



# STATE OF ALASKA

DEPARTMENT OF MILITARY  
AND VETERANS' AFFAIRS

## ALASKA CIVILIAN ARMED SERVICES TEAM

2018 Annual Report



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

## Alaska Civilian Armed Services Team

November 30, 2018

The Honorable Bill Walker  
Governor of Alaska  
PO Box 110001  
Juneau, AK 99811-0001

Dear Governor Walker:

As required by Administrative Order 291, the Alaska Civilian Armed Services Team (ACAST) has worked diligently to provide you with actionable recommendations in order to make Alaska a place in which the U.S. military wants to invest.

Alaska's unique and important strategic global position is generally understood by the military, and Alaska's Congressional Delegation, though small, is uniquely positioned to see that Alaska receives a fair share of federal funding and assets. Historically, these factors have given rise to and sustained the significant defense presence in our State, and enabled critical contributions to our economy.

However beneficial and necessary these conditions are, this a time of increasing competition among states and regions, and we face a challenging federal fiscal situation; they may not be sufficient to defend and grow the military presence in Alaska. Accordingly, the ACAST focused its efforts on steps the State of Alaska can take to reduce operational costs and better position itself as good host and partner.

We appreciate the opportunity to serve, and thank you and the Department of Military and Veterans' Affairs for turning your attention to this important and often neglected component of Alaska's economy.

Sincerely,

Handwritten signature of Randy "Church" Kee in blue ink.

Randy "Church" Kee, Maj Gen USAF (Ret.)  
ACAST Co-Chair

Handwritten signature of Bill Popp in blue ink.

Bill Popp  
ACAST Co-Chair

**Background:** Alaska Governor Bill Walker created the Alaska Civilian Armed Services Team (ACAST) with Administrative Order 291 on December 6, 2017 to advise both future governors and himself on ways to make Alaska a place the U.S. military wants to invest, expanding and attracting military missions that improve national security and contribute to Alaska’s economy.

Governor Walker made the appointments to the eight volunteer seats on April 11, 2018. The ninth member, Major General Laurel J. Hummel, Adjutant General of the Alaska National Guard, is appointed by position in the administrative order. The ACAST is designed to represent a broad reach of regions across the State and include community leaders from local government, economic development groups, and service veterans from various branches of the military including the U.S. Coast Guard.

Due to the vagaries of scheduling, the group was not able to hold an in-person initial meeting until September 4, 2018. The ACAST held two more primarily telephonic meetings in rapid succession on October 3<sup>rd</sup> and October 29<sup>th</sup> in order to develop and finalize an annual report for the year and a set of initial recommendations to the Governor.

**Priority Recommendations:** From its first meeting, the ACAST set its sights on preparing practical and actionable recommendations for the Governor, steps that could reasonably be taken or affected by the State of Alaska and its various departments and agencies.

**1.) Address the concerns of the U.S. Army, Navy, and Air Force Secretaries to improve professional license portability for military spouses and quality education opportunities for school-age dependents.**

The three service secretaries (Secretary of the Navy, Richard Spencer; Secretary of the Army, Mark Esper; and Secretary of the Air Force, Heather Wilson) wrote a joint memo in February of 2018 indicating that future basing decisions will be strongly influenced by two primary factors within states’ control: professional licensure reciprocity for military spouses and educational quality and opportunity for school-aged dependents. The Alaska Department of Military and Veterans’ Affairs has engaged with broader state agency partners on a number of different fronts to address the military licensing situation.

