

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

SJR 55, CSSJR 55 181 181

SUR

55

SENATE COMMITTEE REPORT

FURTHER

2/4/88

DATE TURNED INTO OFFICE 2/8/88

Mr. President:

Finance Committee considered SJR 55

establishing a United States Navy homeport in Alaska

and recommended

replace with _____ CS SJR 55 (Finance) same title
 or adopt _____ CS _____ new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous

zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]

Willie Hurley (2000)

Mike Ueh (DO PASS)

[Signature]

[Signature]

Rich Hallford do pass
Chairman signature and recommendation

Committee Backup attached

STATE OF ALASKA
1988 LEGISLATIVE SESSION

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

FISCAL NOTE

REQUEST:

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

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Prepared by: Jeff Morrison *J Morrison* Phone: 465-4600
Division: Administrative & Support Services, DMVA Date: February 8, 1988
Approved by Commissioner: MG John W. Schaeffer Date: February 8, 1988
Agency: Department of Military & Veterans Affairs

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 55 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

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

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

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

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

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

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

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

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

24 WHEREAS, in addition to its strategic geographical location, Alaska
25 can offer the United States Navy state land and resources and a willingness
26 to work cooperatively and to invest at least \$100,000,000 to develop
27 infrastructure and capital improvements necessary for the establishment of
28 a major, long-term Navy homeport in Alaska; and

29 WHEREAS establishing a Navy homeport at one or more Alaskan

1 communities could provide greater sustainability for naval operations in
2 the North Pacific and Arctic Oceans;

3 BE IT RESOLVED that the Governor and the Alaska State Legislature
4 strongly urge the United States Navy to consider establishing a homeport at
5 one or more Alaskan communities.

6 COPIES of this resolution shall be sent to the Honorable Frank
7 Carlucci, Secretary of Defense; to the Honorable James H. Webb, Jr., Secre-
8 tary of the Navy; and to the Honorable Ted Stevens and the Honorable Frank
9 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
10 members of the Alaska delegation in Congress.

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2/8/88

Lynn
Please re-do p 2
with change noted
& run in final.

go0568sL

- Vicki (4935)
Cap Rm 413

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

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2 the North Pacific and Arctic Oceans;

3 BE IT RESOLVED that the Governor and the Alaska State Legislature
4 strongly urge the United States Navy to consider establishing ^{a homeport} ~~one or more~~
5 ~~homeports in coastal~~ ^{of one or more} Alaska communities.

6 COPIES of this resolution shall be sent to the Honorable Frank
7 Carlucci, Secretary of Defense; to the Honorable James H. Webb, Jr., Secre-
8 tary of the Navy; and to the Honorable Ted Stevens and the Honorable Frank
9 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
10 members of the Alaska delegation in Congress.



From The
**SENATE
FINANCE COMMITTEE**

DATE: February 8, 1988

TO: Lynn
Legal Services

FROM: Vicki (4935)
Cap Rm #413

RE: CS for SJR 55 (Finance)

Please have a Finance CS for SJR 55 prepared according to the marked up document attached. CS SJR 55 (Finance) was reported out of SFC this morning.

Please return final to me asap.

THANK!

Offered: 2/4/88
Referred: Finance

Adopted by SFC.
2/8/88
800568sB
p1, line 26
p2, lines 4-5

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE ^{Finance} STATE AFFAIRS COMMITTEE
2 CS FOR SENATE JOINT RESOLUTION NO. 55 (^{Finance} ~~State Affairs~~)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
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5 ~~a community on the coast of Alaska, communities.~~
FZ → <

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8 tary of the Navy; and to the Honorable Ted Stevens and the Honorable Frank
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10 members of the Alaska delegation in Congress.

PROPOSED AMENDMENT TO CSSJR 55(SA): by Senator Zharoff

If adopted, to be incorporated into a Senate Finance CS;

Page 2, lines 4 and 5: after the word "establishing": delete remainder of the sentence;

insert the following material: "one or more homeports in coastal Alaska communities."

~~1) Title change reflecting plural "homeports."~~

~~2) Page 1, line 28; delete "a" before word MAJOR, change the word "homeport" to "homeports."~~

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE JOINT RESOLUTION NO. 55

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

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FIFTEENTH LEGISLATURE - SECOND SESSION

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Relating to establishing a United States

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Navy homeport in Alaska.

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8 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
9 members of the Alaska delegation in Congress.



Alaska State Legislature

Please enter into the record my testimony to the Senate ^{Rules} State Affairs
 committee name
 committee on SJR 55, dated 2/3/88
 bill/subject

As a retired navy captain and now fleet reservist, I had planned to testify on SJR 55 last week, but learned to my surprise that Fairbanks was not included in the Legislative Information line-up for comments on that occasion.

Fairbanks is the official "Honorary Home Port" for the Gold Crew of the USS Alaska and thoroughly enjoyed the several days' visit of about 200 officers and men from SSBN 732 during the week of 4 July 1987.

Personally, I am strongly in favor of the proposition expressed in SJR No. 55 and for the Legislature to take other appropriate action to encourage the U.S. Navy to authorize "Homeport" arrangements for Alaska costal waters.

Military defense needs in the North today fully justify such "Homeport" designations in Alaska -- and the state must be prepared to participate in meeting those needs

0 0 0

Signed: W^m R. Wood W^m R. Wood
 Testifier

Seal - (President, Council, University of Alaska)
 Representing (Optional)

665 7th Avenue
 Address Fairbanks, Alaska, 99701

Home (907) 452-6248
 Office (907) 456-1984
 Phone No.

FISCAL NOTE

REQUEST:

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

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

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

Prepared by: Jeff Morrison *J Morrison* Phone: 465-4600
Division: Administrative and Support Services Date: January 21, 1988

Approved by Commissioner: MG John W. Schaeffer *J Morrison* Date: January 21, 1988
Agency: Military and Veterans Affairs

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE JOINT RESOLUTION NO. 55

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

Relating to establishing a United States

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Navy homeport in Alaska.

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

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5 COPIES of this resolution shall be sent to the Honorable Frank
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7 tary of the Navy; and to the Honorable Ted Stevens and the Honorable Frank
8 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
9 members of the Alaska delegation in Congress.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 22, 1988

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

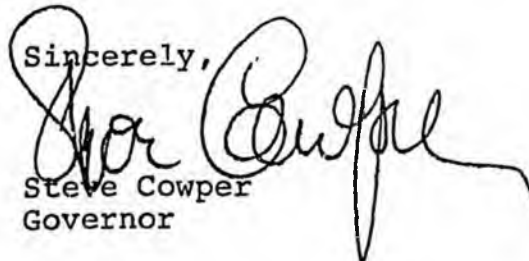
Dear Senator Faiks:

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

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

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

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

Sincerely,

Steve Cowper
Governor

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 1-26-88 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: Finance

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

1/22/88
Mr. President:

DATE TURNED INTO OFFICE 2-1-88

State Affairs

Committee considered SJR 55

establishing a United States Navy homeport in Alaska

and recommended:

replace with

CS

SJR 55 (SA)

same title

attached amendment(s) and

And reports it back as follows

new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

1 *Rich [Signature]* DO-PASS

2 *Joe Josephson - No Rec.*
Tommy No Rec.

Senator Mitchell [Signature]

Chairman signature and recommendation

Committee Backup Attached

CSS JR

55

HOUSE COMMITTEE REPORT

(11)

Date referred: 2/19/88

FURTHER REFERRALS:

DATE: 3/8/88

The Finance Committee has considered CSSJR 55(Fin)

Relating to establishing a United States Navy homeport in Alaska.

RECOMMENDS:

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

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published 2/8/88 by the Senate.
- zero with analysis

SIGNING DO PASS:

ADAMS [Signature]

POURCHOT [Signature]

LARSON [Signature]

RIEGER [Signature]

FRANK [Signature]

SIGNING OTHER RECOMMENDATIONS:

SWACK-HAMMER [Signature] no rec

BOYER [Signature] no rec

WALLIS [Signature]

BROWN [Signature]

DAVIS [Signature]

GOLL [Signature] NR

[Signature]
Chairman's signature

STATE OF ALASKA
1988 LEGISLATIVE SESSION

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

FISCAL NOTE

REQUEST:

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Prepared by: Jeff Morrison *J Morrison* Phone: 465-4600
Division: Administrative & Support Services, DMVA Date: February 8, 1988
Approved by *Morrison for* Commissioner: MG John W. Schaeffer Date: February 8, 1988
Agency: Department of Military & Veterans Affairs

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
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Office of Management and Budget
Impacted Agency(ies)

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE
 2 HOUSE CS FOR CS FOR SENATE JOINT RESOLUTION NO. 55 (Finance)
 3 IN THE LEGISLATURE OF THE STATE OF ALASKA
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 29 one or more Alaskan communities; and be it

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

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

12 FURTHER RESOLVED that the State of Alaska strongly urges the United
13 States Navy to work with any homeport community to develop an appropriate
14 emergency management plan that addresses public safety issues arising from
15 potential accidents with hazardous materials, nuclear and non-nuclear
16 weapons, and nuclear reactors; and be it

17 FURTHER RESOLVED that the State of Alaska's support for the
18 development of homeport facilities in Alaska is contingent upon the
19 agreement of each affected homeport community, as expressed by an advisory
20 vote of the community.

