

SJR

55

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907.465.3800

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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

Rules

3-14-88

10:10

By Brown,
Gruenberg

1 FURTHER RESOLVED that the State of Alaska is willing to seriously
2 consider investment of as much as \$100,000,000, through a cooperative
3 arrangement with the United States Navy, to develop infrastructure or other
4 capital improvements necessary for the establishment of a major, long-term
5 Navy homeport in Alaska; and be it

6 FURTHER RESOLVED that the willingness of the State of Alaska to pro-
7 vide infrastructure or other capital improvements is contingent upon the
8 completion of a cost-benefit analysis, including consideration of relevant
9 economic, social, and environmental factors that demonstrates that the
10 state would derive net benefits from an investment of public funds or other
11 resources; and be it

12 FURTHER RESOLVED that the State of Alaska strongly urges the United
13 States Navy to ^{add: secure funds} ~~work with~~ any homeport community on issues of mutual con-
14 cern, including ^{the} development of an appropriate emergency management plan
15 that addresses public safety and other issues.

16 COPIES of this resolution shall be sent to the Honorable Frank
17 Carlucci, Secretary of Defense; to the Honorable William Ball, III, Secre-
18 tary of the Navy; and to the Honorable Ted Stevens and the Honorable Frank
19 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
20 members of the Alaska delegation in Congress.

add:
its support as to siting and
work with it

Prop. Proposed amendment by Brown
which was adopted ~~as~~ ^{as}
IC 5 Jn 5 Jn
SJR 55
Rules

HOUSE COMMITTEE REPORT

(7)

Date referred: 3/11/88

FURTHER REFERRALS:

DATE: 3/14/88

The Rules Committee has considered CSSJR 55(Rls)

Relating to establishing a United States Navy homeport in Alaska.

RECOMMENDS:

- replace with House CS for CS for SJR 55(Rls) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Mike Hawane

John L. ...

Ed C. ...

Terry Martin

SIGNING OTHER RECOMMENDATIONS:

Mike Hawane - no rec

Mike Hawane
Chairman's signature

HOUSE COMMITTEE REPORT

(7)

Date referred: 3/11/88

FURTHER REFERRALS:

DATE: 3/14/88

The Rules Committee has considered CSSJR 55(R1s)
Relating to establishing a United States Navy homeport in Alaska.

RECOMMENDS:

- replace with House CS for CS for SJR 55(Rules) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

[Signature]
[Signature]
[Signature]
[Signature]

SIGNING OTHER RECOMMENDATIONS:

[Signature]
Mike Savano - no rec

[Signature]
Chairman's signature



Official Business

Alaska State Legislature

House of Representatives

Committee on Rules

P. O. Box V
Juneau, Alaska 99811

Phone:
(907) 465-3764
465-3765

AGENDA - HOUSE RULES COMMITTEE MEETING

MONDAY, FEBRUARY 15, 1988 / 8:00a.m.

CSSJR 55(FINANCE) - Relating to establishing a United States Navy homeport in Alaska.

(Rules by Request of the Governor)

INDEX

- I. Proposed HCS CSSJR 55(RULES)
- II. HCS CSSJR 55(FINANCE)
- III. SENATE PASSED VERSION - CSSJR 55(FINANCE)
- IV. INFORMATION PACKET - FISCAL NOTE -
- V. BILL HISTORY - INCLUDES: HOUSE AND SENATE JOURNAL ACTION, MINUTES, AND LEG. REPORTING

State of Alaska

House Majority Leader

COMMITTEES

HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES
HOUSE JUDICIARY
HOUSE RULES



P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3718
465-4968/4986

914 CLAY COURT
ANCHORAGE, ALASKA 99503
(907) 276-6844

Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

MEMORANDUM

March 14, 1988

To: All House Members

From: Representative Max Gruenberg
Majority Leader *Max*

Subject: Difference between HCS SJR 55 (FINANCE) AND
PROPOSED VERSION - HCS SJR 55 (RULES) - Relating to
establishing a United States Navy homeport in
Alaska.

In reference to HCS SJR 55 (FINANCE) - LINES 13-20 ARE REVISED.
THESE REVISIONS ARE CONTAINED IN THE PROPOSED RULES COMMITTEE
VERSION - LINES 13-15.

1. "public safety and other uses" is broad enough to include "public safety issues arising from potential accidents with hazardous materials, nuclear and non-nuclear weapons and nuclear reactors" as well as other safety problems of all types.

2. The requirement that the Navy "work with any homeport community on issues of mutual concern" means that the Navy must cooperate with the homeport, whether or not the homeport denies a formal vote of the entire town. The State will see that the homeport residents' desires are respected.

go0568sN ✓

Hein
3/11/88am

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE RULES COMMITTEE

2 HOUSE CS FOR CS FOR SENATE JOINT RESOLUTION NO. 55 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Relating to establishing a United States
6 Navy homeport in Alaska.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS naval activities in the North Pacific and Arctic Ocean have
9 increased dramatically in recent years to the extent that more foreign
10 vessels now operate in these waters than the United States registers or
11 deploys worldwide; and

12 WHEREAS Alaska, the United States and Canada are vulnerable to econom-
13 ic and military pressures from the potential foreign capability to operate
14 in northern oceans with nuclear and conventional polar class icebreakers
15 and other ice-strengthened ships; and

16 WHEREAS Alaska's coastline of approximately 6,640 miles is longer than
17 that of the rest of the continental United States; and

18 WHEREAS Alaska is opening to international trade and exchange that
19 supports greater naval presence; and

20 WHEREAS Alaska occupies a pivotal and strategic position in relation
21 to the Pacific and Arctic Rims; and

22 WHEREAS Alaska contains vast quantities of natural resources that are
23 of strategic importance to the United States; and

