for everything so reducing that overall cost is what will impact the cost of base services.

[2:21:35 PM](#)

MR. HYJEK addressed the action item to promote awareness of Alaska's strategic and operational value. He recommended a high-level state delegation of legislators, local officials, and others go to PACAF and the Pentagon to meet with senior Army and Air Force officials and the Office of the Secretary of Defense. He emphasized the importance of going to these meetings prepared

with clear objectives and credible knowledge of the issues to show that the state is proactive and prepared to take whatever action is necessary.

He acknowledged that it would cost money, but as part of the strategic plan he would suggest having a well-recognized organization like the Center of Strategic and International Studies (CSIS) do a paper that is specific about the strategic location of Alaska to project power quickly east and west to Europe and the Pacific Rim. That can be used as a cost analysis for doing business from Alaska versus any location in the Lower 48. He noted that Dr. John Hamre heads CSIS and is the former Deputy Secretary of Defense.

CO-CHAIR SADDLER asked if a cost analysis of Alaska's strategic location would be seen by the Pentagon as a credible counter argument.

MR. HYJEK opined that it would help; while it may not have the level of detail that DOD uses on installation analyses, Dr. Hamre will provide very good metrics to show both the cost and operational issues.

2:25:06 PM

MR. HYJEK addressed the action item to strengthen the relationship between the State of Alaska, ALCOM, USARAK and U.S. Coast Guard District 17. He reiterated that Admiral Underwood is proactive and very actively engaged working on the needs of the U.S. Coast Guard and its relationship with the state. General [Vince] Brooks, the PACOM commander who has just been promoted to a four star general, will also be very helpful to Alaska and PACOM drawing together the relationships and ensuring support for the Army.

REPRESENTATIVE FEIGE asked if Vince Brooks was promoted.

MR. HYJEK answered yes.

MR. HYJEK addressed the action item to leverage opportunities presented by the U.S. Military Force Structure Adjustments to expand the military industry in Alaska. He said if the state is able to prevail on the record of decision to hold the 18th Aggressor Squadron at Eielson Air Force Base, it is important as part of the strategy to be looking at how to make it a two squadron wing so it is more in conformity with other units in the Air Force. If that effort isn't successful it will be a target for the next BRAC.

He noted that the discussion earlier with Representative Isaacson covered the idea of providing additional equipment for training at Fort Wainwright.

2:28:14 PM

MR. HYJEK addressed the action item to explore infrastructure improvements needed to expand search and rescue capabilities provided by the Alaska National Guard and the U.S. Coast Guard. He discussed that Alaska, New York, California, Arizona, Nevada, and Florida are not getting modernization dollars for fixed wing assets or new rotary wing assets. Major command also instilled a personnel requirement to fill 200-300 billets with no funding. He said that each of the search and rescue units has tried to solve their problems in a stove piped effort, but he recommends the adjunct generals of each of the states and their delegations create a coalition of those states to be able as a group of members go to the Department of Defense and the Air Force to fund the billets or make them go away, and put these rescue units on the roadmap for C-130Js and make sure the rescue helicopter program occurs. He further suggested that those delegations include members on all four defense oversight committees to include Chair Buck McKeon from Arizona and minority leader, Senator Reed. He described this as an important mission going forward.

MR. HYJEK addressed the action item to enhance quality of life initiatives for military service members living in Alaska. He said nobody questions the importance of this issue, but in a constrained budget environment it is important to look for support from local communities and industry or through non-fiscally constrained initiatives.

2:31:13 PM

REPRESENTATIVE TARR mentioned the high incidence of sexual assault and asked for specific suggestions to engage in family support.

MR. HYJEK replied this isn't specific to sexual assault, but there are interagency working groups between the garrison commander's officer and the personnel office at the installation along with the health and social offices of local government that address a range of issues, particularly in the area of behavioral sciences. Also, installations that have the Wounded Warrior transition units work with local, public and private sector organizations to help with transitions. He offered to follow up with specific examples.