21 COPIES of this resolution shall be sent to the Honorable Frank
22 Carlucci, Secretary of Defense; to the Honorable William Bell, III, Secre-
23 tary of the Navy; and to the Honorable Ted Stevens and the Honorable Frank
24 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
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NEW LANGUAGE

[]

DELETED LANGUAGE

Original sponsor: Rules/Governor

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13 States Navy to work with any homeport community to develop an appropriate
14 emergency management plan that addresses public safety issues arising from
15 potential accidents with hazardous materials, nuclear and non-nuclear
16 weapons, and nuclear reactors.

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

adopted 3/8

1

[Drafted in relation to House CS for CS for SJR 55 (Finance) 3/2/88 draft]

AMENDMENT

by BROWN

page 2, line 16

add another paragraph following the word "reactors.":

and be it

FURTHER RESOLVED that the State of Alaska's support for the development of any homeport facilities in Alaska is contingent upon the agreement of the affected homeport community as expressed through an advisory vote of that community. by

the

" doesn't
change
substance. "

Ed Hein
3/9/88



SANE/ALASKA



THE ALASKA CHAPTER OF THE COMMITTEE FOR A SANE NUCLEAR POLICY
(FORMERLY CITIZENS AGAINST NUCLEAR WAR)

FOR MORE INFORMATION:
Chris Toal (272-0621)

March 3, 1988

QUESTIONS ABOUT STRATEGIC HOMEPORTING IN ALASKA

Q: WHAT IS STRATEGIC HOMEPORTING?

A: The Reagan Administration and the Pentagon want to expand the size of the surface Navy fleet from 450 to 600 ships. Strategic Homeporting is the Navy's plan to create new bases for approximately 64 ships at 10-14 U.S. port cities.

The ships are expected to form battlefleets led by the reactivated WWII battleships USS IOWA, MISSOURI and WISCONSIN, and two aircraft carriers. Many of the ships will be armed with nuclear weapons, including hundreds of Sea-Launched Cruise Missiles (SLCMs). The Navy claims that the new homeports are necessary to "disperse the fleet" (to "avoid another Pearl Harbor") and will cost \$800 million to build. To help sell the concept to Congress, the Navy is asking for significant monetary concessions from host communities in exchange for partnership in the homeporting program.

Q: DO MILITARY EXPERTS AGREE THAT THIS PLANNED EXPANSION IS NEEDED?

A: No, they don't. Vice Adm. C.E. Bell, USN (Ret.) has testified that the decreased services, reduced morale and increased costs associated with fleet dispersal could create a greater threat to the Navy's ability to respond to an enemy than that posed by increasing fleet concentration in existing ports. Rear Adm. Eugene J. Carroll, Jr., USN (Ret.) made the following points in testimony before Congress:

1) The fleet dispersal plan lacks military utility. It would do little to make warships less vulnerable to nuclear attack. It would be a simple matter for the Soviets to assign two dozen of its more than 10,000 strategic warheads at a dozen new naval targets located in homeport cities along U.S. coasts.

2) Strategic dispersal makes even less sense in a conventional war. The Soviet surface navy poses no threat to U.S. ports. Soviet submarines could conceivably conduct limited minelaying operations to block access to the sea from U.S. ports. However, dispersing the fleet does not resolve this potential problem and, in fact, complicates it by adding more ports to clear of mines.

It is senseless to disperse Navy ships to many different bases when we don't have sufficient mine countermeasure ships (MCM) to clear more than one port at a time.

3) Fleet dispersal generally will not speed naval response to areas of potential conflict. The Navy must send a naval force adequate to operate effectively against potentially hostile forces. Effective naval forces must be assembled from major bases nationwide, and in most cases, a dispersed fleet will not speed response times.

QUESTIONS ABOUT "PORK-BARREL" ECONOMICS

Q: WHAT ARE THE NEGATIVE EFFECTS OF "PORK-BARREL" ECONOMICS?

A: As a homeport community becomes more and more dependent on military spending to safeguard jobs, its congressional representatives would be less likely to vote on defense issues according to what was best for our nation's security, and more likely to vote according to their constituent's short-term economic benefits. The community would become a "Defense Dollar Junkie," dependent on an annual defense budget fix at a time when military expenditures are being scaled back.

Q: HOW HAS CONGRESS RESPONDED TO THE NAVY'S HOMEPORTING PROGRAM?

A: Homeporting has continuously faced serious congressional opposition since its inception from conservatives, liberals, Democrats and Republicans. For example, in a March 6, 1986 letter to former Secretary of Defense Casper Weinberger, Senate Armed Services Committee chairman Sen. Barry Goldwater asserted that the Navy's homeporting program is "pure unadulterated politics, and it is an area where we can really save money." Sen. Goldwater also disputed the Navy's homeporting cost estimate: "This is going to cost \$10 billion before you are through fooling around with this homeporting."

In a homeporting debate in the Senate Sen. Goldwater stated: "We have 13 States, Mr. President, that are indebted to the Secretary of the Navy. That is 26 votes for anything that the Secretary of the Navy happens to want...this whole thing to me is ludicrous. I think it is a terrific waste of money" (8-6-86, Congressional Record -- Senate, p. S10583). According to Sen. Goldwater, the Navy is using homeporting in an attempt to buy additional votes in Congress.

The Navy's strategic homeporting program has become the focus of numerous Congressional committees and agencies, including the General Accounting Office (GAO) of Congress and the Congressional Budget Office (CBO). Preliminary studies prepared by the GAO and CBO have concluded that the creation of fifteen U.S. Navy homeports would cost an estimated \$1 billion while the Navy's ships could be accommodated in existing ports at a cost of

\$160 million.

The CBO also found that the Navy would require a 3 to 5 percent annual budget increase above inflation to fund its new home ports and expanded fleet. However, Congress has begun to cut the military budget to deal with our massive federal deficit and experts expect the cuts to continue. In light of these facts, continued funding of the Navy's strategic homeporting program is extremely unlikely.

QUESTIONS ABOUT THE IMPACT OF HOMEPORTING ON ALASKA'S ECONOMY

Q: WOULDN'T HOMEPORTING MAKE OUR ECONOMY "RECESSION PROOF"?

A: Even if economic benefits were realized, they would only continue as long as the pork-barrel remained full -- that is, as long as military spending isn't cut. But the latest budget proposals from President Reagan reflect the start of a trend in military spending cutbacks which many financial experts have been predicting for years. The dramatic cost savings which can be achieved by utilizing the Navy's existing port facilities would make an Alaskan homeport a prime candidate for future deficit reductions.

Military budget cuts coupled with the proposed expenditures of state funds to finance housing or other infrastructure could result in serious damage to our state by leaving Alaskans holding the bag on empty military housing developments, dock facilities, etc.

Subsidized state loan programs during the oil boom contributed to the current over-development of Alaska's real estate market. Investing state funds to attract a homeporting project could have a similar impact on the state's real estate market.

Q: WHAT CAN HAPPEN TO A LOCAL ECONOMY IF CUTBACKS OCCUR?

A: The Navy base in Quonset-Davisville, Rhode Island (near Newport) closed in 1972 due to cutbacks in funding. This resulted in economic chaos, with local unemployment soaring over a three month period. It took nearly three years for the region to fully recover. Strong community opposition later resulted in Newport's rejection of the Navy's offer of a new base.

Q: WOULDN'T THE NAVY'S PAYROLL REVITALIZE A TOWN SUCH AS ANCHORAGE?

A: Not necessarily. If a new Navy base includes a commissary, or if Navy personnel are granted exchange privileges at existing facilities on Ft. Richardson or Elmendorf Air Force Base, the Navy payroll spent locally would be minimal. With most sailors away at sea for 6-8 months, businesses would find an ebb and flow of Navy dollars.

According to studies by the "Institute on the Military and the Economy" and the "Bureau of Economic Analysis": 1) Only 40% of an enlisted sailor's income is spent in the homeport community. Out of that, 50-70% is absorbed in base commissaries. 2) Navy personnel tend to send their savings to their home city, which is not the same as their home port. 3) Income and employment multipliers for Navy facilities are low. The range is between 1.17 and 1.22. 4) Navy personnel pay little or no local taxes.

According to a 1981 study by "The President's Economic Adjustment Committee" (whose conclusions were explicitly endorsed by President Reagan):

"The local economic stimulus from military bases is lower in general than from other private sector activities ... the economic incentives and tax revenues derived from a major new military base often are not sufficient to meet the early up front requirements for public infrastructure and may not be sufficient even to meet the full annual incremental operating costs to support the new military base activities."

Nobody can determine at this point what the economic impact of an Alaskan homeport would be. However, these studies should alert homeporting recipients to the probability that economic benefits may be much smaller than expected, and the costs higher.

Q: HOW MANY NEW JOBS WOULD BE CREATED BY A NEW NAVY BASE?

A: Nobody knows yet. What is known is that the Navy's initial estimates of the number of jobs to be created by the New York City, San Francisco and Everett, WA homeports were significantly reduced. For example, the Navy's impact statement for the Staten Island, NY Homeport now concedes that the project will create 900 civilian jobs, far fewer than the 9,000 which had initially been projected.

Q: HOW MANY OF THESE JOBS WOULD GO TO LOCAL RESIDENTS?

