

HJR

63

(7)

Date Referred: March 13, 1992

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

Date of Committee Action: 4/6/92

The STATE AFFAIRS Committee considered:

HJR 63

HOUSE JOINT RESOLUTION NO. 63

SUPPORT MILITARY AT FORT RICHARDSON

Supporting the continuation of the current military presence at Fort Richardson in Alaska.

RECOMMENDATIONS:

be replaced with C.S. HJR 63 (STA) the same title

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) MILITARY AFFAIRS-LAA 3/13/92

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Tommy S. ...</i>	X	<i>Eugene A. Kubera</i>			
<i>David ...</i>	✓				
<i>E. ...</i>					
<i>James ...</i>	✓				
<i>Mike Miller</i>	✓				

Eugene A. Kubera
CHAIRMAN'S SIGNATURE



Member

House Finance Committee

Alaska State Legislature

Randy Phillips

State Representative
House District 15

Session

State Capitol
Juneau, AK 99801
(907) 465-4949

Interim

P.O. Box 142
Eagle River AK 99577
(907) 694-4949

Memorandum

TO: Representative Gene Kubina
House State Affairs Committee

FROM: Representative Randy Phillips *RCP*

DATE: March 23, 1992

RE: Sponsor Statement in Support of:
C S. House Joint Resolution No. 63 (MLV)
Supporting the continuation of at least the current level of
military presence at Fort Richardson Army Post and
Elmendorf Air Force Base in Alaska.

Fort Richardson Army Post and Elmendorf Air Force Base have long been an integral part of the economic and social fabric of the Anchorage area.

The soldiers, airmen, their immediate families, military retirees and civilian employees of Fort Richardson Army Post and Elmendorf Air Force Base account for over 25,000 of the citizens living in the Anchorage area. In addition to those persons directly employed at Fort Richardson Army Post and Elmendorf Air Force Base, thousands of other Alaskans earn their living in private businesses that are supported by Fort Richardson Army Post and Elmendorf Air Force Base personnel and military spending.

Not only are Fort Richardson and Elmendorf Air Force Base economically important to Alaska, they are also located in one of the most strategically important locations on U.S. soil. Alaska is located at a crossroads. Soldiers stationed at Fort Richardson and Elmendorf Air Force Base can be quickly deployed to trouble spots in Europe, Asia and the Pacific Rim. As the U.S. military withdraws from bases in the Phillipines, South Korea, Europe and other areas throughout the world, Fort Richardson and

Elmendorf Air Force Base become increasingly important to national security. At this time, when President Bush has promised to cut defense spending by \$50 billion over the next few years, it is imperative that the remaining defense spending be allocated to those areas where it can be most effective both from an economic standpoint and a defense standpoint. Fort Richardson and Elmendorf Air Force Base are two of those places.

If you have any questions or comments do not hesitate to call me at 4949. Your cooperation is appreciated.

IMPACT OF MILITARY SPENDING ON THE ECONOMY OF ALASKA



PREPARED BY:

**DCS/COMPTROLLER
HEADQUARTERS ALASKAN AIR COMMAND
ELMENDORF AIR FORCE BASE ALASKA**

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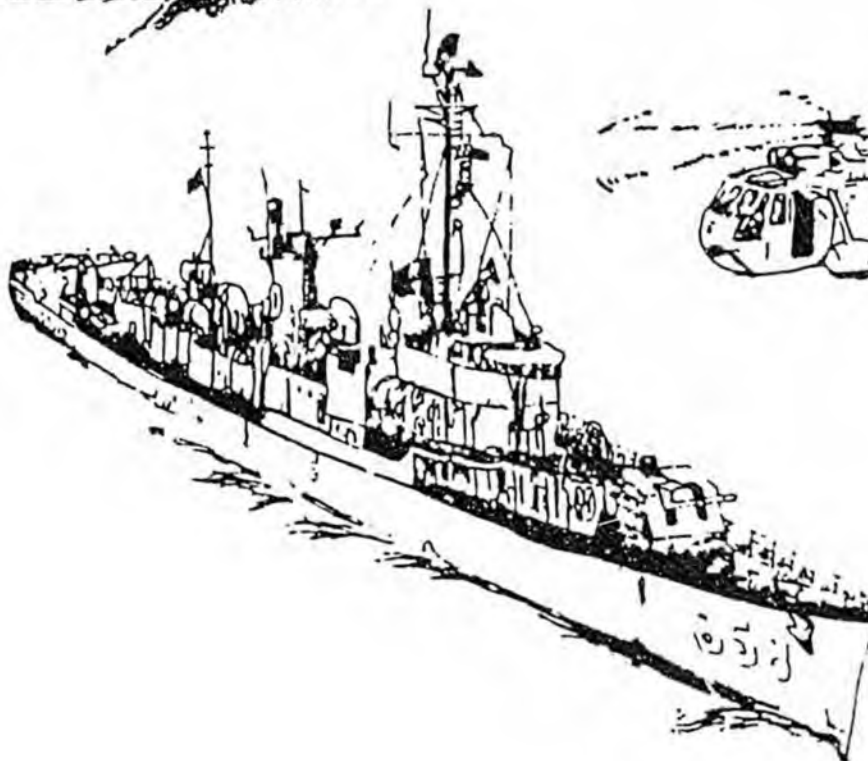
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MILITARY ORGANIZATIONS



MILITARY ORGANIZATIONS

AIR FORCE

The Air Force is the largest of the military services in the state and serves as the senior military organization. The Alaskan Air Command (AAC), with headquarters at Elmendorf Air Force Base, is the largest component in Alaska and provides support to all other Air Force units in the state. AAC's largest subordinate units are the 21st Tactical Fighter Wing at Elmendorf Air Force Base and the 343rd Tactical Fighter Wing at Eielson Air Force Base. Other units are the 5073rd Air Base Group at Shemya Air Force Base, the 5072nd Combat Support Squadron at Galena Airport, the 5071st Combat Support Squadron at King Salmon Airport, and the thirteen long range radar stations located throughout the state. AAC provides combat-ready air forces to preserve the sovereignty of United States' lands, waters, and air space.



