

**ALASKA STATE LEGISLATURE
JOINT ARMED SERVICES COMMITTEE**

Fairbanks, Alaska

July 11, 2013

1:13 p.m.

MEMBERS PRESENT

Representative Dan Saddler, Co-Chair
Senator Pete Kelly, Co-Chair
Representative Doug Isaacson
Representative Geran Tarr
Representative Bob Lynn
Senator Fred Dyson
Senator Anna Fairclough
Senator John Coghill

PUBLIC MEMBERS

Charles "Chick" Wallace
Colonel Tim Jones - (retired)

MEMBERS ABSENT

Representative Eric Feige
Senator Bill Wielechowski

COMMITTEE CALENDAR

- Fairbanks Community Efforts to Advocate for Eielson Air Force Base
- Update on Association of Defense Communities (ADC) Conference
- Discussion of Hyjek & Fix, Inc. Short-Term Recommendations
- Long-Term Action Items for the Legislature
- Updated Eielson Draft EIS Regarding the Transfer of the 18th Aggressor Squadron to JBER

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

LUKE T. HOPKINS, Mayor
Fairbanks North Star Borough

Fairbanks, Alaska

POSITION STATEMENT: Discussed the Fairbanks North Star Borough's top five military legislative priorities.

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

POSITION STATEMENT: Provided information relevant to the discussion about supporting the military in Alaska.

BARBARA JOHNSON, Special Assistant
Office of the Mayor
Fairbanks North Star Borough
Fairbanks, Alaska

POSITION STATEMENT: Provided information about Section 331 contracting between local governments and the military.

MAJOR GENERAL THOMAS H. KATKUS (via teleconference)
Adjutant General and Commissioner
Alaska Department of Military & Veterans Affairs (DMVA)
Fort Richardson, Alaska

POSITION STATEMENT: Provided information relevant to the discussion about supporting the military in Alaska.

COLONEL TIMOTHY P. O'BRIEN
Assistant Adjutant General and Commander
Alaska Air National Guard
Fort Richardson, Alaska

POSITION STATEMENT: Provided information relevant to the discussion about supporting the military in Alaska.

DIANE HUTCHISON, Presiding Officer
Fairbanks North Star Borough Assembly
Fairbanks, Alaska

POSITION STATEMENT: Discussed the importance of joint land use studies to minimize land use conflicts.

ACTION NARRATIVE

1:13:15 PM

CO-CHAIR DAN SADDLER called the Joint Armed Services Committee meeting to order at 1:13 p.m. [Due to technology difficulties, there is no audio recording of the beginning of this meeting.] Present at the meeting were Senators Coghill, Dyson, Fairclough, and Co-Chair Kelly; and Representatives Isaacson, Tarr, Lynn, and Co-Chair Saddler. Public members present were Charles "Chick" Wallace and Colonel Tim Jones.

Fairbanks Community Efforts to Support the Military

1:13:55 PM

CO-CHAIR SADDLER stated that this meeting is a follow up to the presentation from consultant Steve Hyjek of Hyjek & Fix, Inc. on June 25th in Anchorage. He laid out an ambitious agenda to defend Alaska's military missions and facilities in an era of budget cuts, Base Realignment and Closures (BRACs), and sequestration. That agenda will take a lot of hard work and cooperation by Alaskans to maintain a healthy and necessary military presence in Alaska. This committee and Alaskans are capable of this work as evidenced by the good work by the people in Fairbanks. He thanked Mayor Hopkins for inviting the committee to Fairbanks and the leadership at Eielson Air Force Base (AFB) for hosting a tour of the base.

CO-CHAIR SADDLER relayed that this meeting is intended to be more of a work session than a formal committee meeting to cover the items laid out on the expanded agenda. He asked Mayor Hopkins to introduce himself and his aide and give a presentation on what Fairbanks is doing to defend the F-16s at Eielson AFB.

1:15:45 PM

LUKE T. HOPKINS, Mayor, Fairbanks North Star Borough, Fairbanks, Alaska, introduced himself and Special Assistant Barbara Johnson.

