

SB

125

<target><bill>SB 125</bill><subject>SB
125</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Senator Joe Paskvan

Chair, Labor and Commerce
Vice Chair, Health and Social Services
Member, Transportation
Member, State Affairs
Member, Joint Armed Services

*Senate District E
Fairbanks and Fort Wainwright*



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Juneau, Alaska 99801-1182

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Sponsor Statement

SB 125 Alaska Aerospace Corporation

"An Act changing the name of the Alaska Aerospace Development Corporation to Alaska Aerospace Corporation."

Senate Bill 125 simply seeks to change the name of the Alaska Aerospace Development Corporation to the Alaska Aerospace Corporation.

"Development" gives the perception that the organization is a non-profit administrative body that simply encourages aerospace development in Alaska, rather than an organization that owns and operates space launch facilities that are fully developed and capable of launching rockets as large as the Minotaur IV.

There are an increasing number of state sponsored aerospace development organizations that have been established in the lower 48 (California, Florida, New Mexico, Oklahoma, Texas, Virginia) that fit the "development" mold. They have some facilities, and they all work hard to develop aerospace incentives within the individual states, but they all have limited hands-on rocket launch experience.

The launch site in Kodiak is operational, functioning and self supporting, in that no Alaska General Fund appropriations are needed for operations and maintenance of the site. The site has had 14 successful launches since November 1998. The corporation's title needs to reflect these facts and this name change will help the organization meet its 21st century goals.

The new title, Alaska Aerospace Corporation, is unambiguous about their capabilities and will improve their ability to offer launch services to the national and international aerospace market.

This name change will further assist the corporation in securing launch and other aerospace related contracts that generate significant economic benefits to Alaska by providing long-term, high paying, stable jobs; by providing local economic diversity; and by creating short-term benefits from projects and construction activities.

I urge your support of this legislation.

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 11, 2009

FURTHER REFERRALS:

Date of Committee Action: 4/18/09

The FINANCE Committee considered:

SENATE BILL NO. 125

"An Act changing the name of the Alaska Aerospace Development Corporation to Alaska Aerospace Corporation."

SB 125 AK AEROSPACE CORPORATION

Recommends it be replaced with HCS or CS for _____ (_____)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 DHS
 LWF
 LAW
 LEG
 MVA
 DNR
 DPS
 REV
 DOT
 UA

NEW FISCAL NOTES				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
ced	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
<i>Will Bill</i> <i>Anna Fairclough</i>	<i>Isaac</i> FAIRCLOUGH	✓			
<i>Harry Crawford</i>	<i>Gave</i>	✓			
<i>Harry Crawford</i>	CRAWFORD	X			
<i>Mike Kelly</i>	KELLY	X			
<i>Alan Austerman</i>	AUSTERMAN	X			
<i>Ralph Jouke</i>	Jouke	✓			
Chair: <i>John Hamlin</i>	Hamlin	★			
Chair: <i>Bill Stolte</i>	STOLTE	★			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 125
 (S) Publish Date: 3/13/09

Identifier (file name): SB125-CED-AADC-03-10-09 Dept. Affected: DCCED
 Title: Alaska Aerospace Corporation RDU
 Component: Alaska Aerospace Develop. Corp.
 Sponsor: Senate Labor and Commerce Alaska Aerospace Develop. Corp.
 Requester: Senate Labor and Commerce Component Number: 1424

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies	4.5							
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

	FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
1002 Federal Receipts	4.5						
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other ()							
TOTAL	4.5	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill proposes to change the name of the Alaska Aerospace Development Corporation to Alaska Aerospace Corporation. The supplies expenditures reflect the cost of new letterhead, business cards, logo and website updates.