Other major Air Force components in Alaska include the Strategic Air Command with its KC-135 tanker fleet and other activities, the Military Airlift Command with its fleet of C-130 Hercules cargo aircraft and the Air Weather Service, the Tactical Air Command with its E-3 Airborne Warning and Control System (AWACS) aircraft at Elmendorf Air Force Base and radar installations along the northern seacoast, the Air Force Space Command performing missile warning and space surveillance, the Air Force Communications Command providing major communications networks throughout the state, and the Electronic Security Command.

ARMY



The principal Army unit in the state is the the 6th Infantry Division (Light) and United States Army Garrison, Alaska, which has its headquarters at Fort Richardson. The division's mission is to defend Alaska, to include providing initial defense of the Aleutians, and to be prepared to deploy rapidly anywhere in support of United States' national interest and objectives. The major subordinate units of the division include the 1st Brigade at Fort Richardson, 2nd Brigade at Fort Wainwright, and the 6th Combat Aviation Brigade with aircraft at both forts. The Division Support Command provides support to divisional elements at both posts. A United States Army Reserve "roundout" force, the 205th Light Infantry Brigade (Separate), is headquartered at Fort Snelling, Minnesota, and serves as the division's third infantry brigade.

Garrison elements are stationed at both forts as well as at Fort Greely, near Delta Junction, which is also home to the Northern Warfare Training Center and the Cold Regions Test Center, both tenant agencies. Other tenant organizations include the United States Army Health Service Command with its medical and dental facilities at all three posts, the United States Army Information Systems Command headquartered at Fort Richardson, and the Cold Regions Research and Engineering Laboratory at Fort Wainwright. The division provides advisory assistance to Alaska Army National Guard units throughout the state and commands the state's Reserve forces; specifically the 813th Engineering Battalion and the 1984th General Hospital Unit.

MILITARY ORGANIZATIONS

NATIONAL GUARD

Headquarters for the State Adjutant General, the Army National Guard, and the Air National Guard are located in Anchorage; and principal subordinate units are in Anchorage, Nome, Kotzebue, Bethel, and Juneau. The "Guard" has both state and federal responsibilities. During peacetime, the Guard trains and maintains a force which is frequently called upon to assist in natural disasters. It can be called upon to preserve peace and order and is integrated into the federal military establishment in time of war.



COAST GUARD

The 17th Coast Guard District encompasses the entire state of Alaska or 33,000 miles of coastline—more than all other states combined. As the nation's smallest military service, the United States Coast Guard performs its many missions in Alaska with 2,300 military and civilian employees at 39 units. District headquarters is located in Juneau, and the largest Coast Guard base and air station in the country is located at the former Navy base in Kodiak. Major responsibilities in Alaska include enforcing the 200-mile fisheries conservation zone where the majority of the fish caught are sold to foreign countries. Search and rescue in the often harsh climate of Alaska is another major task performed by Coast Guard units. The service maintains aids to navigation including LORAN C radio beacons, lighthouses, and buoys; and ensures the safety of shipping and the marine environment as required by law. Military readiness responsibilities increased with the appointment of the District Commander as Maritime Defense Zone, Sector Alaska Commander.



MILITARY ORGANIZATIONS

NAVY/MARINE CORPS

The Navy and Marine Corps have commands and detachments located in Anchorage and on Adak Island, in the Aleutians. Commands located in Anchorage include the Naval Security Group Activity; Military Sealift Command Office; Naval Reserve Center; Personnel Support Detachment, Company E, 4th Recon Battalion, 4th Marine Division; as well as several other small detachments. Naval Air Station Adak is host command for many organizations including the Naval Security Group Activity; Naval Facility; Naval Investigative Service Office; Naval Electronics Center Detachment; Company I, Marine Support Battalion; and Marine Corps Barracks. The Marine Corps Barracks provides security forces for the United States Naval Station Adak, Alaska, and assists in the training and supervision of, as well as providing the nucleus for, a joint ground defense force.



ARMY CORPS OF ENGINEERS

The Alaska District Corps of Engineers (COE) has both a military and civil works mission in the 49th state. The Alaska District COE plans and designs military structures, runways and roads, utilities, and other facilities for the Army, the Alaskan Air Command, and the Alaska National Guard (Army and Air Force). Among its civil works responsibilities are engineering and design of flood control projects, erosion control measures along streams, protection of navigable waterways from obstruction, and regulation of the discharge of dredged and fill material to prevent water pollution.



**US Army Corps
of Engineers**

MILITARY ORGANIZATIONS

CANADIAN FORCES

The two Canadian Forces (CF) detachments in Alaska provide personnel in support of the North American Aerospace Defense Command (NORAD) mission. Twenty-nine of these personnel are stationed at Elmendorf Air Force Base performing duties with either the Alaskan NORAD Region or 962nd Airborne Warning and Control Squadron (AWACS). Three CF personnel perform operational duties with 13th Missile Warning Squadron at the Clear Air Force Station Ballistic Missile Early Warning system site. Except for a small administrative overhead, all CF personnel are fully integrated into United States Air Force units.



INSTALLATIONS

Manned installations of the Department of Defense and the United States Coast Guard are established at more than 30 locations throughout the state. These include large bases employing several thousand people and numerous outposts with fewer than 100 people. In addition, a large number of installations such as radio relay sites are not manned on a regular basis. Due to limited housing at most remote locations, assigned personnel are not accompanied by their families.

The following table and map illustrate the primary military installations located within each of Alaska's nine geographic regions. These regions coincide with the regions used by the University of Alaska's Institute of Social and Economic Research in their economic research publication.

