

SJR

36

Alaska State Legislature

House of Representatives

Committee on Transportation



Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

May 13, 1987

COMMITTEE CALENDAR:

HCR 18: Relating to a special report on long-term operations of the Alaska Railroad.

HJR 32: Relating to the completion of the Mackenzie Highway between Fort Simpson and Inuvik, Northwest Territories, Canada.

CSSJR 36(Trsp): Relating to passenger and air cargo service to Anchorage by Korean Air Lines.

CSSB 146(Trsp): "An Act relating to weights and measures; citation authority of employees enforcing weights and measures limitations; and providing for an effective date."

FOR THIS MEETING YOU HAVE:

A folder on HCR 18 that includes:

- * a copy of HCR 18
- * a fiscal note from the Dept. of Commerce & Econ. Dev.
- * a position paper from the Alaska Railroad Corporation

A folder on HJR 32 that includes:

- * a copy of HJR 32
- * a fiscal note from DOT/PF
- * a copy of the resolution issued by the Northwest Territories Legislative Assembly

A folder on CSSJR 36 that includes:

- * a copy of CSSJR 36(Trsp)
- * a fiscal note from DOT/PF
- * memorandums from Sen. Fahrenkamp to the House and Senate Transportation Committees
- * written testimony from Korean Air Lines
- * an unratified memorandum of understanding between the U.S. State Dept. and the Gov't. of the Republic of Korea
- * written testimony from Sen. Fahrenkamp

A folder on CSSB 146 that includes:

- * a copy of CSSB 146(Trsp)
- * two fiscal notes: one from Dept. of Pub. Safety & one from Dept. of Commerce & Econ. Dev.
- * a sectional analysis
- * a position paper from DOT/PF

Original sponsors: Fahrenkamp, Uehling,
Kelly, et al.

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE
2 CS FOR SENATE JOINT RESOLUTION NO. 36 (Trsp)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 Relating to passenger and air cargo
6 service to Anchorage by Korean Air
7 Lines.

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

9 WHEREAS, under the 1978 Memorandum of Understanding between the Repub-
10 lic of Korea and the United States, Korean Air Lines has the right to
11 operate between Korea and Los Angeles or New York with a stopover in
12 Anchorage, but may not pick up passengers in Anchorage; and

13 WHEREAS the 1980 Memorandum of Understanding between the two countries
14 that would allow Korean Air Lines to pick up passengers in Anchorage has
15 not been ratified; and

16 WHEREAS Korean Air Lines' request in 1983 to provide passenger service
17 between Anchorage and Korea was rejected because the 1980 Memorandum of
18 Understanding has not been ratified; and

19 WHEREAS Korean Air Lines operates 17 passenger flights each week
20 between Seoul and the United States and Europe that use Anchorage as a
21 technical stop; and

22 WHEREAS Korean Air Lines operates 25 to 30 cargo flights each week
23 between Seoul and the United States that use Anchorage as a technical stop;
24 and

25 WHEREAS no direct passenger service is provided between Korea and
26 Anchorage so that passengers travelling between those points must use
27 connecting passenger service that is inconvenient, time-consuming, and
28 infrequent; and

29 WHEREAS existing air cargo service between Korea and Anchorage is

1 neither direct nor frequent; and

2 WHEREAS there exists a pressing need for improved air transportation
3 service between Korea and Alaska; and

4 WHEREAS passenger service between Anchorage and destinations in Asia,
5 Europe, and North America served by Korean Air Lines would be enhanced if
6 the airline was allowed to pick up passengers during stopovers in
7 Anchorage;

8 BE IT RESOLVED that the Alaska State Legislature supports a mutually
9 agreeable resolution of the issues between the United States and the Re-
10 public of Korea that have prevented ratification of the 1980 Memorandum of
11 Understanding, so that Korean Air Lines may commence passenger and air
12 cargo service to Anchorage at the earliest possible date.