24 WHEREAS establishing a Navy homeport at one or more Alaskan commu-
25 nities could provide greater sustainability for naval operations in the
26 North Pacific and Arctic Oceans;

27 BE IT RESOLVED that the Governor and the Alaska State Legislature
28 strongly urge the United States Navy to consider establishing a homeport at
29 one or more Alaskan communities; and be it

1 FURTHER RESOLVED that the State of Alaska is willing to seriously
2 consider investment of as much as \$100,000,000, through a cooperative
3 arrangement with the United States Navy, to develop infrastructure or other
4 capital improvements necessary for the establishment of a major, long-term
5 Navy homeport in Alaska; and be it

6 FURTHER RESOLVED that the willingness of the State of Alaska to pro-
7 vide infrastructure or other capital improvements is contingent upon the
8 completion of a cost-benefit analysis, including consideration of relevant
9 economic, social, and environmental factors that demonstrates that the
10 state would derive net benefits from an investment of public funds or other
11 resources; and be it

12 FURTHER RESOLVED that the State of Alaska strongly urges the United
13 States Navy to work with any homeport community on issues of mutual con-
14 cern, including ^{the} development of an appropriate emergency management plan
15 that addresses public safety and other issues.

16 COPIES of this resolution shall be sent to the Honorable Frank
17 Carlucci, Secretary of Defense; to the Honorable William Ball, III, Secre-
18 tary of the Navy; and to the Honorable Ted Stevens and the Honorable Frank
19 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
20 members of the Alaska delegation in Congress.
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IV

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CS SJR 55 (FIN)
PUBLISH DATE: February 8, 1988

FISCAL NOTE

REQUEST:

Revision Date: February 8, 1988
Title: Relating to Establishing a U.S. Navy Home Port in Alaska
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Military & Veterans Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) Passage of this resolution will have no direct impact on state agencies. However, the development of an infrastructure to support whatever Alaskan port(s) the U.S. Navy selects for home porting will require a considerable investment of state funds. The funds needed for this purpose will need to be appropriated by the Legislature.

Prepared by: Jeff Morrison
Division: Administrative & Support Services, DMVA
Approved by Commissioner: MG John W. Schaeffer
Agency: Department of Military & Veterans Affairs

Phone: 465-4600
Date: February 8, 1988
Date: February 8, 1988

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

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United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

FRANCIS J. SULLIVAN, STAFF DIRECTOR
J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

February 24, 1988

The Honorable Al Adams
Chairman, Committee on Finance
House of Representatives
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Alaska 99811

Dear Al:

I was pleased to see the Navy Homeporting resolution (SJR 55) sent to your committee last week. I am meeting with Admiral Hayes (CINCPAC) just prior to addressing the Legislature on the 8th of March and had hoped to have the resolution in hand for that meeting. Originally, I had anticipated meeting with Admiral Hayes after addressing the legislature, but that wasn't possible.

The homeporting of Navy vessels presents a unique opportunity to help diversify the State's economy during a very troubled time. Currently, the Armed Forces presence in Alaska is primarily composed of Air Force and Army. The Navy is limited to the installation at Adak. Homeporting provides the opportunity to broaden the military in Alaska to include a number of Navy vessels. However, in order to be considered for homeporting, it is imperative that the Navy have access to docks and other facilities required by their ships. If we can provide the necessary facilities to be leased by the Navy, a number of vessels will be stationed in Alaska -- if we cannot provide such facilities, the ships will be stationed where the facilities already exist.

Al, we currently have a commitment from the Navy for an initial assignment of two cruisers contingent upon the availability of facilities. Each vessel is comparable to the deployment of a battalion of Army troops in terms of economic support for a community. Further, because the State will negotiate with the Navy for the facilities they will lease, every facility that will be built will be paid for over time by the Navy's use.

The Honorable Al Adams
February 24, 1988
Page Two


It is important that this resolution not be viewed or characterized as a blank check for the Navy in Alaska. Whatever facilities are ultimately built by the State for lease to the Navy will be the product of negotiations between the State and the Navy.

Homeporting is a potential economic godsend for the State's economy -- and the stronger the economy is, the more State funds there will be available for rural projects. Further, if bonded for, the construction of such facilities would have little - if any -- impact on the capital budget.

Please don't hesitate to call me if you have any questions on my views on this issue. I look forward to working with you to make this one happen, my friend.

With best wishes,

Cordially,



TED STEVENS

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 22, 1988

The Honorable Jan Faiks
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Faiks:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a joint resolution on establishing a United States Navy homeport in Alaska.

As the presence of foreign powers in Alaska waters expands, it is particularly appropriate that the state and its communities offer feasible and attractive incentives to homeport Navy operations. Our extraordinary coastline and strategic geographical position for trade and defense makes Alaska a vital region for Naval presence.

Alaska can offer the Navy meaningful and substantive incentives to bring personnel and operations to our shores. I am confident that once those specific options are identified we can secure Navy presence. Such participation will bring great benefits to our economy.

I welcome your support of this resolution which officially invites the Navy to station personnel, vessels and support services in Alaska.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Cowper".

Steve Cowper
Governor

*Joseph
Stuyvesant*

Senate Letter of Intent

Re: CSSJR 55 (Finance)

In expressing a willingness "to invest at least \$100,000,000 to develop infrastructure and capital improvements necessary for the establishment of a major, long-term Navy homeport in Alaska", it is the intent of the Senate that any such investment, including any appropriation of public funds, will be authorized or made only after the completion of cost-benefit analyses demonstrating net benefits from specific proposed developments or improvements, after considering relevant economic, social and environmental factors.

