

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2620 SCOMM 115 • HOUSE SPEC. COMM. MILITARY & VET AFFAIRS, 1999-2000

Guard units preparing to take Y2K problems

ASSOCIATED PRESS

WASHINGTON - National Guard units around the country are being trained to deal with phone-system outages and other chaos that could result from computer crashes when the year 2000 begins.

In Washington state, half of the guard's ground troops will be on duty Dec. 31 and Jan. 1. Other states plan to have units on standby in case of blackouts, looting or other problems that might occur if computers shut down because they can't comprehend the date 2000.

"The business we're in is to help communities when they're overwhelmed by an event, a blizzard, riot or other natural or manmade disasters," said Lt. Col. Tim Donovan, spokesman for the National Guard in Wisconsin. "We have the resources. And many of the consequences being speculated about Y2K are not unlike the things we've been doing for years."

The potential problem stems from how computers deal with the date. Since most computers only recognize the last two digits of a date, such as the 99 in 1999, some of them are likely to interpret 00 as 1900.

Most government officials expect only minor problems from the so-called Y2K bug and say training the National Guard is merely a precaution. But some people are

Y2K watch
THE JUNEAU EMPIRE

hoarding canned goods and planning to withdraw their money from banks in case deliveries can't be made and bank machines can't operate.

Others are predicting shutdowns of airports, train stations and power generators.

Just in case, the adjutant general in Washington state rescheduled a drill so that 3,000 guardsmen would be on duty on New Year's Eve and Jan. 1.

The decision to call out the Guard in each state rests with the governor. If troops are mobilized, they likely would be called to aid civilian law-enforcement, transportation agencies and emergency medical crews.

"The general has asked all department heads, all heads of local emergency management agencies to go back and examine their plans based on a worst-case scenario estimate and come back with any kind of situation that they might not be able to handle," said 1st Lt. Gloria Haggarty, a Guard spokeswoman. "Based on that information, we're going to develop additional plans."

D
V
A



Emergency Services 41 employees



Mission

...To minimize loss of life and property and reduce suffering in time of disaster

Vision

...Through partnerships, leading the way in emergency management

Acting Director: Dave Liebersbach

- Works in partnership to bring everyone together related to mitigation, preparedness, response, and recovery
- Partners: federal, state, local, military, private sector, volunteers
- Four major principles guide DES's activities
 1. Educating the public
 2. Provide emergency management training
 3. Plan for future disasters
 4. Foster partnerships for emergency management
- Responded to over 50 events in 1998
- Small staff is augmented by Alaska State Defense Force, and Naval Militia *explain*
- Weapons of Mass Destruction: DES is focal point in working with Anchorage, as a city to receive training and equipment under Nunn-Lueger Legislation
- Recent Managed Disasters
 - Miller's Reach
 - Shishmaref
 - Western Alaska Fisheries
 - Southeast Rain Storm

*What raises
to level of
disaster to call
our DES*



Alaska Department of Military and Veterans Affairs

Alaska Division of Emergency Services



The Alaska Division of Emergency Services (ADES) provides a 24-hours-a-day watch to meet the needs of all Alaskans when threatened or impacted by a disaster of any type.

Mission: the mission of ADES is to minimize loss of life, suffering and reduce property loss from disaster.

Vision: The DES vision statement is: "...through partnerships, leading the way in Emergency Management."

The Division serves as a catalyst for ideas which might reduce the effects of disasters, enhance disaster preparedness, increase response efficiency, and improve the delivery of recovery services to all Division customers.

1997 was a busy year for the Division of Emergency Services. The Division worked on a number of training exercises, dealt with local and State emergencies, and numerous mitigation projects.

In the early part of the year and into the spring, flooding was only one of the concerns. The idea of "Ice Engineering" was tried out for the first time in Alaska, as members drilled holes in river ice to try to lessen the ice jams that form and cause mass flooding during the spring thaw. Other mitigation efforts included Public Service announcements, on the

dangers of flooding and how to be prepared, sent to radio stations statewide. A video covering the hazards of spring breakup was also played on the statewide ARCS network.

In June the Village of Chalkyitsik was the victim of flooding due to runoff from Gakona Glacier. The water became backed up and had no where to go. DES assisted the villagers in recovery efforts.

As Spring turned into Summer the threat of fire loomed across the state. DES monitored and coordinated relief efforts to help combat wildfires in Akhiok in April. In July, a fire near the Stony River, near Inowak scorched 600,00 acres and threatened three villages. DES was ready with evacuation and other contingency plans. Fortunately, the fire didn't damage any of the villages.

Late summer and fall in Alaska are prime times to be concerned about flooding, as the autumn rains sometimes seem endless. Normally gentle rivers that overflow due to ice jams in the spring once again see their banks overflowing. In August a State Disaster was declared for the Northern Copper River area and the Tanana River basin as villages in those areas became soaked. DES helped people in those areas apply for loans and other funds to help rebuild. Flooding was also a concern in Northway, The Fairbanks North Star Borough, and parts of Anchorage.

A noteworthy mitigation effort occurred in September, as the "Disaster Recovery Handbook" was distributed to local officials. This book contains lots of information on disaster recovery, as well as tips on preparedness and prevention. It was written with the special needs of Alaskans in mind, containing subjects not as common in the lower 48.

Alaska publication?

El Nino brought warmer waters in autumn, causing more erosion than normal to many beaches as the warmer water melted the permafrost layer. In October a State Disaster was declared in the village of Shishmaref, located on a tiny barrier island in the Chukchi Sea. A sea storm had undercut the beach, putting 11 homes in danger of falling into the water. DES sent a multi-agency team to Shishmaref to coordinate moving the buildings to a safer location on the island, prevent further erosion damage to the beach and help residents there make arrangements to have homes moved, and find a place to live in the mean time. Erosion was also a concern in Whittier, Kotzebue and Kivalina.

Volcanoes and earthquakes continue to be a concern in Alaska every year. 1997 was no exception. Volcanoes monitored by DES included the Pavlof Volcano in January, the Okmok Volcano in February, the Kamchatka Volcano eruption in May, the Chiginagak Volcano in October and the Bezymainny Volcano on the Kamchatka Peninsula in December.

Earthquakes of concern in 1997 included an Earthquake in the Anchorage and Mat-Su area in May, and a 7.7 quake on the Kamchatka Peninsula on December 5. This quake was strong enough and located in an ideal place to create a Tsunami, and a Tsunami warning was give for the Aleutian Islands from Attu to Dutch Harbor.

Other events monitored and acted upon by the Division of Emergency Services in 1997 included an apartment fire in Fairbanks and problems with the Unalakleet water system in January; a tundra fire near King Salmon in March; a Dutch Harbor seafood plant fire in April; Gakona River flooding and a Metlakatla water system leak in May; a McGrath area fire, Kalifornsky Beach Road fire and the Gerstle River flooding in July; a Sheldon Point washeteria fire and Knik River erosion in August; a Bristol Bay-Kuskokwim economic disaster in September; the ship M/V Kuroshima grounding in Unalaska in November and a fuel shortage in Platinum in December.

ADES, the Alaska State Defense Force and the Alaska National Guard routinely schedule training sessions, so that they might better deal with disasters. 1997 saw the Division participating in a number of these exercises, including a Cruise Ship disaster exercise in May, a military support exercise with members of the Alaskan Command (at Elmendorf Air Force Base) in June, joint training between members of the ASDF and the Emergency Communication Response Team (ECRT) in June and a mass casualty/earthquake exercise in August. DES also took part in a three-nation search and rescue exercise (SAREX) involving the U.S., Canada and Russia in September.

define purpose

[Click here to visit the official ADES home page](#)



*To report emergency
or imminent disaster
or 428-7000*

*Alk Emergency Mgmt Systems
in draft now*



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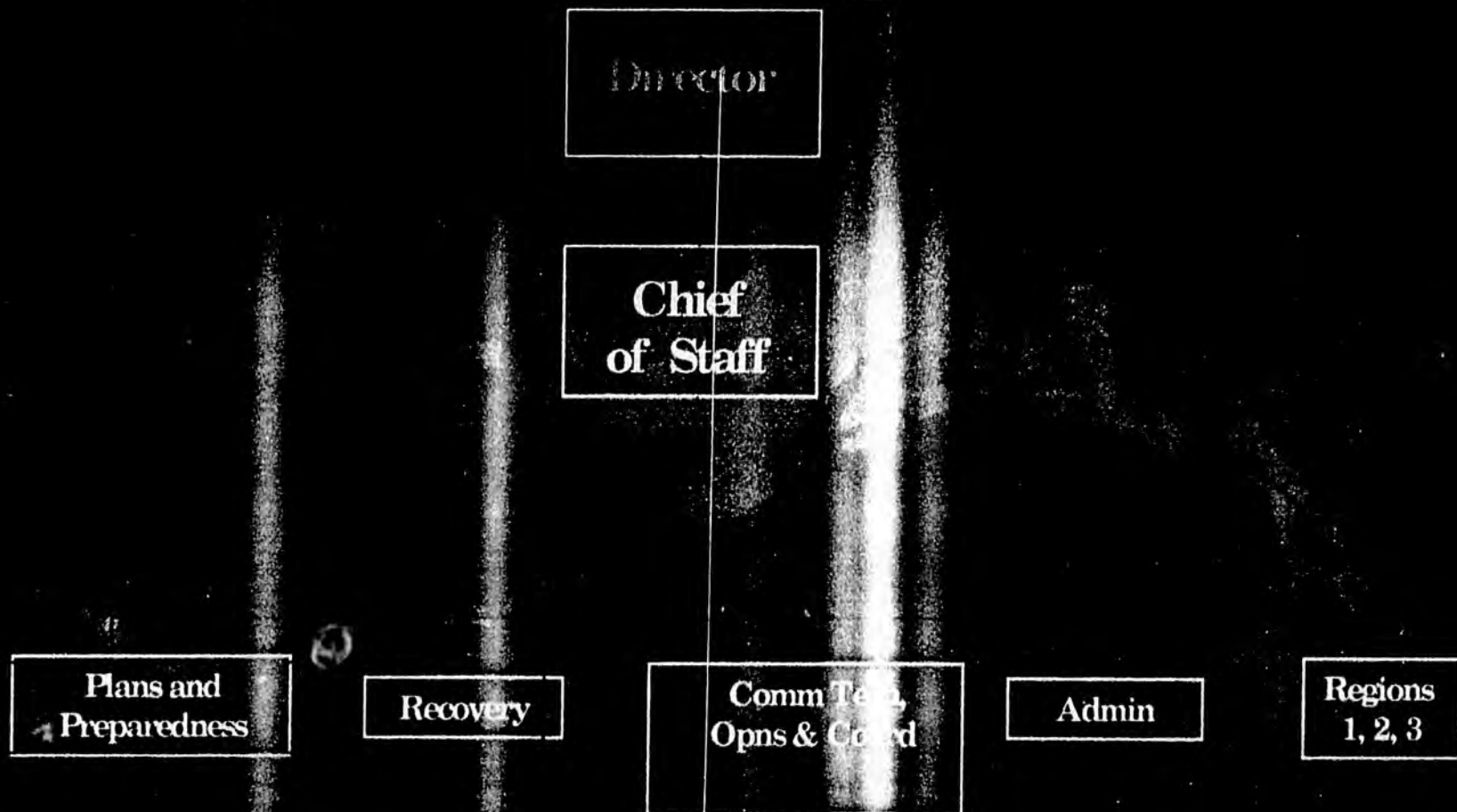
Alaska Division of Emergency Services

Mission

"Alaska's Division of Emergency Services is to lead, coordinate, and support the emergency management system; in order to protect lives and prevent the the loss of property from all hazards."