[2:32:47 PM](#)

MR. PIERRE stated that sexual assault is unacceptable in any workplace, and the DMVA takes it very seriously. Every allegation is investigated and the case is passed to local law enforcement if there is a hint of criminal activity.

He relayed that the military has increased its definition of sexual assault and as a result there are a lot more reports of crime. Under every circumstance, sexual assault is inappropriate and unacceptable, and the behavior is very appropriately prosecutable.

[2:34:53 PM](#)

MR. HYJEK addressed the issue of recruitment and retention. He said a top priority for the adjutant general and the state is to get an active association in place to support full manning of the 168th Air Refueling Wing (ARW) at Eielson AFB. Responding to a question from Co-Chair Saddler, he clarified that an active association takes place at a National Guard or reserve base and is joined by a number of active duty personnel. They are housed in the community and they co-operate the equipment of that unit. This is a vehicle to get new platforms into the Guard with active duty personnel around. The benefit of getting an active association at the 168th would be more personnel, more equipment, more ability to support operational and training mission requirements, and it positions for a future round of KC-46 basing that will be specifically focused on the Guard.

He explained that classic associations like the 176th at JBER are more common. They are housed at an active duty installation and they share air craft and perform missions together.

[2:37:08 PM](#)

MR. HYJEK discussed shared services and the ICEMAP. He emphasized the importance of having communities actively engaged in identifying specific missions and functions, putting together the organizational structure to show the military department and the community the benefits in terms of efficiencies, better provision of services, and cost savings. He said Alaska is in the embryonic stages but the start at Eielson AFB shows good credibility.

He pointed out that ICEMAP only applies to the Air Force, but will apply to the Army in the future.

[2:38:46 PM](#)

MR. HYJEK displayed a list of suggestions regarding U.S. Army infrastructure. He clarified that these were not part of the formal agenda approved by AMFAST, but they are tactical issues. He said ways to help DOD save money is to consider enhanced use lease, housing privatization, management of rent controls, and collaboration and cooperation on regulatory issues.

He highlighted that the addition of the military operations in urban terrain (MOUT) range at JBER was done before the personnel impacts at Fort Richardson were known, and he wasn't sure what effect the force structure adjustment would have.

MR. HYJEK displayed a list of suggestions regarding U.S. Air Force infrastructure. He said some of these items were identified during the visit to Eielson AFB last year. The basic message is to keep the infrastructure in place with proper maintenance. The assets should remain in place for a future mission or reuse.

MR. HYJEK discussed new missions and mission expansion. He said the U.S. Army has confirmed its intent to identify an installation in the 25th Infantry Division for the Gray Eagle Unmanned Aerial System in either Alaska or Hawaii. The timeframe is FY15 and potentially the Gray Eagles for Fort Wainwright will be based either from Fort Greeley or Eielson Air Force Base. The Secretary of the Air Force just approved a site survey by the Army and visited Eielson AFB for the purposes of that evaluation. He said the message is that Alaska wants the installation to be in Alaska.

Because of the recent major force structure adjustment, he suggested setting aside the recommendation to study options to add Air Cavalry attack elements at Fort Wainwright.

[2:42:34 PM](#)

REPRESENTATIVE ISAACSON highlighted that the basis for moving the F-15s from Eielson AFB to JBER is that those F-15 facilities were not demolished. He further pointed out that part of the proposal is the possible demolition of all the affected hangars at Eielson AFB, which then would remove any possibility of inexpensively moving other missions to Eielson AFB that might share that equipment.

SENATOR FAIRCLOUGH suggested that Alaska make a global recommendation to the federal government to reevaluate the demolition of facilities and infrastructure to make sure it's

for life and safety reasons. Those facilities might have future value even if they have to be relocated.

MR. HYJEK said he agrees with the global perspective, but the Air Force will say it is trying to meet the Air Force 2020 objectives regarding reductions of infrastructure and infrastructure cost. He said he'd add this as an action to take on.