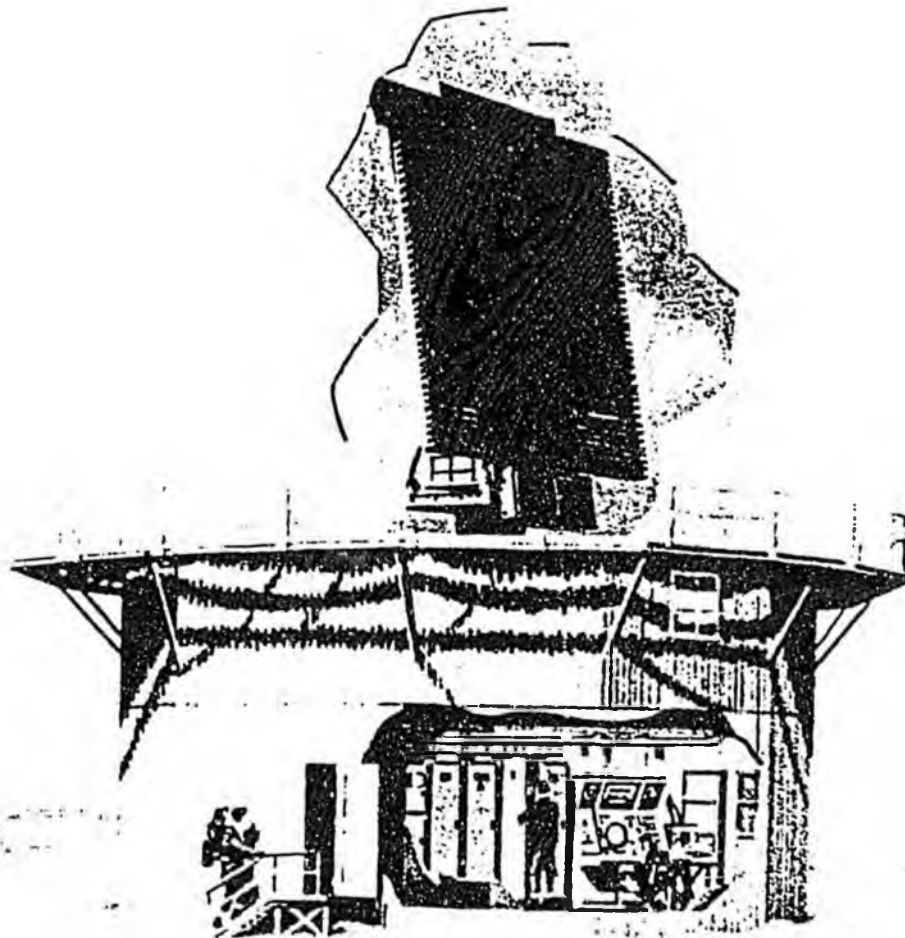


Table 1

MILITARY INSTALLATIONS BY REGION

I. NORTH SLOPE

Air Force Stations:
Cape Lisburne
Distant Early Warning Sites:
Point Lay
Wainwright
Barrow
Lonely
Oliktok
Barter Island

II. NORTHWEST

Air Force Stations:
Kotzebue
Tin City
Army National Guard:
Nome
Kotzebue

III. SOUTHWEST

Air Force Stations:
Cape Newenham
Cape Romanzof
Cold Bay
King Salmon
Sparrevohn
Tatalina
Shemya Air Force Base
Army National Guard:
Bethel
Coast Guard LORAN:
Attu
St. Paul Island
Naval Installations Adak:
Navel Air Station
Naval Security Group Activity
Naval Facility

IV. SOUTHEAST

Army National Guard:
Ketchikan
Sitka
Coast Guard LORAN Station:
Shoal Cove
Marine Safety Detachments:
Ketchikan
Sitka

Coast Guard Units:
Air Station-Sitka
Group/Base Ketchikan
Coast Guard Cutters:
Planetree
Woodrush
Elderberry
Cape Carter
Naushon
Cape Hattaras

V. SOUTHCENTRAL

Coast Guard LORAN Station:
Narrow Cape
Marine Safety Office:
Valdez
Marine Safety Detachments:
Kenai
Kodiak
Coast Guard Units:
Air Station Kodiak
Support Center Kodiak
Communications Station
Kodiak
Coast Guard Cutters:
Firebush
Ironwood
Sedge
Sweetbrier
Cape Jellison
Yocona
Storis
Mustang
Army National Guard:
Kodiak
Kenai
Wasilla
Coast Guard Aviation Support:
Cordova

VI. ANCHORAGE

Air Force Base:
Elmendorf
Air National Guard:
Kulis
Army Corps of Engineers:
District Office Elmendorf AFB

Army Post:
Fort Richardson
Army National Guard:
Camp Carroll
Other Armories and
Support Facilities
Army Reserve:
Fort Richardson
Coast Guard Units:
Marine Safety Office
Caption of the Port
Recruiting Office
Naval Security Group:
Elmendorf AFB
Naval Reserve Facility

VII. INTERIOR

Air Force Stations:
Clear
Fort Yukon
Galena
Indian Mountain
Murphy Dome
Coast Guard LORAN:
Tok

VIII. FAIRBANKS

Air Force Base:
Eielson
Army Posts:
Fort Greely
Fort Wainwright
Army National Guard:
Fairbanks Armory
Army Reserve:
Fairbanks

IX. JUNEAU

Army National Guard
Coast Guard:
17th District Office
Recruiting Office
Marine Safety Office

PRIMARY MILITARY INSTALLATIONS IN ALASKA



Figure 1

POPULATION

Population figures include active duty military personnel, part-time Guard and Reserve personnel, Civil Service employees, Nonappropriated Fund (NAF) and Exchange personnel, retired personnel, and dependents. The total full-time military related population (dependents included) is 82,668 or 15 percent of the estimated Alaska population of 537,080 people. Adding part-time Guard and Reserve members and retirees brings the total military related population to 96,400 or 18 percent of the state population.