*adopted by Senate 2/17/88
p. 2309 S. Journal*

*Adopted
W.C.*



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

June 3, 1986

B-223242

The Honorable Strom Thurmond
Chairman, Subcommittee on Military Construction
Committee on Armed Services
United States Senate

Dear Mr. Chairman:

As requested in your January 16, 1985, letter and in subsequent discussions with your office, this is our report on the Navy's strategic homeporting plan. Our report contains information on the Navy's basis for increasing the number of homeports, the scope and cost of developing the new homeports, and the cost of homeporting the ships in existing homeports versus the cost of homeporting them in new ports.

We are sending copies of this report to the Chairmen, Senate Committee on Governmental Affairs, House Committee on Government Operations, and Senate and House Committees on Appropriations and on Armed Services; the individual Members of the Congress that received our draft report; the Director, Office of Management and Budget; and the Secretaries of Defense and the Navy.

Sincerely yours,

Charles A. Bowsher
Charles A. Bowsher
Comptroller General
of the United States

EXECUTIVE SUMMARY

PURPOSE

The Navy plans to establish several new homeports to help accommodate the additional ships coming into the fleet as it builds to a 600-ship Navy. In response to a request from Senator Thurmond, and other expressed congressional interest in the Navy's strategic homeporting plan, GAO sought to develop information concerning the Navy's basis for increasing the number of homeports, the scope and cost of developing the new homeports, and the cost of homeporting the ships in existing homeports versus the cost of homeporting them in new ports.

BACKGROUND

The Navy initiated the strategic homeporting plan in 1982 because of concerns that the existing homeporting structure was not optimum from a strategic and military standpoint. The plan calls for adjusting the mix of ships in existing homeports and developing several new homeports. The new homeports would contain 36 ships for two carrier groups and three battleship groups. In addition, the new homeports would include 23 ships for the Naval Reserve Force and five miscellaneous support ships. (See pp. 1 and 2.)

RESULTS IN BRIEF

The Navy plans to establish additional homeports based on five strategic principles and at costs greater than they would be by putting the ships in existing homeports. GAO's analysis of the Navy's cost studies indicate that the Navy's estimates understate the outlays needed to establish new homeports and understate the cost differences between new and existing ports.

GAO believes the Congress needs to be aware of the total budgetary impact of the Navy's strategic homeporting plan. This is particularly important given the prospect for defense budgets with little real growth and the over \$1.8 billion in military construction deficiencies at existing homeports that will have to compete for funds with the Navy's strategic homeporting plan. There will also be additional recurring costs that the Navy has determined will be required to operate and maintain the new homeports as well as existing homeports.

EXECUTIVE SUMMARY

PRINCIPAL FINDINGS

Navy's Strategic Rationale for New Homeports

The Navy's strategic rationale for the new homeports is that (1) dispersing ships to more ports will improve the U.S. defensive posture and the survivability of the fleet, (2) collocating ships of the same battlegroup will enhance warfighting coordination, (3) homeporting ships near locations with existing industrial capability will permit the Navy to take advantage of this capability, (4) homeporting ships in more diverse geographical locations will permit the Navy to train in a variety of environments and will reduce the response time to potential conflict areas, and (5) developing additional logistics support complexes will help support the expanded fleet. (See pp. 5 to 12.)

Although benefits will be achieved, concerns have been raised about the degree that they will be realized.

Costs to Establish New Homeports

Navy studies of the costs to establish new homeports are evolving and the most recent estimate of construction costs for initial operating capability at all new homeports is \$799 million. (See p. 16.) The \$799 million does not include

- nonappropriated fund requirements or military family housing cost;
- projects the Navy considers desirable for ultimate port development but which are not critical to initial operating capability;
- other identified costs that GAO believes should be included, but the Navy says are not directly applicable to its homeporting decision or are uncertain at this time;
- financial and other support such as land and infrastructure improvements that state and local governments have pledged; and
- potential costs that may be borne by other federal programs.

The Navy's basic program, for the most part, does not include projects that support the quality of life. And, facilities that appear to GAO to be essential to basic operations, such as a radar tower and a headquarters building, are also not included. These items are included in the Navy's

EXECUTIVE SUMMARY

more costly enhanced program. (See pp. 15 to 18.) To the extent that projects essential to ultimate development are omitted from the basic program, the Navy will have to come back to the Congress for additional funds. Enhancements for Staten Island and Everett alone are estimated by the Navy to cost \$222 million over the basic program.

**Comparisons
Between New and
Existing Homeports**

Navy studies of military construction, operations and maintenance, and other procurement costs show it will be more costly to establish new homeports than it would be to expand existing ones. (See pp. 28 to 31.) Navy officials have concluded that the cost difference between new and existing ports was relatively small compared to total Navy investment and 5-year budget costs. GAO believes the cost difference should be considered on its own merits. (See pp. 32 and 33.)

To the extent that the Navy has understated the costs to establish new homeports, it has understated the cost difference between new and existing homeports. This cost difference has been understated even further because of the way the Navy compares the cost for homeporting reserve forces.

RECOMMENDATION

In a draft of this report, GAO suggested that the Congress require a demonstration of the strategic benefits and more definitive and complete cost estimates before approving funds for the new homeports. This information is now being brought out during the congressional budget review and hearing process. Therefore, GAO is making no recommendation.

