

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS

March 30, 2021

1:03 p.m.

MEMBERS PRESENT

Representative Chris Tuck, Chair
Representative Andi Story
Representative Geran Tarr
Representative Matt Claman
Representative George Rauscher
Representative David Nelson

MEMBERS ABSENT

Representative Laddie Shaw

COMMITTEE CALENDAR

HOUSE JOINT RESOLUTION NO. 15

Requesting the United States Department of Defense to invest in the Port of Alaska.

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HJR 15

SHORT TITLE: FEDERAL INVESTMENT IN PORT OF ALASKA

SPONSOR(S): REPRESENTATIVE(S) FIELDS

03/08/21	(H)	READ THE FIRST TIME - REFERRALS
03/08/21	(H)	MLV
03/25/21	(H)	MLV AT 1:00 PM GRUENBERG 120
03/25/21	(H)	-- MEETING CANCELED --
03/30/21	(H)	MLV AT 1:00 PM GRUENBERG 120

WITNESS REGISTER

EMMA POTTER, Staff
Representative Zach Fields
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Explained the changes in the proposed committee substitute for HJR 15 on behalf of Representative Fields, prime sponsor.

REPRESENTATIVE ZACK FIELDS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented a PowerPoint on HJR 15.

STEVE RIBUFFO, Port Director
Port of Alaska
Anchorage, Alaska

POSITION STATEMENT: Provided information and answered questions during the hearing on HJR 15.

ACTION NARRATIVE

[1:03:16 PM](#)

CHAIR CHRIS TUCK called the House Special Committee on Military and Veterans' Affairs meeting to order at 1:03 p.m. Representatives Tarr, Claman, Nelson, Story, Tuck were present at the call to order. Representative Rauscher arrived as the meeting was in progress.

HJR 15-FEDERAL INVESTMENT IN PORT OF ALASKA

[1:04:17 PM](#)

CHAIR TUCK announced that the only order of business would be HOUSE JOINT RESOLUTION NO. 15, "Requesting the United States Department of Defense to invest in the Port of Alaska."

[1:04:57 PM](#)

REPRESENTATIVE TARR moved to adopt the proposed committee substitute (CS) for HJR 15, Version 32-LS0412\B, Radford, 3/22/21, as a working document.

[1:05:09 PM](#)

CHAIR TUCK objected for the purpose of reading hearing an explanation of the changes.

[1:05:23 PM](#)

EMMA POTTER, Staff, Representative Zach Fields, Alaska State Legislature, on behalf of Representative Fields, prime sponsor,

explained that the changes in the committee substitute are updating errors in the original document.

[1:05:34 PM](#)

CHAIR TUCK removed his objection to the motion to adopt the proposed CS for HJR 15, Version 32-LS0412\B, Radford, 3/22/21, as a working document. There being no further objection, Version B was before the committee.

[1:05:52 PM](#)

REPRESENTATIVE ZACK FIELDS, Alaska State Legislature, as prime sponsor, presented a PowerPoint on HJR 15. He said that the Port of Alaska is one of 17 nationwide strategic seaports, which are ports that support major force and materiel deployments, and having an operating port is essential due to Alaska's four operating military bases. He said the Port of Alaska handles more inbound cargo capacity than all other south-central ports combined and should this port be disabled, such as through a natural disaster, there would be no way to efficiently route necessary equipment to the various defense installations in the state. He said that the Port of Alaska is in danger of being damaged in a possible seismic event; as such, this resolution calls for federal investment to stabilize the port to ensure its operating capacity after an earthquake.

[1:10:33 PM](#)

REPRESENTATIVE STORY asked for an update on any conversations Representative Fields has had with the U.S. Department of Defense (DoD), as well as any comments the DoD has had on this proposed resolution.

REPRESENTATIVE FIELDS responded that this proposed resolution, which began last year, was not based on any conversations with the DoD but rather was intended to show that federal investment in infrastructure installations would be welcomed by the state. He said that he hopes HJR 15 will pass, after which there will be conversations.

[1:11:36 PM](#)

CHAIR TUCK asked whether the Port of [Alaska] received any COVID-19 stimulus money from the federal government in the last year.

[1:11:53 PM](#)

STEVE RIBUFFO, Port Director, Port of Alaska, said that the Port of Alaska received no COVID-19 stimulus money, and there were very few ports in the entire industry that did.

[1:12:13 PM](#)

REPRESENTATIVE STORY asked whether port officials have had any conversations with the DoD, and what other means of finance officials had been considering.