Alaska Division of Emergency Services *Departmental Organization*





Alaska Division of Emergency Services



ALASKA DIVISION OF EMERGENCY
SERVICES

STATE EMERGENCY COORDINATION
CENTER

ANCHORAGE, ALASKA

DAILY
SITUATION REPORT

Prepared by: [illegible]

December 18,
as of 9:00 A



Alaska Division of Emergency Services

REQUEST

REQUEST

SECC

State Emergency Coordination Center
(SECC)

CORRECTION

**THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION**



Rev. 6/98

Central Microfilm Services
Department of Education & Early Development
State of Alaska



Alaska Division of Emergency Services

REQUEST

REQUEST

SECC

State Emergency Coordination Center
(SECC)



Alaska Division of Emergency Services

Governor's Disaster Policy Cabinet (DPC)

- Provides recommendations to the Governor
- Members
 - Core departmental commissioners
 - Attorney General
 - Director, Office of Management & Budget
- Commissioner, DMVA (TAG) is chair

- What kind of recommendations
- do they define whether something is classified as a state disaster
- What criteria is used in determining disaster



Alaska Division of Emergency Services

State Emergency Response Commission (SERC) Responsibilities

- Facilitate Preparation of EOPs
- Review Plans
- Designate Boundaries of LEPCDs
- Appoint LEPCs for LEPCDs
- Supervise & Coordinate LEPCs
- Establish Procedures for CRTK
- Review Disaster Response AARs



Alaska Division of Emergency Services *Vision*

“... through partnerships leading the
way in Emergency Management.”



Alaska Division of Emergency Services *Partnerships*

- Federal Emergency Management Agency
- Alaskan Command
- Alaska National Guard
- U.S.. Coast Guard
- U.S.. Army Corps of Engineers
- Alaska/West Coast Tsunami Warning Center
- National Weather Service
- Department of the Interior
- Business/Industry
- American Red Cross
- Volunteer Organizations
- Utility Companies
- Local Emergency Planning Committees
- Native Corporations
- Communities/Boroughs

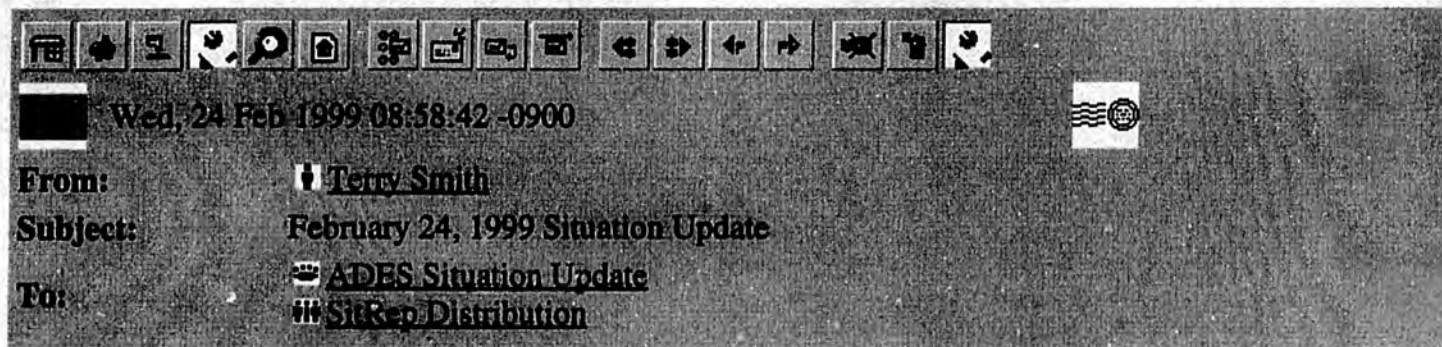


Alaska Division of Emergency Services

Emergency Management

Focus in Alaska

- Educate the Public
- Training
- Have A Plan
- Get to Know Each Other



**DIVISION OF EMERGENCY SERVICES
DAILY SITUATION UPDATE
As of 9:00 AM, February 24, 1999
Preparedness Level 1**

ISSUES ADDRESSED IN THIS REPORT:

STATEWIDE

Satellite Sun Outage

Western Alaska Fisheries Disaster Federal Funds

SOUTHWEST REGION

Earthquake

ALEUTIAN ISLANDS REGION

Shishaldin Volcano Update

Earthquake

MEETINGS AND CONFERENCES

Alaska Fire Chiefs Association Conference

STATE EMERGENCY COORDINATION CENTER OPERATIONS

(Items that begin with an * indicate changes or new information since the previous day's report).

STATEWIDE

Satellite Sun Outage

AT&T Alascom has provided notice that beginning on February 22nd and extending to March 5th, their satellite facilities will be experiencing service degradation and outages as a result of sun interference. Predictions anticipate the outages to occur between 12:11 PM to 12:38 PM Alaska Standard Time for a period of approximately 5 to 10 minutes each day. Sun outages occur for a few days twice each year as the geosynchronous satellite passes directly between the antenna on earth and the sun. This causes radio frequency noise from the sun to become stronger than the desired signal from the satellite. Further information is available from the AT&T Network Operations Center at 1-800-252-7521 or 907-264-8414.

Western Alaska Fisheries Disaster Federal Funds

The Division of Emergency Services is now taking applications for federal assistance from

people affected by the Western Alaska Fisheries Disaster. Applications will be taken via a helpline by calling 1-888-388-3473 from February 19 through April 20, 1999. This money was made available through a 1999 spending bill for the U.S. Department of Agriculture. People whose family income falls below Federal poverty guidelines are eligible to receive the assistance if they fall under the following categories: Commercial Salmon Permit Holders in the disaster area, Commercial Salmon Fishing Crew License Holders, Cannery Workers/Processors and Subsistence Users of Yukon River drainage salmon stocks. Please call the above helpline number Monday through Saturday from 10 AM until 7 PM for further details.

SOUTHWEST REGION

Earthquake

The Alaska Earthquake Information Center reports that a light earthquake occurred on Monday at 3:50 AM on the Alaska Peninsula. This earthquake had a preliminary magnitude of 4.2 and was located 59 miles south of King Salmon and 43 miles southeast of Egegik. No reports of damage have been received.

ALEUTIAN ISLANDS REGION

Shishaldin Volcano Update

The Alaska Volcano Observatory has issued the following additional information about Shishaldin Volcano. This volcano is located near the center of Unimak Island about 58 miles from Cold Bay. A small summit crater typically emits a noticeable steam plume with occasional small amounts of ash. Shishaldin is one of the most active volcanoes in the Aleutian volcanic arc, erupting at least 27 times since 1775. The most recent eruptive period occurred in late 1995 and early 1996 and consisted of minor explosions that produced low level steam and ash emissions. During the past week, personnel in Cold Bay observed anomalous steaming from the volcano. Last week, a vigorous steam plume rose to 6,000 feet above the vent and a long plume drifted downwind. The steam activity decreased throughout the week to light puffs rising a few hundred feet above the vent. On Thursday, February 18th, pilot and ground observations reported a large steam plume rising to 19,000 feet. A new seismic net monitoring the volcano recorded slightly elevated seismicity beginning at the end of January, and low-level seismic tremor has now been identified. Under the current conditions, a low level ash burst could occur with little or no warning. The AVO has raised their level of concern code to Yellow, meaning the volcano is restless, eruption may occur. Volcano information is available at <http://www.avo.alaska.edu> or 786-7478.

*** Earthquake**

The Alaska Earthquake Information Center reports that a moderate earthquake occurred on Tuesday at 3:23 AM in the Aleutian Islands. This earthquake had a preliminary magnitude of 5.0 and was located 108 miles west-northwest of Attu and 371 miles west-northwest of Amchitka. No reports of damage have been received.

MEETINGS AND CONFERENCES

Alaska Fire Chiefs Association Conference

The spring AFCA conference is scheduled to begin on Wednesday, February 24th at 1 PM in the Baranof Hotel in Juneau. The conference lasts until late Saturday afternoon. Further information and reservations are available by contacting Len Malmquist of the AFCA.

STATE EMERGENCY COORDINATION CENTER OPERATIONS

Alaska Division of Emergency Services Duty Officer and Operations: Wanice Cowles is the duty officer until March 2nd. To reach the duty officer dial (907) 428-7000 or 1-800-478-2337, 24 hours per day. The Division of Emergency Services has a web site available for information on

emergency topics at <http://www.ak-prepared.com>. Please note that the web site is currently undergoing revisions and on a temporary basis may not be fully functional. The State Emergency Coordination Center (SECC) is at Level 1 and is open from 8 AM to 5 PM, Monday to Friday.

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SCOMM

115:5

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Fax: 907-465-2293

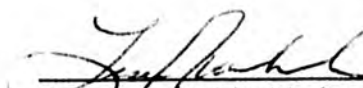
**SPECIAL COMMITTEE
ON
MILITARY AND VETERANS' AFFAIRS**

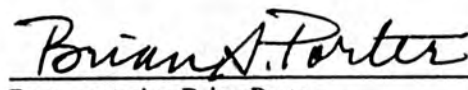
REPRESENTATIVE LISA MURKOWSKI, CHAIR

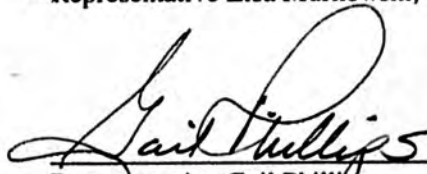
To: Senator Sean Parnell, Senator John Torgerson
From: House Special Committee on Military and Veterans' Affairs
CC: Senate Finance Committee
Date: 4/11/00
Re: Capital Budget Request

The House Special Committee on Military and Veterans' Affairs wishes to extend its support for the Anchorage Economic Development Corporation's request for a \$200,000 appropriation in this year's Capital Budget to fund a feasibility study relative to the installation of a global military logistics/forward mobility hub in the Anchorage area.

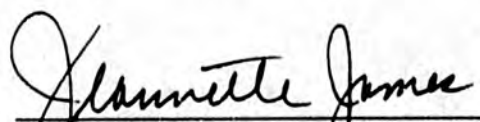
Thank you for your consideration.