Current Law – All professional licensing boards in Alaska have the option to issue an expedited, temporary, 180-day license for military spouses. This law has been in place since 2011; it is unclear if all boards and military spouses know this option is available (hence Rep. Kawasaki’s HB 262, see below). The State of Alaska offers more than 100 different licenses. Most are issued by the Department of Commerce, Community, and Economic Development’s (DCCED) Division of Business, Corporations, and Professional Licensing. However, others are issued by the Departments of Health and Social Services, Labor, and Education and Early Development. Discussions are ongoing at the cabinet level on how best to move forward on military spouse license reciprocity and other related issues. More information on licensing provisions for members of the military and their spouses is available here: <https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing/MilitaryLicensing.aspx>

Compacts – the State Defense Liaison Office from the Department of Defense (DoD) is tracking and assisting nationally on four licensing compacts between states. Those four licensing compacts have acceptances across a number of states and are seen to be some of the licensed occupations, besides education, that have higher participation from military spouses: eNLC (Nursing) – 31 member states; PT COMPACT (Physical Therapy) – 21 member states; PsyPact (Psychology) – 7 member states; and REPLICA (EMT, paramedic) – 14 member states. Alaska currently does not participate in any of these compacts.

Current and Past State Legislation - During the 30<sup>th</sup> Alaska State Legislature, Rep. Scott Kawasaki sponsored HB 262 which passed the Alaska House of Representatives. It would require an annual report from the DCCED on how many temporary licenses were issued to military spouses each year by license type. In 2016, Representative Seaton introduced HB 237, which made it to the House Finance Committee. It would have entered Alaska into an interstate medical licensure compact for physicians.

Recognizing Alaska has a strong temporary licensing law, the ACAST strongly recommends the State of Alaska to take steps so as not to be seen as lagging behind other states in easing the difficulty of the frequent moves required by a military career for military spouses with professional certifications. Alaska's economy will further benefit from being able to better utilize all available skilled workers.

**2.) Address the PM 2.5 non-attainment zone in Interior Alaska. Non-attainment status will: require additional pollution controls on base and potentially upgrading the existing coal-fired combined heat and power plant; harm or completely curtail future investments on Fort Wainwright and Eielson Air Force Base; and continue to pose a health risk to service men and women and their families who live in the non-attainment area.**

The ACAST recognizes the Alaska Department of Environmental Conservation (ADEC) is the lead agency on developing an implementation plan to bring the state into compliance with federal law and it is working with local groups to address the problem. However, Interior residents and other Alaskans may not fully recognize the gravity of the consequences for failure to achieve attainment status.

Briefly, under the Clean Air Act, the air above parts of the Fairbanks North Star Borough (FNSB) regularly fails to meet the National Ambient Air Quality Standards (NAAQS) for PM 2.5, that is particulate matter less than 2.5 microns in size, generally soot. PM 2.5 is small enough the particles are absorbed through the lungs and directly into the blood stream, causing health issues. PM 2.5 is one of six designated "criteria pollutants" listed in the law.

The problem in Alaska is, in part, caused by thermal inversions in the subarctic winter air column, trapping emissions close to the ground. The PM 2.5 itself predominantly comes from poorly combusted and/or wet wood. Approximately 10 - 15% of borough residents burn wood to heat their homes.

A series of local, back-and-forth ballot measures have currently left the FNSB unable to regulate air quality. Therefore, the ADEC in conjunction with the federal Environmental Protection Agency must develop a plan to ensure the borough's air quality meets national standards. In the recent past, the Fairbanks North Star Borough has, using grant money, engaged in a wood stove buyout/replacement program to help homeowners upgrade their woodstoves to more efficient models. It has also held numerous fairs, workshops, working groups, and promotional efforts.

Currently the borough is in "nonattainment" status, which could have future repercussions for industry, utilities, and the flow of federal funds into the borough. Specifically, the Clean Air Act will require utilities and industrial sources of PM 2.5 pollution to put Best Available Control Technology in place, even though these measures may not meaningfully address the problem. These measures will cost the DoD directly in the case of the Fort Wainwright combined heat and power plant and will affect military members through higher rates from the local electrical utility. Finally, nonattainment status can explicitly restrict federal funds for the area, eliminating future investment and making the base uncompetitive for new missions and a target for closure.

While the ACAST recognizes the local and ADEC efforts to date, it notes the absence of greater citizen awareness statewide about the potential effects on the Interior region and one of its primary employers, the U.S. military. ACAST accordingly recommends additional efforts to increase awareness and reduce negative effects stemming from the inability to reduce PM 2.5 pollution.