Table 2

MILITARY SERVICES POPULATION IN ALASKA

AS OF SEPTEMBER 1987

ACTIVE DUTY

	<u>MILITARY</u>	<u>CIVIL SERVICE</u>	<u>NAF/EXCH</u>	<u>DEPENDENTS</u>	<u>TOTAL</u>
AIR FORCE	11,382	1,827	1,331	20,527	35,067
ARMY	9,053	2,506	785	18,649	30,993
NAVY	2,444	187	325	2,530	5,486
MARINE CORPS	187	-	10	79	276
NATIONAL GUARD	395	523	-	2,007	2,925
COAST GUARD	2,023	251	56	3,351	5,681
CORPS OF ENGRS	26	593	-	1,544	2,163
CANADIAN FORCES	<u>32</u>	<u>-</u>	<u>-</u>	<u>45</u>	<u>77</u>
TOTAL	25,542	5,887	2,507	48,732	82,668

PART-TIME GUARD AND RESERVE

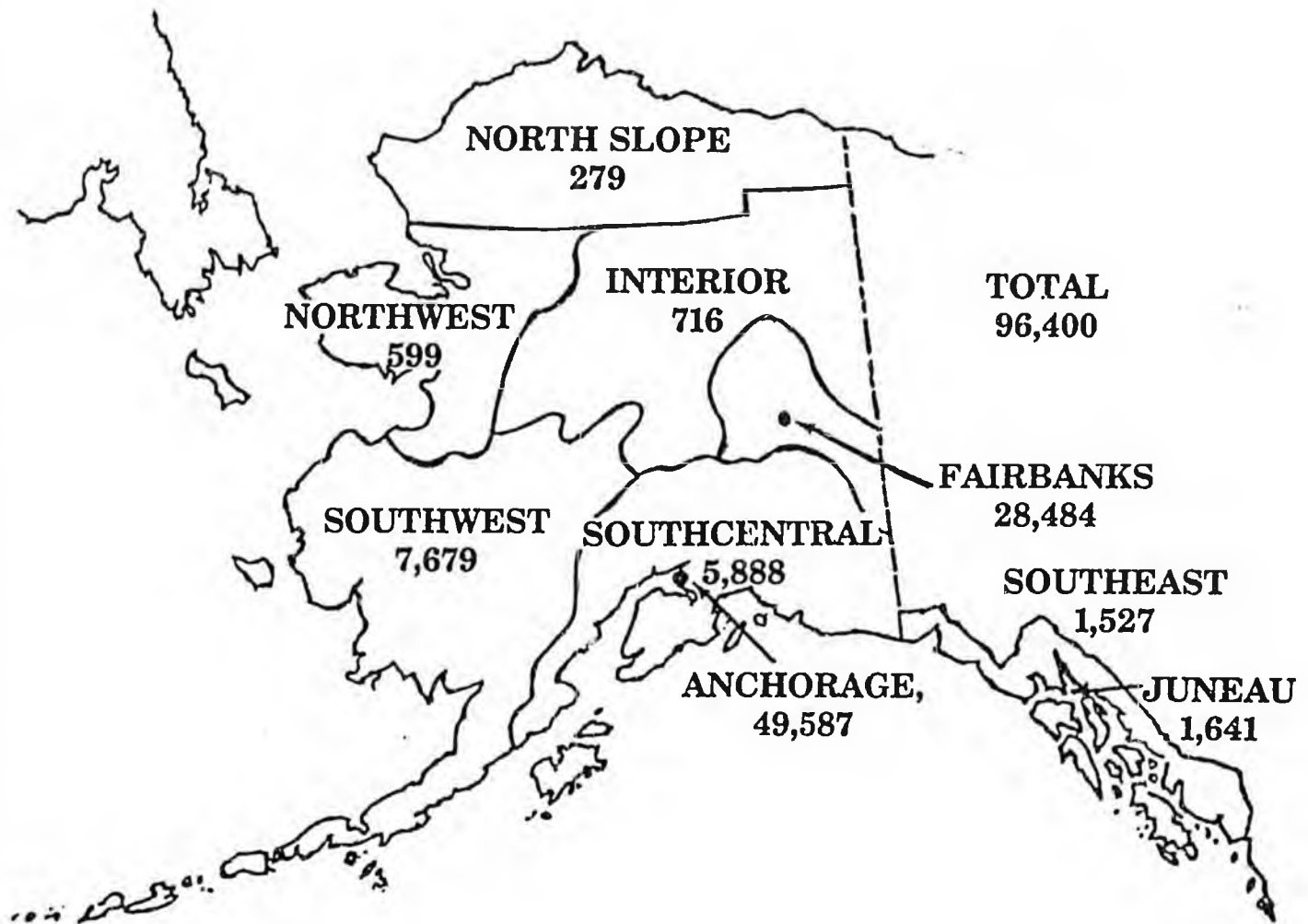
NATIONAL GUARD	3,560	-	-	-	3,560
RESERVES	<u>541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>541</u>
TOTAL	4,101				4,101

RETIRED (ALL SERVICES)

TOTAL RETIRED	<u>5,093</u>	<u>4,538</u>	<u>-</u>	<u>-</u>	<u>9,631</u>
TOTAL POPULATION	34,736	10,425	2,507	48,732	96,400

POPULATION BY REGION

Figure 2



MILITARY LABOR FORCE

The Army and Air Force represent approximately 79 percent of the total military labor force and 11 percent of the state's total estimated labor force of 245,000 people.