[2:46:23 PM](#)

MR. HYJEK said that one of the recommendations on the issue of total force is to look at the ability to do distance training. There is huge potential for the National Guard in the field of intelligence surveillance and reconnaissance (ISR). It is being talked about in terms of the RPAs as well as cyber, but it allows the Air Force to have the Air National Guard heavily engaged in contingency operations without having to deploy personnel overseas. He opined that these "reach back" missions are fertile for expansion and Alaska needs to make sure it is done as an additive mission not in lieu of something that's in place.

CO-CHAIR SADDLER asked whose decision that would be.

MR. HYJEK replied the decision would be made by the Alaskan Command (ALCOM) and the Pacific Command (PACAF) for the Air Force and U.S. Army Alaska for the Army. The Defense Information Systems Agency (DISA) is tasked with executing the decision.

[2:48:07 PM](#)

MR. HYJEK reviewed the list of recommendations for new missions and mission expansion for the U.S. Air Force. He noted that he already discussed the issue of a second squadron at Eielson AFB; the issue of an active association to work, primarily with Air Mobility Command, for the 168th Air Refueling Wing (ARW) at Eielson AFB; and a Distributed Common Ground System and RPAs.

[2:49:11 PM](#)

MR. HYJEK displayed recommendations for equipment modernization for both the U.S. Army and the U.S. Air Force/Air National Guard. He pointed out that these are issues that the TAG and installation commanders will work through in conjunction with the delegation. The recommendation for the U.S. Army is to examine procurement of additional material handling and loading equipment needs which will enhance U.S. Army Alaska elements at JBER to deploy more efficiently. The recommendations for the U.S. Air Force/Air National Guard include: active support for

the standardization of the 3rd Wing's fleet to Block 17 standard with extended range fuel tanks; initiate action to secure National Guard and Reserve Equipment Account (NGREA) funding for Synthetic Aperture Radar (SABRE) Arm and Sensor pods to be integrated on the 176th Air National Guard Wing C-130s to enhance search and rescue operations; and facilitate discussions for the U.S. Coast Guard inclusion in purchase options for combat rescue helicopters in conjunction with the 17th District USCG aviation modernization. A recommendation that is not listed is to add synthetic aperture radar (SABR) to the helicopters that are already located in Alaska and used for search and rescue missions. This radar can be moved from one aircraft to another which provides flexibility for both military and civilian search and rescue capabilities.

Responding to a question for further clarification, he explained that synthetic aperture radar makes it possible to see what can't be seen with naked eye during the day or night and under adverse weather conditions.

CO-CHAIR SADDLER questioned how the state would advance these recommendations, particularly adding SABRE capabilities.

MR. HYJEK offered to follow up with a memo that identifies a state action for each recommendation.

[2:51:27 PM](#)

MR. PIERRE added that it's also a matter of the JASC Committee oversight of DMVA as it works through these issues.

CO-CHAIR SADDLER recognized the presence of World War II U.S. Army veteran Father Norman Elliot, and thanked him for his service.

MR. HYJEK concluded the presentation emphasizing the importance of speaking with one voice, laying out strategies to augment the state's advocacy for each military installation in Alaska; provide updates and regularly engage DOD authorizers and appropriators; expand community support and engagement for Alaska installations; and monitor potential BRAC legislation, Force Structure Adjustments, and DOD budget impacts on bases.

He reminded members that the Department of Defense requested authorization for another BRAC round in 2015 and that both the Senate and House Armed Services Committees took negative action on the request. However, it's important to recognize that the DOD will get either a new BRAC or the equivalent through Force

Structure Adjustments. The question is which process best enables the state to articulate its message, have situational awareness of what is coming, what the impact is, and the validity of the arguments.

CO-CHAIR KELLY said Mr. Pierre to follow up with a list of five things the legislature can do in terms of statute changes and appropriations. He requested the list before the Governor starts budget deliberations.

MR. PIERRE agreed to do so.

REPRESENTATIVE TARR asked if there would be any opportunity for Secretary Napolitano to engage with this committee when she visits the state.