13 COPIES of this resolution shall be sent to the Honorable Ronald
14 Reagan, President of the United States; the Honorable Elizabeth Dole,
15 Secretary of the Department of Transportation; the Honorable George P.
16 Shultz, Secretary of the Department of State; and to the Honorable Ted
17 Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable
18 Don Young, U.S. Representative, members of the Alaska delegation in Con-
19 gress.

No. 226

STATE OF ALASKA 1987 LEGISLATIVE SESSION

FISCAL NOTE

SENATE

BILL VERSION: CSSJR 36(Trsp)

PUBLISH DATE: 4/10/87

REQUEST: 4/7/87

Revision Date:

Title: Passenger Service in Anchorage by Korean Airlines

Sponsor: Fahrenkemp

Requestor: Jones

Agency Affected: DOT&PF

BRU: Anchorage Int'l Airport

Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS :

The department supports SJR 36. Additional passenger service by Korean Airlines would increase opportunities to Alaskans by utilization of an additional carrier, and could economically benefit the Anchorage International Airport.

Prepared by: William R. Snell (signed)

Phone: 266-1440

Division: Regional Director, Central Region

Date: 4-7-87

Approved by Commissioner: *[Signature]*

Date: 4/8/87

Agency: DOT&PF

Distribution (by preparer):

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

Alaska State Legislature

SENATOR BETTYE FAHRENKAMP
CHAIRMAN, LEGISLATIVE COUNCIL
CHAIRMAN, OIL AND GAS COMMITTEE
515 7TH AVENUE, SUITE 130
FAIRBANKS, ALASKA 99701
OFFICE (907) 452-4882
HOME (907) 456-2899



WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
CAPITOL ROOM 125
OFFICE (907) 465-3834
HOME (907) 780-6027

Senate

MEMORANDUM

TO: Members, House Transportation Committee

FROM: Senator Bettye Fahrenkamp *Bettye*

DATE: May 12, 1987

RE: Background information for SJR 36, relating to Korean Air Lines passenger and air cargo service

SJR 36 is similar to SJR 30 which passed the Alaska State Legislature last session, to become Legislative Resolve #33.

SJR 36 passed the Senate unanimously on 4/21/87.

Background:

Several of my constituents have contacted me regarding a continuing problem for Alaskans wishing to travel from Alaska to Korea, and for goods to be transported from Anchorage to Korea. Korean Air Lines has approximately forty flights from Seoul, Korea which stop in Anchorage. Korean Air Lines currently does not have boarding rights in Anchorage, thus, Anchorage passengers bound for Korea must fly to Seattle to board, or fly with Japan Air Lines to Tokyo, transfer planes and fly to Seoul, Korea. No cargo service is available by KAL in Anchorage. This resolution encourages the United States to seek a mutually agreeable solution to the complex issue of boarding rights and cargo handling rights through negotiations with the Republic of Korea.

Both Senator Murkowski and Senator Stevens support resolving the issues relating to passenger service by Korean Air Lines in Anchorage.

I have attached a copy of the testimony provided by Mr. Jong Kuen Park, KAL Anchorage Manager, before the Senate Transportation Committee on April 10, 1987.

Passage of this resolution shows continued support and interest by the Alaska State Legislature. I would appreciate your support.

Alaska State Legislature

SENATOR BETTYE FAHRENKAMP
CHAIRMAN, LEGISLATIVE COUNCIL
CHAIRMAN, OIL AND GAS COMMITTEE
515 7TH AVENUE, SUITE 130
FAIRBANKS, ALASKA 99701
OFFICE (907) 452-4882
HOME (907) 456-2899



Senate

WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
CAPITOL ROOM 125
OFFICE (907) 465-3834
HOME (907) 780-6027

M E M O R A N D U M

TO: Senator Lloyd Jones
Chair, Senate Transportation Committee

FROM: Senator Bettye Fahrenkamp

DATE: April 8, 1987

RE: Background information for SJR 36, relating to Korean Air Lines passenger and air cargo service

SJR 36 is similar to SJR 30 which passed the Alaska State Legislature last session.