A: That's hard to tell. As with all new employment, outsiders would be coming in to take advantage of new employment opportunities. Navy personnel would take these jobs too -- a large percentage would go to military dependents and moonlighting Navy personnel. For example, a March, 1987 study of the Everett homeporting proposal by Employment Research Associates predicted that over half of the jobs created there would go to immigrating military personnel and their spouses.

Q: WHAT KIND OF JOBS WOULD BE CREATED?

A: After the temporary construction jobs are gone, "support jobs" would need to be filled. These would be jobs like clerks, storekeepers, security guards, laundry workers and adult entertainment workers.

Q: ARE THERE BETTER WAYS TO CREATE JOBS FOR ALASKANS THAN TO GIVE THE NAVY "AT LEAST \$100 MILLION" AND FREE FUEL TO HOMEPORT HERE (AS HAS RECENTLY BEEN PROPOSED)?

A: Downtown and port development, investment in fish processing facilities, the promotion of tourism and an increased Permanent Fund dividend would probably create more jobs at less cost than homeporting. Homeporting's "quick fix" would make Alaska dependent on unpredictable federal military budgets for our economic well being.

Q: WOULD ALASKANS FROM THE INTERIOR, THE BUSH AND OTHER AREAS BENEFIT FROM HOMEPORTING?

A: Not likely. Most jobs and associated economic benefits would remain within the coastal community chosen for a homeport.

QUESTIONS ABOUT SOCIAL SERVICES IMPACT

Q: WHAT CHANGES CAN PEOPLE EXPECT FROM A HOMEPORT IN THEIR TOWN?

A: No one knows exactly what changes would occur. Alaskans recently experienced growing pains from the "oil boom." A Navy boom could also result in growth that exceeds a particular community's ability to provide services. Road maintenance could fall years behind, taxes to operate schools may rise sharply and traffic may increase dramatically.

Q: COULD A HOMEPORT COMMUNITY OBTAIN FEDERAL IMPACT FUNDS?

A: Maybe. Federal impact funds are awarded on a case by case basis. They are traditionally awarded as a "one shot deal" and go toward capital improvements such as roads, buildings, and bridges. But once they are built, the costs of maintenance and operation are left to local taxpayers. At this time, it is far from certain that federal impact funds would accompany a homeporting project.

Q: CAN OUR SCHOOLS HANDLE THE SCHOOLAGE CHILDREN WHO WOULD ARRIVE WITH THE NAVY?

A: School systems might be hard pressed to accommodate large numbers of newly enrolled children, especially if federal impact funding is not forthcoming.

Q: WILL TAXES GO UP TO PAY FOR NEW SCHOOLS AND ADDITIONAL PERSONNEL?

A: Perhaps. If federal impact funds are not available, the money will have to come from another source, possibly property taxes or a sales tax.

Q: WOULD NAVY CHILDREN HAVE TROUBLE ADJUSTING TO NEW SCHOOLS?

A: In other navy towns, there is a high turnover of students caused by frequent transfer of military families in and out of school districts. These children routinely have to catch up and adjust to a new environment. This creates a problem for the

stability of existing educational programs.

Q: WOULD THERE BE INCREASED CRIME IF A NAVY BASE IS ESTABLISHED HERE?

A: When a large population enters any community in a relatively short period of time, an increased crime rate results. After the Bangor, Washington strategic submarine base was built in Kitsap County, armed robberies increased 300% by August of 1984. According to a report prepared by Orin Fjeran, Homeporting Coordinator, and Pat McClain, assistant to the Mayor of Kitsap County, as large numbers of Navy personnel enter a community, others who hope to make a fast buck seem to find "Navy towns" attractive. Military communities frequently experience increased rates of vice offenses, unfair business practices, and domestic disputes .

Q: WOULD THE NAVY SUPPLY THEIR OWN MILITARY POLICE?

A: The Navy does not generally provide security enforcement off base. After the Bangor strategic submarine base was built, Kitsap County ran out of funding and had to lay off additional deputies that were hired to respond to the increased crime rates.

Q: WHAT OTHER SOCIAL PROBLEMS COULD BE EXPECTED?

A: Local social service agencies could expect a rise in depression, divorce, domestic violence, sexual assault, and child abuse due to increased population, long separations, and inexperienced, youthful families in a new community.

Q: DO PROGRAMS EXIST TO HANDLE THESE PROBLEMS?

A: Yes, there are community agencies and programs which deal with these problems. However, funding cutbacks in Alaska have placed social service agencies under a tremendous burden. There is no guarantee that federal or state money would be there to help. Alaska may find it necessary to further cut or eliminate existing state programs in order to provide the proposed levels of funding necessary to attract a homeporting project.

QUESTIONS ABOUT NUCLEAR WEAPONS

Q: WOULD THE NAVY'S SHIPS CARRY NUCLEAR WEAPONS?

A: It is the Navy's official policy to "neither confirm nor deny" the presence of nuclear weapons aboard their ships. However, according to retired Rear Adm. Eugene J. Carroll, "approximately 85% of U.S. Navy warships are equipped to carry and employ nuclear weapons. Such warships are said to be "nuclear capable," meaning that when trained and armed for combat they will carry nuclear weapons." Adm. Carroll also stated:

"... it is the experience of the retired naval officers at the Center for Defense Information that all U.S. warships which are capable of carrying nuclear weapons, do, in fact, carry nuclear weapons. At a minimum, the nuclear capable ships in the Strategic

Homeporting plan will carry the ASROC anti-submarine missile -- a weapon with both a conventional and nuclear capability... In addition, congressional testimony over the past three years indicates that each of the refurbished battleships will be certified to carry the long-range and more potent nuclear-tipped Tomahawk cruise missile. Other ships planned for strategic homeporting are also likely to carry these nuclear sea-launched cruise missiles."

QUESTIONS ABOUT NUCLEAR ACCIDENTS

Q: CAN A NUCLEAR WEAPON EXPLODE BY ACCIDENT?

A: That would be unlikely, but not impossible. A coalition of plaintiffs filed a lawsuit against the President, the Sec. of Defense and others on September 1, 1987 citing their failure to protect the public and global environment against a condition known as the Hazard of Electromagnetic Radiation to Ordnance (HERO).

HERO can cause conventional and nuclear weapons to detonate, launch, misfire, or explode accidentally or intentionally, as by terrorists. Sources of electromagnetic radiation include electrical current emitted by two way radios, TV and radio transmitters, power lines, electrical generating plants, lightning and electrostatic discharge.

Navy HERO experts, compiling data from all military branches, have documented 25 HERO suspect accidents through 1980. The lawsuit cites the failure of the Navy to adequately address the HERO problem in its Homeport Projects for the Gulf Coast, San Francisco and in Key West, Florida.

A nuclear weapon doesn't have to go off to cause widespread death and destruction. Lethal plutonium contained in each warhead can be released in many ways -- during a shipboard fire, by explosion of a nearby conventional weapon, or by impact during transport through our cities.

Q: HOW COULD THIS PLUTONIUM HARM ME?

A: The Lawrence Livermore Laboratory has done a study which shows that a single nuclear weapons accident could release a cigar-shaped cloud of plutonium 2.5 miles wide and 28 miles long. Plutonium is extremely deadly -- just a pollen-sized speck is enough to cause lung cancer. One ounce of plutonium is enough to cause up to 3,500,000 fatalities.

Q: HAVE THERE BEEN ANY ACCIDENTS WITH NUCLEAR WEAPONS?

A: The Department of Defense has acknowledged 32 major nuclear weapons accidents. In 1966 accident, a bomber and tanker collided during refueling, scattering the plutonium from three hydrogen bombs over 640 acres requiring the removal of 3.5 million tons of

radioactive soil and vegetation at a cost of \$500 million. During a lawsuit, Navy officials were forced to admit to over 370 nuclear weapons accidents and incidents during a twelve year period, from 1965-1977.

Q: WHAT IS NAVY'S POLICY REGARDING DISCLOSURE OF INFORMATION ABOUT NUCLEAR WEAPONS ACCIDENTS?

A: According to an article in the August 24, 1987 San Francisco Chronicle, documents obtained under the Freedom of Information Act by Nautilus Pacific Research (of Leverett, Mass.) contained a directive from Admiral William Crowe which said "If possible, the nuclear accident or significant incident should be treated as an accident or incident involving conventional high explosives... A denial should characterize the accident or incident as a non-nuclear event."

Crowe further ordered commanders "to recover or remove, if at all practical, all evidence of the nuclear weapon accident or significant incident as expeditiously as possible." Admiral Crowe, now the chairman of the Joint Chiefs of Staff, was the Navy's commander in chief in the Pacific at the time this directive was issued on May 8, 1984.

Q: HAVE THERE BEEN NUCLEAR ACCIDENTS INVOLVING NAVY SHIPS?

A: The Center for Investigative Reporting found that the nuclear Navy has had 37 reactor related accidents. For example, radioactive coolant leaked from a crack in the reactor shell of the USS NIMITZ in 1979. Another spill at Bremerton resulted in jack-hammering and hauling away a 15 X 30 foot section of dock in order to remove contamination.

Q: IF AN ACCIDENT OCCURS, HOW LARGE OF AN AREA WILL BE AFFECTED?