MR. PIERRE explained that it would be a USCG specific visit, but there might be an opportunity for a meeting if she attends the grand opening of Sector Anchorage.

[2:58:02 PM](#)

SENATOR FAIRCLOUGH asked about date and time specifics for the delegation trip to Washington, D.C. and who might be asked to attend.

MR. HYJEK said he would urge a September/October timeframe. The rationale is that the FY13 legislative process allegedly comes to a close. That is after the force structure adjustments and before the decisions regarding the 18th Aggressor Squadron and other basing actions that may impact Alaska. The services will also have submitted their FY15 budget execution statements to the Defense comptroller and the Office of the Secretary of Defense will be evaluating potential adjustments.

Regarding the composition of the delegation, he suggested a representative from the Office of the Governor or Lieutenant Governor, the adjutant general, community leaders from each of the major installations, state legislators, and civilian leaders.

MR. PIERRE added that he would like to see members of this committee go with the Governor or Lieutenant Governor or both.

MR. HYJEK clarified that before the visit he would identify the issues to cover, develop draft questions, and identify who to see. The DOD will receive the same information so the conversations will be more productive.

CO-CHAIR SADDLER recognized the presence of an aide to the Secretary of the Air Force, an aide to Senator Lisa Murkowski, and an aide to Senator Begich.

3:01:09 PM

SENATOR DYSON emphasized the importance of not appearing to be just another self-interested group lobbying for just their own interests, because DOD in particular has to consider the national interest. He continued to say that he worries that the decision makers don't think about Alaska's geographic importance due in large part to the Mercator projection maps. Furthermore, they don't understand what's happening in the Arctic or Arctic transportation. He also questioned whether federal agencies communicate and exchange information.

MR. HYJEK provided a three point response. He acknowledged that it's hit and miss on coordination and communication. With regard to the concern that decision makers in Washington, D.C. may not understand Alaska's strategic importance, he said that's part of the reason for the recommendation to engage an independent think tank to coherently validate Alaska's importance and back it with empirical data. Finally, it is important to provide DOD with information on why the installations in Alaska benefit the Department of Defense and the down range implications if they aren't there.

3:06:18 PM

GENERAL LESTENKOF agreed that the delegation needs to bring the strategic picture to the leadership in Washington, D.C. and that self-serving lobbying isn't effective.

CO-CHAIR SADDLER asked about the current status of civilian and military relations and communication in Alaska.

MR. PIERRE described General Hoog's community advocacy group and Mayor Hopkins' monthly meetings with mayors and the military, and suggested that could be expanded to a state level. The discussions could center on what's important, what isn't working, and what can be done to fix it.

3:11:04 PM

GENERAL CANNELOS commented that he was part of a delegation about 10 years ago and when he visited the Pentagon he naively thought he would see a lot of polar projection maps and a lot of understanding of the area. That wasn't the case. He warned against assuming that decision makers understand the national

strategic importance of Alaska, and suggested diligent work on the tools and how to present them.

SENATOR FAIRCLOUGH asked if the co-chairs would work with the governor's office to coordinate a delegation and work on an orchestrated event. She said she believes that requires a pre-event to have the members ready to give a presentation. Polar maps should be included to make it easier to speak to the advantages of Alaska's strategic importance.

She also discussed DOD's procurement process and the issue of the military acquiring jet fuel from countries that aren't friendly to the U.S. She questioned whether that might be part of the conversation.

[3:15:08 PM](#)

MR. HYJEK offered his belief that the DOD will say it's an open competition and they will take fuel from wherever they can get it at the right price. He suggested that is an issue for the congressional delegation to take on, and the state delegation should focus on the strategic location of Alaska for the first trip.

SENATOR FAIRCLOUGH said she would be happy to leave the matter to the congressional delegation, but it's a sensitive issue and DOD is closed about having the conversation.

CO-CHAIR SADDLER offered his belief that some communication on the issues outlined would be good.