Representative Lisa Murkowski, Chair


Representative Brian Porter


Representative Gail Phillips


Representative Peter Kott

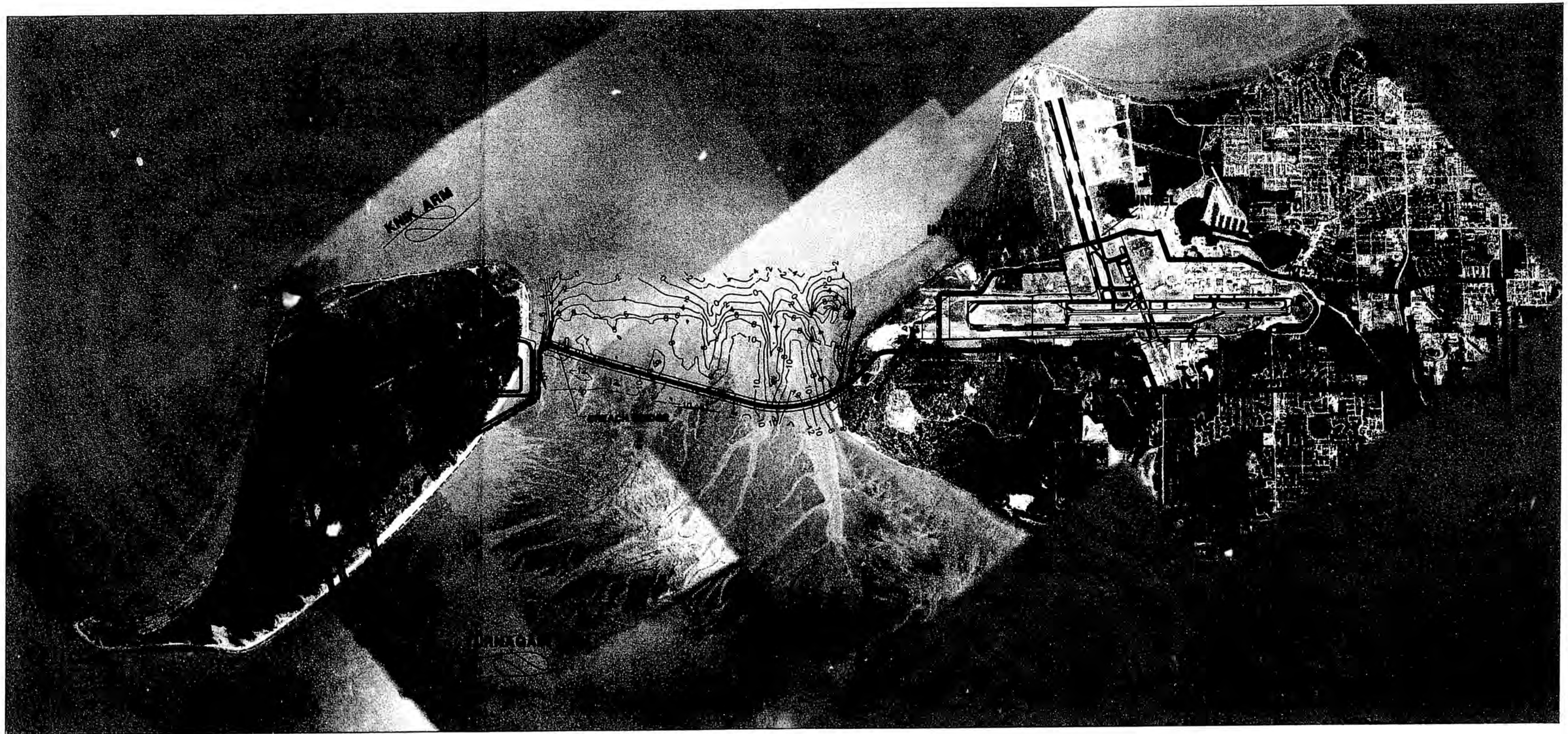

Representative Jeannette James


Representative Richard Foster


Representative Eric Croft


Representative Sharon Cissna

CHART
OF
CONCEPTUAL LAYOUT
PROPOSED FIRE ISLAND
INTERNATIONAL FREIGHT AIRPORT



**United States Department
of Transportation**

**All-Cargo Aircraft
Landed Weights**

Calendar Year

1998

Anchorage	13.4 billion pounds
Memphis	11.2 billion pounds
Louisville	7.1 billion pounds
Miami	6.6 billion pounds
Los Angeles	5.8 billion pounds

1997

Anchorage	13.2 billion pounds
Memphis	10.7 billion pounds
Louisville	6.9 billion pounds
Miami	6.4 billion pounds
Los Angeles	5.5 billion pounds

1996

Anchorage	11.5 billion pounds
Memphis	9.2 billion pounds
Louisville	6.9 billion pounds
Miami	5.6 billion pounds
Los Angeles	4.8 billion pounds

1995

Anchorage	10.5 billion pounds
Memphis	8.4 billion pounds
Chicago	6.9 billion pounds
Louisville	6.9 billion pounds
Miami	4.8 billion pounds

1994

Anchorage	8.4 billion pounds
Memphis	6.8 billion pounds
Chicago	6.3 billion pounds
Louisville	5.6 billion pounds
JFK	4.2 billion pounds

1993

Anchorage	8.5 billion pounds
Memphis	6.9 billion pounds
Louisville	6.1 billion pounds
Chicago	4.8 billion pounds
Honolulu	4.2 billion pounds



***Anchorage International Airport
Anchorage Attract Major Freighter Operators***

Average International Freighter Landings Per Week

	<u>June 99</u>	<u>June 98</u>
Air China	4	4
Asiana	21	21
Cathay	14	13
China	37	30
EVA	30	20
Evergreen	13	9
Fedex	82	80
JAL	41	43
Korean Air	60	54
NCA	37	35
Northwest	46	35
Polar	6	7
UPS	53	55
United	17	24
Others	<u>52</u>	<u>31</u>
Total Average Weekly Landings	513	461

Washington DC
8 and 9 February, 2000
Military Logistics Exploration Mission

ATTENDEES:

Michael Kean, Transportation Director
Anchorage Economic Development Corporation (AEDC)

Kirk McGee, Vice President for Real Estate
Paul Fuhs, Project Development Consultant
Cook Inlet Region, Inc. (CIRI)

Representatives of US air and sea carriers, awaiting confirmation.

MISSION:

The mission of this trip is to better understand the DoD Logistics Strategic Plan, its timelines and goals, and to propose an evaluation of Anchorage as a forward deployment, testing and maintenance center for certain military cargoes. This deployment could be either from military warehouses or by partnering with private equipment and parts suppliers that could locate in Anchorage.

BACKGROUND:

Anchorage International Airport has become the international logistics hub for Federal Express, United Parcel Service, and other major US air cargo carriers. Anchorage International is now the number one air cargo port in the United States. This is due to the superior strategic geographic location of Anchorage, which has been recognized by military leaders as far back as Billy Mitchell in WWII. Elmendorf Air Force Base and other military installations in Alaska play a key role in US military deployment, due to their strategic location.

The potential for US military logistics operations in Anchorage could represent efficiencies for the US military utilizing the substantial investment there by US air and sea carriers such as FedEx, UPS, United, Northwest and CSX Lines (formerly Sealand, Inc.), combined with recent fiber optic installations and e-commerce procurement and tracking systems currently being operated from Anchorage.

The potential for these efficiencies should be evaluated in a joint effort by DoD Logistics Strategic Planners and Anchorage based logistics companies, coordinated by AEDC.

AEDC and CIRI:

Anchorage Economic Development Corporation is an Alaskan non-profit development organization which specializes in logistics marketing for the Anchorage International Airport. Cook Inlet Region, Inc is an Alaska Native Regional Corporation established by the Alaska Native Claims Settlement Act, with significant land holdings adjacent to the Airport.



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SUBCOMMITTEE ON MILITARY CONSTRUCTION
UNITED STATES SENATE
WASHINGTON D.C., 20510-6025

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M. SIDNEY ASHWORTH
PROFESSIONAL STAFF MEMBER



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CONGRESSMAN DON YOUNG
U.S. HOUSE OF REPRESENTATIVES
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 Commander
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SYNOPSIS OF COMMENTS RECEIVED CONCERNING ANCHORAGE, ALASKA
BASED MILITARY LOGISTICS
CENTER FROM SENIOR DOD PERSONNEL

- * Given the global mission of the US military and Alaska's strategic geographic location, Anchorage makes common sense or is intriguing for forward logistics from US soil, but it would need to be analyzed by a credible firm to quantify any contributions to war readiness or cost savings.
- * The large scale investments in global distribution hubs in Anchorage by private sector logistics companies like FedEx, UPS, United, and Northwest Airlines and military access and use of that airlift capacity fits with the logistics trends in the US military to outsource more of their transportation/logistics activities.
- * Overseas locations for forward positioning of supplies carry a higher risk and thus higher security costs. Supplies stored in overseas locations could be subject to CBR (Chemical, Biological, Radiological) contamination in a warfighting situation, making them unusable to US military personnel. Local political considerations may require further closures of US military bases overseas. Anchorage would be a candidate for positioning some of these materials on US soil.
- * If redundant supplies overseas could be reduced, there could be significant cost savings.
- * Anchorage is already being used as a forward logistics source for some military food and medical supplies totaling approximately \$23.5 million per year.
- * Many supplies are forward positioned on US naval vessels but they have difficulties moving the supplies the last mile from ship to shore. In addition, some ships are at maximum capacity and when new material arrives, what do you do with the old materials?
- * Interest was expressed in a seaport associated with Anchorage based airlift capacity. Ocean cargo vessels of the US Merchant Marine regularly travel right past Alaska on the Great Circle Route to Asia. It may make sense to carry some supplies in by marine vessel and then ship out by air for just in time delivery. This overall system could make Anchorage our Singapore on US soil.
- * Many of the current locations for military supplies in the US are legacies of the old system and are not located near transportation hubs in the US.
- * If we want to have military logistics in Anchorage, we should be talking to the Original Equipment Manufacturers (OEMs) about locating their distribution centers in Anchorage because less and less materiel will be warehoused in organic military owned facilities. OEMs are also responsible for maintenance and that would need to be located with the distribution facility.
- * An analysis should be performed to determine Anchorage's capacity to accommodate the surge of activity which occurs at the beginning of a conflict including excess fuel supply capability, availability of loading equipment, maintenance facilities, ability to receive large scale evacuation of civilian personnel from a conflict area, etc.
- * A transparent procurement/logistics system based more on private supplier warehousing and just in time private delivery could supercede some of the political issues surrounding BRAC.

* The third party logistics (3pl) handler in Anchorage must have the International Infrastructure to handle properly, total warehouse control, ordering supplies, and shipping as required. This 3pl must also have real time tracking capability that ties into the military for both regular and sensitive cargo.

* An analysis of these issues should be completed as soon as possible if the data are to be considered in the Quadrennial Defense Review.



Anchorage Economic Development Corporation
The Center of Opportunity

ANCHORAGE BASED MILITARY LOGISTICS INITIATIVE

During the past month Michael Kean, Transportation Director for AEDC, Kirk McGee, VP for Real estate, CIRI and Paul Fuhs, project consultant to CIRI have met with Senior military and civilian staff of the Department of Defense to explore expanded military logistics from and through Anchorage. (\$23.5 million a year, primarily food and medical supplies, is already originating from Anchorage and an unknown quantity of military material is transiting through). Copies of their business cards are attached to this document.

Everyone we met with was intrigued with the potential efficiencies that Anchorage could offer, particularly in light of the fact that Anchorage is the number one landed weight air cargo airport in the US and significant civilian airlift capacity is available on a regular basis and it is on US soil. The trend for military logistics is toward increased outsourcing and privatization of warehousing, transportation and maintenance of military equipment.

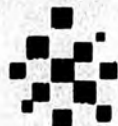
However, they all cautioned that it would be necessary to quantify these efficiencies through a study performed by a qualified and reputable consulting firm specializing in military logistics issues. This analysis should include time savings contributing to war fighting capability and economic costs along with a risk analysis on the potential security benefits of forward logistics on US soil, capable of responding quickly in several operational theatres.

