

SCOMM

116:3

ALASKA STATE LEGISLATURE

Sen. Tim Kelly, Co-Chair
Sen. Drue Pearce
Sen. Gary Wilken
Sen. Pete Kelly
Sen. Al Adams
Sen. Loren Leman, Alternate

Rep. Eldon Mulder, Co-Chair
Rep. Lisa Murkowski
Rep. Gene Therriault
Rep. John Harris
Rep. Reggie Joule
Rep. Bill Hudson, Alternate

Public Members: Jake Lestenkof • John Hoyt • George Vakalis • Dean Owen • Alan Walker • Charles Wallace

JOINT ARMED SERVICES COMMITTEE

AGENDA

**Information Meeting
Butrovich Room
State Capitol
Juneau, Alaska**

**Thursday, April 6, 2000
12:30 p.m.**

1. Call to Order Senator T. Kelly, Representative Mulder
 - a. Introduction of Members and Guests
 - b. Approval of Minutes

2. Activities Report staff
 - a. LTG Costello visit, March 6-9, 2000
 - b. OSD/Service Community Conference, March 12-14, 2000
 - c. Lt Gen Kadish – MG Nance visit, now scheduled for April 24-26, 2000
 - d. Association of the United States Army Symposium:
“Space and Missile Defense – Key Enablers of Strategic
Dominance” June 8-9, 2000

3. New Business

- a. Coast Guard Station Juneau Citation
- b. NORTHERN EDGE Day
- c. Interim Meeting Schedule

4. Special Presentation: Anchorage Military Logistics Initiative

**Michael Kean, Transportation Director,
Anchorage Economic Development
Corporation**

**Kirk McGee, Vice-President, Real Estate,
CIRI**

Paul Fuhs, Consultant, CIRI

5. Adjourn

ALASKA STATE LEGISLATURE

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JOINT ARMED SERVICES COMMITTEE

6 April 2000

TO: Joint Armed Services Committee

FROM: Chris Nelson, Staff Director

SUBJECT: Trip Report

PURPOSE OF TRIP: Attend the annual Office of the Secretary of Defense (OSD)/Service Community Conference to review the progress of reuse programs at Alaska bases scheduled for closure and assess the possibility of new base closure rounds.

DATES AND LOCATION: Boston, MA, March 12 – 15, 2000.

PARTICIPATING MEMBERS: George Vakalis, Chris Nelson. Other Alaskans attending the Conference: Richard Anderson, DoD Base Transition Coordinator, Fort Greely; Joyce Duff, BRAC Coordinator, Fort Greely; Pete Hargren, Economic Development Director, City of Delta; Kris Lethin, Consultant and Director, Adak Reuse Corporation; MAJ Robert D. Marcinkowski, Post Commander, Fort Greely; Vincent Tutiakoff, Sr., The Aleut Corporation.

SCOPE OF ACTIVITIES: Attend panel presentations and workshops focusing on base reuse programs and possible future base closure rounds. Review the progress of Alaska reuse projects with Alaska community representatives attending the conference.

SUMMARY: While the Department of Defense (DoD) continues to call for new base closure rounds in 2003 and 2005, three of the four service chiefs have raised questions on the wisdom of shutting down more bases. Progress toward establishing viable reuse programs at Adak Naval Air Station and Fort Greely has been slow.

DISCUSSION:

1. Base Realignment and Closure (BRAC) Commissions were established in 1988, 1991, 1993, and 1995 to evaluate military bases and dispose of those which no longer supported current military force structure and missions. Those four BRAC Commissions directed 112 base closures and 26 realignments which divested over 200,000 acres of property from DoD. Surplus property has been made available to local entities for reuse through a variety of means. The latest is the Economic Development Conveyance which enables local reuse authorities to receive title to surplus properties at no cost.
2. Even after four rounds of BRAC, DoD estimates that it holds 23% excess infrastructure capacity relative to the 1989 force structure levels. It notes that there have been new force structure reductions since BRAC 1995 and that more are projected.
3. Defense Secretary Cohen has made a strong plea to Congress for the authority to close more bases in 2003 and 2005. He argues that these closures would save \$3 billion a year in base operations costs from the years 2008 to 2015 which could be redirected to pay for weapons modernization projects now under way.
4. For the first time, the uniformed service chiefs have raised questions about the wisdom of more base closures.
 - Gen. James Jones, the Marine Corps commandant, said, "As the smallest service with the fewest number of bases, I know of no installation that I would recommend be closed in the Marine Corps."
 - Adm. Jay Johnson, Chief of Naval Operations, said that a round of base closings "probably needs to happen" – but added that he is concerned that in opening a national debate on how and where to reduce the military's land holdings, the Navy could

end up losing training and ranges or access to airspace or the sea that it cannot afford to lose. "We cannot give it away or we will never get it back," he said.

- Gen. Eric Shinseki, Chief of Staff of the Army, told a Congressional panel that he would support a new round of base closings – but as a "cautionary footnote" said the Army needs to decide whether it needs to increase or decrease its manpower before it can say with certainty what should be done about consolidating bases.
 - Gen. Michael Ryan, Chief of Staff of the Air Force, was alone among the chiefs in vigorously advocating more base closings.
5. While the debate over new base closure rounds continues, progress toward productive civilian reuse of closed bases in Alaska remains slow.
- The Adak Reuse Corporation continues to work with the Navy on environmental cleanup on the island and with the Department of the Interior on the title transfer of the land. A fish processor has begun operations, which could encourage the establishment of a small boat fishery in the region.
 - The City of Delta has not submitted its application for an Economic Development Conveyance for surplus property at Fort Greely. It must do so by October 27, 2000, to be able to claim property for civilian reuse at Fort Greely.

HONORING

COAST GUARD STATION JUNEAU

The Twenty-first Alaska Legislature is proud to honor Coast Guard Station Juneau in the persons of

BMC David E. Rowlett, Officer in Charge; BMC Seth S. Conrow; MK1 Danny L. Dallas; BM2 Thomas W. Peria; BM2 Ricky A. Johanson; MK2 Franklin D. Hohmann; BM3 Patrick M. Kerscher; BM3 Robert A. Lieberwirth; BM3 David M. Mesdag; MK3 William T. Ray; MK3 Ryan E. Savage; BM3 Jose L. Stemley; SN Mathew L. Wright; SN Steve P. Daansen; SN Bethany L. Gill; SN Betsey L. Ingram; SN Hope E. Dykstra; SA Charissa E. Buzzard; FA Patrick R. Hernandez

for the unprecedented achievement of setting an all time record for the lowest number of discrepancies during the 1999 Standardization Visit and winning recognition as the finest Coast Guard Station in our Nation.

The bi-annual Standardization Visit is designed to evaluate boat crew efficiency, safety, and unit operational readiness to ensure that station boats and crew can effectively perform Coast Guard missions. Each station in the Coast Guard is visited and evaluated by a team of experts from Yorktown, Virginia. The visit consists of rigorous boat casualty drills, realistic operational exercises, and stringent written and oral examinations of the crew.

During the Standardization Visit in May, 1999, the men and women of Coast Guard Station Juneau improved in each measured category when compared to the results from 1997 and achieved the record low number of maintenance discrepancies of five (5). The Coast Guard average number of discrepancies was 77 and the previous record low was 17.

These exemplary inspection results are validated by the station's heroic record of service to Alaskans. The sixteen Coast Guard members assigned to Station Juneau operate 41-foot and 25-foot utility boats. During 1998 and 1999, they conducted 192 Search and Rescue cases in which 32

persons were saved, 206 persons were otherwise assisted, \$14.928M in vessel property was directly saved from loss, \$3.328M in vessel property was assisted back to safe harbor, and 358 boating safety and law enforcement boardings were conducted.

The Twenty-first Alaska Legislature proudly salutes the unmatched attainment of superior standards, uncompromising commitment to excellence, and inspirational dedication to public service of Coast Guard Station Juneau – “The Best of The Best!”