Prepared by: Tyson Fick, Legislative Liaison
 Division: DCCED
 Approved by: Emil Notti, Commissioner
Department of Commerce, Community and Economic Development

Phone 465-2503
 Date/Time 3/10/09 12:00 PM
 Date 3/1/2009



March 10, 2009

Senator Joe Paskvan, Chair
Senate Labor and Commerce Committee
Alaska State Capitol, Room #7
Juneau, Alaska 99801

SUBJECT: Support of SB 125 - Alaska Aerospace Corporation
"An Act changing the name of the Alaska Aerospace Development Corporation to Alaska Aerospace Corporation"

Dear Senator Paskvan:

The Alaska Aerospace Development Corporation completely supports this bill that changes our name to the Alaska Aerospace Corporation. We feel strongly that this name change will further assist the corporation in securing launch and other aerospace related contracts that generate significant economic benefits to Alaska by providing long-term, high paying, stable jobs; by providing local economic diversity; and by creating short-term benefits from projects and construction activities.

The launch site in Kodiak is fully operational, functioning and self supporting. The site has had 14 successful launches since November 1998. The corporation's title needs to reflect our maturity and this name change will help the organization meet its 21st century goals.

The new title, Alaska Aerospace Corporation, is unambiguous about our capabilities and will improve our ability to compete for and offer launch services to the national and international aerospace market.

Please call me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Dale K. Nash". The signature is written in a cursive, flowing style.

Dale K. Nash
Chief Executive Officer

Talking Points

SB 125 Alaska Aerospace Corporation:

"An Act changing the name of the Alaska Aerospace Development Corporation to Alaska Aerospace Corporation."

Mr. Chairman, the Alaska Aerospace Development Corporation was established by the Alaska State Legislature in 1991 and charged with stimulating a high technology aerospace industry in the state and is designed to augment the nation's ability to place satellites into orbit and support missile defense testing. The Corporation, in partial fulfillment of its charter, built and operates the Kodiak Launch Facility, the nation's first full service commercial spaceport that was not co-located on a Federal reservation.

Senate Bill 125 simply seeks to change the name of the Alaska Aerospace Development Corporation to the Alaska Aerospace Corporation.

The word, "Development", in the Corporation's title gives the perception that they are a non-profit administrative body that simply encourages aerospace *development* in Alaska, rather than an organization that owns and operates space launch facilities that are fully developed and capable of launching rockets.

According to Dale Nash, the Chief Executive Officer of the Corporation, this name change will assist them in securing launch and other aerospace related contracts that generate significant economic benefits to Alaska by providing long-term, high paying, stable jobs; by providing local economic diversity; and by creating short-term benefits from projects and construction activities.

These are just a few facts about the economic impact of the Corporation in Alaska:

- The Alaska Aerospace Development Corporation contributed about \$28.7 million to the state last year, according to the independent firm, Northern Economics.
- During fiscal year 2008, the corporation spent about \$17.8 million in Kodiak, supporting about 100 local vendors and generating 155 jobs. Those jobs paid about \$7.7 million in wages and salaries on the island. Nearly 1,000 people visited the island during the year to support activities at the launch facility. These visits generated about \$365,000 for hotels, restaurants and retail services on the island.
- Also, the Alaska Aerospace Development Corporation was involved in a project to increase cellular phone access in areas previously unavailable on the island, and it helped generate funding for improvements to Pasagshak

Road. All totaled, the Kodiak Launch Facility was responsible for 11 percent of total earnings for the borough.

- In Anchorage, the corporation employed 20 people and paid wages, salaries and fees to employees and suppliers of \$1.7 million. All totaled it contributed about \$7.1 million to the Anchorage economy.

The launch site in Kodiak is operational, functioning and self supporting, in that no Alaska General Fund appropriations are needed for operations and maintenance of the site. The small fiscal note -- \$4,500 -- reflects the cost of new letterhead, business cards, logo, and website designs; and will be paid for with federal receipts, not the State's General Fund.

Mr. President, this name change will help the organization meet its 21st century goals. The new title, Alaska Aerospace Corporation, is unambiguous about their capabilities and will improve their ability to offer launch services to the national and international aerospace market, which benefits both our nation and our State.

I urge your support of this legislation.