Table 3

MILITARY LABOR FORCE AND EMPLOYMENT

AS OF SEPTEMBER 1987

	<u>MILITARY</u>	<u>CIVIL SERVICE</u>	<u>NAF/EXCHANGE</u>	<u>TOTAL</u>
AIR FORCE	11,382	1,827	1,331	14,540
ARMY	9,053	2,506	785	12,344
NAVY	2,444	187	325	2,956
MARINE CORPS	187	-	10	197
NATIONAL GUARD	395	523	-	918
COAST GUARD	2,023	251	56	2,330
CORPS OF ENGRS	26	593	-	619
CANADIAN FORCES	<u>32</u>	<u>-</u>	<u>-</u>	<u>32</u>
TOTAL	25,542	5,887	2,507	33,936

The figures exclude 3,560 part-time National Guard and 541 reservists.

Figure 3

MILITARY LABOR FORCE BY REGION



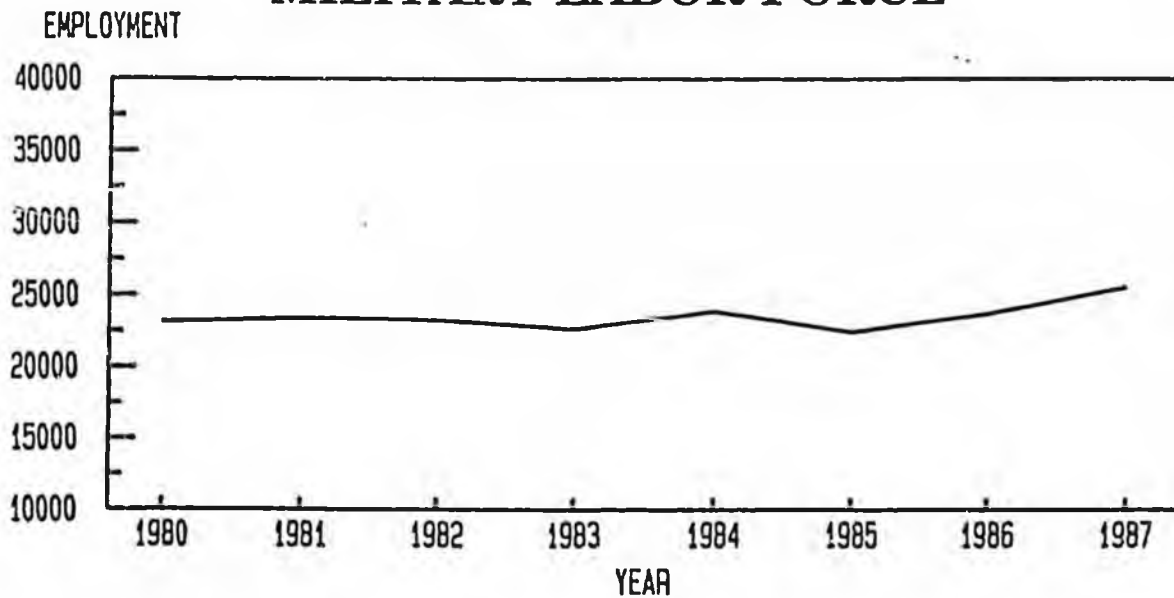
MILITARY LABOR FORCE

The military labor force has a stabilizing influence with minimal annual or seasonal employment fluctuation which characterizes the state's construction, fishing, and mining industries. Since 1980, the trend of the military labor force has been very consistent. However, in 1985, one can see the beginning of an increase in the labor force which is consistent with the recent increased military presence in Alaska.

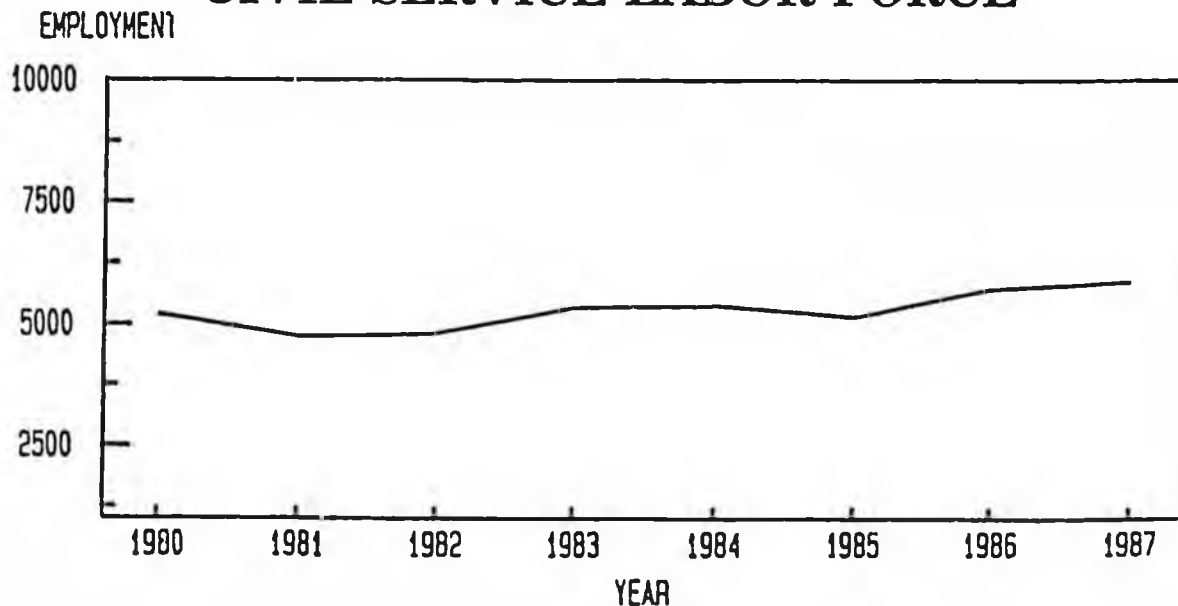
Figure 4

LABOR FORCE HISTORY

MILITARY LABOR FORCE



CIVIL SERVICE LABOR FORCE



ALASKA LABOR FORCE AND EMPLOYMENT

The military services' work force consists of approximately 34,000 people or 14 percent of the state's total work force of 245,000 people. The other federal agencies, and state and municipal governments employed approximately 24 percent.