**ASSISTANT CHIEF OF STAFF
FOR INSTALLATION MANAGEMENT**

Base Realignment and Closure Office



BRAC UPDATE
Reshaping today for tomorrow's Army

Colonel Stephen A. Shambach
Chief, BRACO, (783) 493-3500 / DSN 223-3500
www.hqda.army.mil/acslaweb/brac/bracu.htm

OSD Community Conf.
March 2000

BASE REALIGNMENT AND CLOSURE OFFICE

**BRAC HAS ITS
OWN LANGUAGE**

BEETLE BAILEY

THIS CAMP HAS GOT MANY PROBLEMS HERE

HOW COME THERE ARE NO SIMPLE SOLUTIONS?

JUST BECAUSE WE'VE GOT MORE COMPLEX PROBLEMS

BASE REALIGNMENT AND CLOSURE OFFICE

AGENDA

- Where Have We Been
- Where Are We
- Where Are We Going

BASE REALIGNMENT AND CLOSURE OFFICE

BRAC PAST

Where have we been



BASE REALIGNMENT AND CLOSURE OFFICE 4

CONUS BRAC SUMMARY

FISCAL YEAR

ROUND	90	91	92	93	94	95	96	97	98	99	00	01
BRAC 88	77 Closures / 4 Realignments		COMPLETE. ENVIRONMENTAL RESTORATION AND PROPERTY DISPOSAL CERTIFICATES									
BRAC 91	5 Closures / 4 Realignments		COMPLETE. ENVIRONMENTAL RESTORATION AND PROPERTY DISPOSAL CERTIFICATES									
BRAC 93	1 Closure / 4 Realignments		COMPLETE. ENVIRONMENTAL RESTORATION AND PROPERTY DISPOSAL CERTIFICATES									
BRAC 95	29 Closures / 10 Realignments		29 CLOSURES COMPLETE 10 REALIGNMENTS COMPLETE									

Four rounds:
117 Closures
26 Realignments

BASE REALIGNMENT AND CLOSURE OFFICE 5


BRAC GOALS

Close/Realign Schedule

FY99	FY00	FY01
- Close Concepts Analysis Agency ✓	- Realign Kelly Spt Ctr	- Realign Ft. Greely
- Close Ft. McClellan ✓	- Close East Fort Baker	- Realign Sierra
- Close Ft. Meade ✓		- Realign Ft. Buckman
- Close Fitzsimons AMC ✓		- Realign Hunter Liggett
- Close Oakland ✓		- Realign Letterkenny
- Close Bayonne ✓		- Close Savannah
		- Close Seneca
		- Close Info Sys Software Ctr

BASE REALIGNMENT AND CLOSURE OFFICE 6

ECONOMIC DEVELOPMENT CONVEYANCES



Applications In-Progress

- Def. Personnel Spt Ctr II
- Defense Depot Memphis
- Fort Ord
- Savana AD
- Fort Ritchie
- Fort Chaffee
- Bayonne MOT
- Sierra AD
- Fort McClellan

FY00 Applications

- Fort Greely
- Oakland AB
- Stratford AEP

FY00 No-Cost Modifications

- Red River AD
- Defense Depot Ogden


Potential Future Mods

- Fort Devens
- Sacramento AD
- Fort Ben Harrison

BASE MANAGEMENT AND PLANNING OFFICE 7

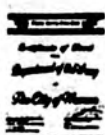
SUCCESES

- BRAC 91/93
- EDCs / No-Cost EDCs
- Independent Technical Review->PER
- Groundwater Treatment Effectiveness Study




BASE MANAGEMENT AND PLANNING OFFICE 8

SUCCESS - DETROIT ARSENAL



- EDC transferred 40 acres for automotive equipment manufacture at D+3years. 1,700 jobs created. LRA has re-paid \$4.3M of \$5.9M sale price.
- Remaining property (1.1 million SF tank plant) is leased in furtherance of conveyance.
- Army will save \$4.0M annually in O&M costs.



BASE MANAGEMENT AND PLANNING OFFICE 9



SUCCESS - FITZSIMONS AMC

- Six MILCON projects (re-capitalization) resulted from re-location.
- EDC competed and three EDC deeds processed. Most of property deeded or leased at closure.
- PBCs to University of Colorado for Health Science Center and the Department of the Interior.
- New Cancer Research Center/Urology Program and Eye Institute under construction.
- Negotiated sale to the Fitzsimmons Federal Credit Union



DATE REASSIGNMENT AND FLORIDA 00/99 10



SUCCESS - RED RIVER AD

- Negotiated discounted EDC and No-cost modification is expected soon.
- Transferred 765 acres (625 clean acres)
- Negotiated a Service in kind agreement that will continue even with implementation of No-Cost EDC.
- Mission transfer to CCAD and Anniston completed ahead of schedule.
- 100 Jobs already created with more to come; Community lost 540 jobs; CERL indicates that the EDC is expected to create 2900 jobs.
- 22 Bldgs leased back to the Army in Jun 99

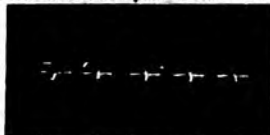


DATE REASSIGNMENT AND FLORIDA 00/99 11



SUCCESS - SENECA AD

- 180 family housing units transferred to Seneca County in Oct 99 and then sold to Aspen Square Management for leasing.
- North Depot Area, 165 acres, transferred to Seneca County for use by KidsPeace, a school for children in distress, in Feb00. They plan to open for business in Jul 00, hiring over 300 people the first year.
- A State Maximum Security Prison, nearing completion, will create several hundred state government positions.
- New sewage treatment plant for the community is being built by the State as part of the prison construction. The new plant is scheduled to come on line in May 2000.



DATE REASSIGNMENT AND FLORIDA 00/99 12



SUCCESS - FORT LEONARD WOOD

- Approximately \$225 million spent to construct state-of-the-art facilities
- Army's Maneuver Support Center stood-up on October 1, 1999
- Provides synergy for training opportunities for the Engineer, Chemical and Military Police Schools
- Over 580 direct jobs added as a result of the consolidation



BASE REALIGNMENT AND CLOSURE OFFICE 13



SUCCESS - HEFLIN COMPLEX REDSTONE ARSENAL, AL

- Relocation of personnel complete Dec 97
- MILCON to support relocation - \$40.5 million
- State-of-the-art facility complex
- Overwhelmingly positive support by community
- Over 1500 jobs added to the local economy



BASE REALIGNMENT AND CLOSURE OFFICE 14



SUCCESS - LETTERKENNY AD

- Two EDA grants (\$5.2M) lay groundwork for future progress by concentrating on infrastructure improvements – roads, utilities, water and sewer facilities
- During Cumberland Business Park's first year of operation – 17 companies are located in refurbished buildings along with 365+ jobs



BASE REALIGNMENT AND CLOSURE OFFICE 15



SUCCESS - VINT HILL FARMS

• VBEDA

- acquired title to 658 acres on 24 September 1999
- sold a 33-acre site to FAA, creating an anchor tenant and continues to lease buildings to technology-oriented companies.
- Implemented operation of on-site water and waste-water systems, established a security force, converted heating systems to propane pending construction, transferred electrical system to NOVEC, renovated 14 housing units, and achieved rezoning of the property.