Several of my constituents have contacted me regarding a continuing problem for Alaskans wishing to travel from Alaska to Korea, and for goods to be transported from Anchorage to Korea. Korean Air Lines has approximately forty flights from Seoul, Korea which stop in Anchorage. Korean Air Lines does not have boarding rights in Anchorage, thus, Anchorage passengers bound for Korea must fly to Seattle to board, or fly with Japan Air Lines to Tokyo, transfer planes and fly to Seoul, Korea. No cargo service is available by KAL in Anchorage.

In 1978, a Memorandum of Understanding between the Republic of Korea and the United States established, among other provisions, boarding rights for Korean Air Line in New York. In turn, one provision requested by the United States was to receive use of a cargo facility in Seoul, Korea. The United States did not receive use of the cargo facility in Seoul and the 1980 Memorandum, which outlined specific terms was not ratified. Since that time, Korea has met the specified air cargo facility terms, but many changes in foreign relations between the countries have occurred. Since 1978, Korean Air Lines has enjoyed the privilege of passenger service to New York. Negotiations between Korea and the U.S. State Department and U.S. Department of Transportation continued in order to resolve problems associated with passenger and air cargo service, and the related U.S. trade deficit with Korea. The U.S. negotiators continue to seek parity for U.S. passenger airlines and cargo operators within the scope of the United States open skies policy.

page two
April 8, 1987
memorandum to Senator Jones

Both Senator Murkowski and Senator Stevens support resolving the issues relating to passenger service by Korean Air Lines in Anchorage. Senator Stevens' staff suggested that passage of this resolution shows continued support and interest by the Alaska State Legislature.

Mr. Jong Kuen Park of Korean Airlines will provide testimony for the hearing which will address their interest in obtaining these passenger boarding rights and air cargo service in Anchorage.

April 9, 1987

STATEMENT OF
JONG-KEUN PARK OF KOREAN AIR LINES CO., LTD.
BEFORE THE
SENATE TRANSPORTATION COMMITTEE OF ALASKA

Good afternoon, Chairman Jones and other distinguished members of the Senate Transportation Committee.

My name is Jong-Keun Park, Manager of the Anchorage office of Korean Air Lines. It is an honor and a privilege to testify before the Committee today as it considers Senate Joint Resolution No. 36. That Resolution supports Korean Air's long-standing efforts to establish direct air service between the State of Alaska and the Republic of Korea. Korean Air believes that its proposed service would foster improved trade, commercial and cultural ties between Alaska and Korea, and it believes that the adoption of Senate Joint Resolution No. 36 will help hasten the day when this service becomes a reality.

Mr. Chairman, the last several years have witnessed a phenomenal growth in trade and commerce between the State of Alaska and Korea. Last year, Korea ranked as Alaska's second largest export market. It purchased almost \$114 million of Alaskan exports. In addition to traditional exports of timber, fish and ammonia, last year also saw the first major exports of Alaskan coal to Korea. Those exports transited the newly constructed port facility at Seward, a facility which was constructed by an Alaskan affiliate of a Korean shipping firm.

The last several years have also witnessed several important developments in Korean trade and investment in the State of Alaska. One of the significant developments last year was the dedication of Korean Air's new multi-million dollar catering facility at Anchorage International Airport.

Korean Air is proud to play an important role in the development of the Alaskan economy. Korean Air has committed millions of dollars to the construction of modern facilities to support its operations at Anchorage. Approximately, 40 Korean Air flights transit Alaska every week, making the Company the State's second largest international airline. These activities contribute more than \$65 million to the Alaskan economy every year.