They provided us with a list of potential contractors they had worked with in the past and we contacted them to determine their costs, timelines for completion and availability to do the work. We wrote a draft scope of work for this analysis and asked for comments from all those we met with. The draft scope is attached to this document.

It is also important that this analysis be completed before this fall so that it will be available for consideration in the military's Quadrennial Defense Review in which the total package of military systems is considered. The Undersecretary of Defense for Logistics is also heading up the Logistics Reform Senior Steering Group (LRSSG) initiative whose goal is to model some of the advanced logistics systems developed in the private sector by companies like FedEx and UPS and provide an integrated procurement and logistics system which will reduce the need for organic (military owned) warehousing and transportation, especially during peacetime.

Due to all these factors, our timing is excellent if we can procure the funding and complete the business case analysis for Anchorage based military logistics operations.

The most responsive firm, Price Waterhouse and Coopers gave us an estimate of \$175,000 and a completion time of 2 months to perform the analysis. This is due to the



fact that they already have a wealth of the baseline data available to do the analysis. All the Department of Defense personnel we met with pledged their cooperation in providing data and so did all the private air and sea carriers serving Anchorage. The Alaska Department of Transportation also pledged their cooperation in providing data from Anchorage International Airport.

We need to obtain the \$175,000 for the study in cost sharing with the Department of Defense or to raise it from local sources if DoD funding is not available. Even if we raise the money ourselves, it is important to have an executive sponsor for the study within DoD so that it will not be viewed as a cheerleading exercise where you pay for a predetermined outcome and they have some ownership of the product.

The case for this analysis will be presented to the LRSSG executive committee on March 23rd on the issues of potential funding and executive sponsorship of the study. We are requesting letters of support from our Congressional delegation and from those senior military personnel who are most familiar with the potential of Anchorage for military logistics and we are exploring private, municipal and state funding for our matching money for the study.

Anchorage-based Military Logistics Center Business Case Analysis

Tasks:

1. Determine current civilian and military airlift capacity and throughput, by appropriate weight classes, to and from Anchorage.
2. Determine current civilian and military sealift capacity, by appropriate weight classes, to and from Anchorage.
3. Identify major CONUS and OCONUS re-supply points and their respective equipment and materiel.
4. Determine national demand for equipment and materiel by theater in both peace time and wartime scenarios.
5. Based on (3) and (4), identify equipment and materiel suitable for pre-positioning in Anchorage.
6. For selected theaters in both peace time and wartime scenarios, analyze the total storage and transportation costs required by the existing supply system as compared to the estimated costs required by a national Anchorage-based logistics center. Perform this analysis by equipment type and classes of materiel and by weight class. The airlift analysis should, at a minimum, consider payload capacity, frequency of flight and connecting routes. The sealift analysis should also consider the role of Naval floating re-supply systems.
7. For selected theaters in both peace time and wartime scenarios, compare the delivery time requirement of the existing supply system to the estimated delivery time requirement of a national Anchorage-based logistics center. Perform this comparison by equipment type and classes of materiel and by weight class. The airlift analysis should, at a minimum, consider payload capacity, frequency of flight and connecting routes. The sealift analysis should also consider the role of Naval floating re-supply systems.
8. Perform a risk analysis of introducing an Anchorage-based logistics center into the existing supply system. Consider both cost and military readiness implications.
9. Determine an optimal arrangement between the Alaskan command and an Anchorage-base logistics center.
10. Analyze Anchorage communications capacity.



21 March 2000

The Honorable Jacques S. Gansler
Under Secretary of Defense for
Acquisition Technology & Logistics
The Pentagon (Room 3E933)
Washington, DC

Dear Dr. Gansler, *Jash*

Attached is material I received after a recent meeting with the leadership of the Anchorage Economic Development Corporation (AEDC), a team dedicated to promoting Alaska's potential as a strategic business center. I was intrigued by their proposal to achieve DoD savings by taking advantage of Anchorage's established commercial infrastructure to set up a staging area for military materials destined for Europe. Having served for several years in Alaska, I think their proposal is worth considering, and appreciate you getting the attached material into the right hands.

Most sincerely,

JOSEPH W. RALSTON
General, USAF

DSCP Level of Business in Alaska

Subsistence

Prime Vendors

- Sysco - approximately \$6.5 million per annum
Warehouse located in Anchorage
- Food Service of America - approximately \$6.5 million per annum
Warehouse located in Anchorage

Market Ready

- Alaska Pride Bakery - approximately \$57k per annum
Located in Anchorage
- The Great Alaska Food Company - approximately \$59k per annum
Located in Anchorage

Produce Blanket Purchase Agreements - approximately \$4.85 million Principle BPA holders

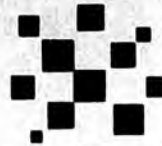
- DiTomaso's, Inc. - Anchorage - \$2.8 million
- Carr Gottstein Foods - Anchorage - \$950k
- Food Service of America - Anchorage - \$386K
- Anchorage Cold Storage - Anchorage - \$284k
- Sysco Food Services of Alaska - Anchorage - \$181k
- Palmer Produce - Palmer - \$96k
- Wessel Farms - Palmer - \$58k

Medical

Prime Vendors

- Bergen Brunswig Medical Corporation (mcd/surg)
Distribution center located in Anchorage - approximately \$1.5 million
- McKesson Drug Company (pharmaceuticals)
Distribution center located in Anchorage - approximately \$6 million*
- approximately 80% of business flows through Anchorage; balance through Seattle

Point of Contact: Mr. Paul Zebrowski, DSCP-P, (215) 737-2601
DSN 444-2601



Anchorage Economic Development Corporation
The Center of Opportunity

April 6, 2000

Dear Legislator:

Subject: Military Global Logistics/Forward Mobility Hub Economic Development Opportunity

During the past several months the Anchorage Economic Development Corporation (AEDC) has been meeting with officials with the U. S. Military in Alaska and the U. S. Department of Defense (DOD) at the Pentagon to discuss the concept of locating a military global logistics/forward mobility hub in Anchorage.

Anchorage's global location, placing it nine hours from essentially all points in the Northern Hemisphere, is of great interest to the military. Should the Anchorage based military logistics hub prove feasible, Military officials have expressed an interest in establishing a contractual relationship with private firms to transport the related cargo and to manage and operate the hub.

Anchorage's location, the positive relationship that the State of Alaska shares with the Military, the existing infrastructure within the city of Anchorage and at the Anchorage International Airport, and the logistics program at the University all contribute toward making this is a feasible project. It is an opportunity certainly worthy of pursuing.

In order to proceed with this global logistics opportunity an independent consultant that has the trust and confidence of the DOD must do an analysis to verify that Anchorage is the right location for a forward mobility hub. A project plan to conduct such an analysis has been prepared (see attached). The appropriate DOD personnel have reviewed the plan to ensure that the study would provide the required information

To be considered in the Department of Defense and the Military's "Quadrennial Defense Review" this coming fall, the analysis will have to be started soon. If we miss the review this fall it will be four years before the next review. This analysis is estimated to cost \$200,000 and could be done by an experienced consultant familiar with DOD requirements in the time frame required. The DOD has stated that they would not be able to locate the funds to complete the study within the time frame required.

On behalf of AEDC, I respectfully request the legislature's support for this important business development opportunity to expand and diversify our economy. The benefits to the State would be significant.

Sincerely,

Larry D. Crawford
President & CEO

Anchorage-based Military Logistics Center Business Case Analysis

Tasks:

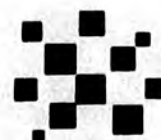
1. Determine current civilian and military airlift capacity and throughput, by appropriate weight classes, to and from Anchorage.
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10. Analyze Anchorage communications capacity.





Anchorage

**Global Distribution Center
of the
Northern Hemisphere**



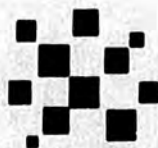
Anchorage Economic Development Corporation



Shortening Supply Chain Cycle Time

Anchorage, Alaska

- Anchorage is located within nine hours of 95% of the industrialized world.
- UPS and FedEx both have international freight hubs in Anchorage, as does the U.S. Postal Service.
- Nine freight forwarders serve the world through Anchorage. Three are air-sea companies: Panalpina, SeaLand and Lynden.
- Connections to the U.S. highway system are available either through surface transportation (48 hours) or by air through Toronto (6 hours). Carriers offer a range of cost options for cargo.
- The Anchorage International Airport and the Port of Anchorage both provide Foreign Trade Zones.
- U.S. Customs service in Anchorage is the best in the West: 99% of parcels clear in one day or less.
- Warehouse and cargo service facilities are available both on airport, at the waterfront, and off-site within 20 minutes of either air or surface gateways.



Anchorage Economic Development Corporation

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Expanded Cargo Transfer Ruling

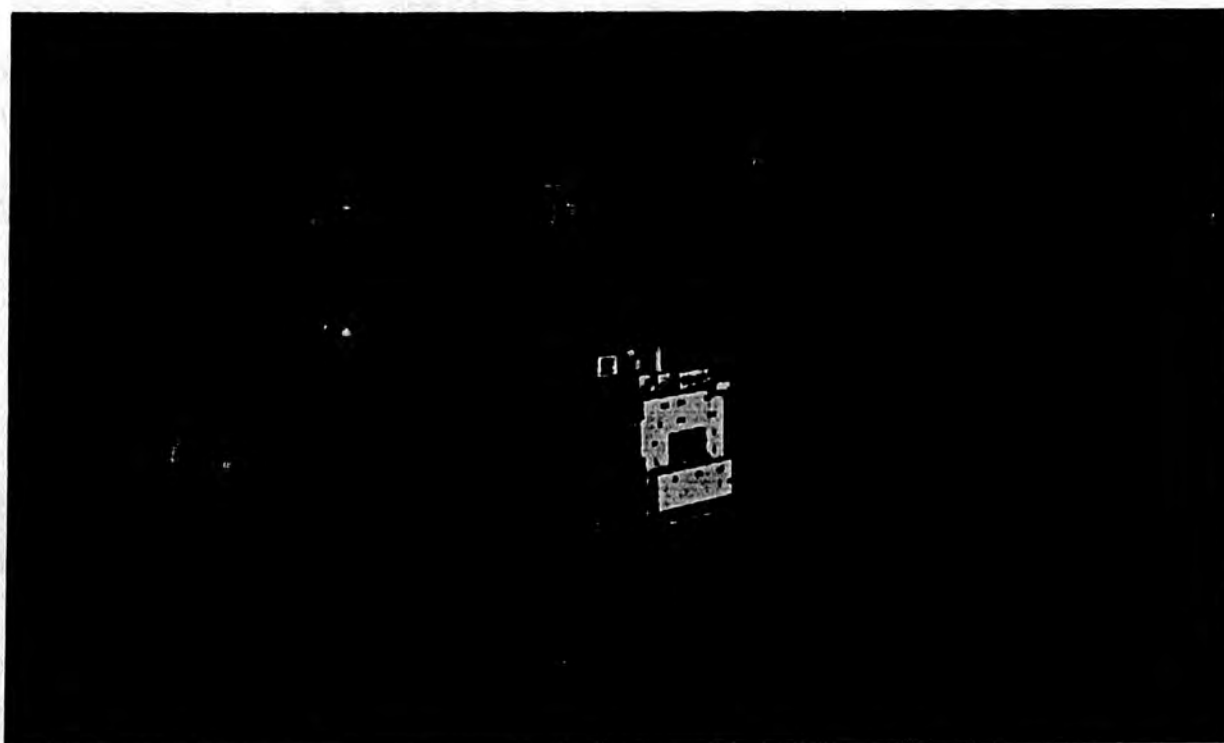
On November 7, 1996 the U.S. Department of Transportation issued a special ruling requested by the State of Alaska which allows expanded cargo handling operations at international airports in Alaska.