**3.) Support expanding the Alaska Air National Guard (AKANG) 168th Wing tanker refueling role by strongly advocating for KC-46 aircraft to be placed Eielson AFB in Alaska and, preferably, establish an active association between the AKANG and the Active Duty Air Force, an arrangement in through which the AKANG will own the aircraft and jointly operate the aircraft with the Active Duty Air Force.**

The 168th Wing of the AKANG currently employs 8 KC-135 refueling aircraft among other missions. These aircraft are in high demand for training and federal mission requirements to include a 24/7 alert requirement, particularly as Alaska is home to more and more 5th generation fighter aircraft such as the two squadrons of F-35 Lightning's that will arrive at Eielson Air Force Base beginning April 2020. The 5th generation fighter aircraft are a large part of the reason the AKANG flies more missions than many other air guard units. KC-46 stationed near Joint Base Elmendorf Richardson and Eielson Air Force Base fighter and cargo aircraft facilitate needed training and readiness through air refueling for active, guard and reserve flight crews.

The U.S. Air Force will soon begin accepting delivery of the KC-46 cargo and refueling aircraft, though production and delivery has been somewhat delayed, and the Air Force Secretary is currently developing plans as to which units will receive the KC-46 over the coming years.

The AKANG makes a compelling case that Alaska should be the home for a squadron of KC-46s from a security standpoint. It further can make a strong case the AKANG provides a level of cost effectiveness and efficiency for the Air Force with an Active Association above and beyond the benefits delivered by the regular Air Force manning and flying these assets. Part of the case is that positioning these advanced air refueling aircraft is placing refueling aircraft near the mid-way point in the great circle air corridor between the West Coast of the United States and U.S. Military airfields in Northeast Asia.

As they are the refueling platform of the future, ACAST strongly urges the governor, state and local leaders to continue to support Alaska and the Alaska Air National Guard as a logical and cost-efficient home for a mobilization of KC-46 aircraft.

**4.) Using the platform provided to the Governor and other State leaders, help educate Alaskans on the significant economic impact of the military in the State of Alaska through low cost engagement with interested community groups.**

From World War II onward, Alaska's strategic position has always been a key component of our Nation's defense, and the men and women of the U.S. military have literally built parts of this State, such as the Alaska-Canada Highway. Throughout World War II and the Cold War, the large military presence in Alaska has been inescapable. Service men and women have been neighbors and friends. Many retire to Alaska, enough to make it home to the largest number of veterans per capita, more than any other state. As a result, Alaskans are generally aware of the military presence and vaguely know of its contributions to the Alaskan economy.

However, as the world changes, old security threats re-emerge, new ones arise, and particularly with a fast-changing Arctic, Alaska must continue to take thoughtful steps to be at the forefront of our nation's defense and, as a state, to continue to reap the benefits from those economic investments.

Department of Defense spending makes up a larger proportion of Alaska's GDP than in all but two other states, equal to about \$3,840 per Alaskan each year. The civilian and uniformed payroll, for a combined 37,773 personnel, totals over \$1.6 billion annually. Another \$1.3 billion in spending on construction, goods and services, and miscellaneous contracts rounds out total annual military spending in the state at \$3.9 billion.

Alaska's Congressional Delegation is ideally poised to continue to see Alaska prosper from federal decision making in the Pentagon and US Coast Guard Headquarters as well as through the congressional authorization and appropriations processes. Senator Lisa Murkowski is a senior member of the Senate Appropriations Committee; Senator Dan Sullivan is a subcommittee chairman on the Senate Armed Services Committee; and Congressman Don Young is the longest serving member of the House of Representatives.

With all this in mind, Alaska has only recently begun to respond to the increasing competition from other defense heavy states. The FNSB Mayor convenes a "Tiger Team" of interested community members to address local issues facing Interior Alaska bases. DMVA established a position within the past year to advocate for Alaska's military interests in Washington, DC and through working with other economic development entities. ACAST itself succeeds AMFAST, a 2010 appointed task force to address these issues.

Compared to other states and regions, these local and state efforts don't necessarily stand out, however. Over 35 states have dedicated military affairs offices as state agencies or nonprofit entities with state support that advocate for military investment. Over half of all states have paid federal lobbyists on this issue.