AGENCY COMMENTS

The Department of Defense transmitted the Navy's official written comments on a draft of this report. Navy disagreed that strategic benefits need to be more clearly demonstrated. Navy noted that the concept and its principles, which were developed in consonance with the Navy's maritime strategy, evolved over a decade of continuous operational assessment of capability and threats of potential adversaries by various elements of the Navy command structure. GAO believes that information on the basis for the strategic homeporting plan has now become available to the Congress through the budget review and hearing process and by GAO. Concerns still exist as to the degree to which benefits of the homeporting

EXECUTIVE SUMMARY

plan will be achieved. GAO believes that the fundamental question is whether the benefits are worth the additional costs.

The Navy also said GAO's draft report did not acknowledge information in the Navy's November 1985 military necessity/cost effectiveness study. GAO's report now fully recognizes the Navy's November 1985 study and the Navy's April 1986 analysis of operations and maintenance and procurement costs. GAO believes that the cost studies, although not complete, are positive steps in that they provide the Congress with the type of information it needs for decisionmaking.

Chapter 2: Navy Strategic Rationale for New Homeports

CONCLUSIONS

The Navy's strategic homeporting plan is based on five strategic principles related to force dispersal, battlegroup integrity, industrial base utilization, logistics suitability, and geographical considerations. Based on our review of Navy documents and discussions with officials from the Naval Intelligence Command and various other Navy offices, benefits will be achieved, however, there are concerns about the degree that they will be realized. We believe that the fundamental question is whether the benefits are worth the additional costs.

AGENCY COMMENTS AND OUR EVALUATION

On April 4, 1986, the Department of Defense (DOD) transmitted the Navy's official written comments on a draft of this report. (See app. I.) The Navy disagreed that strategic benefits need to be more clearly demonstrated through a definitive analysis. The Navy noted that the concept and its principles, which were developed in consonance with the Navy's maritime strategy, evolved over a decade of continuous operational assessment of capabilities and threats of potential adversaries by various elements of the Navy command structure.

The Congress has expressed a strong interest in having additional information about the basis for the Navy's strategic homeporting plan and any major concerns associated with its rationale. Our review was intended to help satisfy this interest. The congressional budget review and hearing process is satisfying the intent of the suggestion made in our draft report, therefore, we are making no recommendations in our final report. In this regard, hearings were held before the House and Senate Armed Services Committees in February and April 1986, respectively.

Chapter 3: Total Budgetary Impact of Navy's Strategic Homeporting Plan Is Not Clear

CONCLUSIONS

The Navy's cost estimates for its strategic homeporting plan are evolving and its November 1985 and April 1986 costs/alternatives studies are a step in the right direction. We believe, however, that the latest Navy estimates understate the cost to establish new homeports. The \$799 million figure for initial operating capability at the new homeports does not include all identified costs. Specifically, family housing requirements, nonappropriated fund construction, and operations and maintenance and outfitting costs are not included in this figure.

The Navy has testified that the IOC estimate provides for a rather austere program. For the most part, projects that support the quality of life in the workplace and living areas are not provided in the IOC program. Also, facilities that appear to be essential to base operations such as a radar tower and headquarters building are omitted. These items are included in the Navy's more costly enhanced program. We believe that the Navy's enhanced program, though not necessarily complete, is more representative of the budgetary impact for construction of new homeports. And, to the extent that projects are omitted from the IOC program, the Navy will have to come back to the Congress for additional funds. Enhancements for Staten Island and Everett alone are estimated to cost \$222 million over the IOC estimate. The enhanced programs for the gulf coast and west coast homeports have not been prepared.

Additionally, the Navy's estimates do not reflect the budgetary impact of its homeporting decision on federal impact aid and economic and community development programs. Although difficult to quantify, federal funding in support of off base state/local capital and infrastructure improvements, and school construction and operating costs could have a substantial budgetary impact.

AGENCY COMMENTS AND OUR EVALUATION

The essence of the Navy's comments on our draft report is that the report did not acknowledge information in the Navy's November 1985 military necessity/cost effectiveness study. The Navy reaffirmed its position that an IOC can be accomplished at all of the new homeports for \$799 million in military construction costs.

Our report now fully recognizes the Navy's November 1985 study. We believe that the cost of building new homeports as shown in the Navy's study does not reflect the total budgetary impact of the homeporting plan. Further, we believe that there likely will be future requests for additional funds for the new homeports since the \$799 million IOC estimate does not provide for all facilities for the ultimate development of the ports.

Chapter 4: Comparisons Between New and Existing Homeports

CONCLUSIONS

The most recent Navy studies show that it is less costly to accommodate the battlegroups at existing homeports than to establish new homeports for Staten Island and Everett. Our analysis showed that the studies have understated the cost differences by overstating the cost to expand existing ports and understating the cost of establishing new ports.

We believe the Congress needs to be aware of the total budgetary impact of the Navy's strategic homeporting plan. This is particularly important, given the prospect for defense budgets with little real growth and the over \$1.8 billion in military construction deficiencies at existing homeports that will have to compete for funds with the Navy's strategic homeporting plan. There will also be additional recurring costs that the Navy has determined will be required to operate and maintain the new homeports as well as existing homeports.

AGENCY COMMENTS AND OUR EVALUATION

In its comments on a draft of this report, the Navy said that we did not acknowledge the November 1985 study which compares cost estimates for new homeports with those for expanding existing homeports. Our final report fully acknowledges the information in the Navy's November 1985 military necessity/cost effectiveness study.

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

STEVE COWPER
GOVERNOR

NEWS RELEASE



FOR INFORMATION CONTACT
David Ramsour
Press Secretary

Laury Roberts Scandling
Deputy Press Secretary

Office of the Governor
Box A, Juneau, AK 99811

Bus. Phone (907) 485 3500

FOR IMMEDIATE RELEASE
Feb. 1, 1988
No. 88-14

COWPER PRAISES HOME-PORTING ANNOUNCEMENT

JUNEAU--Gov. Steve Cowper welcomed today's announcement from Washington, D.C. that the U.S. Navy is considering home-porting two cruisers in Alaska within the next 18 months to two years.