Because of this ruling, which has been renewed until 2000, expanded cargo transfer operations can be undertaken at Anchorage International Airport for all foreign carriers with traffic rights in Anchorage. These specific cargo transfer authorities include:

- ❖ A carrier may conduct on-line cargo transfers among any of its own aircraft regardless of destination
- ❖ All forms of change of gauge for cargo operations are authorized, including "starburst" change of gauge from one wide bodied aircraft to several smaller aircraft.
- ❖ Cargo traffic moving in foreign air carriers can be co-mingled with cargo moving in U.S. domestic carriers .
- ❖ Cargo interline transfers are allowed to and from U.S. carriers.
- ❖ Cargo interline transfers are allowed to and from other foreign carriers.

The order, signed by Assistant Secretary of Transportation Charles Hunnicutt states:

"...This authority will increase U.S. carrier opportunities to conduct interline subservice operations on behalf of foreign carriers transiting Alaska."



Cargo Origin and Destination

Anchorage International Airport is the major air gateway to Alaska for both passengers and cargo. As the principal business center for Alaska, Anchorage provides a critical link to the global economy.

Savvy international firms need to shorten the supply chain cycle time, moving product from production to customer in two days instead of six. In a fiercely competitive global market where transactions are being accelerated by electronic commerce, Anchorage can play a significant role in reaching a solution for efficient inventory management.

- ❖ Several attributes of this location make Anchorage ideal for international cargo movement.
- ❖ A special U.S. Department of Transportation Ruling allowing expanded cargo transfer capability for foreign carriers.
- ❖ Access to 95% of the industrialized world within nine hours for cargo traffic.
- ❖ Foreign Trade Zone available on airport and at the Port of Anchorage for value added transactions.
- ❖ Thirty four cargo carriers and nine freight forwarders operate in Anchorage with over 500 flights per week..
- ❖ Four carriers operate hubs in Anchorage already, including UPS and FedEx international customs clearance centers.

Over 98% of the cargo moving between Asia and the United States transits through Anchorage. Anchorage offers an ideal location for adding value to cargo.

- ❖ Final Testing and Assembly
- ❖ Kit Formation
- ❖ Component Merging
- ❖ Customized Product Configuration
- ❖ Centralized Stocking of Product Samples
- ❖ International Warehousing of Finished Products for Distribution Worldwide
- ❖ Advanced Staging of Products
- ❖ Parts Banking
- ❖ Central Customer Service Repair Operation

Anchorage

The Center of Opportunity

Alaska is often called "The Last Frontier." The 49th state conjures up images of unspoiled wilderness, adventure and room to grow. This great land is a wide-open stage of opportunity.

The assessment is accurate in many contexts. On the business front, Alaska is primed to accommodate companies seeking to expand their reach, particularly those with global interests.

Activity centers in Anchorage, a modern metropolitan area where all the basics for a thriving business are readily accessible. The Anchorage economy has diversified significantly since a time when oil was its mainstay. Since the late '80s, Anchorage has developed a sufficient base of population and economic strength to exert a force for stability.

The Anchorage Economic Development Corporation, established to expand and diversify the local economy, has targeted a selection of "economic engines" on which to concentrate its ongoing efforts. The objective is to achieve a diverse economic base that can be sustained over time.

Within that framework, myriad opportunities exist for companies interested in doing business here, whether expanding north or relocating. The AEDC looks forward to working with these firms, to help ensure that all possible avenues for success are explored and acted upon.

The AEDC is particularly interested in helping companies avail themselves of Anchorage's global logistics advantage – what we call "The Anchorage Advantage." Anchorage is a literal crossroads of international air cargo routes, affording ready access to world markets for distribution of materials, components and products. A variety of business and tax incentive programs likewise make it beneficial for companies to locate here.

Neighboring Anchorage to the north, the Matanuska-Susitna Borough represents additional opportunities for businesses to locate in Alaska. There is ample land available for commercial, industrial and residential development, within a relatively short distance from Anchorage's air and sea gateways.

Anchorage is an incredible place to live. It offers a superb quality of life, making it an attractive home base. Increasingly, modern technology allows many companies the discretion to choose where

operations will be based. Anchorage boasts the clean air, clean water, cultural and recreational opportunities, safety and wholesome atmosphere for raising families, qualities that figure prominently in decisions to relocate or expand.

Points of Contact

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E-mail: aedc@aedcweb.com

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Anchorage, Alaska 99501
Phone 907-276-4118 • Fax 907-278-5559
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www.akcache.com/alaska/southcentral/acvb/acvbinfo.html
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Anchorage Chamber of Commerce

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February 2000

Anchorage's Economic Engines

Global logistics and value-added production

Opportunities for value-added production in Anchorage are directly linked to its global logistics advantage. Possibilities include light manufacturing, packaging and assembly, final testing and configuration of cargo. In each case, companies can take advantage of air access to all major world markets in nine hours or less.

Among production areas of foremost consideration are those involving secondary processing of Alaskan natural resources in Anchorage. Rather than ship out raw materials, jobs and value would be created locally through processing of, for example, logs into lumber.

Alaska Seafood International (ASI) is a current success story that illustrates this concept. ASI planned to commence production of seafood meals at its new manufacturing plant in February 2000. Although Alaska is the world's largest producer of wild salmon and has the richest source of bottom-fish in the world, most value-added processing is still done outside the state. The Alaska Seafood International complex includes much-needed cold storage facilities to refrigerate fish being held for processing. This will enable mass preparation of the meals, which will be air freighted to customers throughout the country and internationally.

Another area of opportunity is the final phase of semiconductor manufacturing including assembly and/or packaging, testing and distribution operations. "Back end" semiconductor manufacturing may be advantageous in Anchorage, especially for companies doing subcontract work for a variety of customers in several different regions of the world.

Anchorage is also be a suitable location for such operations as central customer service and repair hubs, final product assembly and order preparation centers, kit assembly, in-transit configuration of high-value components, centralized stocking of product samples, and international warehousing and distribution of high-value, time sensitive products.

Whatever the venture, Anchorage's strategic global location provides companies with global flexibility and reductions in average order cycle time. Cargo departing from Anchorage International Airport will arrive at Asian or European destinations up to five hours faster than freight from other U.S. West Coast cities.

This strategic location explains why significant volumes of cargo moving between Asia and Europe, and between North America and Asia, pass through AIA. Much of Anchorage's landed freight is carried by FedEx and United Parcel Service, both of which established international cargo and customs clearance hubs in Anchorage during the late 1980s.

As a bonus, Anchorage can offer some of the lowest utility rates in the country and has institutional financing mechanisms that can provide project financing.

For companies importing component parts, foreign trade zones (FTZ) exist in the city. The zones allow warehousing, inspection, display and repackaging of goods without duty payments. Goods may be processed or manufactured in the zones with duty paid only on the final product or materials imported, or they may be exported to international markets, avoiding any U.S. duty and the full array of federal laws.

Firms using Anchorage as an inventory consolidation and distribution hub realize significant savings on inventory carrying costs. Furthermore, inventory held for shipment outside of Alaska may be exempted from local inventory taxes.

International shippers will also benefit from Anchorage's expedient U.S. Customs agents, on duty around the clock. Service is highly efficient; 99% of all goods clear within a day.

Confidence in the potential presented by "The Anchorage Advantage" is evident in the recent construction at AIA of The Alaska CargoPort, a joint venture between Williams Alaska Petroleum and the Lynxs Group. This state-of-the-art air cargo transfer facility will feature 160,000 square feet of warehousing, 60,000 square feet of office space, a million square feet of ramp space with room to park up to eight wide-body aircraft, and 50,000 square feet of ground storage equipment and container storage. AEDC has worked closely with the principals on the feasibility and planning for this project.

Anchorage's Economic Engines

Transportation and Trade – Anchorage International Airport and the Port of Anchorage

With an established multimodal transportation and trade hub in Anchorage, Alaskans and their trading partners can reap the advantages of fortuitous geography. Alaska's key gateways for the movement of people and goods -- the Port of Anchorage and Anchorage International Airport -- are linked to each other and industrial areas via express corridors, facilitating efficient movement of freight and commercial traffic as needed.

Standing goals for building on this foundation include:

- Promoting the backhaul of freight from Alaska through the Port of Anchorage to outside markets, including possibilities for sea-air services
- Upgrading infrastructure to support improved intermodal and multimodal transportation access corridors through the municipal area between the waterfront, airport and other industrial centers.
- Pursuing ways to capitalize on an existing, active Foreign Trade Zone at the Port of Anchorage, which is also a designated Customs port of entry
- Marketing Anchorage International Airport (AIA) to foreign and domestic warehousing and distribution logistics companies, and to cargo and passenger companies.

Anchorage International Airport is the major air gateway to the state, and has the distinction of being the preeminent international cargo crossroads for trans-Pacific freighter activity. AIA has three major runways and two major terminals that total more than 1.2 million square feet. More than 30 carriers serve Anchorage International Airport.

Zoning efforts are under way to enable significant industrial expansion on and around the airport, and construction of vital warehousing and distribution facilities.

The Port of Anchorage's modern freight-handling systems can move more than 3 million tons of cargo annually. It is the northernmost deep draft port in the United States, open year-round with full services. Four terminals handle every type of standard cargo vessel. Transshipment of freight is only minutes away at Anchorage International Airport.

The Alaska Railroad's main intermodal yard is less than a mile from the pier, and tracks are maintained into the port. A facility capable of

handling more than 22 million barrels of petroleum product includes modern tank storage as well as pipelines to the airport and military bases.

A 130-acre industrial park adjoins the Port to the east. Additionally, there are 31 developed acres for the staging and storage of marine cargo in transit. Up to 400 additional acres of developable tidelands are available to the north of the port along Knik Arm.

February 2000

Executive Summary

Air cargo is an increasingly significant portion of the overall activity that takes place at Anchorage International Airport (ANC). In 1996, air cargo carriers accounted for approximately 70 percent of the runway landing fees assessed at the airport. Air cargo is also a significant contributor to the Alaskan economy.

Anchorage International Airport is the major air gateway to the State of Alaska for both passengers and cargo, and its strategic global location has made it an important technical stop for air cargo freighters flying between Asia and North America, and between Asia and Europe. During the last half of 1997, and first quarter of 1998, there has been significant indication that Anchorage is in transition from a technical stop for fuel and crew changes to a major transloading center for Trans-Pacific cargo traffic.

Recent U.S. Department of Transportation decisions have granted almost all foreign air carriers significantly expanded cargo transfer activities at Anchorage International Airport (see side box). This action will most likely result in Anchorage taking on a more significant role as global business and distribution center for the all cargo carriers and spur interest in Anchorage by international freight forwarders and third party logistics providers.