A: The Environmental Impact Statement for the Bangor, Washington Trident submarine base called for a "safety perimeter" of 8,000-11,000 acres surrounding the Trident missiles -- a radius of nearly two miles. But an even larger area could be affected. A radioactive plutonium cloud could reach any location within an area 28 miles long and 2.5 miles wide.

Q: HOW DANGEROUS ARE NUCLEAR ACCIDENTS?

A: Nuclear accidents are especially dangerous because radioactive particles which emit ionizing radiation are released into the environment, where they could enter living tissues and cause cancer and death.

Q: HOW WOULD THE NAVY HELP COMMUNITIES TO DEAL WITH THIS PROBLEM?

A: The Navy has an official policy to "neither confirm nor deny" the presence on nuclear weapons on board any ship, station, or aircraft. Mayor Pat Callahan of Coronado, California (near San Diego) expressed frustration in dealing with the Navy on this issue: "We've been talking to them about a joint emergency plan, but we really haven't gotten very far because of the reluctance

of the military to admit that there are nuclear weapons in the first place, and then to examine how an accident would affect the city."

Q: WOULDN'T THE DEPARTMENT OF DEFENSE MAKE SURE A DISASTER PLAN WAS IN EFFECT?

A: A Government Accounting Office study in 1979 concluded that emergency preparedness at the local level was almost nonexistent around Department of Defense and Energy facilities. The author of the study, Sterling Leibenguth, stated two years later: "Nothing has changed. The Defense Department is still the least prepared of any federal agency we examined to cope with an offsite nuclear accident."

Q: ARE THERE STATE OR MUNICIPAL PROGRAMS TO DEAL WITH NUCLEAR EMERGENCIES?

A: The Municipality of Anchorage is prepared to respond to minor radiological emergencies such as spills of radioactive medical materials and hazardous materials accidents such as the Crown Point incident. No local or state governmental agencies are presently prepared to deal with major nuclear power or nuclear weapons accidents.

COWPER

FOR GOVERNOR

Anchorage Headquarters:
400 "D" Street
(907) 276-1150

P.O. Box 100019
Anchorage, Alaska 99510

July 24, 1986

Ed Davis
Co-Chairman,
The Alaska Freeze
419 Barrow St., Suite B
Anchorage, AK 99501

Dear Ed:

Thanks for your letter of July 8, with the attendant enclosures.

Every citizen of this state, and of our country, should endorse the goals for which Alaska Freeze is working. No thinking person could fail to recognize the danger of an escalating nuclear arms race. Military expenditures have been made in recent years at the expense of domestic programs that are desired by most Americans, and have been the major factor in a federal deficit which threatens our future. I support and endorse a mutual and verifiable nuclear freeze.

As a policy matter, my campaign does not associate itself with others, regardless of merit. This was a decision made early on, and its purpose is to concentrate our energy into an effort to make fundamental changes in the way state government is administered in Alaska.

For that reason, I have to decline the other requests enumerated in your letter. I wish you every success with the ballot proposition and you can be assured that it has my vote.

Sincerely yours,



Steve Cowper

PROJECTED NAVY POPULATION (MARRIED)
BY PAYGRADE - EVERETT HOMEPORT

Grade	No. of Families*	Avg. Fam. Size	Tot. Ann. Salary**
06	3 (1)	4.2	\$66,060
05	32 (25)	4.0	\$55,416
04	44 (34)	3.7	\$46,776
03	68 (48)	3.1	\$41,256
02	48 (27)	2.9	\$30,996
01	24 (15)	2.8	\$22,704
W4	9 (5)	4.1	\$41,640
W3	13 (12)	4.2	\$37,188
W2	18 (16)	4.0	\$32,076
E9	44 (42)	4.0	\$34,548
E8	84 (60)	4.1	\$34,032
E7	287 (221)	3.9	\$29,316
E6	623 (480)	3.6	\$25,236
E5	815 (511)	2.9	\$21,288
Avg. E4	574 (424)	2.6	\$18,612
E3	475 (377)	2.4	\$16,716
E2	few		
E1	few		

* Figure in parenthesis shows planned first increment. Full complement is estimated for 1995.

** 1987 military pay scale - based on specific years of service - includes subsistence, quarters, and variable housing allowances.

EVERETT HOMEPORT PROJECT
TIMETABLE

Draft Environmental Impact Statement	Completed
Final Environmental Impact Statement	Completed
Sita Decision	Completed
Fiscal Impact Analysis	Completed
Congressional Funding-Purchase and Start of Project	Provided
Prime Contractor Selection	Completed
Groundbreaking	Completed
First Ships Arrive*	1991
Completion of Project*	1995

*These dates are approximate and are the earliest possible under present timetable.

Everett/Snohomish County Impact Coordinating Council:

Mayor Bill Moore, City of Everett
County Executive Willis D. Tucker
Mayor Meryl Hrdlicka, City of Lynnwood
Mayor John Larson, City of Arlington
Councilman Bill Langus, City of Everett
Councilman Carl Gipson, City of Everett
Super. Dick Huselton, Marysville School Dist
Everett School Board Member Earl Dutton
County Council Member Brian Corcoran
Everett Port Commissioner Alan Johnson
Dir. Wa State Dept. Comm. Dev. Chuck Clarke

Staff: (206) 259-8734
Executive Director Robert Baril
Gordon Larson
Carolyn Adrian

EVERETT HOMEPORT PROJECT

FACT SHEET

NOVEMBER 1987

Source: EVERETT/SNOHOMISH COUNTY IMPACT COORDINATING COUNCIL (ESCICC)

MILITARY AND CIVILIAN DIRECT PERSONNEL*

Military.....	7,433
Dependents.....	6,602
Civilian.....	1098
Dependents.....	1941
TOTAL	17,074

EVERETT HOMEPORT
PROJECT RELATED POPULATION*
(including dependents)

Military.....	14,035
Civilian-Direct.....	3,039
Civilian-Indirect.....	4,643
Other (Retirees, etc.).....	891
TOTAL	22,608

SNOHOMISH COUNTY PROJECT
RELATED NEW RESIDENTS*..... 19,830

STATEWIDE IMMIGRATING POPULATION*.. 20,276

SCHOOL AGED CHILDREN*

Military.....	2,431
Civilian Direct.....	721
Civilian Indirect.....	1,101
TOTAL	4,163

* 1995

**EVERETT HOMEPORT
PROJECT RELATED
HOUSING REQUIREMENTS***

Single Family.....	3,029
Multi-Family.....	3,382
Mobile Homes.....	284
TOTAL	6,695

HOUSEHOLD SIZE AND HOUSING PREFERENCE

	Military	Civilian
Percent Married	42.5%	83.0%
Household Size (Married)	3.09	2.77
Housing Preference:		
Married Households		
Single Family	38%	72%
Multi-Family	53%	28%
Mobile Homes	9%	--

**EVERETT HOMEPORT
PROJECT RELATED EMPLOYMENT***

Military.....	7,433
Civilian-Direct.....	1,098
Civilian-Indirect.....	4,809
TOTAL	13,340

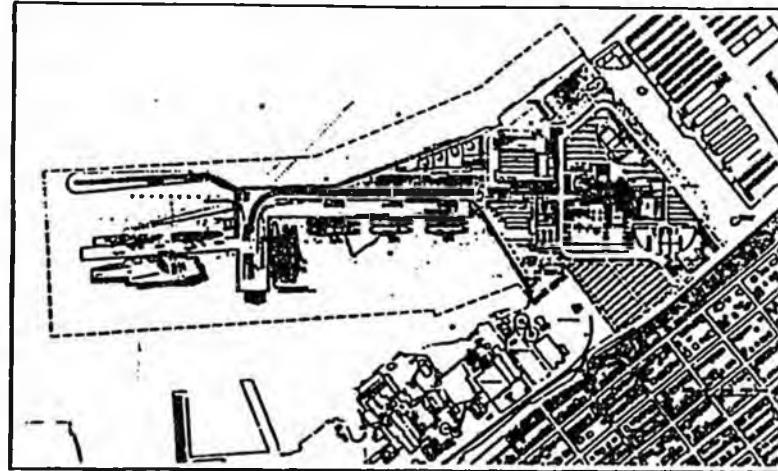
STATEWIDE EMPLOYMENT*

Military.....	7,524
Civilian.....	10,885
TOTAL	18,409

CONSTRUCTION EMPLOYMENT

	1988	1989	1990	1991	1992
Construction Workers	400	800	600	400	400

NAVAL STATION PUGET SOUND



EVERETT SITE

In April 1984 the United States Navy selected Everett, Washington as the site for construction of a major naval installation for homeporting the nuclear aircraft carrier USS Nimitz (CVN-68) and twelve (12) other combatants. Construction of the homeport facilities is expected to take not less than five (5) years.

The EVERETT/SNOHOMISH COUNTY IMPACT COORDINATING COUNCIL (RSCICC) was established April 1, 1986 to identify and otherwise address impacts to various communities expected to result from siting the Homeport facility at Everett.

**ECONOMIC IMPACT ON SNOHOMISH
COUNTY ECONOMY*
(ANNUAL -MILLIONS \$)**

Navy Base Operation Expenditures....	\$339.4
Military Payroll.....	\$143.6
Civilian Payroll.....	\$ 12.3

HOMEPORT FACILITIES DEVELOPMENT*

Size of Site.....	293 acres
Above water.....	117 acres

Ship Berthing - includes a 1600 ft. carrier pier and 3175 ft of marginal wharf..... 6,145 ft.