MCHUGH PIERRE, Deputy Commissioner, Department of Military & Veterans Affairs (DMVA), Fort Richardson, Alaska, reported that he and General Katkus were attending the meeting telephonically.

MAYOR HOPKINS said that the community has never shied away from supporting the military, specifically Eielson AFB and Fort Wainwright. For example, during the 2005 BRAC Commission meeting in Fairbanks the community showed that the Commission was relying on inaccurate numbers. Although the A-10s were removed, the F-16s stayed. Through the years the community positioned itself to push back future BRACs. He cited the Joint Land Use Study as an example.

MAYOR HOPKINS discussed the actions to counter the announcement six months ago to move the F-16s from Eielson AFB as a budget saving action. The borough hired consultants, started the Tiger Team, and engaged congressional delegation staff both local and in Washington, D.C. The three mayors packaged a response that

pointed out the faulty numbers in the Site Activation Task Force (SATAF) report, and the congressional delegation collectively sent a request to the Air Force to include all the effects of relocating the F-16s in the environmental impact statement (EIS), not just the dollars. He explained that the draft EIS will be on the agenda in a public hearing next week, and the three mayors and community leaders will be delivering the message that it relies on inaccurate data.

He mentioned the public/private solution group that contracted to supply a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis for how the community should respond. He declined to distribute copies and instead offered to provide a brief outline. He described a recent meeting with General Brooks and General Carlisle to discuss the issues in the SWOT analysis. At the very top of the list is the cost of energy at military installations within the FNSB.

1:31:10 PM

MAYOR HOPKINS noted that Senator Kelly asked him to discuss the borough's top five legislative priorities for supporting the military.

MAYOR HOPKINS said the top priority is to lower base operating costs at Eielson AFB and other installations within the borough. According to the Defense Logistics Office, the contract cost for coal delivered to Fort Wainwright and Eielson AFB has risen from \$57/ton to \$75-\$78/ton. If the state were to agree to pay down part of that cost, it would reduce base operating costs, he said.

MAYOR HOPKINS discussed the effect that replacing the boilers at Eielson AFB will have on air quality, the proposed regulations for air quality mitigation control measures, and the EPA decision to not back away from the ambient air quality standard for particulate matter. He suggested moving the air quality issue forward and submitting a state implementation plan that has control measures that are scientifically documented and show attainment by 2014. The Department of Environmental Conservation (DEC) is working on a plan that will be submitted to the EPA by December 2013. He emphasized the need to address air quality before the federal government has made a decision about basing because of it.

MAYOR HOPKINS deferred to Ms. Johnson to discuss Section 331 intergovernmental service agreements. He relayed that she and

McHugh Pierre met with representatives from the bases in the Interior and JBER for a kickoff meeting in early June.

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BARBARA JOHNSON, Special Assistant, Office of the Mayor, Fairbanks North Star Borough, Fairbanks, Alaska, said she learned about Section 331 contracting between local governments and the military at a conference she attended in Monterey, California. She described the joint powers agreement and contracts that Monterey and the adjacent community of Seaside have to provide services to the military. The contract started small and 14 years later has grown to more than \$3 million. She noted that the Section 331 law was broadened recently to include contracts of almost any kind.

She explained that on June 6, 2012 a core group of three mayors, lead military officials from local bases, and the state military officials met to discuss Section 331 joint powers agreements. Eight workgroups were identified to focus on the specific areas of public works, procurement, emergency services, transportation, family support services, communications, human resources, and the airport. She noted that although the core group initially wanted three small ideas that could be implemented quickly, any idea that's brought forward is placed in a database that can be referenced later.

MS JOHNSON described some of the ideas generated to date. The public works group proposed starting with a small elevator contract. Another proposal is to contract with Fort Wainwright to use the vehicle maintenance facility that the City of Fairbanks is currently building. She highlighted that the base needs one right now. A more long-term proposal is to jointly find a way to dispose of coal ash. One suggestion is to put the ash in the borough landfill and have each entity pay a prorata share.