The Governor was notified this morning that the federal government has allocated \$2.5 million to conduct an environmental impact statement regarding the basing of the two vessels in Alaska. No decision has been made about the port where the ships will be based.

"This is good news for Alaska," Cowper said. "For months, my office has been working for a decision like this with our congressional delegation, legislators and key state agencies, especially Gen. John Schaeffer of the Department of Military Affairs. This shows that cooperation can yield quick and satisfactory results.

"My administration is prepared to lend whatever support is necessary to prove to the Navy that Alaska is an important and suitable base for its ships. Alaska enjoys a long tradition of friendly relations with the military and I extend our good neighbor policy to these two ships."

-MORE-

Each of the cruisers is 529 feet long, weighs 9,500 tons and is staffed by 450 sailors. Home-porting the ships in Alaska could require 800-1,000 housing units.

Cowper said the state is reviewing the capital improvements that may be necessary to port the ships.

Sponsored by: Gieseler

CITY OF SEWARD, ALASKA
RESOLUTION NO. 88-013

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SEWARD, ALASKA, ENDORSING THE STATE SENATE PROPOSAL
TO HOMEPORT U.S. NAVY VESSELS IN THE STATE OF ALASKA

WHEREAS, the Alaska State Senate is developing a proposal for the homeporting of U. S. Navy vessels in Alaska; and

WHEREAS, Alaska coastal communities and the state of Alaska will benefit economically from the homeporting of Navy vessels here; and

WHEREAS, an influx of federal dollars through Navy payroll and provisioning will have a stabilizing effect on the state's economy; and

WHEREAS, Alaskan waters will provide a strategic location for the U. S. Navy;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, that:

Section 1. The city of Seward endorses the Alaska State Senate's proposal to homeport U. S. Navy vessels in the state of Alaska.

Section 2. The city of Seward urges our congressional delegation to work with the state of Alaska and the appropriate federal agencies to homeport an element of the U. S. Navy in the state of Alaska.

Section 3. Copies of this resolution shall be forwarded to the Honorable Senators Stevens and Murkowski; the Honorable Representative Young; the Honorable State Senators, Faiks, Kerttula, Halford and Szymanski; the Honorable State Representative Cato; and the Honorable Governor Cowper.

Section 4. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, this 25th day of January, 1988.

CITY OF SEWARD, ALASKA
RESOLUTION NO. 88-013

THE CITY OF SEWARD, ALASKA



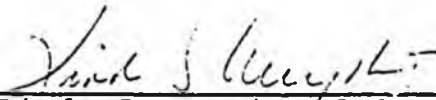
HARRY E. GIESELER, MAYOR

AYES: DUNHAM, GIESELER, HILTON, MEEHAN, NOLL & SIMUTIS
NOES: NONE
ABSENT: O'BRIEN
ABSTAIN: NONE

ATTEST:

APPROVED AS TO FORM:

HUGHES, THORSNESS, GANTZ,
POWELL & BRUNDIN, Attorneys
for the City of Seward, AK



Linda S. Murphy, CMC
City Clerk

Fred B. Arvidson
City Attorney

(City Seal)

THOMAS B. HAYWARD ASSOCIATES, INC.

Executive Consultants

NATIONAL SECURITY AFFAIRS PACIFIC BASIN-EAST ASIA

PRESIDENT

February 4, 1986

The Honorable Strom Thurmond
United States Senator
Chairman, Subcommittee on Military
Construction Committee on Armed Services
Hart Senate Building
Washington, D.C. 20510

Dear Senator Thurmond:

Thank you for your letter of January 21, 1986 in which you seek my views on the current homeporting initiative that has been undertaken by the United States Navy.

I am most pleased that the Armed Services Committee is looking carefully at this extensive homeporting initiative to determine its overall viability at a time of significant fiscal constraint on the defense budget.

It is not difficult to understand why the Navy believes a strategic homeporting program makes sense. Wide dispersal of the fleet around the nation obviously provides a certain modicum of decreased vulnerability. However, there surely are many reasons to question the concept these days. With your usual perception, you have focused accurately on the substantive issues related to (1) ships' vulnerability, (2) battle group integrity, (3) proximity to operating areas, (4) base overcrowding and (5) exploiting the industrial base. I would add one other: effect on personnel. I refer specifically to the numerous detrimental aspects which such wide dispersal to new bases will have on most military personnel, especially the career oriented family navy person.

I am assuming that your Committee is examining the important, if not critical, issue of the added dollar costs, costs which are not trivial in any era - certainly not the present.

Thank you for informing me of the investigation plans of the Senate Armed Services Subcommittee under your leadership. I wish you well in this important work.

With high regard,

Tom Hayward
Thomas B. Hayward

TBH:aa

STEPHEN J. SOLARZ
13th DISTRICT, NEW YORK

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CHAIRMAN, SUBCOMMITTEE ON ASIAN
AND PACIFIC AFFAIRS

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Congress of the United States
House of Representatives
Washington, DC

June 4, 1986

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The Honorable Les Aspin
Chairman, Committee on Armed Services
2120 Rayburn H.O.B.
INSIDE MAIL

Dear Les:

As members of the New York City Congressional delegation we have carefully listened to concerns on both sides of the homeporting issue. While we have always believed that New York should get its fair share of the defense budget, as well as shoulder its fair share of the national defense burden, we believe that we must question the desirability and need of this program at the current time.