- Numerous defense states have competitive matching grant programs or make direct investments, in the millions of dollars annually, to provide communities with assistance in projects that lower costs for military installations or solve problems, such as traffic, for military members.

- As Alaska's population grows, its economy develops, and as military aircraft grow noisier and use of training ranges becomes more frequent, conflicts between military use of Alaska and civilian interests will grow. When these issues lead to inevitable conflicts, thoughtful decision making requires Alaskans be well informed about the significant contributions their state makes to U.S. security as well as to the Alaska economy. Alaska's state leaders can increase this understanding through thoughtful engagement of civic and community groups as they go about their daily business.

U.S. military commanders need access to training ranges that are easy to schedule in regions where local citizens accept the noise and visual signature training and readiness activities generate. To date, Alaska has helped prepare U.S. combat forces to defend the nation and our national interests. However, pressure to constrain training access is increasing, and many communities, while supporting the military overall, simultaneously complain about training activities near their towns. Accordingly, it is helpful and needed for the military to receive written support from elected leaders for military training activities and training ranges.

## **5.) Advocate for and support the continued planning and development of an Arctic Deepwater port.**

While the total volume of traffic is still relatively small by international standards, the Bering Strait and Arctic coast of Alaska are experiencing rapid growth in vessel traffic. The trend toward less seasonal ice is luring shippers and attracting a host of commercial and recreational vessels. In turn, federal search and rescue and research vessels are coming to the area more frequently. These shores are also home to indigenous people who have depended on marine resources for millennia.



The nearest significant U.S. port to the Arctic Ocean is Dutch Harbor in Unalaska, some 1,000 miles away. This distance increases both costs to any marine activity in the region while lessening the reach of any emergency response. The retreating ice also opens a significant new area to surface vessels at a time of heightening security tensions.

At this time, both DoD and the Department of Homeland Security (DHS), via the US Coast Guard, have expressed no interest in the costs involved in constructing and operating an Arctic Deepwater port. The US Coast Guard has indicated an interest in an increased seasonal air capability in the Bering Strait and Northwest Alaska regions, as budgets allow. A port built by another entity would undoubtedly draw some refueling and other activity from DoD, USCG, and other federal vessels engaged in research or other activity. However, private sector business analyses have shown a limited case for construction of a new Deepwater port absent the oil and gas industry vessel traffic resulting from full scale development of a large outer continental shelf (OCS) oil prospect.

The Port of Nome is engaged with the US Army Corps of Engineers on a feasibility analysis to increase the size of its port and small boat basin which is currently hampered by limited capacity to serve existing fishing and gold dredging fleets. Complementing the Port of Nome discussions is a “port complex construct” involving both the Port of Nome and safe harborage associated with Port Clarence.

The Bering Straits Native Corporation owns the site of the former USCG station at Port Clarence, a natural Deepwater harbor near the villages of Teller and Brevig Mission. It is seeking potential customers, including traffic from the development of a nearby flake graphite mine, the Graphite Creek prospect owned by the mining company, Graphite One. Senator Donny Olson introduced SB 203 in the 30<sup>th</sup> Alaska State Legislature to provide the Alaska Industrial and Export Authority with bonding authority for development associated with the potential Graphite Creek project.

Other local governments such as the Northwest Arctic Borough have expressed interest in other sites such as Cape Blossom. The US Army Corps of Engineers Deepwater port feasibility study from 2015 assessed a number of regional alternatives and provides a good background on the subject.

Thoughtful and measured support for increased capacity and new ports in the Bering Strait region and Arctic coasts will overtime reduce costs and increase economic activity in Alaska while providing increased domestic food and environmental security as well as international security. State leaders must continue to advocate for an Arctic Deepwater port for these reasons.