Tourists and business visitors also are vital to the Alaskan economy. Tourism is Alaska's second largest industry. The influx of visitors generates millions of dollars for Alaska's economy each year. Asia, particularly Japan and Korea, represents an important potential tourist market for Alaska. The development of this market, however, is severely constrained by the relative lack of direct air service linking Alaska and major Asian destinations. This is especially true in the case of Korea. Without direct air service, travel between Seoul and Anchorage is time consuming, infrequent and inconvenient. Passengers frequently are required to stay overnight enroute. According to some estimates, as many as 2-3,000 passengers per month make the trek down to Seattle for connections to the

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Orient. The cost to businesses in terms of travel delays and loss of productivity as a result of the lack of direct air service is obvious, and the adverse effect of such a lack of direct air service upon the State's ability to tap the enormous potential tourist markets of Asia can hardly be overstated.

If trade, commerce and tourism between Alaska and Korea are to continue to grow and flourish, then improved air service must become a reality. Over the last 16 months, Korean Air has received scores of requests to provide transportation between Anchorage and Seoul. The requests have come from a variety of groups and organizations, including the Anchorage Organizing Committee for the 1992 Olympics and the Korean Community of Anchorage. More than a dozen of those requests came from government and business leaders who were traveling to Korea as part of official delegations striving to promote improved trade and economic ties between Alaska and Korea. On each of these occasions, Korean Air had to obtain special authorization from the U.S. Department of Transportation in order to provide the transportation even though its flights transit Anchorage every day. In an effort to remedy this situation, Korean Air in June of 1983 filed an application with the then Civil Aeronautics Board (now the Department of Transportation) requesting authorization to provide direct air service between Anchorage and Seoul as contemplated under the terms of an agreement signed

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between the United States and Korea in 1980. Regrettably, due to a series of misunderstandings and disagreements between the two countries, no action has been taken upon that application.

Korean Air looks forward to the day when it can begin providing direct air service between Alaska and Korea. It believes that the adoption of the resolution now being considered by this Committee would send a strong signal to officials in Washington that the time has come for the United States and the Republic of Korea to reach a mutually agreeable resolution of their differences so that Korean Air's direct service between Alaska and Korea can at long last become a reality.

That concludes my remarks, Mr. Chairman. I thank you for allowing me to address the Committee today. I would be happy to answer any questions that you or other members of the Committee may have.

MEMORANDUM OF UNDERSTANDING

1. Delegations representing the Governments of the Republic of Korea and the United States of America met in Washington, D.C. April 8-12, 1980, at the request of the Government of the Republic of Korea to discuss air transport relations between the two countries. During the discussions, the delegations reached the agreements contained herein, with which both delegations expressed their complete satisfaction. Delegation lists are attached as Annexes 1 and 2.

2. During the consultations, views were exchanged on the following items:

A. Implementation of the current Air Transport Services Agreement, as amended, particularly as regards cargo handling, customs and immigration operations, and market access.

B. Airport conditions.

C. Fuel supplies.

D. Storage facilities and procedures.

E. Route schedules.

3. The Korean Delegation expressed its dissatisfaction with the route schedule contained in the existing Agreement. It reaffirmed its desire for an expansion of the route schedule so that it could offer service to additional points in the United States and to initiate service beyond the United States. The delegations agreed to augment the Korean route schedule by adding full traffic rights to/from Anchorage,

Memorandum of

Oakland and Chicago; as well as beyond rights from/to one United States point to/from one point in Europe, both to be mutually agreed upon. These rights will become available during the period 1980-1983, under the conditions specified below. The revised route description is contained in Annex 3 of this Memorandum.

4. The Korean delegation noted the delays which its designated airline has encountered at Anchorage because of immigration procedures. It requested that the United States authorities permit the immigration procedures to take place at New York rather than Anchorage. It promised to provide a statement which will detail the delays it has experienced at Anchorage because of immigration requirements and will explain the justification for permitting these procedures to occur at New York. The United States delegation agreed to consider such a detailed statement and to discuss the problem with the United States immigration authorities.