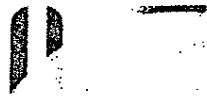
The Economic Benefits of the Alaska Aerospace Development Corporation, FY2008

Prepared for the

Alaska Aerospace Development Corporation

January 2009

Prepared by



Northern

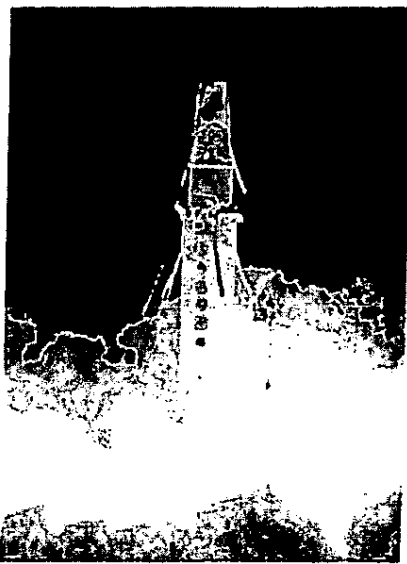
Northern Economics	114 W Magnolia Street, Suite 411
480 H Street, Suite 210	Bellingham, WA 98225
Anchorage, Alaska 99501	Phone: (360) 715-1808
Phone: (907) 274-5600	Fax: (360) 715-3588
Fax: (907) 274-5601	Email: mail@nmorecon.com

Executive Summary

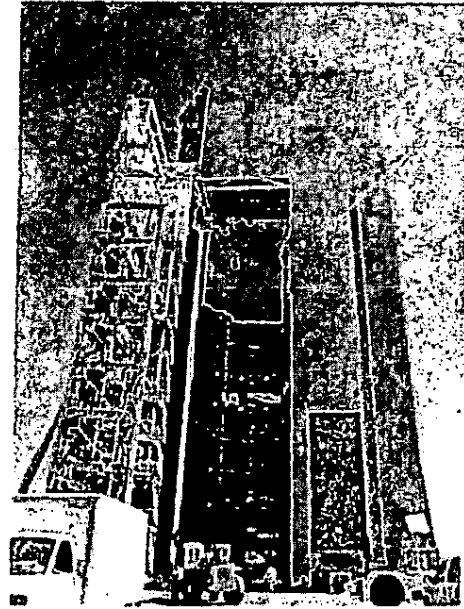
This study quantifies the economic contribution of the Alaska Aerospace Development Corporation's (AADC) and the Kodiak Launch Complex (KLC) operations on the local economies of Kodiak, Anchorage and Cordova as well as the economy of the state as a whole. The economic analysis covers the 2008 fiscal year (July 1, 2007 to June 30, 2008).

The KLC operations and projects continue to generate significant economic benefits to Alaska by providing long-term, high paying, stable jobs, providing local economic diversity, as well as creating short-term benefits from projects and construction activities. In FY08, AADC's total economic contribution to the state amounted to \$28.7 million in economic output. AADC continued to purchase goods and services from local businesses. AADC directly supported 260 Alaska businesses and generated 235 direct, indirect and induced jobs that paid a total of \$12.5 million in wages and salaries within the state. Figure ES-1, Figure ES-2, and Figure ES-3 illustrate the share of economic output, jobs and labor income generated in the different regions that benefited from AADC activities. Table ES-1 presents all the direct, indirect and induced economic impacts on the different regional economies as well as the total statewide impacts.

As expected, the economic impacts of AADC's operations and projects were most significant in the Kodiak region. The total direct, indirect and induced local impacts to the Kodiak economy alone amounted to \$17.8 million, supporting over a hundred local vendors, and generating 155 local jobs with \$7.7 million in local payments for wages and salaries. This amount represents about 11 percent of the total earnings recorded for the Kodiak Island Borough for the previous year.



IFT-13c Target Missile Launch Dec 2004.
Photo courtesy of Sandia National
Laboratory.