Expanded ANC Cargo Transfer Rights

- Interline to/from non-US carriers
- Interline to/from US carriers
- Transfer on-line between flights
- Change of gage/"starburst" service
- Commingling of US and non-US traffic on the same flight

On a industry basis, world air freight traffic grew at 6.93 percent in 1996, while preliminary International Air Transport Association (IATA) reports indicate that international cargo traffic for 1997 has increased 11 percent. Total international air express traffic has been reported to have grown 15.7 percent from 1996 to 1997. Domestic air cargo for the first 11 months of 1997 increased 5.6 percent above the same period in 1996, while international cargo volume was ahead by 15.8 percent, according to figures released by the Air Transport Association.

The air cargo industry, like most industrial groups, is dependent upon population growth, gains in the economy, and growth in international trade. The volume of freight shipped by air will also be sensitive to the shipping tariffs of other modes of transportation. In addition to the primary influence of economic activity, many other factors can influence the levels of world air cargo, particularly the express and small package carriers. These factors include changing inventory management techniques, deregulation and liberalization of trade, national development programs, and a never ending stream of air-eligible commodities. At

Anchorage International Airport

Air Cargo Forecast

the local level, many of these same factors apply. However, extreme change in freight volumes at a particular airport more often results from the initiation of new carriers or services than from overall industry growth or decline.

Summarized below in Exhibit A, is the total air freight and air mail handled at Anchorage International Airport from 1990 to 1997. Unless otherwise noted, all cargo is reported in standard tons (one ton equals 2,000 pounds) and years are January 1 through December 31 calendar years.

Exhibit A: Historical Air Cargo Volumes at ANC (Tons)

Year	Freight	Mail	Total*	Percent Change
1990	345,100	59,600	404,700	--
1991	367,700	56,200	423,900	4.7
1992	377,400	62,400	439,800	3.7
1993	326,900	62,100	389,000	-11.6
1994	379,800	67,600	447,400	15.0
1995	427,500	70,800	498,300	11.4
1996	458,000	85,600	543,600	9.1
1997	493,480	89,100	582,580	9.3

Source: Keiser & Associates, Inc.

As can be seen in the exhibit, with the exception of 1993, air cargo volumes have grown steadily over the past seven years, with an average annual growth rate of over five percent. The greatest growth in cargo is in international freight, which grew at an average annual growth rate of approximately 13 percent. Indications are that 1998 will exceed 1997 figures significantly due to the increase use of the airport as a transload point for international freight. Northwest Airlines, United Airlines, and Polar Air Cargo all began transload operations in 1997.

Presented in Exhibit B is the preferred preliminary air cargo forecast for Anchorage International Airport for the five year forecast period. Overall, air cargo is forecast to increase at an average annual growth rate of 5.5 percent, with international freight increasing at an average annual growth rate of eight percent. Landings by freighter aircraft are forecast to increase at their historical rate of 8.4 percent over the short term forecast period.

Anchorage International Airport

Air Cargo Forecast

Exhibit B: Forecast of Air Cargo for Anchorage International Airport 1997-2002 (Tons)*

	Domestic Freight	International Freight	Mail	Total Air Cargo	Freighter Landings
1997	223,000	270,480	89,100	582,580	33,500
Forecast**					
1998	228,800	292,100	92,800	612,900	36,300
1999	234,700	315,500	96,600	646,800	39,400
2000	240,900	340,700	100,600	682,200	42,800
2001	247,100	368,000	104,700	719,800	46,400
2002	253,500	397,400	109,000	759,900	50,298

Source: Keiser & Associates, Inc.

* These forecasts were prepared on the basis of the information given in the text and should be used for planning purposes only. The achievement of any forecast is dependent upon the occurrence of future events that cannot be assured; therefore, actual results may vary from the forecast.

**Base year and forecast data were updated in October 1998.

Indications are that as foreign flag carriers become more familiar with the expanded transfer rights granted by the U.S., an increasing use of Anchorage as a transloading and interline center will begin to influence future growth at Anchorage leading to increasing opportunities for both carriers and forwarders.

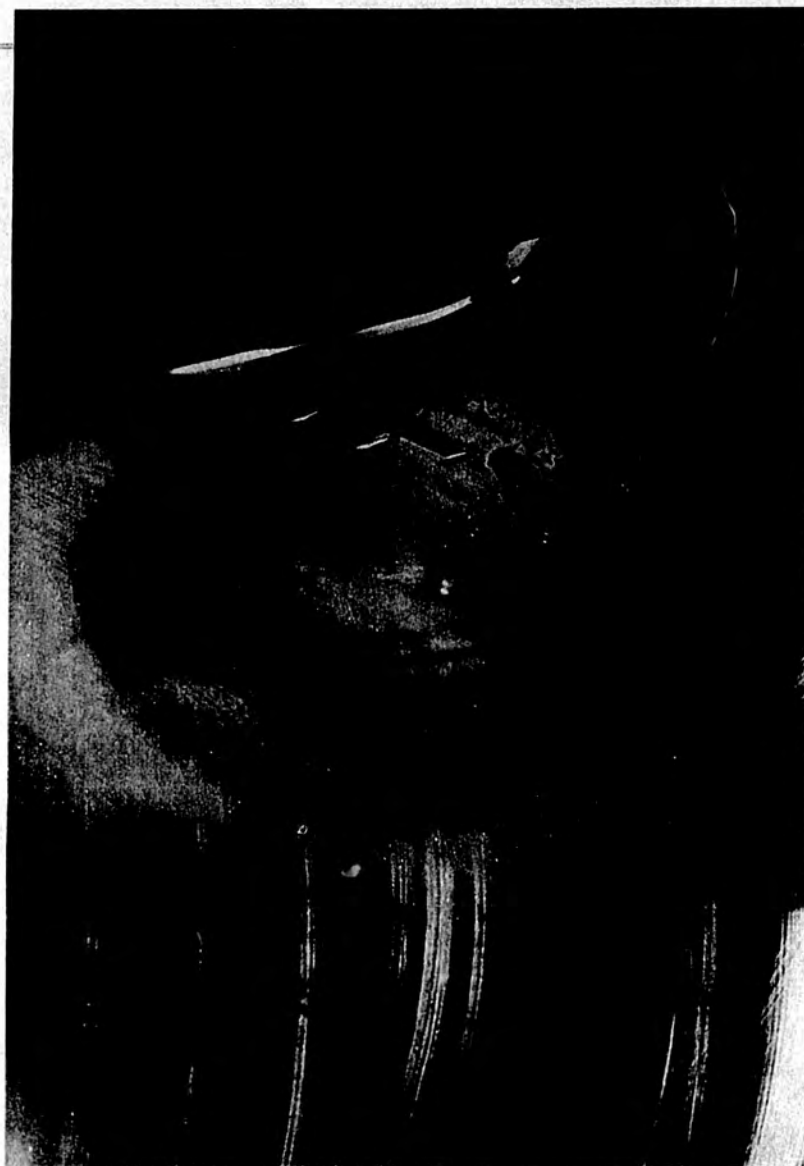
Anchorage International Airport

Facilities, Available Land, FTZs

1. Existing warehouse
 2. Land available for lease
 3. United Parcel Service International cargo hub
 4. Federal Express International cargo hub
 5. Existing development
 6. International passenger terminal
 7. Aircraft refueling area
 8. Domestic passenger terminal

1. Existing warehouse
2. Land available for lease
3. United Parcel Service international cargo hub
4. Federal Express international cargo hub
5. Existing development
6. International passenger terminal
7. Aircraft refueling area
8. Domestic passenger terminal

Foreign Trade Zones (FTZs)

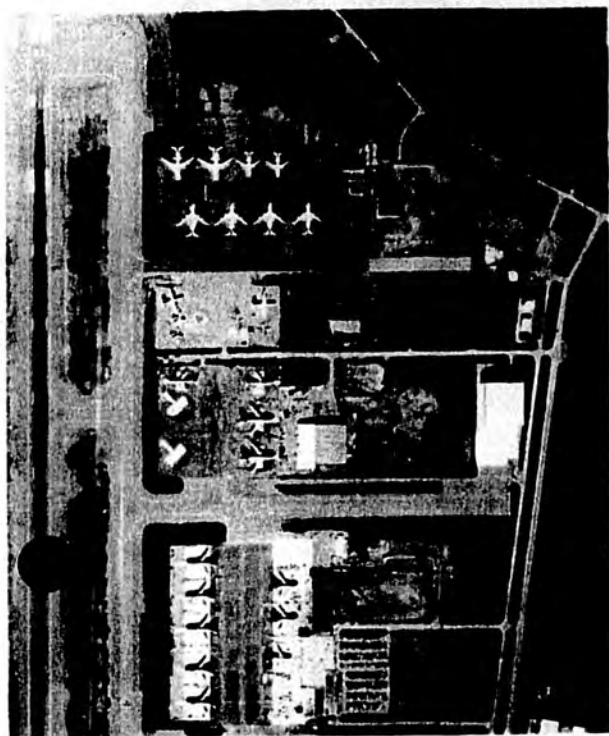


Alaska CargoPort™

A joint venture between Williams Alaska Petroleum, Inc. and the Lynxs Group

er facility

at Anchorage International Airport



Anchorage's proximity to Asian, North American and European markets make it one of the most attractive air cargo hubs in the world.



Anchorage Economic Development Corporation

900 West 5th Ave., Suite 300
Anchorage, Alaska 99501

For more information, contact:

Michael Kean
Transportation Director
mkean@aedcweb.com
Phone (907) 258-3700
Toll-free (800) 462-7275
Fax (907) 258-6646



Deputy Under Secretary of Defense (Logistics)

21st Century Logistics



DoD
LOGISTICS
STRATEGIC PLAN



Dr. Jacques Gansler
Under Secretary of Defense for
Acquisition & Technology

The 21st Century Warfighter will be supported by a logistics team that is fully adaptive to the needs of dispersed and highly mobile combat teams....



General Joseph Ralston
Vice Chairman of
the Joint Chiefs of Staff

LOGISTICS STRATEGY FOR THE 21ST CENTURY

This year marks a critical time in the process of reinvention of the Department's logistics operations. The initiatives mandated by the Secretary of Defense through his Defense Reform Initiative (DRI), the Quadrennial Defense Review (QDR), and the New Workforce Vision are under way. At the same time, the Warfighter's perspective on logistics requirements, Focused Logistics, has been developed to a point where specific implementing initiatives have been substantially identified. An important element of the reinvention process is ensuring the Warfighter's confidence in the responsiveness of the logistics process. As one of our top three acquisition priorities (along with implementation of the revolution in military affairs and the revolution in business affairs), we have identified the requirement to modernize our logistics systems. This will cut costs, reduce infrastructure and cycle time, and, most importantly, improve support to 21st Century Warfighters.

This year, through the cooperative efforts of the Logistics Reform Senior Steering Group, the updated Plan reflects the "top-down" perspective of the Department's key logistics leaders, particularly in the formulation of our most critical objectives and success indicators. This added validation of the Plan's content should help ensure the durability of the Plan's basic statements of logistics objectives and meaningful performance measures for the foreseeable future.

It is essential that all elements of the logistics community, including our private sector partners, put greater emphasis on meeting the Plan's objectives through each Component's activities, programs, and initiatives on a priority basis. This effort should include assessment of both ongoing and planned initiatives to ensure their support of the end-state objectives. Further, each

Component should ensure that

the Plan's performance indicators are tracked as a continuing effort and responsibility. In this way, we can ensure our success.