Breakwater West of Carrier Pier.. 1,600 ft.

Dredging..... 3.5 million cubic yards

Buildings/Facilities on waterfront
New Construction 822,000 sq. ft.
Use of existing chill facilities 16,000 sq. ft.

Buildings/Facilities at Sandpoint and other sites
New Construction 51,008 sq. ft.
Use of existing facilities 110,077 sq. ft.

Construction Cost of Project \$272 Million
(including land purchase and defense access road program)

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

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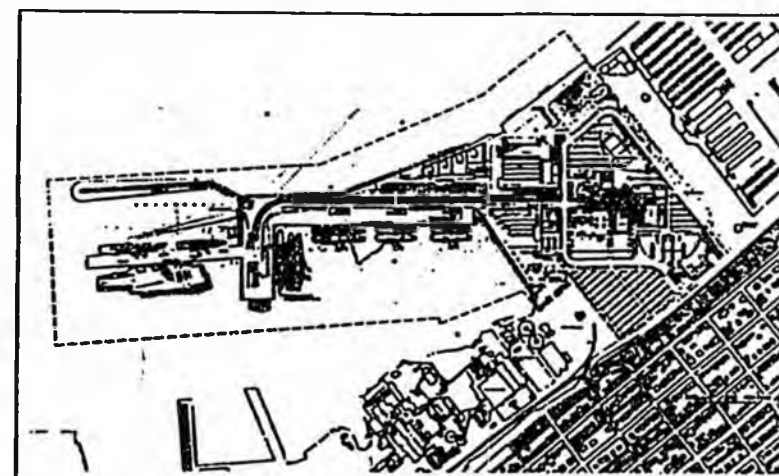
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Construction Cost of Project \$272 Million
 (including land purchase and defense access road program)

*1995



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

March 4, 1988

MEMORANDUM

TO: Representative Kay Brown

ATTN: Eric Myers *VE*

FROM: Karen Oakley
Legislative Analyst

RE: Economic Impact of a U.S. Navy Homeport in Alaska
Research Request 88.201

You asked this agency to provide an overview of the issues surrounding the development of a U.S. Navy homeport in Alaska and to research the potential social and economic impacts of such a homeport. Specifically, you asked:

- 1) Why does Senate Joint Resolution (SJR) 55 call for the state to invest at least \$100 million--versus a lesser or greater amount--to develop infrastructure for the establishment of a homeport in Alaska? How would these funds be raised and for what would these funds be used?;
- 2) How does the proposal to spend \$100 million to attract the Navy compare to other state or municipal efforts?;
- 3) What are the potential social and economic impacts of developing a homeport?;
- 4) Would the economic benefits from developing a homeport in Alaska warrant the expenditure of \$100 million?;

You requested that we provide as much information as possible prior to the House Finance Committee meeting on March 4, 1988. In this memorandum, we provide the information we have been able to obtain to date.

In summary, we found:

- The \$100 million pledge is meant to show the Navy that the State of Alaska strongly supports development of a homeport in Alaska.

- Because no specific site has been selected, it is unknown what specific projects would be constructed with these moneys. The types of projects that could be funded include: a port and related onshore facilities; roads; sewers; schools; and housing.
- There seems to be a general understanding that the \$100 million would be derived from some type of revenue bonding rather than general fund appropriations. This understanding may be flawed because the Navy would probably not lease any of the facilities constructed, and some types of construction needed for the homeport would not produce revenue.
- Pledges by other states and municipalities to support Navy homeports have not always included specific dollar amounts. When amounts have been specified, the amounts have been on the order of \$5 million to \$10 million.
- To determine whether the benefits of a homeport in Alaska would justify the costs of development, more information is required.

BACKGROUND

As part of their plans to increase the United States' fleet from 470 to 600 ships, the Navy has proposed additional port development. Strategic homeporting is the name given to this proposal. The Navy has actively pursued funding from Congress since the mid-1980s for the development of homeports. The Navy has had only limited success in their efforts, however. In light of the Gramm-Rudman budget act and efforts to curtail growth in defense spending, Congress has refused to fully fund the homeporting proposal. The Navy is nevertheless continuing with their efforts to establish homeports in a number of locations. A primary thrust of the Navy's new homeporting approach is to increase reliance on the infrastructure present in a potential homeport community. In addition, they are relying upon financial contributions of the private sector and state and local governments.

San Francisco was one of two West Coast communities originally selected by the Navy as a homeport site. Initially, San Francisco was supportive of their selection. However, the current San Francisco administration has retracted its support, and the Navy is therefore re-examining their West Coast options. Alaska's Congressional delegation has been active in encouraging the Navy to consider Alaska in their current deliberations. Other communities being considered include Honolulu, Hawaii and Long Beach, California.

Representative Brown
March 4, 1988
Page 3

In support of Senator Ted Steven's efforts at the federal level, Governor Steve Cowper requested that the Alaska Legislature pass a resolution supporting a Navy homeport in Alaska. As originally drafted, this resolution expressed general support, but did not mention a specific amount of financial support. In the Senate State Affairs Committee, the resolution was amended to provide that Alaska has:

. . . a willingness to invest at least \$100 million to develop infrastructure and capital improvements necessary for the establishment of a major, long-term Navy homeport in Alaska. . .

In the Senate, the committee substitute was passed with no opposition. At the request of Senators Josephson and Sturgulewski, a Senate Letter of Intent, which specifically addressed the \$100 million pledge, was also unanimously approved. This Letter of Intent provided:

. . . In expressing a willingness to invest \$100 million . . . it is the intent of the Senate that any such investment, including any appropriation of public funds, will be authorized or made only after the completion of cost-benefit analyses demonstrating net benefits from specific proposed developments or improvements, after considering relevant economic, social and environmental factors.

Currently, the Navy is in the process of soliciting bids for an environmental Impact Statement (EIS) for a homeport site in Alaska. Although the Navy refers to the report as an EIS, the report is not an EIS within the context of the National Environmental Policy Act. The report will analyze the feasibility of homeport development at various sites and provide the information necessary for selecting a site.

SJR 55: THE \$100 MILLION PLEDGE

According to Wally Burnett of Senator Steven's office, the \$100 million pledge is simply meant to show significant state support. Since a specific homeport site has not been identified, the actual costs to the state of developing a homeport are unknown; the costs could be higher or lower. Mr. Burnett said that a pledge of \$100 million would demonstrate a clear willingness on the part of the state to support a Navy homeport.

There is no clear answer to your question about what the \$100 million would be used for. The types of projects that such money could be used for include: permit review by the state; dock construction, including dredging; onshore support facilities; roads; sewers; schools; and housing. However, until a homeport site has been identified, the potential uses of the money cannot be specifically determined. Presumably, an Anchorage homeport would require less infrastructure construction than, for example, Seward.

There is also no clear answer to your question about where the \$100 million would come from. There seems to be a general understanding that the money would not be derived from general fund appropriations but rather from some type of revenue bonding. Mr. Burnett emphasized that the \$100 million should not be viewed as a "give-away" as the Navy would lease the facilities constructed with the moneys. Likewise, Governor Cowper, who did not originally include a specific monetary pledge in the resolution, has agreed to support the \$100 million pledge with the understanding that the funds be derived from revenue bonds.

I spoke with Tom Boutin, Debt Manager with the Department of Revenue, about the applicability of revenue bonding in this situation and how bonding for homeport construction might affect the debt capacity of the state. Mr. Boutin said that the Navy would be unlikely to enter into a lease-purchase arrangement with the state for the use of any facilities constructed by the state. If the Navy were interested in owning the facilities, the Navy would use the considerable credit of the federal government to bond for the projects themselves. The Navy is clearly not interested in making hefty lease payments for use of docks and other onshore facilities. In describing the ideal homeport site, one Navy document listed favorable leasing terms, "such as \$1 per year," as an important criteria for selection. Moreover, the Navy would not be interested in owning or leasing many of the facilities that would be needed to support a homeport, for example, schools and roads. These types of projects are not capable of producing a revenue stream.

In consideration of the above, it should probably not be assumed that general fund monies would not be needed to meet the \$100 million pledge. Any facilities constructed by the state to attract a homeport should probably be viewed as state facilities with nonexistent or negligible revenue producing capabilities. Because the state (or the local government) will own the facilities, and because some of the projects will not be capable of generating revenue, revenue bonding may not be an appropriate method of raising the money. General obligation debt or general fund appropriations may be more appropriate. General obligation debt would affect the debt capacity of the state; revenue debt would not.

EFFORTS IN OTHER STATES TO ATTRACT A NAVY HOMEPORT

Thus far, I have been able to obtain information from four communities involved in Navy homeporting: Honolulu, Hawaii; Long Beach, California; Pensacola, Florida; and Everett, Washington.

Honolulu. Honolulu was one of the sites considered by the Navy when San Francisco was ultimately selected. When San Francisco reneged, the Honolulu City Council immediately passed a resolution indicating their desire to be considered again, and Hawaii's congressional delegation also renewed their efforts to woo the Navy. The military is already a significant component of Hawaii's economy, and the public would strongly welcome the Navy back to their town. Honolulu already has the necessary port and dry dock facilities; the primary infrastructure requirement would be housing. As yet, neither the state or city governments has pledged or even discussed the amount that they would be willing to spend to attract the homeport.