She said another idea is to find ways to share use and costs of the new emergency operations center in Fairbanks. These sharing ideas include: dispatch capabilities, specialty certifications for maintenance of police and fire systems, standards for purchase of equipment that's used in Alaska, and specialized response capabilities like a dive team.

MS. JOHNSON explained that on July 22, 2013 a representative from each of the work groups will meet and present the ideas that their work group developed. She said she will pass to the core group the information from that meeting.

She reported that Katherine Hammack and Kathleen Ferguson both made it clear that Section 331 contracts are very important to the military, and that Alaska is ahead of the curve.

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SENATOR FAIRCLOUGH asked what a realistic timeframe would be on an intergovernmental service agreement.

MS. JOHNSON replied it depends on the idea that's selected. For example, if the elevator maintenance contract is selected it will be necessary to work through the existing contracts, each of which ends at a different time.

SENATOR FAIRCLOUGH relayed that the base representatives appear ready to look at those contracts and try to find cost savings, but it may take some time for the regulations to trickle down.

CO-CHAIR SADDLER commented that Alaska is moving faster than a lot of communities and from his perspective the push is worthwhile.

MAYOR HOPKINS highlighted that the Air Force and Army have different procurement requirements. The Assistant Secretary of the Army said that in 30 days the regulations will be out and ready to use, whereas the Air Force is still looking at how the regulations will work. He suggested moving forward on the elevator contract.

SENATOR FAIRCLOUGH cautioned that the state needs to be realistic as a partner, because the DOD has a structure that is beyond the direct control of the state.

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MS. JOHNSON offered to share an article about Section 331s, and noted that Katherine Hammack cautioned that it's a slow process. She expressed enthusiasm going forward.

SENATOR FAIRCLOUGH offered her belief that other government agencies are also enthusiastic, but they don't want to have the bureaucracy of writing regulations get in the way of the enthusiasm to accomplish the task.

CO-CHAIR SADDLER mentioned a conversation about how the military had tried to contract with private businesses and that those would be competition for Section 331 government-to-government relationships.

UNIDENTIFIED SPEAKER clarified that because DOD, SECAF, and PACCOM have separate decision-making processes, General Kelly isn't certain of the timeframe.

REPRESENTATIVE ISAACSON asked Mayor Hopkins if the Air Force would see a significant savings if there was a Section 331 agreement for the coal contracts. He noted that the current coal contract extends to 2015.

MAYOR HOPKINS said yes, and added that his attitude on the coal issue is to keep pushing and moving as fast as possible.

REPRESENTATIVE ISAACSON said the briefing today indicated that to bring the coal to new environmental standards through injections may double the cost.

[1:58:25 PM](#)

REPRESENTATIVE TARR asked Mayor Hopkins if he was suggesting the legislature subsidize coal to reduce the cost of energy at Alaska bases.

MAYOR HOPKINS answered yes, and added that Alaska is competing with what other states are doing for their military bases.

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MAYOR HOPKINS said the next item of priority is the privatization activities at Eielson AFB that Fairbanks utility providers can participate in. He noted that General Hoog has started looking at how to manage the cost of energy production at Fort Greely, Eielson AFB, Fort Wainwright, and Clear AFB.

The next priority is land use in the Fairbanks North Star Borough, which gets into the existing joint land use actions. Generals from both the Army and the Air Force have said that limiting and working on encroachments at Eielson AFB and Fort Wainwright is a top priority. Part of that discussion is buying property to restrict future activity, zoning regulations for impact zones, and the issue of noise overlay.

CO-CHAIR SADDLER asked him to speak briefly about the joint land use process.

MAYOR HOPKINS explained that in late 2005 or early 2006 the FNSB received a grant for a joint land use study that looked at working cooperatively to reduce encroachment by a community on the military, and the effect of military operations on the

community. The study was done and eventually the borough formed a policy group and a technical group similar to Anchorage Metropolitan Area Transportation Solutions (AMATS) and Fairbanks Metropolitan Area Transportation Solutions (FMATS). The policy group worked to resolve the 58 items that were identified in the study, and nearly two-thirds of the items have been addressed. A second \$175,000 grant put people to work on the remaining, more difficult issues associated with the joint land use process. He noted that there have been public participation meetings this week.