**6.) Actively engage with the U.S. military and federal and state land and game management agencies to reduce points of conflict between Alaskans and the military use of training ranges in Alaska, a unique and valuable resource Alaska offers the nation.**

Alaska is home to the Joint Pacific Alaska Range Complex (aka JPARC), the largest domestic DoD training range. When the two squadrons of F-35s begin to arrive in 2020, Alaska will be home to more 5<sup>th</sup> generation fighter planes than anywhere on earth. With louder planes and emerging Arctic security threats, Alaska’s unmatched in size training ranges will see growing demand in the coming years. How to address civilian development near and encroachment on smaller lower 48 training ranges is a nearly universal source of tension, and these tensions only highlight JPARC and Alaska’s inherent advantages. Already, U.S. forces and NATO allies collaborate in biannual training exercises that combine air, land, and sea forces in, above, and around Alaska.

However, much of the JPARC is on or adjacent to productive and popular sport and subsistence hunting grounds for moose and caribou, State of Alaska Game Management Units 20 and 13. Further, fall hunting seasons often overlap with desirable training times, and the end of federal fiscal year push to expend training dollars by September 30<sup>th</sup> adds additional pressure. Due to the rural and untracked nature of the region, points of access are few, and though hunting may be allowed in some training areas, access to those prime hunting grounds can be blocked by what training may be occurring. Military planners prudently make conservative judgments about what grounds to release to the public and may only open areas of the range at the last minute, making planning for hunters even more difficult.

All of these factors lead to tension between the military and the hunting public over a primary resource Alaska offers to the military. The ACAST suggests using the platform of the governor's office to open the dialogue between state and federal landowners and game managers to improve communication. Dialogue and potentially small investments in notification protocols or transportation and access infrastructure could relieve a point of contention and improve relations between the military and an important constituency of Alaskans.

**7.) Continue to support multi-year funding for the Alaska Marine Highway System, recognizing the critical importance of its operation and predictable schedule for US Coast Guard personnel who must use it to travel with household goods to Coast Guard installations in coastal Alaska.**

As Alaska experiences budget tensions, all state services receive pressure to cut spending. The growth of urban Alaska over time has also reduced the power of state legislators representing coastal Alaska to support the Alaska Marine Highway System. Numerous other formal commissions and task forces, included the current Marine Transportation Advisory Board, have addressed the issue writ large.

However, just as the marine highway system provides a vital link for coastal Alaskans to transportation and goods, U.S. Coast Guard members and their families depend on it for moving to and from the eleven Alaska Coast Guard installations that are their duty stations, including our nation's largest Coast Guard base, Coast Guard Air Station Kodiak. Without a dependable ferry schedule, published well in advance, coast guard families cannot plan their moves to and from these postings. This unnecessary hardship does Alaska's reputation no good among members of the Coast Guard nor does it assist these installations in the competition for staffing, funding, and opportunities for future growth.

While the ACAST recognizes the stark realities of the State of Alaska's fiscal situation and the need to make tough budget decisions, it respectfully asks the governor and state leaders to consider the follow on effects of reduced Alaska Marine Highway spending, particularly as it affects the availability of predictable schedules, on the ability of Alaska's eleven coast guard installations to compete nationwide for funding. These installations not only literally save the lives of Alaskans through search and rescue efforts but also provide an important and rare source of stable federal employment in rural coastal Alaska.



# Alaska Civilian Armed Services Team Members

NAME	TERM EXPIRES
<b>Thomas Barrett</b> (Anchorage) Military Experience/ Coast Guard	12/06/2020
<b>Luke Hopkins</b> (Fairbanks) Municipal/Tribal Government	12/06/2019
<b>MG Laurel J. Hummel</b> (Anchorage) Adjutant General/DMVA/Designee	
<b>Timothy Jones</b> (Fairbanks) Military Experience/ Army	12/06/2020
<b>Randy Kee</b> (Eagle River) Military Experience/ Air Force	12/06/2020
<b>William Popp</b> (Anchorage) Statewide Business/Economic Development	12/06/2020
<b>Curtis Thayer</b> (Anchorage) Private Sector Business	12/06/2018
<b>Carl Uchytel</b> (Juneau) Municipal/Tribal Government	12/06/2018
<b>John Whiddon</b> , (Kodiak) Private Sector Business	12/06/2019