5. The Korean delegation expressed considerable concern about operating conditions at the Los Angeles airport, particularly as regards fuel availability, counter space, baggage handling and passenger access to the terminal. It stated that these conditions, and particularly its impending transfer to a temporary terminal, would seriously impede its operations. The United States delegation stated that it had, this week, been informed by officials of the United States Department of Energy and the Los Angeles

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airport that ample fuel supplies are available. It agreed, however, that it would intervene with the appropriate authorities about this matter should a fuel shortage occur. It noted also its intent to study the other difficulties which the Korean delegation raised.


6. The Korean delegation described several operational difficulties at the New York airport, citing particularly the fuel situation and the apparent unavailability of a company that would be willing to provide continuing service for the Korean carrier's cargo. The United States delegation expressed its intention to discuss these issues with the New York airport authorities in order to obtain a solution to these problems.

7. The Korean delegation presented the following proposal concerning surface transportation for consideration by the United States delegation:

"The Korean delegation believes that designated airlines of both countries would have greater operating flexibility and could much better serve the public if they are allowed to directly arrange with surface transportation companies to carry cargo (and passengers) from any point within a country to the gateway or gateways served by the particular airline within that country. This arrangement would allow more efficient operation and improved quality of service."


The United States delegation noted that this issue is a very complicated question, but agreed to study the Korean proposal and to provide a response at a later date.

8. The Delegation of the United States expressed its concern about the progress in the construction of the new cargo facility specified in the March 1979 exchange of diplomatic notes. The Korean delegation agreed that by May 15, 1980, the Korean authorities will present to the U.S. air carriers a specific proposal for the construction of the new cargo facility for the exclusive use of U.S. carriers. This proposal will provide the option for the U.S. air carrier or carriers to construct the building. If by June 15, 1980, the U.S. air carriers do not exercise this option to construct the facility on the terms specified, then the Government of the Republic of Korea will construct the facility. Consultations will be held among all interested parties during the design and construction of the facility. This facility will be as large as space permits; it will be no less than 2,500 square meters; it will be an addition to the existing structure with access, if structurally possible, to the space presently allocated to the U.S. air carriers. Those U.S. air carriers which elect to self-handle will have sole use of the new facility and all allocated space in use by them when the new facility opens. Any U.S. air carrier which does not elect to self-handle may choose to utilize the service of an agent.



9. The United States Delegation expressed its concern about construction necessary for the U.S. carriers to

self-handle their transit cargo, as well as to self-handle their in-bound cargo from the aircraft to the customs area. The Korean delegation assured the U.S. delegation that all necessary steps have been taken to initiate construction and that it will be completed no later than June 30, 1960. At that time, the U.S. carriers will be permitted to self-handle in-bound cargo from their aircraft to the customs area and to self-handle their transit cargo.

10. The United States delegation noted that one of its designated airlines has experienced difficulty importing equipment into Korea without paying customs duties. To ensure that the provisions of Article 7 of the 1957 Agreement, as amended, are being fully implemented, the Korean delegation promised to look into the matter and to communicate its findings through diplomatic channels. 

11. The United States delegation reported that one of its designated carriers has had difficulties remitting its excess currencies from Korea. The Korean delegation agreed to look into the matter to ensure that prompt and effective remittances of excess currencies can be made.

12. The Korean delegation agreed that fuel will be provided on a non-discriminatory basis among the airlines of the United States, whether they are engaged in scheduled or charter transportation with stops in Korea for either traffic or transit services, when fuel is available. The

United States delegation stated that, by law, fuel must be made available in the United States on a non-discriminatory basis, whether the air carrier is providing scheduled or charter transportation.