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MAYOR HOPKINS said another item on the list is force structure additions. This refers to adding planes to the missions of the 168th refueling wing and working toward getting an active association so that more Air Force personnel can support the Air National Guard operations. He said this is on his short list because the Guard currently has to turn away about 40 percent of the mission requests.

REPRESENTATIVE ISAACSON commented that it would be helpful to hear from General Katkus' office regarding the complex agreements for who pays for the assets, and what supporting role the legislature might play.

MAYOR HOPKINS mentioned the Unmanned Aircraft System, Gray Eagle, and cautioned against passing laws and taking actions that would encumber flying new programs in new areas, because that affects military decisions. He said the decision to keep the segregated airspace over Eielson AFB as it leads into JPARC is a priceless venture that the state should continue to support. He noted that the legislature took a very sensible action in the last session to establish a [task force] to look at how unmanned aerial systems are used.

Another force structure addition that's under discussion is forward basing Coast Guard fixed wing aircraft at Eielson AFB in response to Arctic activities and issues. The last major item on the SWOT analysis is more opportunities for the Royal Canadian Air Force to be forward based at Eielson Air Force Base.

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CO-CHAIR SADDLER asked General Katkus if he had a response to Mayor Hopkins comments.

MAJOR GENERAL THOMAS H. KATKUS, Adjutant General and Commissioner, Alaska Department of Military & Veterans Affairs

(DMVA), Fort Richardson, Alaska, deferred to Colonel O'Brien to discuss the 168th Air Refueling Wing.

COLONEL TIMOTHY P. O'BRIEN, Assistant Adjutant General and Commander, Alaska Air National Guard, Fort Richardson, Alaska, stated that force structure additions to the 168th Air Refueling Wing at Eielson Air force Base is the right thing to do. They currently have more missions than they can do on a day-to-day basis; they're operating at full capacity and have a 24/7 alert for North American Aerospace Defense (NORAD). He noted that both NORAD and NORTHCOM have asked to have a second tanker on alert, but that's not possible because it would take too much time away from training. Because about 40 percent of the requests are turned away, the proposal is to bring in an active associate. He explained that he is laying the groundwork to enlist the help of a proponent and it seems that General Silva would be the appropriate person. However, new missions will be very difficult to acquire because of the budget, he cautioned.

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SENATOR COGHILL asked General Katkus to comment on the issue that Representative Isaacson brought up regarding who would pay for the planes.

GENERAL KATKUS replied their efforts will be directed to AMC [Air Mobility Command].

REPRESENTATIVE ISAACSON asked him to follow up with specific suggestions regarding where the committee could direct its "cheerleading" efforts and whether it involves a discussion of dedicated funds.

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GENERAL KATKUS agreed to prepare a paper with talking points.

CO-CHAIR SADDLER asked him to direct the letter to his office.

GENERAL KATKUS agreed.

CO-CHAIR SADDLER asked Colonel O'Brien if he had any further comments.

COLONEL O'BRIEN offered to share a small talking paper on what it would take to put an associate against the 168th, how it would be structured and how it would be phased in.

GENERAL KATKUS thanked the committee and expressed gratitude for the level of engagement.

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CO-CHAIR KELLY asked Mayor Hopkins if he discussed with General Katkus the FNSB's top five priorities for the legislature to support the military at Eielson Air Force Base and Fort Wainwright, and if they meshed with his priorities.

MAYOR HOPKINS replied the priorities probably don't mesh exactly, but many goals are common.

CO-CHAIR KELLY offered his understanding that Mr. Pierre and General Katkus didn't have the five points available for disclosure, but that would be forthcoming.

GENERAL KATKUS responded that it would be one of the topics of discussion for the meeting this afternoon.

CO-CHAIR KELLY asked him to convey to the Alaska Force Advocacy and Structure Team (AMFAST) that he wants the efforts of Mayor Hopkins's office, General Katkus's office, and the JASC committee to mesh with what AMFAST is doing. He added that the project he is most interested in is the hanger at Barrow.