In our judgment the strategic rationale for homeporting remains undemonstrated while the cost is demonstrably high. The General Accounting Office (GAO) reports, for example, that construction of the Stapleton and Everett bases alone may exceed \$1 billion. Operation and maintenance costs for all the new bases could reach \$300 million per year over what the expense would be to berth the ships at existing ports, according to estimates by professional staff members of the Senate Armed Services Committee.


Senator Barry Goldwater, the Chairman of the Armed Services Committee and one of the most respected members in Congress on military affairs, in a letter to Secretary of Defense Caspar Weinberger, called homeporting "pure and unadulterated politics." Whether this characterization is apt or whether homeporting is simply an unnecessary but expensive program, we urge the House not to authorize funds for it in its FY 1987 budget.

In view of these higher costs, we believe we must question the wisdom of this program at the current time. We find it hard to understand how we can justify spending these sums of money on a program like homeporting, when defense spending itself is being constrained and when funds are being substantially reduced for vital domestic programs.

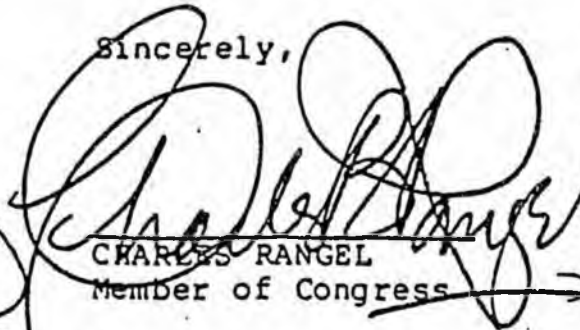
We want to stress that we believe the question at hand is not simply whether New York should have a homeport, but whether the national homeporting plan is appropriate for the nation at this time of severe budgetary restraints. We believe there is no justification for expenditures of this magnitude for programs that do not really add to the national security, but which do drain resources from other programs that are more essential in terms of the long-range security of the nation.

We would hope, therefore, that you would support efforts to terminate funding for the homeporting program from the Defense Authorization bill and see that these resources are more productively utilized.

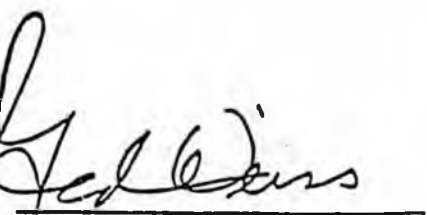
Sincerely,



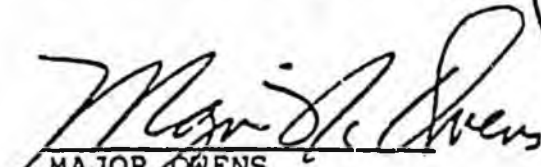
STEPHEN J. SOLARZ
Member of Congress



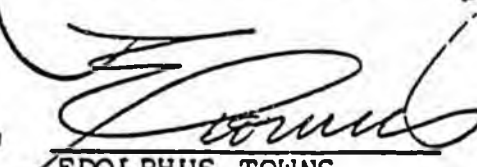
CHARLES RANGEL
Member of Congress



TED WEISS
Member of Congress



MAJOR OWENS
Member of Congress



EDOLPHUS TOWNS
Member of Congress

August 6, 1986

CONGRESSIONAL RECORD — SENATE

S 10583

that it is quite possible—and indeed this is supported by Soviet literature—that there could be a confrontation between the superpowers, a period of rising tensions and a conventional exchange.

□ 2100

Our naval brass argues that in that kind of scenario our naval forces would be more secure if dispersed and the job of our adversary more complicated in terms of mining, interdiction and the interception of our ships as they go to deep waters.

There is some credibility to that argument. But is that a likely scenario? I think not. Navy officials themselves have indicated that a conventional threat is relatively low. If the threat is low, it is difficult for me to see the gain of dispersing this fleet. Certainly it is not compulsive.

In fact, I would suggest to my colleagues that dispersing our naval forces may very well reduce ship survivability. For example, these proposed new home ports are open commercial ports, and they freely welcome all the shipping in the world. Not so in Hampton Roads and San Diego. As a condition for maintaining a fleet presence in those ports we have closed our ports to Eastern bloc shipping because it represents a very clear danger to those naval forces.

I remember many years ago being petitioned by the chamber of commerce in Hampton Roads area saying no other ports have to live with that kind of limitation and loss of economic opportunities. Let us open it up, our port they argued. Well, Congressman BILL WHITEHURST, a senior member of the House Armed Services Committee and I received an in-depth Navy briefing on the threat posed by Eastern bloc shipping to our naval forces. It is a very real one. And that real threat will now exist in all these new home ports that are open to the commercial shipping of the Eastern bloc and the Soviet Union. Surveillance, sabotage, mining, and other risks will be imposed. Mr. President, strategic homeporting does not make our forces more secure; this program will make our naval ships and personnel more vulnerable.

Let me address one other argument.

It is argued that the dispersal of our naval forces will in some way aid our industrial base and add to our ship repair capability. This argument for strategic homeporting simply defies all logic. Existing home ports and private shipyards have more than adequate ship repair capability to meet the Navy's demands. There is no reason to increase ship repair capability in new home port areas when existing yards—like the outstanding shipyards in Hampton Roads—can meet those needs and need the work. Our industrial base will be maintained, Mr. President, by building more ships, not by spreading around an inadequate

amount of work to additional shipyards.

Let me bring all of this to a close by simply saying that I cannot support the homeporting proposal. Not only is the cost of strategic homeporting unacceptably high, but it yields operational improvements of a marginal value. Our scarce and valuable taxpayer dollars should be spent for other more pressing national requirements.