13. The United States delegation expressed its concern that U.S. carriers apparently will soon lose their present storage facility without a replacement area being available, and that one U.S. carrier confronts delays because it currently submits its stored material to customs, ^{PROCEDURES} because of the present location of its storage area. The Korean delegation expressed its intent that the availability and location of storage areas should not constitute an impediment or obstacle to airline operations and assured that the competent authorities will exercise their utmost efforts to seek a solution to this problem. The Korean delegation noted, meanwhile, that because of the physical conditions obtaining at Kimpo Airport all carriers have been subjected to some constraints in space availability. JK

14. The United States delegation expressed its serious concern that the Government of Korea has not permitted U.S. carriers to provide each other ground handling services. It noted that the Korean designated carrier faces no such constraint in its current operations within the United States. Moreover, the United States delegation noted that foreign corporations are precluded from acting as air

freight forwarders within Korea. In the spirit of liberalization and in view of the substantial route expansion proposed for ~~the~~ the Korean designated airline(s), the United States delegation urged the Korean delegation to seek a change in the present legal situation. The Korean delegation responded by stating that the laws and regulations in force in the Republic of Korea do not permit the Government of Korea to grant to foreign carriers the right to provide ground handling services for each other. As regards freight forwarding services, the Korean delegation stated that Korean law does not permit foreigners to perform such services in Korea. The Korean delegation expressed its intention to discuss this issue with its competent authorities, taking due note of the U.S. delegation's concern about this matter.

15. The two delegations agreed that before any of the new traffic rights, specified in Annex 3 to this Memorandum, for the Korean designated airlines will be granted:

A. The Government of the Republic of Korea will, by diplomatic note, advise the Government of the United States that:

1. The limitation on the exercise of beyond rights contained in the exchange of letters dated March 26, 1971, is eliminated.

2. The airlines of the United States have the right to make transit stops in Korea, the right of overflight of Korea and the right to carry traffic to/from Korea from/to any point beyond, without geographical limitation. This provision shall not preclude the application of Article 5 of the Air Transport Services Agreement of 1957 (as amended).

B. The Government of the Republic of Korea will, by diplomatic note, advise the Government of the United States that:

The new cargo facility having been completed, the airlines of the United States may perform all of their own cargo self-handling services in respect of in-bound, out-bound and transit cargo. The Government of the United States will advise of its confirmation by diplomatic note.

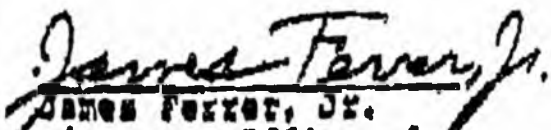
16. The two delegations agreed that the designated airlines may serve points behind any homeland gateway point with or without change of aircraft or flight number and may hold out and advertise such services to the public as through services.

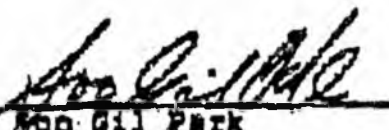
Effectiveness:

The two delegations agreed to recommend to their governments that the agreements recorded in this Memorandum of Understanding, signed ad referendum, be confirmed by an exchange of diplomatic notes, which shall then constitute an amendment to the Air Transport Services Agreement of 1957 (as amended).

For the Delegation of the
Government of the United
States of America

For the Delegation of
the Government of the
Republic of Korea


James Ferrer, Jr.
Director, Office of
Aviation
Department of State


Cho Gid-Hee
Director-General
Treaty and Legal
Affairs Bureau,
Ministry of Foreign
Affairs

Washington, D.C.
April 12, 1980

TESTIMONY BEFORE
SENATE TRANSPORTATION COMMITTEE
BY SENATOR BETTYE FAHRENKAMP

MR. CHAIRMAN, MEMBERS OF THE SENATE TRANSPORTATION COMMITTEE, I APPRECIATE THE OPPORTUNITY TO SPEAK BEFORE YOU TODAY ON BEHALF OF SENATE JOINT RESOLUTION 36, RELATING TO PASSENGER AND CARGO SERVICE BY KOREAN AIR LINES IN ANCHORAGE.