STATE DEPARTMENT OF WORKFORCE DEVELOPMENT 16



SUCCESS - TOOELE AD



- January 1999 Utah Industrial Depot (UID)
 - Past year leased 253K+ SF to new business
 - Currently a total of 1,200 jobs
 - Process of renovating existing infrastructure (\$10Million)
 - Next year plan to lease/sell 700K SF
 - Within five years expect employment at 6,000+ jobs

STATE DEPARTMENT OF WORKFORCE DEVELOPMENT 17



BRAC PRESENT

Where we are



STATE DEPARTMENT OF WORKFORCE DEVELOPMENT 18



ENVIRONMENTAL INITIATIVES

Challenges

- Unexploded Ordnance (UXO)
- SMART
- Clean-up Privatization
 - Early transfer using section 334
 - Guaranteed Remediation
- Cost Containment
 - Groundwater Treatment Effectiveness Study
 - Independent Technical Review
 - Lead-Based Paint
 - PRX

BASE REALIGNMENT AND CLOSURE STUDY 22



BRAC FUTURE

Where are we going



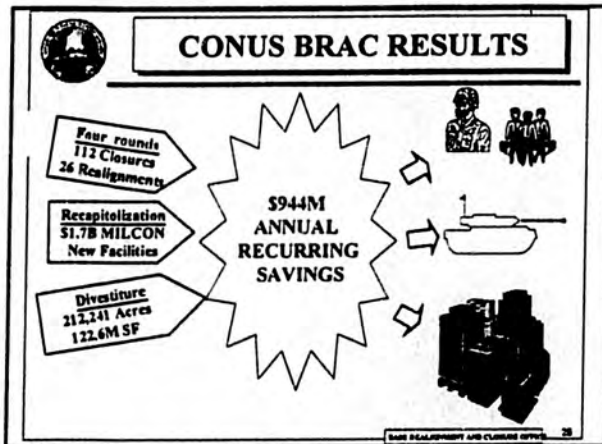
BASE REALIGNMENT AND CLOSURE STUDY 23



ALTERNATIVES



BASE REALIGNMENT AND CLOSURE STUDY 24



ENVIRONMENTAL TASKS STATUS

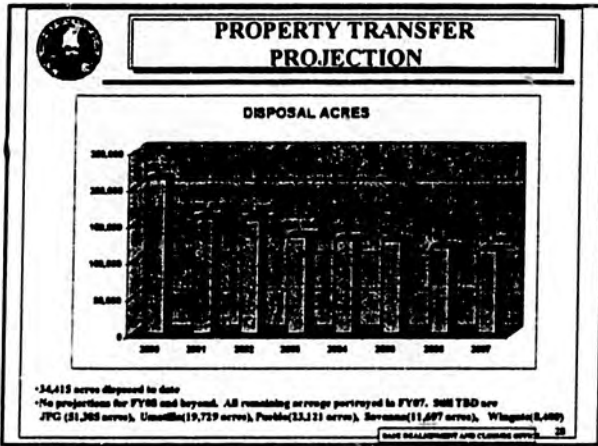
Task Category	Task	Progress	Status	Notes
NEPA	Final EIS			All are completed - final review options. Most are done and close to substantial remaining requirements.
	Final EIS			All are completed.
FUD/PCOL	Final EIS	A	A	Partial specific: Guidance is clear except for low policy areas such as UXO, LBP and LUCs.
	Final EIS			Partial specific: Guidance is clear.
RUVS	Final EIS	A	A	Policy issues on Human and ECO risk. Many cleanups not being done related to (TR) findings) also ECO has major policy gaps.
	Final EIS			For UXO problems - Range rule will impact.
EISCA	Final EIS			For UXO problems - Range rule will impact.
	Final EIS			Some RODs may be revisited. Analysis of current RODs and policy or result may be required.
RODs	Final EIS	A	A	Partial specific: Guidance is clear.
	Final EIS			Partial specific: Guidance is clear.
Climate Change	Final EIS			New policy pending from EPA. Will be long term commitment by Army/branches of LUCs.
	Final EIS			LUCs will drive costs and requirements. Policy remain. Also GWATER. Sealing some systems may not be required, but no easy way to turn off.
CERCLA Spill	Final EIS			Policy in place, just takes a long time and commitment of resources and structure to manage process.
	Final EIS			
LHA	Final EIS			
	Final EIS			
NPL Cleanup	Final EIS	A	A	
	Final EIS			

BASE REALIGNMENT AND CLOSURE OFFICE 28

DISPOSAL TASKS STATUS

Task Category	Task	Progress	Status	Notes
RCRA	Final EIS	A		Completed for all sites. Minor adjustments still be requested and considered.
	Final EIS			Several underlying revision thereby impacting clean-up and disposal.
RCRA Non EDC	Final EIS		A	14 are complete but some of them could now require remediation under "No-cost EDC".
	Final EIS			Dependent on RCRA Non EDC's intervention, delay & conflict with PCB requests.
PCB	Final EIS	A		Required for every Lease or deal (sometimes both done for the same parcel). Tied to property disposal.
	Final EIS			Current complete deals until recipient is determined (EDC resolution) and property is ready for transfer.
Lease in Performance	Final EIS		A	Current complete LIPs until recipient is determined (EDC resolution).
	Final EIS			Completion dependent upon successful EDC completion.
MCA	Final EIS		A	
	Final EIS			

BASE REALIGNMENT AND CLOSURE OFFICE 27



FUTURE BRAC?

Congressional Testimony (March 1, 2006)

• Defense Secretary Cohen made a strong plea to Congress for authority to close more military bases in 2003 and 2005. These would save \$3 billion a year, from 2006 to 2010; the time period when huge bills will come due for some of the weapons modernization projects now under way.

• Some service chiefs sent a less enthusiastic signal:
 • Gen. James Jones, the Marine Corps commandant, said "As the smallest service with the fewest number of bases, I know of no installation that I would recommend to be closed in the Marine Corps."
 • Adm. Jay Johnson, Navy CNO, said a round of base closings "probably needs to happen"—but added that he is concerned that in opening up a national debate on how and where to reduce the military's land holdings, the Navy could end up losing training ranges or access to airspace or the sea that it cannot afford to lose. "We cannot give it away or we will never get it back," he said.
 • Army chief of staff, Gen. Eric Shinseki, told the panel he would support a new round of base closings—but as a "cautious footnote" said the Army needs to decide whether it needs to increase or decrease its manpower before it can say with certainty what should be done about consolidating bases.
 • Air Force chief of staff, Gen. Michael Ryan, was alone among the chiefs in vigorously advocating more base closings.

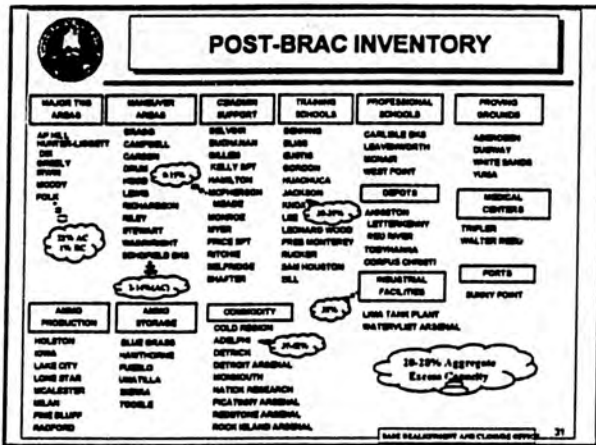
DATE REALIGNMENT AND CLOSING OFFICER 23

WHY MORE BRAC?

1999 Annual Report to the President and the Congress:


- Even after four rounds of BRAC, DoD estimates 23% excess infrastructure capacity remains relative to 1989 force structure levels (1999 Annual Report to the President and the Congress).
- There have been force structure reductions since BRAC 1995 and more are projected
- "Eliminating excess capacity...could yield billions in savings necessary to finance modernization and readiness programs, and facilitate realization of the goals contained in Joint Vision 2010."