GENERAL KATKUS replied that is a moving target because the center of the offshore drilling may change, but it's still viable to evaluate. He agreed that the strategic approach that AMFAST provides is much larger than just the approach towards the immediate problem with Eielson AFB. He committed to work cooperatively with all stakeholders.

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REPRESENTATIVE TARR requested that the DMVA notice upcoming meetings for the public.

MR. PIERRE said DMVA is reaching out to city council members and has hired a grass roots consulting company in efforts to get Anchorage to participate and ask on the EIS for a position of "no action" regarding the F-16s. This has been somewhat successful. Mayor Sullivan has given tentative support, folks in the MatSu Borough are generally supportive, and efforts are underway to get borough officials to support the "no action" clause. He asked the committee members to help spread the word.

MR. PIERRE listed the times and locations of upcoming meetings: Monday, 6 pm at the Palmer Fairgrounds; Tuesday, 6 pm at the

Mountain View Boys and Girls Club; Wednesday, 6 pm at the Westmark; and North Pole, 6 pm at the North Pole Worship Center.

CO-CHAIR SADDLER thanked General Katkus and Mr. Pierre for joining the meeting.

MAYOR HOPKINS summarized the Fairbanks North Star Borough (FNSB) five priority points to support the military:

1) Buy down the price of coal - FNSB is seeking legislative support for reducing coal prices for Alaska military installations so they're competitive with military installations nationwide.

2) Energy infrastructure financing - FNSB is seeking legislative support for providing financing for energy infrastructure that is more efficient or providing a means of sharing energy between installations.

3) Pioneer roads within the Joint Pacific Alaska Range Complex (JPARC) - FNSB is seeking legislative support to expand access to training grounds within JPARC.

4) Unmanned Aircraft Systems (UAS) - FNSB is seeking continuing legislative support for UAS and has partnered with the University of Alaska Fairbanks (UAF) seeking FAA approval for the borough to be designated one of six test sites nationwide for UAS.

5) Local tax exemptions within a military facility zone - The FNSB is seeking JASC support for legislation to create a local tax exemption for up to 10 years for property in a military facility zone that creates or supports development of industry and educational or training opportunities that support operations and missions of the military.

MS. JOHNSON explained that the FNSB offers a tax exemption and/or deferral to businesses for up to five years, and the current proposal is to offer a 10 year deferral and/or exemption. The intent is to increase the number of businesses in the community that support the military at Eielson AFB. She anticipates that the Gray Eagle will be based at Eielson AFB and that the borough will be selected as one of the six FAA test sites nationally.

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MAYOR HOPKINS responded to a question from Co-Chair Saddler and explained that there is no new financing specifically for a military facility zone. He continued to say he would support the State of Alaska giving special benefit for activities that are associated with a military base.

REPRESENTATIVE TARR asked if the businesses located in the tax exempt zone are civilian owned support services for the military complex or any business located within that geographic area.

MAYOR HOPKINS answered that the legislation identifies the business as an enterprise associated with military installations.

[2:42:06 PM](#)

MS. JOHNSON added that the legislation doesn't force local government to do something; it provides a tool for an option for tax deferral or exemption.

SENATOR FAIRCLOUGH asked if this would be revenue neutral for the state, or if the Mayor was asking to have a pot of money available to help finance new businesses.

MS. JOHNSON clarified that the proposal is revenue neutral to the state. It would be a local decision for the local government to give up the tax revenue.

MAYOR HOPKINS added that the first part of the proposal is for state support of UAVs (Unmanned Aerial Vehicles) in support of military operations. The second part is a proposal to change state statutes relating to optional exemptions and exclusions available to local governments.

SENATOR FAIRCLOUGH observed that there is a potential request for additional money, and because of Fairbanks' experience with revenue shortfalls she wonders if this is Fairbanks' priority or the Mayor's priority for how to help the military. She said she'd like to know if Fairbanks is willing to forego other opportunities or requests of the State of Alaska for participation in the articulated priority list.