Launch Services Structure (LSS) with rotating service door open. Upper floors show results of corrosion control process (in progress). Photo from AADC Archives.

The local impacts to Kodiak are especially significant during a launch. The Kodiak Launch Complex attracted 420 mission related and 562 non-mission related visits to Kodiak during the 2008 fiscal year. These visits contributed approximately \$365,000 in business sales for hotels, restaurants, and other retail and service sectors in Kodiak. Besides the economic impacts generated in the tourism or hospitality sector, logistics activities during launches also directly benefited local contractors. Approximately \$100,000 in direct local spending per launch is associated with logistics activities. Activities during a launch typically involve HAZMAT certified drivers and trucks, communications equipment and material handling equipment and operators.



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NEWS	HISTORY	GLOBAL LOCATION	EDUCATION
ABOUT US	RELATED LINKS	OPPORTUNITIES	



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AADC History

AADC was established by the Alaska State Legislature in 1991 and charged with stimulating a high technology aerospace industry in the state. The corporation, in partial fulfillment of its charter, built and operates KLC, the nation's first full service commercial spaceport that was not collocated on a Federal reservation. KLC is located on Kodiak Island, which was chosen over several other sites scattered across the state, for its ability to best support commercial launch operations. The launch complex occupies around 3,700 acres of State owned land. AADC has authority over an additional 10,000 acres of land abutting the complex that it limits access to during launch operations to assure public safety and security. KLC offers a broad unobstructed open ocean launch fan to the south that ranges from 110° to 220°. There are no down range human safety concerns and missions can be flown without need for energy dissipating dog leg segments.

Construction of KLC began in 1998 and the facility was completed in 2001. AADC's customers to date have included the US Air Force, NASA, and the Missile Defense Agency.



Alcatel installing a section of the new undersea fiber optic cable network at Kodiak Island, in 2006.



FTG-02 lifts off from KLC on September 1, 2008 - Photo courtesy of Sandia National Laboratories

Economic Development and Industry Expansion

Satellite Earth Station

AADC participated in feasibility studies that brought a satellite down-link earth station to Fairbanks. At high northern latitude, Fairbanks is well suited as a location to receive data from remote sensing, research or other observation satellites in polar orbits. A satellite in polar orbit offers data to a receiving earth station in Fairbanks more times a day than would be possible if the earth station were further south in the U.S.

Telecommunications in Southcentral Alaska

In 2006, AADC partnered with the Kodiak Kenai Cable Company to bring high speed fiber optic connectivity to KLC and Kodiak Island. AADC owns sufficient fiber to support conceivable long term needs at KLC. Fiber cable was laid to Kodiak from Seward, Alaska, to the east and Homer, Alaska, to the north providing assured redundancy as a guard against cable breaks. Communication between KLC and the rest of the world is provided by a Synchronous Optical Network (SONET) fiber ring. The SONET ring has

KLC Launch History

December 5, 2008
Missile Defense Agency (MDA) Strategic Targets System (STARS), FTG-05

July 18, 2008
MDA STARS, FTX-03

September 28, 2007
MDA STARS, FTG-03a

May 25, 2007
MDA STARS, FTG-03

September 1, 2006
MDA STARS, FTG-02

February 23, 2006
MDA STARS, FT 04-1

February 13, 2005
MDA STARS, IFT-14

December 14, 2004
MDA STARS, IFT-13C

April 24, 2002
U.S. Air Force (USAF) Quick Response Launch Vehicle, (QRLV-2)

November 9, 2001
U.S. Army Space and Missile Defense Command, West Coast Risk-Reduction Flight (WCRRF)

September 29, 2001
Lockheed Martin, NASA and USAF, Kodiak Star

March 22, 2001
USAF QRLV-1

September 15, 1999
USAF Atmospheric Interceptor Technology (AIT), ait-2

November 5, 1998
USAF, ait-1

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full and automatic redundancy. KLC currently has one OC-12 capacity on the fiber ring with an installed capacity of two DS 3s (equal to 56 T-1s).

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