Long Beach. The Long Beach City Council has discussed the homeport issue, and the city's Armed Services Commission has written Congress on behalf of the city to promote Long Beach as a homeport site. Discussions about the desirability of a homeport are still in the early stages, however. Some residents are concerned about the presence of nuclear-capable ships in the area. Long Beach has not yet made any financial commitments regarding a homeport.

Pensacola. The Navy considered several Gulf of Mexico sites, and Pensacola was one of several sites selected. Pensacola currently supports a navy air station and is home to an aircraft carrier used for training naval pilots. Like Honolulu, Pensacola is a "Navy town." The Navy presence there has been reduced in recent years due to budget cuts, and residents are excited about the homeport because it would restore the community. Like Honolulu, Pensacola has most of the necessary port facilities in place. A turning basin would have to be dredged, and it is this aspect of homeport development that is requiring the most attention: Floridians are very concerned about their coastal environment, and an acceptable dump site must be found. The State of Florida has appropriated \$5 million to Pensacola for homeport development.

Everett. In 1984, the Navy selected Everett as a homeport site. Currently, the project is in the permitting stages, with construction scheduled to begin in a year or so. Everett had spent or committed over \$110 million for road and other improvements prior to their selection as a homeport site. These improvements were not made expressly for the purpose of attracting the homeport; the improvements were made for the general purpose of promoting economic development following a major recession. Everett's selection as a homeport site was due, at least in part, to these improvements; thus, the city's conscious decision to undertake costly projects at time when revenues were low appears to have paid off.

Currently, the city has pledged \$3 million for roads needed specifically for the homeport; the Port of Everett has pledged \$6 million; and Snohomish County has pledged \$45 million for roads between now and 1992. The pledges do not represent new appropriations, but rather a redirection in spending priorities. The local governments have shifted spending priorities to facilitate homeport development.

The State of Washington has not pledged a specific amount, but has enthusiastically agreed to help mitigate the impacts. The state has been actively involved in studying the project and its impacts. The state has been placed in a somewhat unusual position by the federal government; one of the conditions of the FY 87 federal appropriation for Everett homeport construction was that the state permitting process be completed and that the state ante up its share of impact funds prior to release of the funds.

COST/BENEFIT ANALYSIS OF AN ALASKA HOMEPORT: GENERAL CONSIDERATIONS

At this point, I can offer only a few general points for discussion of the costs and benefits of a Navy homeport in Alaska:

- 1) **Necessity of Site Specific Analysis.** Whether the benefits of a homeport would justify the costs of development can be answered only on a site specific basis. A homeport in Anchorage, where considerable infrastructure exists, would presumably cost considerably less than a homeport in a small, isolated community with little infrastructure. In addition, the economic benefits, in terms of job creation and spending impact, would be greater in a place like Anchorage where at least some military spending would occur off base. A remote homeport would have to be self-sufficient, and the economic benefits are therefore likely to be less.
- 2) **Leakage of Military Dollars.** Compared with other basic industries, the military may provide lower employment and money multipliers because a considerable portion of military pay is leaked to other states or retained on-base. In this light, the state may want to compare the expected return from a \$100 million investment in a homeport with the expected return from a \$100 million investment in a different basic industry. If the state is promoting homeport development strictly as an economic development measure, there may be other industries more worthy of investment.
- 3) **Social and Environmental Impacts.** Apart from any capital projects required, a homeport will increase the population requiring educational, social and other public services. Any cost/benefit analysis must account for the increased costs of providing these services. Apart from financial impacts, the changes in the character of a community from a homeport are an important social impact to be considered.

Representative Brown
March 4, 1988
Page 7

Two environmental factors need to be considered also. Many homeport sites would require dredging to accommodate the ships, and disposal of dredged materials is a common concern. San Francisco decision to renege was predicated, in part, on their concerns over dredging. The homeport site sediments were heavily contaminated with toxic materials, and no environmentally acceptable means could be found to dispose of these materials.

Another environmental factor concerns preparation for nuclear accidents. All of the ships that would be homeported would be "nuclear capable," and any community hosting a homeport would, therefore, have to be prepared to deal with a nuclear accident.

* * *

I hope this information is useful. We are in the process of collecting and evaluating additional information on the economic aspects of homeporting, and this information will be provided to you at a later date.

STATE OF ALASKA

OFFICE OF THE GOVERNOR
JUNEAU

STEVE COWPER
GOVERNOR

NEWS RELEASE



FOR INFORMATION CONTACT
David Ramseur
Press Secretary

Laury Roberts Scandling
Deputy Press Secretary

Office of the Governor
Box A, Juneau, AK 99811

Bus. Phone (907) 485 3500

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

COWPER PRAISES HOME-PORTING ANNOUNCEMENT

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

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

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

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

-MORE-

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

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

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 22, 1988

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

Dear Senator Faiks:

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

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

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

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

Sincerely,

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

Steve Cowper
Governor

*Joseph
Stuyck*

Senate Letter of Intent

Re: CSSJR 55 (Finance)

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

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

*adopted
V.C.*



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

June 3, 1986

B-223242

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

Dear Mr. Chairman:

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

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

Sincerely yours,

A handwritten signature in cursive script that reads "Charles A. Bowsher".

Charles A. Bowsher
Comptroller General
of the United States

EXECUTIVE SUMMARY

PURPOSE

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

BACKGROUND

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

RESULTS IN BRIEF

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

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

EXECUTIVE SUMMARY

PRINCIPAL FINDINGS

Navy's Strategic Rationale for New Homeports

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

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

Costs to Establish New Homeports

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

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

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

EXECUTIVE SUMMARY

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

**Comparisons
Between New and
Existing Homeports**

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

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

RECOMMENDATION

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

AGENCY COMMENTS

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

EXECUTIVE SUMMARY

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

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

Chapter 2: Navy Strategic Rationale for New Homeports

CONCLUSIONS

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

AGENCY COMMENTS AND OUR EVALUATION

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

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

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

CONCLUSIONS

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

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

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

AGENCY COMMENTS AND OUR EVALUATION

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

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

Chapter 4: Comparisons Between New and Existing Homeports

CONCLUSIONS

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

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

AGENCY COMMENTS AND OUR EVALUATION

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

Sponsored by: Gieseler

CITY OF SEWARD, ALASKA
RESOLUTION NO. 88-013

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

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

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

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

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

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

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

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

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

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

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

CITY OF SEWARD, ALASKA
RESOLUTION NO. 88-013

THE CITY OF SEWARD, ALASKA



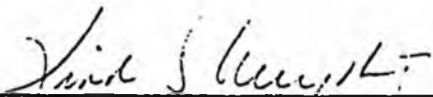
HARRY E. GIESELER, MAYOR

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

ATTEST:

APPROVED AS TO FORM:

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



Linda S. Murphy, CMC
City Clerk

Fred B. Arvidson
City Attorney

(City Seal)

THOMAS B. HAYWARD ASSOCIATES, INC.

Executive Consultants

NATIONAL SECURITY AFFAIRS PACIFIC BASIN-EAST ASIA

PRESIDENT

February 4, 1986

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

Dear Senator Thurmond:

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

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

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

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

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

With high regard,

Tom Hayward
Thomas B. Hayward

TBH:aa

STEPHEN J. SOLARZ
13th DISTRICT, NEW YORK

COMMITTEES:
FOREIGN AFFAIRS
CHAIRMAN, SUBCOMMITTEE ON ASIAN
AND PACIFIC AFFAIRS
EDUCATION AND LABOR
POST OFFICE AND CIVIL SERVICE

WASHINGTON OFFICE
1538 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20518
(202) 225-2381

Congress of the United States
House of Representatives
Washington, DC

June 4, 1986

DISTRICT OFFICES
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BROOKLYN, NY 11224
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819 LORIMER STREET
BROOKLYN, NY 11211
(718) 706-8803
2150 BENSON AVENUE
BROOKLYN, NY 11214
(718) 946-8800
356 COURT STREET
BROOKLYN, NY 11231
(718) 802-1400

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

Dear Les:

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

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

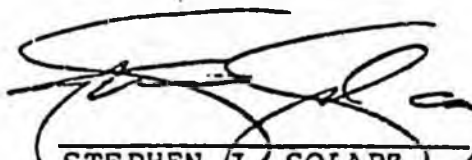
Senator Barry Goldwater, the Chairman of the Armed Services Committee and one of the most respected members in Congress on military affairs, in a letter to Secretary of Defense Caspar Weinberger, called homeporting "pure and unadulterated politics." Whether this characterization is apt or whether homeporting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

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

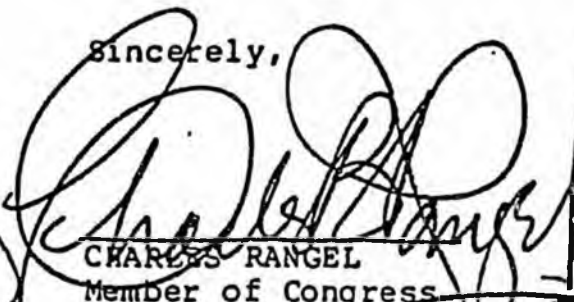
We want to stress that we believe the question at hand is not simply whether New York should have a homeport, but whether the national homeporting plan is appropriate for the nation at this time of severe budgetary restraints. We believe there is no justification for expenditures of this magnitude for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

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

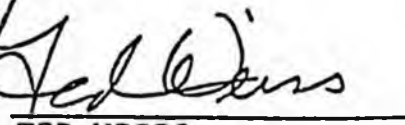
Sincerely,



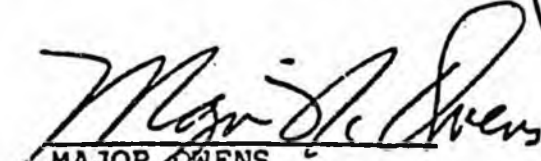
STEPHEN J. SOLARZ
Member of Congress



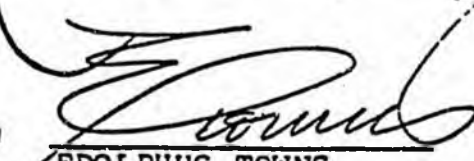
CHARLES RANGEL
Member of Congress



TED WEISS
Member of Congress



MAJOR OWENS
Member of Congress



EDOLPHUS TOWNS
Member of Congress

August 6, 1986

S 10583

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

□ 2100

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

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

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

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

Let me address one other argument.