I urge the adoption of this amendment.

Mr. PELL and Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I rise to support this amendment. I want to speak very, very briefly as to why.

Mr. President, tonight we have heard from Colonel GLENN, or Senator GLENN, a man who has been trained as a fighter pilot, as a fighter, as an officer by the Marine Corps. He knows what he is talking about. We have also heard from Senator DENTON, who is trained in military at the Naval Academy. He has had a distinguished war record of which we are all very proud.

So when I eliminate Senator GLENN, who is voting with me on this amendment, it is very difficult for me to stand up and oppose so many of my friends. I think of Senator WARNER, Senator CRAVER, Senator STENNIS, one of my oldest friends in this body, and it is not easy to take this position. But it would be very difficult for me to live with my conscience if I voted any other way tonight.

A number of months ago I made the statement that this is one of the biggest political boondoggles I ever heard of. I used the word "boondoggle." It has been referred to tonight in some other way. But it all adds up to the same thing.

We have 13 States, Mr. President, that are indebted to the Secretary of the Navy. That is 28 votes for anything that the Secretary of the Navy happens to want. I think it was a brilliant political idea, probably one of the best that we are ever going to be confronted with while we are in the U.S. Senate. We have had the fact driven home to us that there has been no opposition from the Navy admirals. Who expects a Navy admiral to complain? Would an Air Force officer complain if this were an Air Force matter or an Army person complain if it were an Army matter? Lord knows what the Marines would do.

Mr. President, this whole thing to me is ludicrous. I think it is a terrific waste of money. I make this prediction. I will not be here to see if it is true or not because I will be out home, and I read the papers. This is going to cost over \$10 billion before you are through fooling around with this homeporting. Somebody might say, "Why didn't you get a home port in Arizona?" [Laughter.]

I thought about it. But we would have to truck them quite a ways. [Laughter.]

Mr. NUNN. If the Senator will yield on that, we are going to try to arrange for the Navy's new tail ship to be stationed in Arizona. We hear you have a lot of wind there.

Mr. GOLDWATER. We have more wind than we know what to do with. In fact, we have a lot of dry air out there, and, in fact the trees chase the dogs. [Laughter.]

So, Mr. President, I am glad all of this debate and this argument and all of that is over. We have spent 5 hours on this helping 13 States, but in particular 2 States. I am particularly opposed in every way, strategy, economics, any way you want to look at it.

I yield the floor.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I rise in opposition to the amendment before us. In my view, the issue before the Senate is not one of funding nor of politics but one of maritime necessity. No one disputes that the \$141 million contained in the defense bill for homeporting will benefit specific localities. Appropriations always help someone.

The important point, though, is that military experts are agreed that dispersing the fleet is a strategic necessity. Some have said that this concept was a fine idea for World War II but has no relevance for the nuclear age. I would say that just the opposite is true. If war should occur, nuclear escalation is possible but not inevitable. This terrible prospect is inversely related to our conventional capabilities and strategic options—the less able we are to fight at a conventional level, the more likely that nuclear escalation will occur. Strategic homeporting, as devised by Secretary Lehman, enhances our conventional posture and flexibility thereby raising the nuclear threshold. Thus no concept could be more relevant to the nuclear age than strategic homeporting. Moreover, in addition to increasing survivability, strategic homeporting will result in decreased sailing time in order to form battle groups, enhancing our flexible response and deterrence and allowing us to prosecute a war more effectively at the conventional level.

I am particularly pleased, Mr. President, to see that the Navy is making the very same arguments today about dispersing the fleet that my senior colleague (Mr. Pastore) and I made 13 years ago when the Navy regrettably, and wrongly, pulled out of the Northeast to concentrate its forces in the ports of Norfolk, Charleston, and Mayport.

I remember at that time 13 years ago making the argument that by withdrawing to southern ports the Navy was increasing the steaming time to the North Sea area from between 12 to 41 hours. Hours are critical at a time when a rapid response is neces-

GAO Disputes Navy's Fleet Dispersal Plan

Benefits Not 'Adequately Demonstrated'

By Michael Weiskopf
Washington Post Staff Writer

The General Accounting Office, in a report expected to fuel congressional controversy, has issued a detailed challenge to the Navy's strategic rationale and cost projections for the new ports the Navy plans to open in eight states.

The GAO found that the Navy's plans to cluster two carrier groups and three battleship groups in new ports could expose them to greater danger at some locations without significantly improving fleet readiness, training or logistics.

The report, which has not been published, said the Navy will have to spend hundreds of millions of dollars more to construct the new ports than the \$799 million it has projected. Considerable savings could be realized, the GAO said, by using existing facilities that have room to grow and already are scheduled for expansion.

Concluding that the Navy has not "adequately demonstrated" the strategic benefits of the new ports, the report urged Congress to demand more detailed analysis before approving funds.

Navy Secretary John F. Lehman Jr. said in an interview that the chief benefit of opening new ports is "self-evident: dispersed targets are less vulnerable." He chided the GAO for exceeding its charter by engaging in naval strategic analysis.

Lehman said that while construction of new ports will be 20 percent costlier than the use of existing facilities, the costs can be justified in enhancing fleet security.

Lehman began opening new ports in 1982 to service refurbished battleships. Bypassing Sun Belt and West Coast ports where the fleet has been concentrated for decades, he chose new facilities at Staten Island, N.Y.; Everett, Wash.; northern California, and the Gulf Coast.

Besides complicating enemy targeting, Lehman has said, fleet dispersal will place ships closer to potential conflict zones and diversify training environments.