MAYOR HOPKINS said BRAC actions will probably continue and it's necessary to prepare for that. This committee can have a change in mission in support of the military statewide, and he's asking it to look at all the possibilities. He acknowledged that he has his opinions on how the money should be divided and everyone may not agree, but he's looking at the short term and preparations

for a potential 2014 BRAC. Moving 800 troops away from JBER and having 552 troops come to Fort Wainwright is just the first amending action in a community's budget, he said.

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SENATOR FAIRCLOUGH said she supports trying to retain people and fighting for Alaska and its fair share. There are still opportunities to invest, but choices have to be made. With regard to the suggestion that the state buy boilers for Eielson AFB, she pointed out that they each cost \$27 million. If the state invests in those and the facilities move, those assets should come back as resources to the state. However, the Anchorage community has been given indications that some of the military property will never become available because of the liability associated with artillery and ordnance.

REPRESENTATIVE ISAACSON added to the discussion about what can be done to induce private investment. He observed that a Military Facility Zone (MFZ) isn't necessarily a creation of the borough, because it works in any space that's assigned to induce private businesses. He continued to talk about attracting businesses like Boeing, McDonnell Douglas, Lockheed Martin, or Raytheon and what it would mean to attract a plant that could employ 50-100 people in very high-paying jobs.

MAYOR HOPKINS highlighted that the Department of Energy (DOE) just announced it is putting out \$8 billion in federal loan guarantees for projects and developing technology that reduce carbon emissions from extracting and burning fossil fuels. If the state has a proposal that shows it does reduce carbon in extracting and burning coal, there could be an application for some of that loan guarantee. He suggested that the congressional delegation could perhaps provide more information about the program.

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MAYOR HOPKINS said the FNSB Assembly has committed \$370,000 in the last 15 months to push back against the reduction in mission at Eielson AFB, while also looking for new missions. However, there's a lot of competition from other states.

DIANE HUTCHISON, Presiding Officer, Fairbanks North Star Borough Assembly, stated that prior to being on the assembly she worked for Senator Ted Stevens. One particular issue she worked on was to emphasize the importance of joint land use studies so as to minimize land use conflicts. The Senator believed that communities adjacent to military installations should do

everything possible to minimize land use conflicts, because it would better the community's chance of maintaining the base. She continued to say that as an assembly member, she is trying to support this position and do what she can to promote the military.

Update on Association of Defense Communities Conference

[2:59:14 PM](#)

CO-CHAIR SADDLER said the second agenda item is an update on the Association of Defense Communities (ADC) conference. He asked Mayor Hopkins to review the highlights.

MAYOR HOPKINS reported that two years ago his office joined the 200 communities nationwide that are members of the ADC to voice concern about the involvement of military in their communities. That has paid off. The conferences he's attended have spelled out tenant opportunities for Eielson AFB, although that will be affected by the point discussed earlier about reducing base operating costs for Eielson AFB and Fort Wainwright. He reminded the committee that there is competition from other states that are committed to attract investment and maintain missions.

At the most recent ADC conference the military asked ADC members in the audience to encourage their congressional delegations to bring a BRAC forward. Their view is that it is the fairest way to evaluate which bases should be reduced, and it keeps partisanship out of the equation. That being said, Congress is not moving forward with any BRAC action at this time, he said.

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CO-CHAIR SADDLER discussed what he took from the most recent ADC conference. He said the general message was that there are still significant budget reductions ahead for the DOD. The Budget Control Act cut a tremendous amount out of the military's capacity. The Army cut 8 of its 45 brigade combat teams. Sequestration extends budget cuts across half of the fiscal year and has resulted in tremendous cutbacks. Added to that, future BRACs will occur because there is huge excess capacity nationwide in U.S. military facilities. The overseas force structure has already been cut 47 percent and the budget has been cut 55 percent. The excess capacity is a drain and the military could operate more efficiently if it could trim the excess.