Joint Staff

This version of the DoD Logistics Strategic Plan firmly places the emphasis on support to the Warfighter.
—Lieutenant General John McDuffie, Director for Logistics J4, The Joint Staff



Army

Logistics is the lifeblood of any military force. The Army's Revolution in Military Logistics links today's force with that of the 21st century. Supporting the Warfighter remains our mission, and ensuring that our logistics systems are efficient in peace and reliable in war is our goal.
—Major General Charlie Cannon, Acting DCS for Logistics



Navy

Transforming logistics support to maintain readiness while reducing costs is vital to the continued success of our Navy and the entire U.S. Military. High Yield Logistics is our roadmap.
—Vice Admiral James Amerault, DCNO for Logistics

Marine Corps

In order to win our Nation's battles in the 21st century, we must have an agile and responsive logistics system that will support our future warfighting concept of Operational Maneuver from the Sea. In order to make this a reality, we must continue the aggressive pursuit of dramatic change in our logistics processes while developing the necessary logistics platforms.
—Major General Geoffrey Higginbotham, DCS for Installations and Logistics



Air Force

Logistics is Warfighting! Transforming logistics will enhance the performance of our ultimate customer, the Warfighter.—Lieutenant General John Handy, DCS for Installations and Logistics

DLA

DLA exists to ensure America's Warfighters are never logistically unprepared. Our commitment to deliver the right item, at the right time, to the right place, at the right price, every time with best value solutions for our customers requires continual logistics transformation—leveraging the best commercial and DoD business practices; capitalizing on information technology; and maintaining Warfighter knowledge, focus, and teamwork. In partnership with the Military Services, Warfighting CINCs, and industry, we will succeed.

—Lieutenant General Henry Glisson, Director, Defense Logistics Agency



USTRANSCOM

USTRANSCOM's mission is straightforward—deploy the force, sustain the force, and bring it home when the job is done. To do this, we are implementing exciting and innovative programs that exploit the highly flexible intermodal capabilities and information technologies of DoD and the nation's commercial sector. We will ensure that the Defense Transportation System of the 21st century continues to meet the needs of the warfighting CINCs, Services, and other agencies.

—Lieutenant General Roger Thompson, Deputy Commander, United States Transportation Command

Interim

716 W. 4th Avenue
Anchorage, AK 99501
Phone: 907-269-0174
Fax: 907-269-0177



Session:

State Capitol Bldg., Suite 406
Juneau, AK 99801
Phone: 907-465-3783
Fax: 907-465-2293

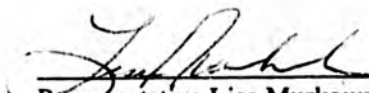
**SPECIAL COMMITTEE
ON
MILITARY AND VETERANS' AFFAIRS**

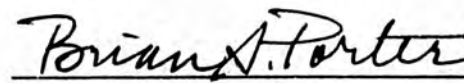
REPRESENTATIVE LISA MURKOWSKI, CHAIR

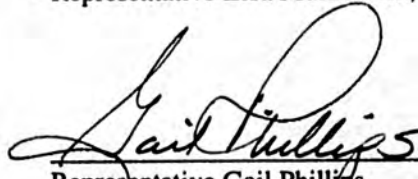
To: Senator Sean Parnell, Senator John Torgerson
From: House Special Committee on Military and Veterans' Affairs
CC: Senate Finance Committee
Date: 4/11/00
Re: Capital Budget Request

The House Special Committee on Military and Veterans' Affairs wishes to extend its support for the Anchorage Economic Development Corporation's request for a \$200,000 appropriation in this year's Capital Budget to fund a feasibility study relative to the installation of a global military logistics/forward mobility hub in the Anchorage area.

Thank you for your consideration.

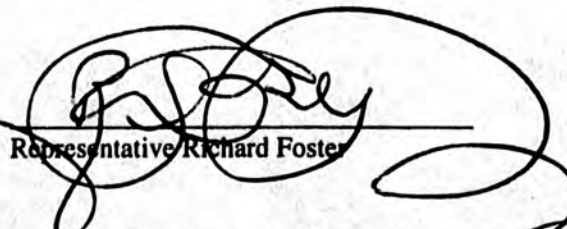

Representative Lisa Murkowski, Chair


Representative Brian Porter


Representative Gail Phillips


Representative Peter Scott


Representative Jeannette James


Representative Richard Foster


Representative Eric Croft


Representative Sharon Cissna

SENATE FINANCE COMMITTEE

CAPITAL BUDGET

AMENDMENT: _____

The amount of \$200,000 is granted to the Anchorage Economic Development Corporation for the purpose of conducting a feasibility analysis for expanding military logistics operations in Anchorage Alaska.

SCOPE OF WORK:

Anchorage-based Military Logistics Center Business Case Analysis

Tasks:

1. Determine current civilian and military airlift capacity and throughput, by appropriate weight classes, to and from Anchorage.
2. Determine current civilian and military sealift capacity, by appropriate weight classes, to and from Anchorage.
3. Identify major CONUS and OCONUS re-supply points and their respective equipment and materiel.
4. Determine national demand for equipment and materiel by theater in both peace time and wartime scenarios.
5. Based on (3) and (4), identify equipment and materiel suitable for pre-positioning in Anchorage.
6. For selected theaters in both peace time and wartime scenarios, analyze the total storage and transportation costs required by the existing supply system as compared to the estimated costs required by a national Anchorage-based logistics center. Perform this analysis by equipment type and classes of materiel and by weight class. The airlift analysis should, at a minimum, consider payload capacity, frequency of flight and connecting routes. The sealift analysis should also consider the role of Naval floating re-supply systems.
7. For selected theaters in both peace time and wartime scenarios, compare the delivery time requirement of the existing supply system to the estimated delivery time requirement of a national Anchorage-based logistics center. Perform this comparison by equipment type and classes of materiel and by weight class. The airlift analysis should, at a minimum, consider payload capacity, frequency of flight and connecting routes. The sealift analysis should also consider the role of Naval floating re-supply systems.
8. Perform a risk analysis of introducing an Anchorage-based logistics center into the existing supply system. Consider both cost and military readiness implications.
9. Determine an optimal arrangement between the Alaskan command and an Anchorage-base logistics center.
10. Analyze Anchorage communications capacity.



ALASKA STATE LEGISLATURE

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



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

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

JOINT ARMED SERVICES COMMITTEE

April 7, 2000

Senator John Torgerson
Co-Chair, Senate Finance Committee
State Capitol
Juneau, AK 99801

Dear Senator Torgerson,

The Joint Armed Services Committee supports the Anchorage Economic Development Corporation's request for a \$200,000 appropriation in this year's Capital Budget to fund a feasibility study of the possibility of establishing a military global logistics/forward mobility hub in Anchorage.

The timing is critical. This fall, the Department of Defense's Quadrennial Defense Review will thoroughly evaluate military logistics activities and make recommendations that will shape future operations. The QDR presents an unmatched opportunity to advocate Alaska's unique advantages of global location, modern airfreight infrastructure, and steadfast support of the military. An analysis conducted by an independent consultant approved by the Department of Defense is an essential step in focusing the QDR's attention on Alaska. This investment could pay rich dividends to our state's economy while significantly enhancing our Nation's ability to support military operations around the world.

Cordially,

TIM KELLY
Co-Chair, Joint Armed Services Committee

Municipality of Anchorage



P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone: (907) 348-4431
Fax: (907) 348-4499
<http://www.ci.anchorage.ak.us>

Rick Mystrom, Mayor

OFFICE OF THE MAYOR

April 4, 2000

The Honorable Tony Knowles
Governor - State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Knowles:

During the last several months the Anchorage Economic Development Corporation (AEDC) has been meeting with officials with the U.S. Military/Alaska and the U.S. Dept. of Defense (DOD) at the Pentagon to discuss the concept of locating a military global logistics/mobility hub in Anchorage. This hub would be located off military land and would be managed by the private sector. General Joseph Ralston, now serving as head of NATO has been helpful in arranging key military contacts for these meetings.

Anchorage's geographic location, existing infrastructure within the city of Anchorage and at the Anchorage International Airport, the excellent relationship between the City and State with the Military, and the new logistics program at the University of Alaska Anchorage all contribute toward making this a feasible project.

All meetings regarding this concept have been extremely positive. In order to proceed further, an independent study is needed that will verify the benefit and value of Anchorage to the Pentagon. This study must be performed by a credible source, approved by the Military, and it must be done in a timely manner in order to be placed within the "2000 Quadrennial Defense Review". I understand the next review will not happen until 2004, so it is very important we act quickly.

The study is to be coordinated by AEDC, and estimated to cost \$200,000. This cost is small when compared to the economic impact that could come from having a Military Logistics/Mobility Center located in the Anchorage area.

I am requesting your interest and support in providing the funding for this vital report. The State of Alaska and the Municipality of Anchorage is standing on the threshold of realizing the economic benefits of new strategic partnerships formed between the University, the Military, and the private logistics industry. Thank you.

Sincerely,

Rick Mystrom
Mayor

CC: Senator Drue Pearce, Representative Brian Porter

"City of Lights and Flowers"

*This is the
phg Paul Fuchs has
put together for Finance
as a capital budget
request. I told Paul the
committee might entertain
a letter in support (after
the presentation to the
Draft up a letter in
anticipation of committee
support for signature
by members*

Alaska State Legislature



Senator Johnny Ellis

Memorandum

To: Senator Sean Parnell, Senator John Torgerson
From: Senator Johnny Ellis
CC: Senate Finance Committee
Date: 04/07/00
Re: Capital Budget

Senators,

I would like to request that the following items be included in the FY01 Capital Budget. These items are of great importance and I urge you to consider them carefully.

1. The University of Alaska has requested \$31.4 million for expansion of the Consortium Library. The proposed library expansion will bring the facility up to standards set by the Association of College and Research Libraries and will profoundly improve the quality of education at UAA.

According to the University's Capital Budget Request, **"No single building is needed more at UAA than a new library facility."** I hope that you will see the long-term benefits to this state that result from investing in the University. This project is vital to UAA and the University as a whole.

- X
2. Currently, the city of Anchorage is in a position to establish itself as a forward logistics hub for the United States Military. Alaska is attractive to the military for a variety of reasons, not the least of which is its proximity by air to 90% of the developed world.

The Anchorage Economic Development Corporation has been promoting this venture. However, in order to take advantage of this opportunity, a feasibility study must be completed to the satisfaction of the Department of Defense before its Quadrennial Defense Review this fall. The cost of this analysis is estimated at \$200,000.

3. Additionally, a sum of \$1.488 million is needed to upgrade ventilation systems at the Anchorage Pioneers' Home. A study completed in September of 1999 shows current systems are, "insufficient to meet air quality requirements for residents and staff." Also, the ventilation system in the main building, "does not meet required codes," and must be upgraded.

The problem is so serious that air quality is well below health standards in the facility. The Governor's Pioneers' Home Advisory Board fact sheet points out that residents and staff have complained of problems ranging from dizziness and headaches to vomiting due to low air quality. The \$250,000 proposed by the sub-committee is far less than is required. I hope that you will take the time to do right by Alaska's senior citizens and provide a safe and healthy environment.

4. The Alaska Housing Finance Corporation has requested \$2 million for renovations to the Chugach View facility. Chugach view is an Anchorage housing unit that serves senior citizens. This project is a high priority for AHFC and for me as well. As I said previously, providing a safe and healthy environment for Alaska's senior citizens ought to be a top priority of this legislature.

Thank you for your consideration of these issues. I hope that you will agree that respecting those who built this state, and investing in its future prosperity, are exactly what this legislature should be doing.