DATE REALIGNMENT AND CLOSING OFFICER 23



NEAR TERM CHALLENGES

- Maintain execution rates/funding '02-'07 POM
- Environmental cost containment (partner w/legislators & regulators)
- Land Use Control plans
- UXO and R3M remediation
- Real estate transfer & No-Cost EDCs
- Final Property Transfer Strategies at each site
- Capture lessons learned for future BRAC
- **KEEPING ATTENTION FOCUSED ON BRAC WHEN MANY THINK IT IS NEARLY OVER!**



BASE REALIGNMENT AND CLOSURE OFFICE 22

ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT

Base Realignment and Closure Office



BRAC UPDATE

Reshaping Today for Tomorrow's Army

Colonel Stephen A. Shumbarth
Chief, BRACO, (703) 693-3500 / DSN 213-3500
www.hqda.army.mil/braco/braco.htm

OSD Community Conf.
March 2000

BASE REALIGNMENT AND CLOSURE OFFICE 23



ASSOCIATION OF
THE UNITED STATES ARMY
SYMPOSIUM

"SPACE AND MISSILE DEFENSE
-KEY ENABLERS
OF STRATEGIC DOMINANCE"

8-9 JUNE 2000

IN COOPERATION WITH
THE UNITED STATES ARMY
SPACE AND MISSILE DEFENSE COMMAND

Long Beach Hilton Hotel
Long Beach, California

Planned Program

Thursday, 8 June 2000

National Missile Defense

- 1300 Opening Remarks
Keynote Speaker-Ballistic Missile
Defense Office
Lead service speaker
LTG John Costello
1450 National Missile Defense Panel
NMD Joint Program Office Perspective
The Missile Defense Environment
Policy Implications for NMD
Select NMD Programs
1600 Questions and Answers
1730 Reception

Friday, 9 June 2000

Strategic Dominance and Space

- 0800 Opening Remarks
Army Leadership Vision
Space Command Programs for Geographic
CINC Support
Army Space Programs for
Strategic Dominance
Air Force Space Programs for
Strategic Dominance
1130 Lunch
HON Duncan Hunter (R-CA)
1300 Space Panel-Strategic Elements for
Space Dominance
Warfighter Perspectives
Space Geo-Political
Environment
Space and Treaty Implications
Industry and Legislative Perspectives
Panel Questions and Answers
1540 Closing Remarks
LTG John Costello
1830 Army 225th Birthday Ball
(separate event and cost)

Long Beach Hilton
Two World Trade Center
Long Beach, CA 90831-3102

Special rates available for Government & Industry

For additional information:

Felicia Campbell 310-607-6822 facampbell@west.raytheon.com

Guest Program - Friday, June 9, 2000

Take a fabulous tour of the Long Beach Aquarium of the Pacific - Spectacular new attraction featuring dozens of exhibits and habitats from three major regions of the Pacific Ocean - then enjoy a tour and lunch on the legendary Queen Mary

the Army Ball 2000



Greater Los Angeles Chapter, Association of the United States Army

Friday, June 9, 2000

Long Beach Hilton Hotel

The 225th Anniversary of the United States Army

Host company: Litton Data Systems

For additional information:

Peggy Scott 818-706-4457 scott.peggy@littondsd.com

Symposium and Registration Information
will be available on the AUSA Web Site, 1 March 2000

WWW.AUSA.ORG

Symposium Points of Contact:

Dr. John Olsen 714-732-0119 jdolsen@west.raytheon.com

Mr. Thomas Galvin 703-602-1736 thomas.galvin@smdc.army.mil

JOINT ARMED SERVICES COMMITTEE

January 31, 2000

12:12 p.m.

SENATE MEMBERS PRESENT

Senator Tim Kelly, Co-Chair
Senator Drue Pearce
Senator Gary Wilken
Senator Loren Leman

DRAFT

HOUSE MEMBERS PRESENT

Representative Eldon Mulder, Co-Chair
Representative Lisa Murkowski
Representative Gene Therriault
Representative Reggie Joule
Representative John Harris

PUBLIC MEMBERS PRESENT

Dean Owen
Alan Walker
George Vakalis
Jake Lestenkoff (via teleconference)
John Hoyt (via teleconference)

OTHERS PRESENT

Senator Randy Phillips
Representative Sharon Cissna
Representative Alan Austerman

COMMITTEE AGENDA

WITNESS REGISTER

Rear Admiral Thomas Barratt
Commander 17th Coast Guard District
P.O. Box 25517
Juneau, AK 99802

ACTION NARRATIVE

TAPE 00-01, SIDE A

Number 001

CO-CHAIR TIM KELLY called the Joint Armed Services Committee meeting to order at 12:12 p.m. Committee members present were Co-Chair Tim Kelly, Senator Drue Pearce, Senator Gary Wilken, Senator Loren Leman, Co-Chair Eldon Mulder, Representative Lisa Murkowski, Representative John Harris, and Dean Owen, Alan Walker, and Colonel George Vakalis and, General Lestenkoff and General Hoyt via teleconference.

INTRODUCTION OF MEMBERS AND GUESTS

CO-CHAIR KELLY introduced the following guests: Phil Oates, the Adjutant General of the Department of Military and Veterans Affairs; Brigadier General George Canelos, Commander of the Alaska Air National Guard; General Westfall, the Commander of the Alaska Defense Force; Rear Admiral Barratt, Commander of the 17th District Coast Guard; Chris Gates and Paul Romoff from the Adak Redevelopment Authority; and Major Brian Piltery of the Public Affairs Office, US Army at Ft. Richardson.

MAJOR PILTERY introduced the following members of his party: Brad Johnson,

CO-CHAIR KELLY introduced Janice Neilsen, the legislative liaison from the US Army Pacific, Rex Blazer, special assistant to Governor Knowles, and Mead Treadwell (who was participating via teleconference).

REAR ADMIRAL BARRATT introduced Rob Barker, Commanding Officer of the Coast Guard Cutter "Melon," which will be en route to the

Bering Sea soon.

PAT CARRUTHERS of the Veterans Advisory Group introduced Judith DeSpain, Robert Cashen, Elmer Johnson, Gordon Severson and Steve Sweet.

CO-CHAIR KELLY acknowledged the presence of former Senator Ed Willis and Laddie Shaw of the Department of Military and Veterans Affairs.

APPROVAL OF MINUTES

CO-CHAIR ELDON MULDER moved to approve the minutes of the meetings held on September 23 and October 4, 1999. There being no objection, the minutes were approved.

ACTIVITIES REPORT

CO-CHAIR TIM KELLY asked Dean Owen to brief the committee on the Federal Aviation Administration (FAA) Conference on Military Airport Joint Use.

MR. DEAN OWEN informed committee members that a copy of his report is contained in committee packets and made the following statements.

The focus of the various discussions at the conference was to assist those communities and installations that were confronted with Base Realignment and Closure (BRAC) action and about how to convert airfields to joint use facilities. Joint use of airfields is a pertinent issue for the State of Alaska and it is a course of action with several potential benefits for both the military and

civilian communities. Joint use activities at airfields offer additional protection against future BRACs and they provide business opportunities for the civilian community. Such activities might qualify an airfield for funding through the military airport program and they allow maintenance costs to be shared.

Alaska has three army airfields which are good candidates for joint use activities: Allen Army Airfield at Ft. Greeley; Bryant Army Airfield at Ft. Richardson; and Wainwright Army Airfield at Ft. Wainwright. Any proposals for joint use must be initiated by the civilian community. If the proposal does not interfere with Air Force security or the Air Force's mission, the community may enter into a long term agreement for joint use of the airfield.

MR. OWEN stated the Joint Armed Services Committee (JASC) can assist both the military and civilian community in this arena. Representatives from Ft. Greeley and Delta attended the conference and expressed interest in joint uses at Allen Army Airfield. He noted that the remainder of the information on the conference is contained in his report.

Number 130

CO-CHAIR KELLY noted the presence of Representative Cissna. He asked Mead Treadwell to speak to the committee on the Institute of the North Conference.

MR. MEAD TREADWELL thanked committee members for member participation in the November conference sponsored by the Institute of the North on Missile Defense in the Pacific. He reiterated for the committee the following ideas that came out of the conference.

First, conference participants reviewed the threat of a missile attack. Alaska and Hawaii face more of a threat from missiles being developed by North Korea, China, Russia, India, Pakistan, Iran, Iraq and other countries. The threat exists to the rest of the nation and its allies in Europe and Asia, but Alaska's proximity puts it more at risk. Dr. Graham, a member of the Rumsfeld Commission, and Dr. Pfaltzgraff spoke to that threat.