CO-CHAIR SADDLER said the 2005 BRAC gave BRACs a bad name, but they aren't the worst thing that could happen if they include

protections, process, standards and impact aids for ways to redevelop facilities. The budget cutbacks aren't cutting just the fat; flying hours and training and maneuvers are all reduced and research and development is shortchanged as well. He relayed that he heard that it is probably more harmful to national security to defer training and maintenance than to close facilities. Weapons systems aren't being funded, rescue helicopters are being deferred and the C-27 program was cut. It's just fortunate that the military is open to innovative ways to save money and improve efficiency. The Seaside/Monterey model that Ms. Johnson described demonstrates this.

CO-CHAIR SADDLER discussed what the military is doing to improve efficiency of operations by sharing power and transmission to make every dollar count. He said there has been effort to privatize base functions, and this may include privatizing housing at Eielson AFB.

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SENATOR COGHILL opined that land use issues will be more ticklish in Alaska, because of other federal land ownership issues. If, for example, the state builds pioneer roads and restricts hunting access, there will be significant pushback. He suggested looking to states like Nevada and Arizona to see if they had a solution for competing federal land issues.

REPRESENTATIVE TARR asked how much catching up Alaska has to do to be competitive with other states.

MAYOR HOPKINS opined that Alaska isn't at the bottom but it's nowhere near the half-way point. He offered to follow up with figures after the next ADC conference.

Discussion of Hyjek & Fix, Inc. Recommendations

[3:16:26 PM](#)

CO-CHAIR SADDLER said the next agenda item is to allocate the action items that Steve Hyjek discussed at the last meeting according to short-term and long-term.

1) Action Item: Actively Reduce Energy Costs to the Department of Defense in Alaska.

He asked if there was any discussion to add to the specific actions that Mayor Hopkins and others have suggested.

SENATOR FAIRCLOUGH stated for the record that she supports keeping the F-16s in the hangers at Eielson AFB, and she stands with the mayor and the community of Fairbanks to ensure that happens. That being said, she suggested asking legislative attorneys to look at the Interstate Commerce Clause in the context of the proposal by Mayor Hopkins to buy down the cost of coal, and possibly the proposal for energy infrastructure financing. She wondered whether these proposals might face the same problems as legislation in a previous session that tried to reduce the cost of gasoline in Alaska.

CO-CHAIR SADDLER said it's a good point and added that he's been proud of the delegation and the legislature in general. He noted that Mr. Hyjek emphasized that the State of Alaska has to speak with one voice when it comes to basic decisions.

REPRESENTATIVE TARR asked if the action items were listed in order of expected impact.

CO-CHAIR SADDLER replied he didn't believe so, and moved on to Action Item 2.

2) Action Item: Develop State, Community and Industry Partnerships That Cut Costs to Military Installations in Alaska.

He offered his belief that this relates to Section 331 intergovernmental agreements. He requested that the FNSB keep the committee informed of the results of their efforts in this regard.

REPRESENTATIVE TARR asked if this action item would apply to the proposed statutory change to provide the option for a local tax exemption for property in a military facility zone. [A suggestion was made to hold the question until the discussion on Action Item 5.]

UNIDENTIFIED SPEAKER suggested that any Section 331 partnership with the Air Force on boiler replacement at Clear AFB should be given number one priority because the Air Force is considering buying power from Golden Valley Electric Association (GVEA) and doing away with their power plant. If this occurs, GVEA will have to generate more power with oil, which will increase the cost of energy for everyone in Fairbanks and the surrounding communities. He acknowledged that this doesn't do anything for Eielson AFB but it does a lot of good for a lot of people.

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SENATOR FAIRCLOUGH asked, with regard to Action Item 2, if the co-chairs would send a letter encouraging the DOD to write regulations as quickly as possible to provide local military facilities the opportunity to engage in agreements to bring cost-cutting partnerships to fruition.

CO-CHAIR SADDLER asked Representative Isaacson if he would work on that letter.

REPRESENTATIVE ISAACSON agreed.

CO-CHAIR SADDLER asked if there were any further comments on Action Item 2.

REPRESENTATIVE TARR noted that part of Action Item 2 is the recommendation to "Advance economic partnership opportunities for the U.S. Military in Alaska through the promulgation of military facility economic zones." She asked if the committee should consider anything more than what was already discussed.