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

amount of work to additional shipyards.

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

I urge the adoption of this amendment.

Mr. PELL and Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

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

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

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

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

We have 13 States, Mr. President, that are indebted to the Secretary of the Navy. That is 26 votes for anything that the Secretary of the Navy happens to want. I think it was a brilliant political idea, probably one of the best that we are ever going to be confronted with while we are in the U.S. Senate. We have had the fact driven home to us that there has been no opposition from the Navy admirals. Who expects a Navy admiral to complain? Would an Air Force officer complain if this were an Air Force matter or an Army person complain if it were an Army matter? Lord knows what the Marines would do.

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

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

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

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

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

I yield the floor.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

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

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

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

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

GAO Disputes Navy's Fleet Dispersal Plan

Benefits Not 'Adequately Demonstrated'

By Michael Weiskopf
Washington Post Staff Writer

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

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

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

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

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

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

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

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

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



JOHN F. LEHMAN
... plans new ports in eight states

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

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

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

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

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

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

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

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JOHN F. BISHOP, STAFF DIRECTOR AND CHIEF CLERK
ARNDT L. PURVIS, STAFF DIRECTOR FOR THE SENATE

United States Senate

COMMITTEE ON ARMED SERVICES
WASHINGTON, DC 20510

March 7, 1986

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

Dear Cap:

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

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

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

With best wishes,

Barry
Barry Goldwater

(Homeporting)

Statement of
Rear Admiral Eugene J. Carroll, Jr., USN (Ret.),
Deputy Director,
Center for Defense Information
before the
Military Installations and Facilities Subcommittee
House Armed Services Committee
February 26, 1986

Prepared Statement of Rear Adm. Eugene J. Carroll Jr., USN (Ret.)

Mr. Chairman and Members of the Committee:

The Center for Defense Information, a private military research organization led by retired flag and general officers, wishes to express its opposition to the U.S. Navy Strategic Homeporting plan.

The Center believes that there is no military justification for Strategic Homeporting, that the additional costs and personnel requirements are unwarranted, and that it creates safety risks where they are unnecessary.

Militarily Unwise

Strategic Homeporting is the Navy's plan to disperse ships around the nation in order to make them less vulnerable to attack and place them closer to areas of potential conflict. However, in my opinion the concept is utterly without military utility.

The "strategic dispersal" policy does little to make warships less vulnerable to nuclear attack. The new bases create at most one dozen new naval targets which could easily be obliterated by two dozen nuclear warheads. The Soviet Union would have little difficulty assigning 24 of its 9,500 strategic nuclear weapons to the new targets.

Strategic dispersal makes even less sense in a conventional war. The Soviet surface navy poses no threat to U.S. ports. Soviet submarines could conceivably conduct limited minelaying operations to block access to the sea from U.S. ports. However, dispersing the fleet does not resolve this potential problem

and, in fact, complicates it by adding more ports to clear of mines. It makes no sense to disperse our Navy's ships to many different bases when we don't have sufficient mine countermeasure ships (MCM) to clear more than one port at a time. The Navy plans to expand its fleet of MCMs and minesweeper hunter ships to a total of only 31 ships. This is totally inadequate to break out naval forces even from existing bases.

The Navy has also claimed that dispersing ships would make them less vulnerable to sabotage or terrorism. This contention is absurd on its face. Protecting nuclear-capable ships from terrorism in New York City, or other metropolitan areas, is a base commander's nightmare.

Dispersing the fleet will not, in most cases, speed naval response to areas of potential conflict. In the event of a growing crisis or of significant conflict, effective naval forces must be assembled from major bases nationwide, in order to perform required military tasks. The U.S. will never merely send warships that are closest to the area of concern. It must send a naval force adequate to operate effectively against hostile or potentially hostile forces. In addition, steaming time to areas of potential conflict from the proposed new bases would not be significantly shorter than from already existing facilities.

The Navy has also contended that homeporting on both coasts would provide an opportunity "to train and operate in a variety of environments." The climatic and geographical differences between Corpus Christi and Staten Island hardly merit a \$1 Billion expense. In addition, training at the new bases

will not eliminate the need to conduct naval exercises worldwide nor the need to conduct formal training at existing fleet training facilities in the Caribbean and Hawaiian areas.

The Congressional General Accounting Office (GAO) in a 1985 report also challenged the military utility of dispersing the fleet. The "strategic and operational need for the new homeports is questionable," the report said, and dispersing ships "may not improve the survivability of the 600 ship Navy"

Another specious argument is that Strategic Homeporting will increase "unit integrity." Quite the opposite is true. Spreading ships around the three coasts of the United States in small increments of one to 13 ships will degrade the ability of fleet commanders to build unit integrity and to supervise the training of effective battle groups and battle forces. In truth, "unit integrity" is an impossible Navy dream under any circumstances because various classes of warships have different overhaul cycles. Unit composition is always in a state of uncontrollable flux as individual ships are removed and replaced to meet the overriding demands of the overhaul schedule.

Spreading Ships and Spreading Influence

The Navy's intentions have more to do with spreading its influence than dispersing its fleet. This was partially acknowledged by Navy Secretary John Lehman who has called the dispersal plan a "consciousness raiser" for legislators who might not have paid adequate attention to naval issues. The Navy, under the current Administration, has been particularly interested in currying political favor as it presses ahead with

its ambitious plan for a 600 ship navy.

Nowhere has this attempt to gain political favor been more bald-faced than on the Gulf Coast where nearly every municipality that lobbied for the battleship Wisconsin was awarded some naval vessel as a consolation prize.

Unnecessarily Costly

The wisdom of the homeporting plan has been challenged on many fronts. "Fiscal conservatives" were among the leaders of the effort that resulted in Congress's temporary ban on further spending on ship dispersal.

The GAO has also harshly criticized the plan, estimating that costs of the program nationwide could exceed \$1 Billion with annual operating costs of some \$30 million for each new base. For the money we plan to spend on new support facilities for carrier battle groups and surface action groups, we could instead build and operate enough minesweepers to ensure that our ships can sail out of existing ports safely in the event of a conflict.

The Navy has said that the new naval bases are needed to accommodate the additional 130 ships to be added to the fleet under the current expansion to 600 ships. During the Vietnam War, however, the U.S. operated a 1,000 ship Navy with essentially the same number of bases we have now. Since then we have added major new submarine bases on both coasts and now homeport one carrier and supporting surface ships in Japan.

The GAO contends that existing naval facilities could easily support the new ships that are proposed at little cost. For example, the ships planned for Corpus Christi could be ported at

the existing naval facility in Norfolk, Virginia where the battleship Iowa is now berthed. The aircraft carrier planned for Pensacola could be accommodated in Mayport, Florida where two carriers are currently ported. According to the GAO, both of these facilities could accommodate the new ships immediately if that were necessary. In addition, many of the new sites are entirely "barren land" and would require construction from the ground up, a construction program which will take years to complete.

The greatest cost of Strategic Homeporting will be in additional personnel requirements. Each new facility must be provided with a security force, communications personnel, logistics support elements, housing and family support activities, maintenance personnel, and people for a myriad of other functions which are already available at existing bases. Faced with a shrinking pool of eligible recruits in the coming years plus increased requirements to man the 600 ship Navy, unnecessary increases in shore support personnel cannot be justified. As personnel shortfalls develop late in this decade, Congress will be asked for even greater increases in recruiting and retention incentives to protect our huge investment in new ships. Adding unneeded shore support personnel will aggravate the pressure for these incentives and raise total compensation requirements at the same time Congress is looking for ways to cut budget deficits, not increase them. Demographics at the end of the decade will make it extremely difficult even with regular pay raises, to maintain recruitment of high quality young people.

Another substantial personnel cost not addressed by the Navy will be training costs. Because most of the new homeports will

be for a very few ships, it will not be feasible to provide technical and professional training support at each site. The consequence will be a continuous stream of people travelling to and from the Strategic Homeport ships to established bases where such support already exists. The travel and per diem costs associated with such training will be high. This Committee should require the Navy to submit a positive plan to accommodate these increased costs in budgets where Congress is already looking for ways to reduce military travel costs.