The second issue that participants focused on was the U.S. response to that threat. Military officials talked about the United State's engagement in trade, friendship and diplomacy to help build trust in the Pacific. Last week the U.S. and China agreed to establish a military-to-military relationship again. Participants were also briefed on the technology being developed in case a breakdown in trust or an accident occurs. Dr. David Martin, the head of International Programs, addressed what the Ballistic Missile Defense Office is doing to develop the land and sea based systems. General Yamaguchi, the Japanese Defense Attache, also participated. Colonel Pete Worden spoke about air and space based systems and theater based systems. Both the theater systems and the land based systems are part of a defense system that will protect Alaska.

Dr. Martin and Secretary Cohen said this morning the deployment decision to be made this June depends on four factors: the threat; technology; cost; and the relationship to the ABM Treaty. Secretary Cohen believes the first three factors are covered despite the missile test failure last week. The U.S. must still work with its allies and with Russia for support of this effort so that it is not seen as counterproductive to the Treaty. Since the conference, Japan, Canada, France, China, Great Britain, and other nations have said they hope the U.S. does not drop the Treaty which is of concern.

MR. TREADWELL noted that during the next few months, Alaska may be made an offer that it cannot refuse. A treaty revision may allow a land based system to go ahead in Alaska, but limit Alaska's interceptors, limit Alaska's opportunity to cooperate with sea based systems and limit Alaska's ability to perfect a system with space based radars. He advised the Legislature to keep an eye on this issue.

Participants discussed the ABM Treaty and how it does not allow ships, radar and planes to coordinate with the theater based system. They learned how the Treaty is not legally binding on the U.S. because it was signed with a nation that is no longer in exists. The President has refused to send the Treaty to Congress for re-ratification.

The State Department says the treaty negotiations will be a piecemeal process but, given the nation's interest in getting this started in Alaska, it may be unwise to let a land-based system act alone to defend the U.S. He advised that the Legislature watch the ongoing negotiations very carefully.

MR. TREADWELL remarked that Alaska should continue its dialogue with Western states and Japan, and push not only for 50 state coverage, which the Alaska Legislature was the first to call for, but also for an integrated system with the family of missile defense options. Alaska needs to watch what is happening with theater-defense options in the Pacific. Taiwan is requesting that the U.S. buy Aegis cruisers. Japan has named its developers of the Japanese system. The Legislature needs to be aware that a deployment decision may not fit national needs if it is too limited. He asked legislators to review the State's own

investments to see if and where they may inadvertently be helping proliferation. Task forces established in Colorado, California and Texas have reviewed their public pension funds.

CHAIRMAN KELLY noted that former Governor Hickel and his wife hosted a conference on the USS Missouri on the last evening of the conference.

Number 246

GENERAL HOYT made the following comments about the Symposium on Space and Missile Defense put on by the Association of the United States Army (AUSA). The U.S. Army holds these symposiums to provide an opportunity for the nation's political, military, and industry leaders to interface and exchange information on items of mutual interest and concern. The symposiums are public forums open to anyone willing to pay the admission price. About 425 people attended the El Paso event including part of the nation's political leadership and representatives of every major industry involved in the development of missile defense systems.

GENERAL HOYT highlighted portions of his report as follows. Lt. General Kent Strube, Vice President of Education of AUSA, is an extremely strong supporter of national missile defense and the Alaska Army National Guard's participation in that program. General Strube is a member of the Joint Advisory Council to the Joint Ballistic Missile Defense Office and is a supporter of Alaska on this issue. A video presentation was given about the successes evident in the missile defense business last year. Representative John Hostedtler of Indiana talked about the threat. Polling data collected from U.S. registered voters show that 86 percent approve of the development and deployment of the national missile defense

system. There is also very strong congressional support for continuation of these systems.

GENERAL HOYT said that Lt. General George McDonald, Deputy Commander in Chief of the North American Aerospace Defense Command, presented the Canadian perspective on national missile defense. As of the first week of December, no formal interface between the U.S. and Canadian governments concerning the national missile defense program occurred, therefore Canada had developed no position on that issue. It may or may not participate in its development and funding. Canada does not understand the concept of national missile defense and questions whether such a threat to Canada exists. It is more concerned about weapons of mass destruction used by terrorists. Canada opposes abrogation of the current ABM Treaty and it also opposes the use of weapons in space. The intention of the military and industry leadership to develop space based laser systems is to destroy missiles on launch as close to enemy territory as possible. The space-based system would be backed up by a ground-based interceptor system that is being developed now. He agreed with Mr. Treadwell that the U.S. has some political obstacles to overcome among the world leadership on these issues.

GENERAL HOYT pointed out that he discussed with Mr. Josh Edwards, Director of Business Development for Boeing, the use of the Kodiak missile launch facility for future testing. He believes the Alaska Air and Army National Guard will benefit, as well as all of Alaska. He concluded there is work to be done but he believes Alaska will see success, to the benefit of Alaska and the nation.

CO-CHAIRMAN MULDER remarked that participants at the Institute of the North Conference had the opportunity to visit with General

Smith to argue the value of Alaska's army posts. The meeting lasted about two hours and was very beneficial.

Number 352

SENATOR WILKEN referred to item 7 on the last page of General Hoyt's report, and asked General Hoyt to expand on the Kodiak missile launch facility's use.

GENERAL HOYT replied that the missile launch systems currently being used for the launch of target missiles and launch of interceptor missiles are pointed directly at each other. If the Kodiak system is used to shoot South, the intercept occurs at a different angle which is beneficial from the standpoint of testing the system. He does not know the technical aspects but he believes it would be worthwhile for the facility managers to be in contact with Boeing.

CO-CHAIRMAN MULDER pointed out that he visited with the Alaska Aerospace Director, Pat Ladner, about the ability of Boeing to use Kodiak, instead of Kwajalein Atoll, in relation to the missile testing. As General Hoyt pointed out, it is more technically difficult to shoot from Kodiak than to shoot from Vandenberg Air Force Base in California. A Kodiak launch would reflect a more real life scenario which makes it more valuable. Another strategic value to Kodiak is that all three phases of the rocket could be fired from there while only two can be fired at Kwajalein because of the red zone.

CO-CHAIRMAN KELLY acknowledged the presence of Senator Phillips.

CO-CHAIR KELLY asked Colonel Vakalis to update committee members on

the NAID Conference.

COLONEL GEORGE VAKALIS informed committee members the National Association of Installation Developers' (NAID) Conference on Military Base Privatization occurred during the past week. Several issues of interest to Alaskans were discussed.

First, NAID was formed in response to the last BRAC rounds to assist communities that would be taking over bases being vacated. The initial composition of NAID included realtors, industrial and residential contractors, and bankers. NAID's focus has recently changed as no BRAC rounds have occurred for several years. Most of the changes to the bases have already occurred or are in a holding pattern because of problems, i.e. environmental cleanup.

NAID's new focus is to look at what can be done to make posts, camps, and stations throughout the United States "BRAC-proof." To do that, NAID is looking at ways to make existing posts more cost effective: privatization, outsourcing, or staying the course. In some cases it is more advantageous to privatize the utility functions of the bases while in other cases it is more advantageous to outsource them. In other cases it is more cost-effective to stay the course. The same case applies to real estate. In many cases, especially in Alaska, downsizing has created an excess of acreage, administrative facilities, housing, and warehousing. One way to make the bases cost effective is to lease the excess space available. Bases are being encouraged by the Department of Defense to take that initiative. Ft. Richardson has an excess of warehouse and administrative building space and, in the Anchorage bowl area, there is a shortage of warehouse space.

The military calculates base costs by dividing the amount of square

footage and acreage available by the number of soldiers. Alaska's bases have the highest cost per soldier.

NAID is looking into a second mechanism that may be used on an experimental basis in San Antonio, Texas. Either the entire base will be conveyed to the local community and the military will lease back those facilities it needs, or operational agreements with local governments for maintenance of the infrastructure and roads will be entered into. If either arrangement proves to be a success, it will reduce the costs for the military unit and it will give the local government or other entity the option to lease out the unused facilities or acreage.