Cc
Senator Al Adams



UNIVERSITY OF ALASKA ANCHORAGE

OFFICE OF ACADEMIC AFFAIRS

3211 Providence Drive
Anchorage, Alaska 99508-8054
Telephone (907) 786-1921 FAX (907) 786-1426

April 5, 2000

Governor Tony Knowles
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Knowles:

Subject: Military Global Logistics/Forward Mobility Hub Business Development Opportunity

During the past several months the Anchorage Economic Development Corporation (AEDC) has been meeting with officials with the U. S. Military in Alaska and the U. S. Department of Defense (DOD) at the Pentagon to discuss the concept of locating a military global logistics/forward mobility hub in Anchorage.

Anchorage's location, the positive relationship that the state of Alaska shares with the Military, the existing infrastructure within the city of Anchorage and at the Anchorage International Airport, and the logistics program at UAA all contribute toward making this a feasible project.

In order to proceed with this global logistics opportunity an independent consultant who has the trust and confidence of the DOD must do an analysis to verify that Anchorage is the right location for a forward mobility hub. For it to be considered this coming fall in the Military's "Quadrennial Defense Review," the analysis will have to be started soon. If we miss the review this fall it will be four years before the next review. I understand the analysis is estimated to cost \$200,000.

I encourage the legislature to support this important project. The benefits to Anchorage and the state of Alaska would be significant. It would be another step in the expansion and diversification of our economy.

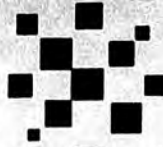
Thank you for your consideration of this important matter.

Sincerely,

A handwritten signature in cursive script that reads "Dan Johnson".

Dan Johnson
Provost

cc: Chancellor Lee Gorsuch



Anchorage Economic Development Corporation
The Center of Opportunity

April 6, 2000

Dear Legislator:

Subject: Military Global Logistics/Forward Mobility Hub Economic Development Opportunity

During the past several months the Anchorage Economic Development Corporation (AEDC) has been meeting with officials with the U. S. Military in Alaska and the U. S. Department of Defense (DOD) at the Pentagon to discuss the concept of locating a military global logistics/forward mobility hub in Anchorage.

Anchorage's global location, placing it nine hours from essentially all points in the Northern Hemisphere, is of great interest to the military. Should the Anchorage based military logistics hub prove feasible, Military officials have expressed an interest in establishing a contractual relationship with private firms to transport the related cargo and to manage and operate the hub.

Anchorage's location, the positive relationship that the State of Alaska shares with the Military, the existing infrastructure within the city of Anchorage and at the Anchorage International Airport, and the logistics program at the University all contribute toward making this is a feasible project. It is an opportunity certainly worthy of pursuing.

In order to proceed with this global logistics opportunity an independent consultant that has the trust and confidence of the DOD must do an analysis to verify that Anchorage is the right location for a forward mobility hub. A project plan to conduct such an analysis has been prepared (see attached). The appropriate DOD personnel have reviewed the plan to ensure that the study would provide the required information

To be considered in the Department of Defense and the Military's "Quadrennial Defense Review" this coming fall, the analysis will have to be started soon. If we miss the review this fall it will be four years before the next review. This analysis is estimated to cost \$200,000 and could be done by an experienced consultant familiar with DOD requirements in the time frame required. The DOD has stated that they would not be able to locate the funds to complete the study within the time frame required.

On behalf of AEDC, I respectfully request the legislature's support for this important business development opportunity to expand and diversify our economy. The benefits to the State would be significant.

Sincerely,


Larry D. Crawford
President & CEO

SCOMM

115:6

Alaska State Legislature



Official Business

State Capitol
Juneau AK
99801-1182

SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS

Representative Lisa Murkowski, Chair

SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Representative Gail Phillips, Chair

SPECIAL COMMITTEE ON WORLD TRADE & STATE/FEDERAL RELATIONS

Representative Ramona Barnes, Chair

Present:

General Phil Oates, Commissioner

Department of Military and Veterans' Affairs

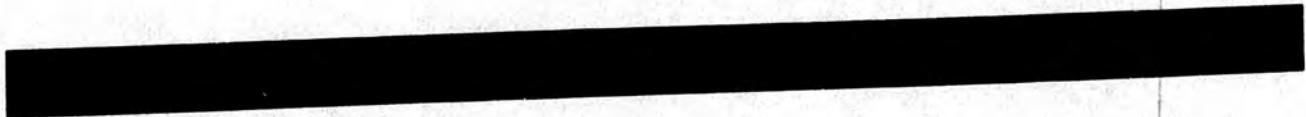
**A briefing on the potential economic benefits of the National Missile
Defense to Alaska**

**February 8, 2000
Senate Finance 532
4:30 p.m.**

NATIONAL MISSILE DEFENSE



ALASKA

A thick, solid black horizontal bar is positioned below the word "ALASKA", likely used to redact sensitive information.

ANTICIPATED ALASKA STATIONING

(Components Effective 2005)

New Jobs : 309

Construction: \$882 M

X-Band Radar



Shemya

Fiber Optic Cable

Clear AFS

Ft. Greely

Elmendorf AFB/
Ft. Richardson

Site Activation
Organization

NORAD
Command Post

Early
Warning
Radar



Launch
Complex

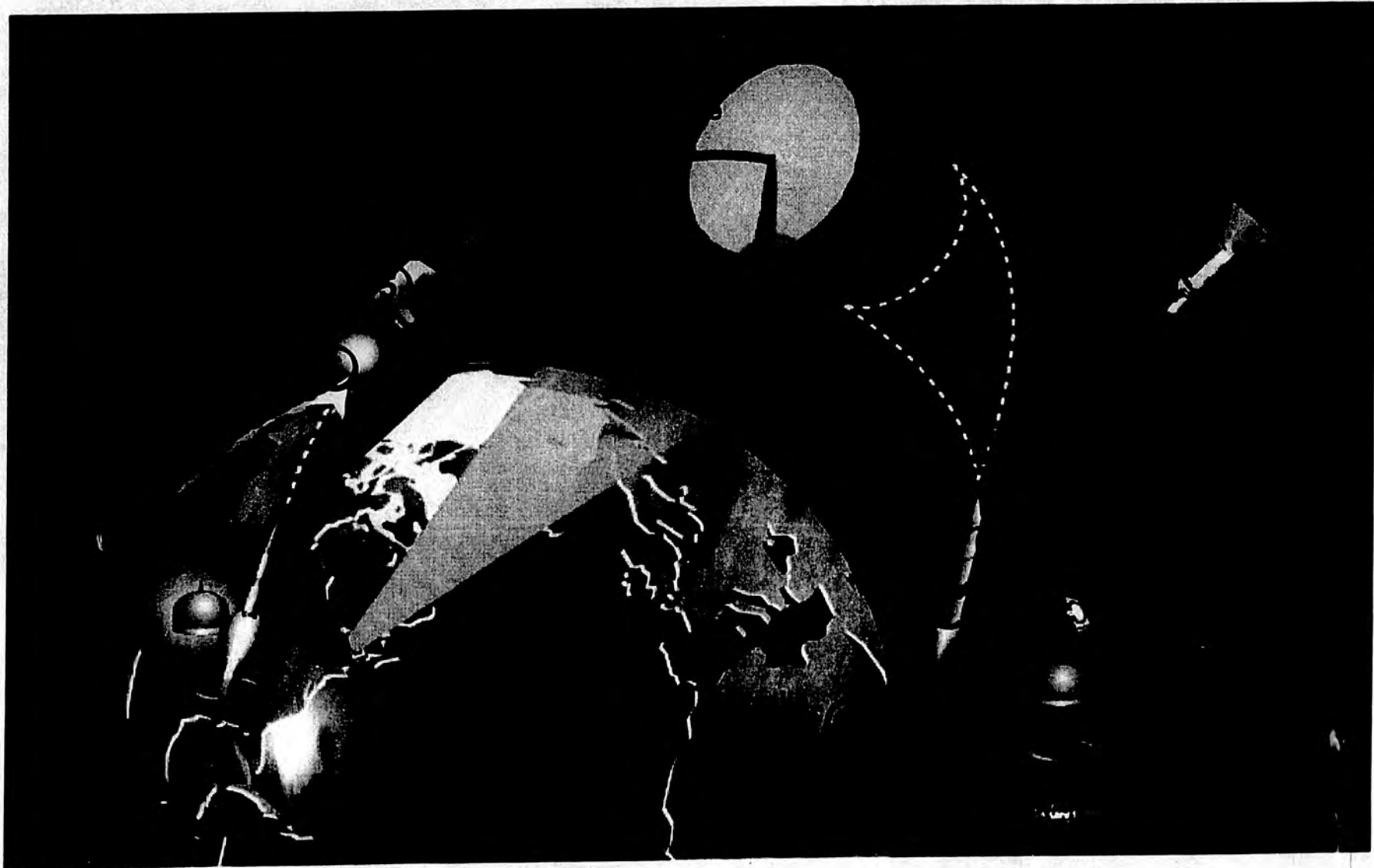


Command
Post



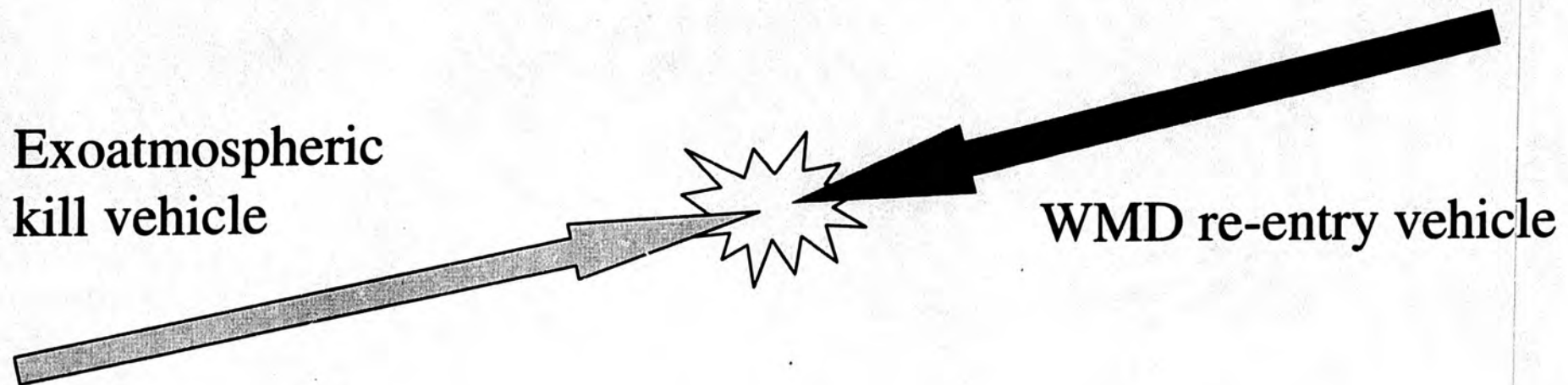
Alaska National Missile Defense Concept Briefing, January 24, 2000

OPERATIONAL CONCEPT



Alaska National Missile Defense Concept Briefing, January 24, 2000

THE INTERCEPT HIT-TO-KILL TECHNOLOGICAL CHALLENGE



Closure rate 30,000 mph . . .
2 rifle bullets fired at each
other close at 4,000 mph