Table 4

WORK FORCE IN ALASKA SEPTEMBER 1987 ESTIMATE

<u>GOVERNMENT</u>	<u>THOUSANDS</u>	<u>PERCENT</u>
MILITARY	34	14
OTHER FEDERAL GOVT	11	5
STATE	19	8
LOCAL	<u>28</u>	<u>11</u>
SUBTOTAL GOVERNMENT	92	38
 <u>INDUSTRY</u>		
TRADE	44	18
SERVICES	42	17
CONSTRUCTION	14	6
TRANSPORTATION	19	8
MANUFACTURING	15	6
FINANCE, INSURANCE, REAL ESTATE	11	4
MINING	<u>8</u>	<u>3</u>
SUBTOTAL INDUSTRY	<u>153</u>	<u>62</u>
TOTAL LABOR FORCE	245	100

RETIREES

Military and Civil Service retirees make up approximately 10 percent of the total military related population of 96,400 in the state of Alaska. These retirees contribute approximately \$130.4 million in payroll to the economy of Alaska, accounting for 7 percent of the total military related expenditure in Fiscal Year 1987.

Table 5

RETIREES AND PAY BY SERVICE

(\$ millions)

AS OF SEPTEMBER 1987

	<u>NUMBER RETIREES</u>	<u>RETIRED PAY</u>
AIR FORCE	2,765	35.4
ARMY	1,499	19.2
NAVY	428	5.0
MARINE CORPS	72	.7
COAST GUARD	<u>329</u>	<u>5.0</u>
SUBTOTAL SERVICES	5,093	65.3
CIVIL SERVICE	<u>4,538</u>	<u>65.1</u>
TOTAL	9,631	130.4



Figure 5
RETIREE PAY BY REGION
(\$ millions)

WAGES AND SALARIES

These figures include pay for active duty military; part-time Guard and Reserve personnel; and full-time, part-time, and seasonal civilian personnel. The military services earned 13 percent of the state's estimated \$6.0 billion wages and salaries.

Table 6

MILITARY WAGES AND SALARIES BY SERVICE

(\$ millions)

FY87

	<u>MILITARY</u>	<u>CIVIL SERVICE</u>	<u>NAF/EXCHANGE</u>	<u>TOTAL</u>
AIR FORCE	273.5	72.9	17.1	363.5
ARMY	200.4	78.0	10.1	288.5
NAVY	24.2	6.0	3.2	33.4
MARINE CORPS	2.1	-	.2	2.3
NATIONAL GUARD	27.2	22.3	-	49.5
COAST GUARD	38.1	8.9	1.6	48.6
CORPS OF ENGRS	.6	24.3	.3	25.2
CANADIAN FORCES	<u>1.4</u>	<u>-</u>	<u>-</u>	<u>1.4</u>
TOTAL	567.5	212.4	32.5	812.4

Figure 6
WAGES AND SALARIES BY REGION
(\$ millions)



MILITARY EXPENDITURES

The Fiscal Year 1987 expenditures of the military services in Alaska were approximately \$1.9 billion dollars. Spending for pay was 50 percent of the total, 11 percent was spent for construction, 34 percent for operations and maintenance, and 5 percent for other procurement.

The costs of construction and most of the operations and maintenance for the Marines are included in the Navy figures. Military construction performed by the Army Corps of Engineers is credited to the appropriate service. The construction figures represent expenditures for major construction projects. Additional construction expenditures for minor construction, repairs, and alterations are included in operations and maintenance.

Table 7

TOTAL MILITARY EXPENDITURES BY SERVICE

(\$ millions)

FY87

SERVICE	PAY	OPERATIONS &			TOTAL
		CONSTRUCTION	MAINTENANCE	PROCUREMENT	
AIR FORCE	363.5	85.4	283.8	61.0	793.7
ARMY	288.5	54.0	239.0	1.8	583.3
NAVY	33.4	52.1	18.2	25.4	129.1
MARINE CORPS	2.3	-	.1	-	2.4
NATIONAL GUARD	49.5	1.9	27.3	8.0	86.7
COAST GUARD	48.6	11.5	60.4	2.3	122.8
CORPS OF ENGRS	25.2	-	16.4	6.9	48.5
CANADIAN FORCES	<u>1.4</u>	<u>-</u>	<u>.1</u>	<u>-</u>	<u>1.5</u>
TOTAL FOR SERVICES	812.4	204.9	645.3	105.4	1,768.0
RETIREMENT	<u>130.4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130.4</u>
TOTAL EXPENDITURES	942.8	204.9	645.3	105.4	1,898.4

MILITARY EXPENDITURES

While not all of the \$1.9 billion spent impacts on the Alaska economy directly, our research indicates that about 76 percent, or \$1.4 billion, was spent in Alaska contributing to the local economy as shown below.

Table 8

MILITARY EXPENDITURES IN ALASKA

(\$ millions)

FY87

	<u>EXPENDITURES</u>	<u>PERCENTAGES SPENT IN ALASKA</u>	<u>AMOUNT SPENT IN ALASKA</u>
MILITARY & CIVIL SERVICE PAYROLLS	779.9	86	670.7
OPERATIONS & MAINTENANCE	645.3	73	471.0
CONSTRUCTION	204.9	52	106.5
NAF/EXCHANGE PAYROLLS	32.5	95	30.1
OTHER PROCUREMENT	105.4	60	63.2
RETIREMENT	<u>130.4</u>	82	<u>107.0</u>
TOTAL	1,898.4		1,448.5

\$1.4 BILLION SPENT IN ALASKA

“Multiplier” Impact

Economists recognize a compounding phenomenon which is related to large expenditures and have given it the technical name “multiplier.” Simply stated, military funds, salaries, and wages spent in Alaska cause an increase in the Alaska employment which, in turn, increases the spendable income of Alaskans. At some point on the scale of magnitude this significant expenditure begins to generate new money from other sources, and new industry and services are created that facilitate spending the original expenditures.