One challenge faced by Alaska is the cost of base utility systems. Water and sewage operations are not a problem. Electricity and heat are problematic because all electric generating plants on the bases are coal generation plants that produce both electricity and steam heat for all facilities on the post. The power plants and conduits are in poor condition and not cost effective. It will be difficult to get any entity to take over that operation.

COLONEL VAKALIS said the more active a military base is with local communities. State and other federal agencies, in the form of joint uses, the more protected that installation is from closure. He also pointed out that the Assistant Secretary of Defense attended the conference and made clear that the Department of Defense (DOD) is very serious about getting out of the utility business, and on getting returns from unused facilities and acreage. Colonel Vakalis warned that facilities that are not leased out could be torn down. Participants were also informed that the Department of Defense does not intend to do a BRAC round in 2001 but it is pushing for BRACs in 2003 and 2005. DOD is

waiting for a change in the Administration and is devising more appropriate criteria to use in the next BRAC rounds.

Number 520

MR. WALKER said that during the tour of Ft. Richardson, members saw a refrigerator warehouse in outstanding condition. Discussion ensued about the dearth of available refrigeration storage space in the Anchorage basin yet that building has been destroyed. He referred to a usage agreement for the land that precludes the Army from leasing out excess land to commercial or local government entities and he asked if that is an issue the legislature needs to address. He noted it is ironic that Alaska is worried about losing bases but it is hamstrung to use the facilities.

COLONEL VAKALIS replied there are two answers to that question. First, the agreement Mr. Walker referred to is called NALA - the North Anchorage Land Agreement. That agreement came into existence as the result of over filings by the State, Native organizations, and the Municipality of Anchorage (MOA) for the lands associated with Ft. Richardson and part of Elmendorf Air Force Base if those posts were declared excess to the needs of the military. To preclude a legal battle if those posts were declared excess to the military's need, the U.S. Government said if all three parties can devise an agreement for the land prior to the closure of those posts, the Army will transfer the lands at that point in time. The agreement divides the lands three ways: the MOA gets a certain amount for specific uses; the Eklutna Corporation gets a certain amount; and the State gets a large amount of acreage.

The agreement says that the State will take an identified portion and the excess will be either jointly managed or jointly agreed

upon by the MOA and Eklutna. The problem is, as of this point in time, that has not been determined. The Army does not need to declare that property as excess to its needs. It can say it has excess capacity and, in that case, if it needs to use that property in the future, the property will revert back to the military. Unless the Army declares that property excess to its needs, it can still lease it out. If the military leases a warehouse, the money goes back into military operations so the warehouse is not considered excess to its needs because it is revenue generating.

COLONEL VAKALIS said the second aspect of that arrangement is that a law on the books prohibit the military from competing with private enterprise. To get around that, three factors must be considered. One factor is that the local government concur in the use of land or a particular facility to compete. If the local government has no concerns, then fair market value must be determined and charged. Third, the use should be endorsed by the local Chamber of Commerce.

SENATOR PHILLIPS asked whether 50 acres is available for a high school and whether such a facility would fit the criteria.

Number 585

COLONEL VAKALIS replied that one thing that makes Ft. Richardson valuable is its training area so 50 acres could be problematic. Ft. Richardson intends to hold on to as much acreage as possible to encourage other units to train there.

TAPE 00-01, SIDE B

REPRESENTATIVE MURKOWSKI referred to a letter from the Chamber of

Commerce. It's military affairs committee has recommended that Alaska look to hire a firm to study the situation in Alaska and recommend how Alaska can become BRAC-proof. She asked Colonel Vakalis his opinion of that approach.

COLONEL VAKALIS said he participated in writing that letter which was a response to a speech that Senator Stevens made in December of 1999. Senator Stevens spoke about a BRAC round in 2001, and he mentioned that Ft. Richardson and Eielson Air Force Base were very vulnerable. As a result of those statements, it appeared to the Chamber that an assessment was necessary. The necessity is still there but the urgency is not. He pointed out that if a BRAC round occurs in 2003, the fact gathering will occur before that year.

CO-CHAIRMAN KELLY announced that Representative Therriault joined the committee. He then asked Chris Nelson to update the committee on military issues.

Number 569

CHRIS NELSON, staff director to the JASC, informed committee members that the JASC is required by statute to report its activities to the Legislature at the beginning of the session. A copy of the activities report from July 1, 1999 through January 10, 2000 is included in committee members' packets. A few key issues are facing committee members. First, in the area of national missile defense, the decision on whether and where to build the system is still on the calendar for June of 2000. Alaska wants the system built, and it wants the system built in Alaska. Crucial to those goals are the flight tests of the various technological elements of the system. The first flight in October, the test of the exo-atmospheric kill vehicle, was a success. The second flight

in early January failed to achieve an intercept. That test was complicated and, although the intercept failed, the other parts of the test worked very well and proved that the architecture of the system was valid. The military believes the intercept was not achieved because of two failed heat sensors. A third flight test is scheduled in April.

Alaska has a lot riding on the third test. The JASC has held the position that more tests should be conducted but it does not see a good reason to postpone the deployment readiness review. The JASC wants a decision to be made in June so that the bidding process can begin in July and August, and the construction can begin the following summer.

MR. NELSON noted he has been in contact with staff at the national missile defense office, and has indicated that the JASC would enjoy having the opportunity to host Major General Nance, the Commander of the National Missile Defense office. The attendance of Dr. Pellier, Vice President of Boeing, would also be extremely helpful. General Nance may be available during the week of April 3rd. He asked the committee's permission to issue a formal invitation to General Nance to visit Alaska during that week.

CO-CHAIRMAN KELLY asked if there was objection to that invitation. There being no objection, Co-Chairman Kelly asked Mr. Nelson to proceed.

Number 524

MR. NELSON informed committee members that although the next BRAC round has been scheduled in 2003, the issue is still on the table and DOD is looking hard for ways to shed itself of excess base

structure. The JASC's argument that new evaluation criteria must be used in any future BRAC rounds has been successful. The committee has argued that the new criteria view and weight joint activities. Leon Panetta was the featured speaker at the NAID conference in Jacksonville, Florida last summer. Mr. Panetta described what people expected from BRAC and what they got. A study of base reuse found that only one-fifth of bases closed in the first three BRAC rounds had regained the same level of employment in civilian reuse as that prior to closure.

MR. NELSON suggested the JASC's number one priority must be to continue to monitor ballistic missile defense. BRAC must also be monitored.

SENATOR PEARCE commented that Senator Murkowski pointed out that some military facilities are more cost effective to keep open than to close due to the cost of environmental cleanup. She asked whether that will work for or against Alaska in another BRAC round.

MR. NELSON said that along with changes to BRAC evaluation criteria, another analytical tool, the COBRA model, must be changed. COBRA is a military acronym for Cost of Base Realignment Action. That model was developed in 1988 to compute a break even point but no environmental cleanup costs were factored into it at all. If a 2003 BRAC round is authorized, in addition to Alaska's efforts to ensure that joint evaluation criteria are used, it must also insist that the COBRA model be modified to include the costs of environmental cleanup because those costs are enormous in virtually every base that has been closed. The DOD does not bear those costs; many of the bases become Superfund sites.

CO-CHAIRMAN KELLY asked Mr. Nelson to work with Colonel Vakalis and

the Anchorage Chamber of Commerce on the possibility of hiring a consultant.

MR. NELSON agreed.

Number 448

SENATOR WILKEN informed committee members that last March a number of legislators were invited to visit the Northern Edge Training Site. Legislators returned with an appreciation of the military's role in Alaska and the role of Alaska in the military strategy. On the return trip, participants discussed the need to inform other legislators about that relationship. To that end, they decided to establish a "Northern Edge Day" so that legislators could visit that site on one day each session. He asked committee members to recommend that action to the Legislative Council and legislative leadership.