Congressional opponents contend that Lehman's port expansion plan is intended to bolster support in Congress for the 600-ship fleet he wants built by 1990. Opponents of Lehman's efforts to disperse the fleet include those from traditional



JOHN F. LEHMAN

... plans new ports in eight states

Navy ports, such as Sen. Strom Thurmond (R-S.C.), who requested the GAO study.

Instead of enhancing security, the GAO said, fleet dispersal could increase the risk of mining and sabotage because most new facilities are planned for ports open to Soviet commercial ships. Many of the Navy's existing ports exclude Soviet vessels, it said.

Lehman said in the interview, however, that all Navy ports are open to Soviet merchant vessels.

Some new ports would place ships closer to potential regions of conflict, the report said, but Gulf Coast vessels would not get to Central America any faster than warships now berthed along the southeast coast. They also would need more time to reach the North Atlantic, the GAO said.

The report said that the new ports are not expected to significantly diversify training environments because the Navy has not indicated plans for new test ranges outside the traditional Caribbean and southern California areas.

The Navy's estimates of \$799 million for construction of the new ports is "understated," the report said, because they include only the costs of basic port construction. The projections do not cover the costs of outfitting and operating the new facilities, it said.

Architectural and engineering studies prepared for the Navy, the GAO said, show that the construction costs of the Staten Island and Everett facilities alone could reach \$838 million.

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JAMES F. BUCHANAN, STAFF DIRECTOR AND CHIEF COUNSEL
ARNDT L. PUNNO, STAFF DIRECTOR FOR THE SENATE

United States Senate

COMMITTEE ON ARMED SERVICES

WASHINGTON, DC 20510

March 7, 1986

The Honorable Caspar Weinberger,
Secretary of Defense
Department of Defense
Washington, D. C. 20301

Dear Cap:

The issue of homeporting for navy ships is soon to come up before the Senate and quite frankly I'm opposed to it.

It seems to me that about half of our fleet is out to sea at all times and there is no reason, in my mind why we have to go to all this expense to prepare harbors and docks for ships where those facilities already exist.

I can tell you that this is pure unadulterated politics and it is an area where we can really save money and I don't want to take any positive action on it in my Committee. I would like to discuss this with you and preferably with you alone because any discussion involving the Secretary of the Navy can produce nothing but political results.

With best wishes,

Barry
Barry Goldwater

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

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Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. FIN MARCH 4, 1988

S. State Affairs February 3, 1988

LEGISLATIVE REPORTING SERVICE (BILL SUMMARY)

U.S. Navy
Homeport
(establishing)

SENATE JOINT RESOLUTION NO. 55, by the Rules Committee by Request of the Governor. Relates to establishing a United State Navy homeport in Alaska (see accompanying letter).

Introduced January 22, 1988 and referred to State Affairs; Finance.

In his message accompanying the resolution, Governor Cowper stated:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a joint resolution on establishing a United States Navy homeport in Alaska.

As the presence of foreign powers in Alaska waters expands, it is particularly appropriate that the state and its communities offer feasible and attractive incentives to homeport Navy operations. Our extraordinary coastline and strategic geographical position for trade and defense makes Alaska a vital region for Naval presence.

Alaska can offer the Navy meaningful and substantive incentives to bring personnel and operations to our shores. I am confident that once those specific options are identified we can secure Navy presence. Such participation will bring great benefits to our economy.

I welcome your support of this resolution which officially invites the Navy to station personnel, vessels and support services in Alaska.

U. S. Navy
Homeport
(establishing)

SENATE JOINT RESOLUTION NO. 55, (see page 974). Reported back to the Senate February 4, 1988 by State Affairs recommending it be replaced with a State Affairs substitute and as follows: Abood (Chair) and Uehling recommend it do pass; Josephson and Fanning had no recommendation. To Finance.

The State Affairs substitute adds language stating Alaska is willing to expend at least \$100 million to develop infrastructure and capital improvements necessary for the establishment of a major, long-term Navy homeport in Alaska (the original version said Alaska was willing to work cooperatively to develop infrastructure necessary for the establishment of a Navy homeport in Alaska).

U.S. Navy
Homeport
(establishing)

SENATE JOINT RESOLUTION NO. 55, (see pages 974;1055). Reported back to the Senate February 9 by Finance recommending it be replaced with a Finance substitute and that it do pass. Concurring: Halford and Binkley (Co-Chairs), Duncan, Uehling, and Zharoff. Not concurring: Hensley had no recommendation. To Rules.

The Finance substitute resolves that the Governor and State Legislature urge the U.S. Navy to "consider establishing a homeport at one or more Alaskan communities." The former version would have the Governor and Legislature urge the Navy to "consider establishing a homeport at a community on the coast of Alaska."

U.S. Navy
Homeport:
(establishing)

CS SENATE JOINT RESOLUTION NO. 55 (FIN), (see pages 974;
1055;1097). On February 17, 1988 the Finance substitute was
adopted. The following letter of intent was adopted:

In expressing a willingness "to invest at least \$100,000,000 to develop infrastructure and capital improvements necessary for the establishment of a major, long-term Navy homeport in Alaska," it is the intent of the Senate that any such investment, including any appropriation of public funds, will be authorized or made only after the completion of cost-benefit analyses demonstrating net benefits from specific proposed developments or improvements, after considering relevant economic, social and environmental factors.

The resolution then passed the Senate, 18-0-1-1. Excused:
Fahrenkamp. Absent: Eliason.

U.S. Navy
Homeport
(establishing)

CS SENATE JOINT RESOLUTION NO. 55 (FIN), (see pages 974;
1055;1097 & Senate action, this report). Received in the
House February 19, 1988 and referred to Finance.