The University of Alaska’s Institute of Social and Economic Research ran an experiment and calculated a multiplier of 1.8 for Federal Government spending in Alaska. The significance of this figure is that an original expenditure of \$1,898.4 million actually has a \$2.6 billion impact on the Alaska economy.

Figure 7

EFFECT OF THE MULTIPLIER

$$\underline{\$1,448.5 \text{ MILLION} \times 1.8 = \$2.6 \text{ BILLION}}$$

**\$2.6 BILLION
TOTAL ECONOMIC IMPACT**

MILITARY EXPENDITURES FIVE YEAR HISTORY

The following table shows the approximate total military expenditures for Fiscal Years 1983-1987, of which approximately 76 percent is spent in Alaska. Retirement pay was included in this table for the first time in Fiscal Year 1985.

Table 9

MILITARY EXPENDITURES FY83-FY87

(\$ millions)

	<u>FY83</u>	<u>FY84</u>	<u>FY85</u>	<u>FY86</u>	<u>FY87</u>
<u>PRIMARY EXPENDITURE</u>					
MILITARY PAYROLL	464.4	469.9	503.1	516.0	567.5
CIVILIAN PAYROLL	168.7	182.1	189.7	181.5	212.4
OPERATIONS & MAINTENANCE	380.0	362.6	389.1	493.3	645.3
CONSTRUCTION	<u>141.2</u>	<u>135.1</u>	<u>204.0</u>	<u>180.3</u>	<u>204.9</u>
SUBTOTAL APPROP FUNDS	1,154.3	1,149.7	1,285.9	1,371.1	1,630.1
 <u>OTHER</u>					
EXCHANGE & NAF PAYROLLS	24.8	24.1	32.8	35.7	32.5
OTHER PROCUREMENT (Military Family Housing, Investment Equipment, Claims)	<u>219.0</u>	<u>161.0</u>	<u>136.9</u>	<u>149.5</u>	<u>105.4</u>
SUBTOTAL OTHER	243.8	185.1	169.7	185.2	137.9
 <u>RETIREMENT</u>	<u>*</u>	<u>*</u>	<u>113.1</u>	<u>122.3</u>	<u>130.4</u>
TOTAL MILITARY EXPENDITURES	1,398.1	1,334.8	1,586.7	1,678.6	1,898.4
APPROXIMATE AMOUNT SPENT IN ALASKA	1,043.4	1,008.4	1,191.9	1,277.7	1,448.5

*Data not collected prior to FY85.

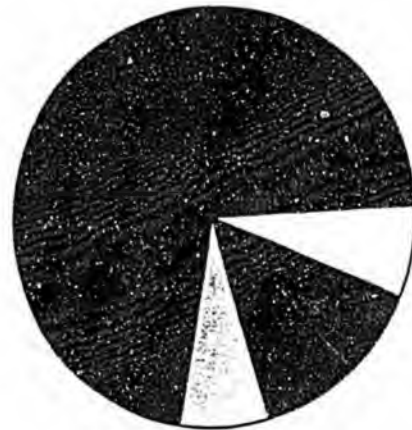
MILITARY EXPENDITURES







Figure 8

FY87 MILITARY EXPENDITURES

TOTAL MILITARY EXPENDITURES BY SERVICE

\$1.9 BILLION









	AIR FORCE	42%
	ARMY	31%
	NAVY/MARINE	7%
	NAT GD/COE/CF	7%
	COAST GUARD	6%
	RETIREMENT	7%

TOTAL EXPENDITURES IN ALASKA BY CATEGORY

\$1.4 BILLION



	MIL & CIV PAY	46%
	O & M	34%
	CONSTRUCTION	7%
	NAF & EXCH PAY	2%
	OTHER PROCURE	4%
	RETIREMENT	7%

SUMMARY

The military's impact on Alaska's economy took on increasing importance as the economic decline continued throughout Fiscal Year 1987. In a period when more people were leaving Alaska than arriving, the military population and contribution to the Alaska economy continued to increase. During Fiscal Year 1987, the military personnel, civilian employees, and dependents represented 15 percent of the total Alaska population. The military work force represented 14 percent of the state's total work force in Fiscal Year 1987 and earned 13 percent of the state's estimated \$6.0 billion in wages and salaries. Military spending in Alaska was approximately \$1.4 billion, creating a total economic impact of \$2.6 billion.

The military services played a major role in the growth and development of Alaska since its purchase from Russia in 1867. For most of Alaska's history, the military and other government agencies were the largest sector of Alaskan industry in overall contribution to the state economy. During Fiscal Years 1974-1976, this leadership went to the construction, service, and transportation sectors during the extraordinary surge in activity brought on by the Trans-Alaska pipeline. During Fiscal Years 1977-1986, trade (retail and wholesale) and services were the industry leaders, accounting for approximately 34 percent of the total work force. Local, state, and federal government in Fiscal Year 1987 comprised 38 percent of the state's work force, with the military consisting of 14 percent of this total. Gross spending of \$1.9 billion in Fiscal Year 1987 shows an increase in military spending of 10 percent over Fiscal Year 1986. This trend should continue as the military services increase their presence throughout the state because of its strategic location. However, the growth could be adversely affected as Congress continues to grapple with mounting federal deficits.

During Fiscal Year 1987, each of the various branches of the military contributed to the economic growth of Alaska. For example, large exercises such as BRIM FROST 87 and AMALGAM BRAVE 87 brought hundreds of people and aircraft to Alaska on temporary duty assignments.