CO-CHAIRMAN KELLY asked Mr. Nelson to work with Senator Wilken on that issue.

Number 527

REPRESENTATIVE MURKOWSKI noted that Mr. Treadwell indicated that he was willing to work on a resolution regarding the ABM Treaty and how it will or will not affect Alaska. She asked JASC members to work with her on such a resolution.

SENATOR LEMAN noted the JASC report mentions the ARRC track realignment to Ft. Richardson. He felt the report should reflect that he and Representative Murkowski are working with the ARRC, the Air Force and the Army on legislation to be introduced this week

regarding that land exchange.

MR. NELSON pointed out that Senator Leman will also be meeting with officials to talk about the smoke issue.

CO-CHAIRMAN KELLY asked Rear Admiral Barratt to update the committee on Coast Guard issues.

Number 411

REAR ADMIRAL BARRATT gave the following briefing to legislators. Coast Guard activities in Alaska are quiet today but, even so, three cutters are out patrolling and air stations in Sitka and Kodiak will be running fisheries patrols in their areas. Also, the Cutter Melon is in Juneau and is en route to the Bering Sea. Marine inspectors are in Dutch Harbor and Nikiski checking on commercial vessel shipping. Aside from 2000 active duty members, the Coast Guard also has about 400 auxiliary members and over 50 reservists. The Coast Guard puts about \$200 million into the Alaska economy each year in both salaries and purchases. That amount does not include the cutters that come from other areas and patrol in Alaska. The Coast Guard is located in many locations in Alaska in relatively small size. The Coast Guard operates: buoy tenders; coastal patrol boats; small boat stations; marine safety offices in Anchorage, Valdez, and Juneau; air stations at Kodiak and Sitka; support centers in Kodiak and Ketchikan; and loran stations scattered around the State.

Alaska is a maritime state with a huge coastline and a tremendous amount of activity along that coastline. The major economic drivers in the State include the oil industry, fisheries and tourism - industries that move on the water. Over 14,000 vessels

are involved in commercial fishing in Alaska. Passenger vessels in the 100 to 200 passenger size are moving further off the main waterways.

The Coast Guard's primary focus is maritime safety which includes search and rescue. Last year the Coast Guard responded to almost 1000 rescues and directly participated in saving 255 lives. The Coast Guard has made a practice of deploying helicopters to St. Paul and Cold Bay during the winter months and keeps a cutter on patrol in the Bering Sea during the worst weather to reduce fatalities. The number of deaths in the fishing industry last year was about 19. Overall, the number of deaths has decreased over the years although the factors for that decrease are hard to segregate. Fishing is a dangerous occupation. Coast Guard efforts to minimize losses include more exams at the dock, more boardings at sea, and a focus on whether boats are ready to go to sea in this environment.

REAR ADMIRAL BARRATT informed JASC members that over 2 million passengers move through Alaska on passenger vessels. Last year four vessels were grounded. The Coast Guard has a small passenger vessel task force working with the industry to make that industry safer. Similarly, the Coast Guard is trying to work with the small charter boat industry to increase the level of safety on a voluntary basis. The Coast Guard endorses a five star safety program. If a boat meets five requirements for safety measures such as backup communications, the Coast Guard will endorse it as being a safe operation. The Coast Guard is also concerned about non-commercial boating fatalities in the State - 29 occurred last year. Alaska has the worst fatality rate in the nation. The Coast Guard is working with the state to improve outreach and education.

REAR ADMIRAL BARRATT said the second major mission beyond safety is protection of natural resources. Living marine resources is the most time consuming. The Coast Guard partners with the National Marine Fisheries Service, the Alaska Department of Environmental Conservation, Board of Fish, and the National Oceanic and Atmospheric Administration to protect the fisheries for the future. A big issue is the high seas driftnet fishery which occurs in the Bering Sea. Right now there is a U.S. moratorium on high seas driftnet fisheries. Last year the Coast Guard cited 10 vessels about 1500 miles West of Kodiak for violating the moratorium. Three of the vessels were seized.

The Coast Guard patrols the maritime boundary with Russia. A large multi-national fleet targets pollack in the Russian EEZ. Poor catch rates on the Russian side cause Russian fishermen to push the U.S. boundary creating both a fisheries and sovereignty issue for the U.S. The Coast Guard patrols this mission regularly with its largest aircraft and cutters.

REAR ADMIRAL BARRATT noted the maritime boundary in the Bering Sea has been ratified by the U.S. Senate but not by the Russian Duma. The catch rates on the Russian side are about one-tenth of the rates in the U.S. EEZ which is one reason the pressure along the boundary is high.

The Coast Guard also enforces domestic fisheries laws to keep the playing field level for U.S. fishermen. Alaska has the largest IFQ fishery in the world and over 200 time, area and species openings. The Coast Guard is increasing surveillance on sea lion rookeries. It is also taking a hard look at the impact of cruise ships in terms of sewage, garbage, oil and chemical discharge. The Coast Guard enforces U.S. and current international pollution laws; the

legislature needs to consider whether what the Coast Guard is doing is adequate. Valdez is closely monitored, as is Cook Inlet, particularly in winter months when ice restrictions have to be imposed.

Alaska waterways are a major highway. The Coast Guard maintains about 1300 buoys and other navigation aids. Over the next few years, the Coast Guard will be replacing the 180 foot cutters it has in Kodiak, Homer, Cordova and Sitka with 225 foot cutters. The Homer pier will not accommodate the larger ship.

The Coast Guard's portion of Northern Edge is the naval component. Over 1,000 naval exercise participants will visit and contribute about \$700,000 to the local economy of Sitka this year.

REAR ADMIRAL BARRATT commended Alaska's military services for doing a lot of preventive work to make sure that Y2K was a non-event. He noted that the Coast Guard is a little more "on the edge" than he would like it to be because of maintenance accounts, spare parts shortages, and people shortages.

REAR ADMIRAL BARRATT invited committee members to visit Coast Guard facilities in Alaska.

Number 170

CO-CHAIRMAN KELLY told Rear Admiral Barratt the committee plans to visit Kodiak in the near future.

SENATOR PHILLIPS asked if the 29 lives were lost in inland waters.

REAR ADMIRAL BARRATT said that number was statewide.

MR. WALKER pointed out that Rear Admiral Barratt wears a second hat as the Maritime Defense Commander and therefore oversees the Navy component in Alaska. He asked Rear Admiral Barratt to address that relationship and the interaction with Alaska command and how that relates to BRAC.

REAR ADMIRAL BARRATT explained he has two bosses - he answers to the Commandant of the Coast Guard and to General Case as the Naval Component Commander for Alaska. In terms of impacts, whatever the other services do impacts the Coast Guard. The fact that Adak is transitioning out of a naval facility and into another type of activity impacts the Coast Guard. The Coast Guard uses Attu as a refueling spot and, to the extent that commercial fishing activity occurs in that area, the Coast Guard will be impacted. He pointed out if Coast Guard C-130s cannot be staged out of Galena, and they must be flown from Kodiak or Anchorage, the operating hours on the maritime boundary drop dramatically. All of the BRAC issues have multiple consequences in terms of mission, growth, or the types of missions flown everyday.

Number 120

MR. WALKER said he hopes that in the discussions about the re-evaluation of criteria for future BRACs, that the JASC get input on the criteria from the Coast Guard. The BRAC personnel in Washington, D.C. have no concept of the fact that the West Coast is closer to Washington, D.C. than Juneau is to many parts of Alaska.

CO-CHAIRMAN KELLY agreed that is another strong reason to retain Alaska bases.

SENATOR PEARCE asked whether the Coast Guard has any authority over

all of the passenger ships, including cruise ships, regarding open bridge policies.

REAR ADMIRAL BARRATT replied the Coast Guard has authority to impose restrictions that are geographic based so it could not set a policy on a general basis, but in a particularly difficult operating area, the Coast Guard could come at it through the captain of the Port Authority in particular areas.

SENATOR PEARCE asked whether that came up as an issue during the small passenger vessel discussion.