LAST YEAR THE ALASKA STATE LEGISLATURE PASSED A SIMILAR RESOLUTION TO ENCOURAGE THE UNITED STATES TO RATIFY THE 1980 MEMORANDUM OF UNDERSTANDING BETWEEN THE REPUBLIC OF KOREA AND THE UNITED STATES. THE RESOLUTION BEFORE YOU REPEATS THAT MESSAGE, BUT EXPANDS THE RESOLVE TO ADDRESS CARGO RIGHTS , UPDATES THE PROVISIONS WHICH ADDRESS THE CURRENT FLIGHTS BETWEEN THE COUNTRIES, AND MODIFIES THE FINAL RESOLVE IN ORDER TO ALLOW OUR NATIONAL LEADERS THE FLEXIBILITY TO RESOLVE THE MATTER THROUGH NEGOTIATIONS.

I'VE BEEN APPROACHED BY SEVERAL CONSTITUENTS AS REGARDS THE ADDITIONAL TIME AND EXPENSE ALASKA PASSENGERS EXPERIENCE IN ORDER TO FLY TO SEOUL, KOREA. THIS CONCERN ENCOMPASSES NOT ONLY VACATIONERS, BUT ALASKANS WISHING TO DO BUSINESS WITH KOREA.

IT TAKES (8 ½) EIGHT AND ONE-HALF HOURS TO TRAVEL DIRECTLY FROM ANCHORAGE TO SEOUL. CURRENTLY, PASSENGERS MUST EITHER TRAVEL ON JAPAN AIR LINES TO TOKYO, TRANSFER PLANES, THEN TO SEOUL, FOR A TOTAL OF ABOUT 10 ½ HOURS , OR FLY TO SEATTLE TO BOARD A FLIGHT TO

1 R A

SEOUL, WHICH TAKES ABOUT 17 ½ HOURS. OF COURSE, ADDITIONAL EXPENSE IS INCURRED TO TRAVEL THESE INDIRECT ROUTES.

THERE ARE MANY CONSIDERATIONS AND ISSUES TO CONSIDER DURING THE NEGOTIATIONS BETWEEN THE UNITED STATES AND KOREA THAT AFFECT THIS PARTICULAR REQUEST FOR BOARDING RIGHTS AND CARGO HANDLING RIGHTS IN ANCHORAGE BY KOREAN AIRLINES.

THIS RESOLUTION ENCOURAGES THE UNITED STATES TO SEEK A MUTUALLY AGREEABLE SOLUTION TO THOSE ISSUES. I'VE PROVIDED A MEMORANDUM IN YOUR PACKET WHICH OFFERS A BRIEF OVERVIEW OF THE ISSUES WHICH THE UNITED STATES MUST ADDRESS WHEN CONSIDERING THIS REQUEST. THESE ISSUES INCLUDE EXISTING REVENUE TRADE BALANCES, SELF- HANDLING RIGHTS, CURRENT BOARDING RIGHTS, AND OTHER RELATED MATTERS FOCUSING ON IMMIGRATION, TOURISM, COMPETITION BETWEEN OTHER COUNTRIES TOURISM, AND COMPETING FOR U.S. MARKETS.

THIS RESOLUTION SENDS A MESSAGE I BELIEVE WE WISH TO CONVEY: THAT ALASKA IS VERY INTERESTED IN HAVING OUR NATIONAL LEADERS, BOTH IN CONGRESS AND THE ADMINISTRATION, WORK TOGETHER TO QUICKLY RESOLVE ANY DISPUTES AND DIFFERENCES SO AS TO ENABLE ALASKANS DIRECT PASSENGER AND CARGO ACCESS TO KOREA, WHICH WOULD THEREBY ENCOURAGE AND PROMOTE TRAVEL AND ADDITIONAL TRADE BETWEEN ALASKA AND THE REPUBLIC OF KOREA.

I'VE WORKED WITH THE CHAIR, U.S. SENATOR STEVENS' AND MURKOWSKI'S OFFICES, THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT,

INTERNATIONAL TRADE DIVISION (DAN DIXON), AND KOREAN AIR LINES TO DEVELOP LANGUAGE CHANGES BEFORE YOU IN THE PROPOSED COMMITTEE SUBSTITUTE FOR SJR 36. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE, AND ASK THAT THIS COMMITTEE EXPEDITIOUSLY PASS OUT THIS RESOLUTION.