REPRESENTATIVE ISAACSON opined that it should be discussed because it's relevant to the value of Eielson AFB. The 20 million gallons of jet fuel at that installation comes from a small refinery in North Pole, and it's the cheapest transportation in the whole Air Force system. It is piped from the Trans-Alaska Pipeline System through Flint Hills and Petro Star and directly to Eielson AFB. He emphasized that Eielson AFB is strategic to the national interest because it's at the top of the world and in a place where fuel is readily accessible.

[3:19:36 PM](#)

REPRESENTATIVE TARR asked if the fact that Alaska has the highest number of veterans per capita of any state works to Alaska's advantage in terms of facility closures.

MR. PIERRE responded that has been mentioned as part of the EIS process, because veterans utilize health facilities at bases

that could potentially be closed, but that's not part of the discussion.

SENATOR FAIRCLOUGH added that it certainly would be an item for the delegation talk about the importance of community and how Alaska supports military personnel and families. Legislation that renews that commitment annually could be cited and then the veteran component could be brought in to support whatever strategy the delegation brings forward.

She referenced Representative Isaacson's comment and suggested that the state may prefer a formalized process versus an informal force restructuring process.

MR. PIERRE highlighted that procurement costs of the military can be lowered through shared services.

[3:23:22 PM](#)

GENERAL CASE commented [outside microphone range.]

MR. PIERRE referenced General Case's comment about the Arctic and relayed that Stefanie Moreland is leading the discussions about Arctic policy issues from the executive branch perspective. She always highlights that Alaska is the reason that the U.S. is an Arctic nation.

SENATOR COGHILL asked if the governor is already looking at CSIS doing an independent review, and if the legislature can help.

MR. PIERRE replied it's not at that level.

SENATOR COGHILL offered his view that it should be at the top of the priority list so that Alaska doesn't appear self-serving.

With regard to the active association, he asked if Alaska has any advantage to highlight in the new dynamic of having the reserves be more active in enforcement, deployment, and support.

MR. HYJEK mentioned the 168th mission to support aircraft to the north, and said it comes back to the fact that Alaska's geography is an asset.

SENATOR COGHILL said he was going to be looking for what the legislature can do to make the Air Guard more attractive. He also asked about cooperation with Canada on SAR missions, and if there is anything the state can do better.

[3:26:47 PM](#)

MR. PIERRE replied the state can't do better; Alaska is DOD's Arctic search and rescue effort and there is weekly coordination with Canada.

SENATOR COGHILL asked if that asset should be put forward in Washington, D.C.

MR. PIERRE said the Pentagon sees the search and rescue efforts as more a civilian need than a State Department concern.

SENATOR COGHILL said he missed that the Air Mobility Command is an important factor.

MR. HYJEK clarified that Air Mobility Command is the decision authority with regard to the approval of the active association and the allocation of equipment. It's a shared decision that is driven by Air Mobility Command. The delegation should definitely talk with them, but not necessarily in conjunction with the D.C. visit.

[3:29:59 PM](#)

CO-CHAIR KELLY asked Mr. Pierre to provide a list of people who have served in Alaska and currently reside in the Pentagon.

MR. PIERRE said General Troy and General Garrett immediately come to mind.

CO-CHAIR SADDLER identified issues for the next meeting: things the legislature can do to address the short term recommendations; an update from Mr. Pierre and Mayor Hopkins on the Defense Communities Association meeting; a presentation from Mayor Hopkins and Representative Isaacson and others from Fairbanks about their efforts to defend Eielson AFB; the long term actions the legislature should take up going forward; approve updated comments on the Eielson EIS; and a tour of Eielson AFB.

REPRESENTATIVE TARR highlighted the U.S. Army Legislative Day at JBER. She expressed hope of a report on Secretary Napolitano's upcoming visit at the next meeting.

[3:33:58 PM](#)

There being no further business to come before the committee, Co-Chair Saddler adjourned the Joint Armed Services Committee meeting at 3:33 p.m.