REAR ADMIRAL BARRATT said it did and it was considered to be a distraction.

SENATOR PEARCE said she has heard some horror stories about the larger ships and she thought the problem would be intensified on the smaller ships.

REAR ADMIRAL BARRATT agreed.

CO-CHAIRMAN MULDER indicated that during testimony by the Commissioner of the Department of Environmental Conservation (DEC) in the House Finance Committee, the Commissioner said that the Coast Guard has oversight of oil discharge in Alaska. He asked whether there is any desire on the part of the Coast Guard to transfer that responsibility to DEC.

REAR ADMIRAL BARRATT said there is not. He noted that most of the large cruise ships are foreign vessels and the standards for oil discharge must meet international standards. Regarding sewage discharge standards, there is no equivalent to the federal Water

Pollution Control Act with respect to oil discharge standards.

CO-CHAIRMAN KELLY acknowledged the presence of Representative Austerman.

REPRESENTATIVE HARRIS thanked the Coast Guard for the work it provides in Cordova and Valdez. He pointed out that many Coast Guard retirees remain in Alaska and participate in Alaska's businesses.

CO-CHAIRMAN KELLY thanked Rear Admiral Barratt for his presentation. He noted the JASC will hold its next meeting in Anchorage in June. He anticipates that committee members will visit the Army Corps of Engineers and the new hospital at Elmendorf Air Force Base. In addition, the committee hopes to visit Kodiak and Ft. Wainwright sometime this year.

SENATOR WILKEN suggested that members send their June schedules to Mr. Nelson so that he can arrange a meeting on a compatible date.

CO-CHAIR KELLY announced the last presentation is from Eli Gromoff and Chris Gates of the Adak Redevelopment Authority.

TAPE 00-02, SIDE A

MR. GATES introduced Mr. Eli Gromoff, CEO of the Aleut Corporation, and said that Adak will be transferred from the Department of Defense and Department of the Interior to the Aleut Corporation.

MR. GROMOFF made the following comments on the transfer agreement to move the property over to the Aleut Corporation which will be ratified by legislation. Ownership of the infrastructure on Adak

that was produced by the Navy will be transferred to the Department of the Interior plus 46,000 ANCSA acres on the Shumagin Islands and Adak Island. The unique thing about this transfer is that the Aleut Corporation is starting a community from scratch. The Aleut Corporation is looking to finalize the agreement by March.

Some environmental issues need to be addressed, specifically with the Navy. The Aleut Corporation does not want any liabilities that are involved with environmental issues; the main issue is non-exploded ordinance left there from WWII. The Aleut Corporation is working closely with the EPA to eliminate that liability, and it hopes to use the same criteria to remove any other non-exploded ordinances left in its region from WWII. The Aleut Corporation owns a lot of land on other islands that are contaminated with non-exploded ordinances also. Once the environmental issues are cleared up with the Navy, the transition is very close to being finished.

Legislation will be addressed by Congress this year. Hopefully it will be signed by Congress in November and by the President in January. In the interim, the Aleut Corporation will take full control of Adak and it is trying to make an early transfer of the property. The Aleut Corporation will negotiate a lump sum with the DOD to perform the cleanup in Adak. The Aleut Corporation can accept contaminated lands because the corporation was able to obtain environmental insurance as a result of the BRAC. The Aleut Corporation will keep the legislature updated on how the transfer is going.

Number 095

MR. GATES stated that for four years the Aleut Corporation has been

dealing with Navy officers and the DOD on issues concerning personal property, pilferage, use of facilities prior to transfer, asbestos, and lead based paint. The Aleut Corporation has leased the facilities on Adak from the Navy to work out all the issues and about 300 people work there now. There is a huge sense of community there. The Aleut Corporation has had to conduct two full petitions with the Local Boundary Commission because the second class city formation process is too slow. Most local reuse authorities across the country are asset rich and cash poor. In any BRAC closure the federal government holds most of the cards and they play tough.

Adak has the second largest school in the Aleutian Chain and a seafood processing business is on track about five years before the State's consultants said it would be up and running. It expects 8.5 million pounds of seafood this coming year. Last year it produced over \$200,000 dollars in fish tax revenue that was paid to the State.

For Adak to have a master lease a VPSO is needed on site. Adak needs some of that money that it pays to the State in taxes to pay for a VPSO on Adak. It leases 1.3 million square feet right now; there are 4.5 million square feet of developed buildings on Adak, some of the buildings will never be reused.

The tough issues for the Aleut Corporation are permitting and utility transition. The regulatory agencies of the State never anticipated the number of permits required to transition a military base to a private community. The Aleut Corporation may need help in obtaining all of the permits in the time frame given. It wants to obtain complete control of that base by October 1, 2000. The utilities of Adak have to be downsized, but the cost of the

downsize is expensive and right now it does not have the money to do that. It expects to have our second class city classification completed by August of 2000, and it also expects to have a cooperative agreement with the Navy and the city by that time.

Number 213

CO-CHAIRMAN KELLY asked if the Aleut Corporation is through the Local Boundary Commission in terms of permits.

MR. GATES said staff from LBC went to Adak and held the first public information session on Adak. The main issue is that the Aleut Corporation has asked for the whole island to be designated as the City of Adak. The LBC objects to the size of the city, but there is a 60 day federal review by the Department of Justice.

CO-CHAIRMAN KELLY asked if they were anticipating any monetary help from the federal government.

MR. GATES replied they have received a little planning help. Senator Stevens put money into the budget to run the airport for five years but that money may have been misallocated.

CO-CHAIRMAN KELLY asked about the Regulatory Commission of Alaska and if it would help if the committee sent a letter to them.

Number 250

MR. GATES said that the Commission is sensitive to the needs of Adak. The Navy is shutting down the base on October 1, 2000 and all of the permits need to be in place. He asked if the committee can help by providing a safety net for the permit processing.

SENATOR PEARCE asked if all the requests are in to the Regulatory Commission of Alaska.

MR. GATES said most of the requests are in.

MR. GROMOFF said the Navy is working very closely with the corporation and it is looking into an administrative transfer. Some other permits would be required, but there doesn't seem to be a problem with the EPA. The biggest permit problem is in regard to port operations on hazardous materials.

MR. GATES commented the sheer volume of permits is overwhelming.

SENATOR PEARCE said the RCA inherited over 500 open dockets when it was established last year. There were almost 800 cases that hadn't even been assigned a docket number. So far they have cleared hundreds of those cases.

The RCA promulgated new regulations that lay out a time frame so that scenario would not happen again. Those are now in the Department of Law, but the process is there for a reason. The Corporation needs to sit down with the RCA and let them know what is coming at them, so they can make resources available. The committee cannot help with the permit situation according to the Administrative Code, so it is up to the RCA and the Aleut Corporation.

MR. GATES said they have sat down with the RCA and everyone is really overwhelmed at the magnitude of the permits needed. They have not figured out whether it is possible to get all the permits within the time frame available.

MR. WALKER stated that Adak is a BRAC site and the implications of keeping it open are critical to the State. Adak is a safe haven, not only for Coast Guard and military vessels, but our fishing fleet, because of the severity of the weather. There is no where else out there to offer logistic support and offer the emergency access in that area. It is important for the State to ensure that this site becomes a viable entity and retain those facilities.

CO-CHAIRMAN KELLY said the next meeting will be held in Anchorage to visit Elmendorf Air Force Base and to discuss health care issues. Another meeting will be scheduled during the session to begin establishing the citizen's advisory committees.

CO-CHAIRMAN MULDER encouraged committee members to think about how the committee can best utilize the civilian advisory committees, because they are tremendous assets authorized under the statute. Their mission is not clearly defined so it is up to committee members to best define the mission and clarify objectives.

CO-CHAIRMAN KELLY asked for a report about the Y2K preparations from General Oates. He suggested that the military would receive legislative recognition for those efforts.

There being no further business to come before the committee CO-CHAIRMAN KELLY adjourned at 2:10 p.m.