MAYOR HOPKINS said that relates to the statutory change that he proposed.

CO-CHAIR SADDLER commented that the mayor's proposed local tax exemption within a military facility zone may sweeten the idea of partnership opportunities. Finding no further questions or comments, he moved to Action Item 3.

3) Action Item: Promote Awareness of Alaska's Strategic and Operational Value.

CO-CHAIR SADDLER noted that Mr. Hyjek recommended the state commission a study by the Center for Strategic and International Studies (CSIS) to discuss the strategic importance of Alaska's location from a military, commerce, and scientific perspective, and why the force shouldn't be reduced. He learned that a study would take 6-9 months and cost about \$150,000. He asked the committee members whether this could be done in-house or if the legislature might provide funding at something less than \$150,000.

CO-CHAIR KELLY offered his thoughts. [Audio indiscernible]

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REPRESENTATIVE ISAACSON agreed with the idea of getting the governor on board and commented on the importance of visuals to

get people in Washington D.C. to understand the value of Alaska and what they're looking at when they view a map of the state.

COLONEL JONES offered that the National Military Strategy identifies the Pacific as the primary theatre of concern, so there's probably nothing more important to the military in making base decisions. To the degree that the congressional delegations can leverage that, that's where the state's emphasis should be. He concurred with Representative Isaacson's point and emphasized that Alaska's value is that it can provide space in abundance. He emphasized the importance on getting everyone to understand that no other state can provide that.

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SENATOR COGHILL agreed with Colonel Jones and emphasized the importance of attaching a dollar figure to every mile to show both the strategic and economic value of Alaska.

SENATOR FAIRCLOUGH suggested one solution is to ask the federal government to do the analysis for the state, or do it in partnership with the state. Another possible solution is to ask the Alaska DMVA to work with the administration to provide a strategic analysis that the legislative leadership team could present in Washington D.C. Then when the legislature meets next session it could make a decision about whether to hire a consulting firm.

CO-CHAIR SADDLER offered his understanding that the governor's office is currently challenged with the analysis of the Arctic National Wildlife Refuge (ANWR).

[3:38:23 PM](#)

REPRESENTATIVE TARR recalled that one reason Mr. Hyjek suggested hiring a contractor is that it seems less self-serving when the state isn't advocating for itself. She pointed out that one of the recommendations under Action Item 3 is to collaborate with the states of Washington and Hawaii for a more collective impact.

CO-CHAIR SADDLER turned to Action Item 4.

4) Action Item: Strengthen Relationship between the State of Alaska, ALCOM, USARAK, and U.S. Coast Guard District 17.

He deferred Action Item 4 because it isn't doable in the near term.

REPRESENTATIVE TARR asked if this committee could host a meeting with some of those entities in the near term.

CO-CHAIR SADDLER discussed the possibility and suggested that AMFAST might be able to put the information together.

SENATOR COGHILL offered logistical suggestions, and highlighted the importance of maintaining a good working relationship between the state, the local community, and the military.

CO-CHAIR SADDLER suggested that establishing more formal relationships might be helpful.

REPRESENTATIVE ISAACSON commended Mayor Hopkins for continuing the tradition of having civilian/military leadership meetings. He observed that some of the recommendations to implement the action items should be addressed by the administration and may be new line items in the budget.

CO-CHAIR SADDLER deferred discussion on the remaining action items.

Updated Draft EIS for Eielson Air Force Base

[3:44:05 PM](#)

CO-CHAIR SADDLER said there is still time to submit formal comments on the draft EIS for Eielson AFB, and he'd like members to review the letter the committee sent in February and offer suggestions for revisions. He agreed with Representative Tarr's suggestion to have all the committee members sign the letter, not just the co-chairs. He established a July 19 deadline to submit comments and suggestions to his office.

[3:47:10 PM](#)

CO-CHAIR SADDLER thanked Mayor Hopkins and the assembly for the use of the assembly chambers.

[3:49:01 PM](#)

There being no further business to come before the committee, Co-Chair Saddler adjourned the Joint Armed Services Committee meeting at 3:49 pm.