REPRESENTATIVE FIELDS interjected that he is not surprised the Municipality of Anchorage didn't pay for shoring up the Port of Alaska, considering the scale of investment required, which is why state and federal investments are needed.

MR. RIBUFFO added that DoD officers who have been through the Port understand the situation and want to help; however, the existing challenge is that there are "no mechanisms for the DoD to write any strategic port a check," despite the obvious need. He said that there may be the future opportunity to channel some funds to the Port, which the DoD supports.

[1:14:47 PM](#)

REPRESENTATIVE NELSON noted that it's been 17 years since the Port of [Alaska] was designated a strategic port, and he asked whether Representative Fields knows whether DoD is still intending to use it as the strategic port, or if other ports in the state are being considered.

REPRESENTATIVE FIELDS said that HJR 15 is based on the statistics of materiel coming through the Port of Alaska.

REPRESENTATIVE NELSON followed up to ask whether there has been any notice from the DoD indicating the intention to keep using the Port of Alaska as a strategic port.

REPRESENTATIVE FIELDS replied that by virtue of having the strategic port designation, the DoD is showing that it relies on the Port of Alaska.

REPRESENTATIVE NELSON asked whether there exists anything more recent than 17 years that could be taken as evidence that the DoD intends to continue using the Port of Alaska as a strategic port.

REPRESENTATIVE FIELDS answered that he believes that the "geopolitical need" of a strategic port in Alaska has increased due to the activities of Russia and China, and he agrees there should be a conversation with the DoD.

[1:18:07 PM](#)

REPRESENTATIVE RAUSCHER noted that approximately half of the inbound DoD materiel enters through the Port of Alaska, and asked whether the DoD uses other ports in the state, and if so, what percentage of cargo uses them.

MR. RIBUFFO offered a "seaborne logistics primer." He said that in Alaska, 90 percent of all inbound freight is waterborne, of which half comes through the Port of Alaska; half of the Port of Alaska cargo continues moving to the 75 percent of the state population on the road system, with the rest being barged to locations in Western, Southeast, and South-central Alaska for populations not on the road system.

REPRESENTATIVE RAUSCHER asked whether any military cargo goes through Valdez.

MR. RIBUFFO said that Valdez receives barge traffic directly from Seattle for local use only, and the DoD delivers its munitions through Valdez.

[1:22:23 PM](#)

REPRESENTATIVE CLAMAN asked about the current status of the lawsuits involving the municipality [of Anchorage] as relates to potential funding for the Port of Alaska.

MR. RIBUFFO responded as follows:

The trial has been held. It lasted a week; everyone rested the 3rd week of February. The judge has asked both sides to prepare a summary of arguments, witnesses, and points for consideration in lieu of closing arguments; those are due on July 2, after which the judge will ask any necessary questions, deliberate, and then render a verdict.

REPRESENTATIVE CLAMAN asked whether it's being heard in federal court, and, if so, which judge is presiding.

MR. RIBUFFO said that it's in the Court of Federal Claims, and the Honorable Judge [Edward J.] Damich is presiding.

[1:24:31 PM](#)

CHAIR TUCK noted that it's difficult to determine who was ultimately responsible for port design due to the layers of consultants. He then asked about the dollar amount of damages in the lawsuit.

MR. RIBUFFO responded that the City of Anchorage is asking for damages of \$320-\$325 million.

CHAIR TUCK asked how much has been spent on the development of the port since 2009.

MR. RIBUFFO answered that, if Chair Tuck was inquiring how much has been spent "subsequent to stopping the expansion project on the modernization program," then the amount is approximately another \$250 million. He added that he could get the exact amount.

CHAIR TUCK said that he would like to see how much has been spent on design and development of the Port of Alaska since 2009. He noted that the initial cost of \$250 million but said he believes that the costs have now increased to over a billion dollars..

REPRESENTATIVE FIELDS noted that tariffs on port users have increased substantially. He referred to the letter of support from Matson, which read as follows [original punctuation provided]: "No singular source is expected to shoulder the substantial costs related to the port modernization, and the parties involved (state, municipal and private industry) should pursue all avenues while seeking funding opportunities." He said that to bring the Port of Alaska up to standards that will survive an earthquake would take more funds than the users could bear.

[1:27:55 PM](#)

The committee took an at-ease from 1:28 p.m. to 1:30 p.m.

[1:30:17 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Military and Veterans' Affairs meeting was adjourned at 1:30 p.m.