THANK YOU.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907.465.3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. TRANS,

5-13-87

1:30p.m.

HOUSE COMMITTEE REPORT

(7)

Date referred: 4/22/87

FURTHER REFERRALS:

DATE: May 13, 1987

The Transportation Committee has considered CSSJR 36(Trsp)

Relating to passenger and air cargo service to Anchorage by Korean Air Lines.

RECOMMENDS:

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

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published 4/10/87
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Greg Romberg

Bill Hulse

Heinrich Springs

Bette Otto

SIGNING OTHER RECOMMENDATIONS:

Bette Otto

 Chairman's signature



Official Business

COMMITTEE:

House Transportation Committee

DATE: May 13, 1987

Subject of meeting:

- * HCR 18: Railroad Operations Report
- * HJR 32: Completion of the Mackenzie HWY, Canada
- CSSJR 36: KAL Boarding Rights/Anchorage
- CSSB 146: Weights & Measures

SIGN-IN

NAME Please include title **ADDRESS** Please use full address. Please include zip. **PHONE** **REPRESENTING** **DO YOU WANT TO TESTIFY?**

Terry P. Hanson Spec Assistant	Box N Juneau 99811	465-4322	Dept of Public Safety	upon request.	146
John Williams	Box D Juneau AK 99811	465-2502	DCEB Re SB 146	Yes	146
Nancy Petersen	staff, Sen. Fahrenkamp	465-3872	Sen. Fahrenkamp SJR 36 -	Yes	SJR 36
MARK HICKEY	—	3900	DOT/PF	QUESTIONS 146	146
ART SNOWDEN	—	264-0541	COURTS	146	146 ✓
T.J. Masheri Branch Manager	Juneau	463-3279	AK Trucking Inc	Yes	146 146
Rosa Jurel	134 No. Franklin	586-1740	H.C.C. of Alaska	Yes	146 146
Reed Steops					

* indicates first public hearing

Alaska State Legislature

SENATOR BETTYE FAHRENKAMP
CHAIRMAN, LEGISLATIVE COUNCIL
CHAIRMAN, OIL AND GAS COMMITTEE
515 7TH AVENUE, SUITE 130
FAIRBANKS, ALASKA 99701
OFFICE (907) 452-4882
HOME (907) 456-2899



WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
CAPITOL ROOM 125
OFFICE (907) 465-3834
HOME (907) 780-6027

Senate

MEMORANDUM

TO: All Representatives

FROM: Senator Bettye Fahrenkamp *Bettye*

DATE: May 15, 1987

RE: Background information for SJR 36, relating to Korean Air Lines passenger and air cargo service

SJR 36 is similar to SJR 30 which passed the Alaska State Legislature last session, to become Legislative Resolve #33. This resolution, with the support of the International Trade Office, was expanded to include air cargo service.

Several of my constituents have contacted me regarding a continuing problem for Alaskans wishing to travel from Alaska to Korea, and for goods to be transported from Anchorage to Korea. Korean Air Lines has approximately forty flights from Seoul, Korea which stop in Anchorage. Korean Air Lines does not have boarding rights in Anchorage. Currently, Anchorage passengers bound for Korea must fly to Seattle to board flights, or fly with Japan Air Lines to Tokyo, transfer planes and fly to Seoul, Korea, all of which is more costly in terms of time lost or additional fares. No cargo service is available by KAL in Anchorage. Anchorage is currently considered a technical stop, only catering and crew changes are allowed at present.

Both Senator Murkowski and Senator Stevens support resolving the issues relating to passenger service by Korean Air Lines in Anchorage and suggested that passage of this resolution shows continued support and interest by the Alaska State Legislature.

The Department of Commerce and Economic Development, Office of International Trade supports this resolution.