The United States Air Force continued as the major military employer with 14,540 military and civilian employees throughout the state. The 21st Tactical Fighter Wing at Elmendorf Air Force Base upgraded to the F-15C/D Eagle, received additional fighters, and activated the new 54th Tactical Fighter Squadron. At Eielson Air Force Base, the Alaska Air National Guard's 168th Air Refueling Squadron was activated in Fiscal Year 1987, flying KC-135 Skratotanker aircraft. Additionally, the Air Force announced transmit and receive sites of an Over-the-Horizon Backscatter radar will be constructed (beginning in 1989) at Gulkana and Tok, Alaska. The operations center will be located at Elmendorf Air Force Base.

The United States Army's 6th Infantry Division (Light) continued growing toward full strength during Fiscal Year 1987 with the activation of the 2nd Brigade at Fort Wainwright. Medical, supply and transportation, and infantry battallions were also activated at the Fairbanks' post as well as a military intelligence battallion at Fort Richardson. Four hundred contractor built and managed housing units, known as "801 housing," were completed at Fort Wainwright.

The United States Navy continued its growth at Adak Island in the Aleutians including the opening of new housing to accommodate increased military strength. Construction of the Navy's Over-the-Horizon radar facility on the Aleutian island of Amchitka continued through 1987. Most visible to the Alaska civilian population were the visits to Alaska waters by United States Navy vessels such as the USS Enterprise and the visit to the port of Seward by the ballistic missile submarine USS Alaska. With increased Navy activity in the North Pacific, Alaska can expect more frequent visits by Navy vessels. Further, in Fiscal Year 1987 the United States Navy began investigating the possibility of homeporting Navy ships somewhere in Alaska.

The United States Coast Guard continued to play a large role in the military's contribution to the economy. In Fiscal Year 1987, the 17th Coast Guard District, headquartered at Juneau, implemented a realignment to assign more people to patrol functions without cutting back other Coast Guard services.

The military services engage in numerous other activities benefiting Alaska communities which are difficult to measure in dollar value. For example, military search and rescue activities in Alaska have become legendary. In Fiscal Year 1987, the Rescue Coordination Center at Elmendorf Air Force Base coordinated 216 missions involving 249 people, saved 63 lives, and assisted 77 other people. During Fiscal Year 1986, the United States Coast Guard conducted 1,944 missions, saving 528 lives. They assisted 2,929 people and saved property valued at \$114,373,000. This level of activity continued throughout 1987. Often, services are provided to benefit both the military and civilian communities. Examples include providing airstrip maintenance, radio and navigation aids on joint-use airstrips in the outlying areas of Alaska, and joint agreements for fire protection. Additionally, the military cooperates with various agencies in activities such as railroad and fish hatchery operations, and in public health and social services. Instances of emergency support range from natural disaster relief to the loan of generators to the city of Bethel when its power plant burned.

The military services, being a large sector of the Alaska population, work force, and economy, will continue to play a significant social and economic role in Alaska's future.



Anchorage • Star of the North
Chamber of Commerce

February 6, 1992

To: House Special Committee on Military & Veteran Affairs
From: The Anchorage Chamber of Commerce
Re: HJR 63

The Anchorage Chamber of Commerce strongly supports HJR 63. The Military represents a vital sector of the Anchorage and Statewide economy. Fort Richardson personnel contribute to the quality of life in Anchorage as well as the economy.

The Anchorage Chamber of Commerce has adopted as one of its Federal priorities: Support of Alaska's Congressional delegation as needed to keep Alaska Military facilities open and at current or greater levels of personnel.

Alaska serves as a strategic military position and Fort Richardson is a key to military operations in Alaska. The Chamber supports and urges passage of HJR 63 as currently written.

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 1
To: Larry Burnett	From: Carol Heyman	
Co. Rev. & Phillips	Co. A.C.C.	
Dept. Office - House	Phone # 272-2401	
Fax # 465-2778	Fax # 272-4117	

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HJR 63

Revision Date: March 4, 1992 Department Affected: None
 Title: Support military at Ft. Richardson BRU: None
 Component: None

Sponsor: Representative R. Phillips

Requestor: House Special Committee on Military and Veterans Affairs COMPONENT SERIAL NO.

0	0	0	0
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0					
TRAVEL	0					
CONTRACTUAL	0					
SUPPLIES	0					
EQUIPMENT	0					
LAND & STRUCTURES	0					
GRANTS, CLAIMS	0					
MISCELLANEOUS	0					
TOTAL OPERATING	0					

CAPITAL	0					
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REVENUE	0					
FUND SOURCE:	0					

FUNDING: (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS	0					
OTHER	0					
FUND SOURCE:	0					
TOTAL	0					

POSITIONS:

FULL-TIME	0					
PART-TIME	0					
TEMPORARY	0					

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Thomas W. Wright, Committee Staff Phone: 465-4527
 Division: House Special Committee on Mil. and Vet Affairs Date: March 4, 1992

Approved by Commissioner: Representative Ivan M. Ivan, Chair

Agency: House Special Committee on Mil. and Vet. Affairs Date: March 4, 1992

Distribution (by preparer): Leg. Fin., _____ impacted Agency(ies).



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Co.	Ronald Phillips	Co.	A.C.C.
Dept.	Office - House	Phone #	272-2401
Fax #	465-2778	Fax #	272-4117



Member

House Finance Committee

Alaska State Legislature

Randy Phillips
State Representative
House District 15

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Memorandum

MAR 13 1992

TO: Representative Gene Kubina, Chairman
House State Affairs Committee

FROM: Representative Randy Phillips *REP*

DATE: March 13, 1992

RE: House Joint Resolution No. 63
Supporting the continuation of the current military presence at
Fort Richardson in Alaska.

HJR 63 has been referred to the State Affairs Committee. Please consider this as my formal request that HJR 63 be scheduled before the State Affairs Committee for an early hearing.

If you have any questions or comments do not hesitate to call me at 4949.
Your cooperation is appreciated.