A Floating Nuclear Arsenal

Approximately 85% of U.S. Navy warships are equipped to carry and employ nuclear weapons. Such warships are said to be "nuclear capable," meaning that when trained and armed for combat they will carry nuclear weapons.

According to Congressional testimony and documents released by the Chief of Naval Operations, two new carrier battle groups of nine ships each and three surface action groups will be added to the Navy's force structure as part of Strategic Homeporting. In all, 65 active and reserve vessels in 14 different cities will be assigned ships under the dispersal plan. CDI has determined that at least 28 of the warships in eight locations will be nuclear capable. These locations are: Corpus Christi, Everett, Mobile, New York, Pascagoula, Pearl Harbor, Pensacola, and San Francisco.

Moreover, it is the experience of the retired naval officers at CDI that all U.S. warships which are capable of carrying nuclear weapons, do, in fact, carry nuclear weapons. At a

minimum, the nuclear capable ships in the Strategic Homeporting plan will carry the ASROC anti-submarine missile--a weapon with both a conventional and nuclear capability. The nuclear capable ASROC is armed with short-range, low-yield tactical warheads. The attack aircraft carriers scheduled for Pensacola and Everett will be equipped and trained to employ aircraft-delivered nuclear bombs and anti-submarine depth charges.

In addition, congressional testimony over the past three years indicates that each of the refurbished battleships will be certified to carry the long-range and more potent nuclear-tipped Tomahawk cruise missile. Other ships planned for strategic homeporting are also likely to carry these nuclear sea-launched cruise missiles.

Because the presence of nuclear weapons from time to time is certain, CDI urges Congress to address the issues of safety posed by the porting of nuclear capable ships in heavily trafficked areas. To date, the Navy has not considered questions of nuclear safety in the draft and final environmental impact statements (DEIS and EIS) that it has completed. CDI believes studies that omit this information are incomplete and therefore do not meet the standards required by the National Environmental Policy Act of 1969.

The presumption that nuclear weapons will be present in many of the new ports requires that responsible local and state authorities have the information they need to plan for a possible accident or other emergency involving nuclear weapons. Planning and training for a nuclear accident must be done in

advance. Waiting until an accident occurs is irresponsible.

"Neither Confirm Nor Deny"

The Navy's policy of neither confirming nor denying the presence of nuclear weapons on particular ships is not primarily designed to protect sensitive military information from a potential enemy, as the Navy has claimed. Prudent planning requires a potential enemy to assume the presence of nuclear weapons on nuclear-capable ships at all times. The Navy policy has little to do with confusing the Soviet Union. It has a great deal to do with confusing the populations of those towns and cities where the weapons are to be stationed. By not conceding that our warships do carry nuclear weapons, the Navy hopes to frustrate efforts at stirring local opposition to the nuclear capable ships.

Don't Fund Strategic Homeporting

In closing, CDI notes that one of the primary boosters of Strategic Homeporting is Texas Senator Phil Gramm who is also co-sponsor of recently passed legislation bearing his name aimed at balancing the federal budget by 1991. By CDI's estimate the Gramm-Rudman-Hollings legislation will require that defense appropriations be cut by as much as \$240 Billion dollars over the next four years. CDI recommends that Congress begin the task of cutting the military budget by not funding the costly and unnecessary Strategic Homeporting plan.



Center for Defense Information

BIOGRAPHICAL DATA

Rear Admiral Eugene J. Carroll, Jr., USN (Ret.)

Rear Admiral Eugene J. CARROLL, Jr., was commissioned as an Ensign in April 1945. His early service as a Naval Aviator included ten months flying AD Skyraiders from aircraft carriers in the Pacific during U.N. operations in Korea. Following a series of assignments in the Atlantic Fleet, he commanded two light jet attack squadrons of A-4 Skyhawk aircraft. Transferred to the Pacific Fleet in 1965, he served a total of six years with units engaged in the Vietnam campaign. His assignments there included command of the amphibious assault ship, USS OGDEN (LPD-5) and the aircraft carrier, USS MIDWAY (CVA-41).

Promoted to the rank of Rear Admiral in 1972, he served as Commander of Task Force 60, the carrier striking force of the U.S. Sixth Fleet in the Mediterranean.

Admiral Carroll served on General Alexander Haig's staff in Europe from 1977 to 1979. He was the first naval officer to serve as Director of U.S. military operations for all U.S. forces in Europe and in the Middle East. His last assignment on active duty was in the Pentagon as Assistant Deputy Chief of Naval Operations for Plans, Policy and Operations. In this capacity he was engaged in U.S. naval planning for conventional and nuclear war.

During his 37 years of active service Admiral Carroll was awarded the Defense Superior Service Medal, the Legion of Merit with three gold stars, the Bronze Star Medal with combat "V" and gold star, the Air Medal with four gold stars and numerous campaign ribbons for service in World War II, Korea and Vietnam.

A graduate of both the U.S. Navy and U.S. Army War Colleges, Rear Admiral Carroll holds B.A. and M.A. degrees in International Relations from George Washington University. He is now serving as Deputy Director of the private, non-governmental Center for Defense Information in Washington, D.C. He is actively engaged in research and analysis concerning major defense issues and is writing and speaking on the need for rational military programs which will meet the long-term national security interests of the United States.

June 1986

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Director

Eugene J. Carroll, Jr.
Rear Admiral, USN (Ret.)
Deputy Director

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Major General, USMC (Ret.)
Associate Director

Kermit D. Johnson
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United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

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

February 24, 1988

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

Dear Al:

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

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

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

The Honorable Al Adams
February 24, 1988
Page Two

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

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

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

With best wishes,

Cordially,



TED STEVENS

LIST OF SPEAKERS FOR SJR 55

Representative of US Navy

Tom Fink, Mayor of Anchorage

John Calhoun, Mayor of Homer - *Homer*

Chris Toal, Sane Alaska

Chuck Gorg, DM&VA

Admiral Eugene Carroll Jr., US Navy retired *DC.*

(W)

I Bobby ALVARADO
SUPPORT H/BILL 55

03-04-88

SURE - WE - HAVE
HEAR - A - FEW
SOUR VOICES TRYING
TO PAINT
HOMEPORTING AS A
NEGATIVE THING - TODAY!

THE SOUR VOICES ARE
ARE AGAINST THE MILITARY - ITS
WEAPONS - SHIPS - AIRCRAFTS AND
PERSONNEL. THESE SOUR VOICES
ARE AGAINST A STRONG DEFENSE,
AND THEY WILL SUPPORT A MILITARY
REDUCTION. ~~THEY~~ THEY ALSO
TRUST THE ENEMY TO NEGOTIATE,
BUT THEY REPRESENT LITTLE OF
ALASKA TRADITION & SPIRITS

ROBERT ALVARADO - 333 2566

Bobby ALVARADO
member of FRA - BR - 342

Part #
(3)

3-4-88



HB #55

LEGISLATURE

I ~~am~~ support RESOLUTION

Whatever Alaska can do to "Homeport" Navy ships will be worth WHILE,
"Homeporting" of U.S. Navy ships in Alaska is No. 1
priority of the Fleet Reserve Association.

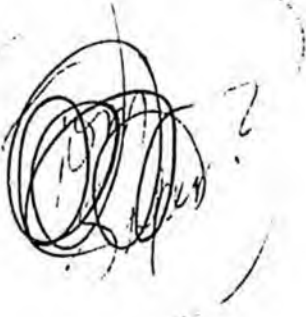
Locating Navy ships in Alaska would be beneficial to the
port cities in Alaska *and defense of Alaska waters.*
Here is an example -
With the USS NIMITZ Battle Group being assembled at

Everett, Washington, the economic benefits for that community
will be: A permanent base for 13 Navy ships which consists of
one aircraft carrier, two cruisers, four destroyers, four
frigates and two minesweepers.

The annual operating budget for the Group will be \$339.4
million; military personnel pay \$143.6 million, and federal
civilian pay \$12.3 million.

This demonstrates economic benefits to a community.

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Part II



(w)

1

When the U.S. Navy decides to Homeport ships in Alaska they probably will assign newly-constructed vessels to various Alaska communities.

For example: One destroyer at Homer; ^{ONE} two frigates ^{each in} at ~~Kodiak~~ ^{KETCHIKAN + JUNEAU} ~~Kodiak~~; one ^{SEWARD} ~~cruiser~~ ^{KODIAK} each in Juneau and Ketchikan; a fast combat ship and two destroyers at Anchorage; one LHD aircraft carrier at ~~Seward~~ ^{JUNEAU}; two minesweepers each in Valdez and Cordova, and one destroyer at Sitka.

The economic input will not only benefit the coastal communities, but all of the state of Alaska.

Sen. Ted Stevens stated that the Navy has reassessed its role in Alaska, and will have substantial Navy presence in this state. Leave us all get behind Navy "Homeporting" -- it will benefit all.

SHIPS VISITS BROUGHT DOLLARS TO ANCHORAGE. During the 5-day visit of the aircraft carrier USS CONSTELLATION and its Battle Group, the Navy spent \$1.5 million in the Anchorage area. Those dollars circulated through the economy seven times before leaving the state.

^{Twenty two Alaska}
we have ²⁴ members in the ~~freedom~~ ^{cities} - ~~states~~

Fleet Reserve ^{Association} stand ready to serve:

EUGENE DEVINE
FRA - BR - 342