

SJR

54

STATE OF ALASKA 1988 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: SJR54  
Publish Date: \_\_\_\_\_

REQUEST \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: Alaska Airlines Fly to  
Siberia  
Sponsor: Sturgulewski  
Requestor: Abood

Agency Affected: DOT&PF  
BRU: \_\_\_\_\_  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS:

There is no fiscal impact to the Department of Transportation and Public Facilities.

Prepared by: Robert G. Poe Phone: 465-3900  
Division: Deputy Commissioner Budget & Finance Date: 1-26-88  
Approved by Commissioner: Mark S. Hickey Date: 1-26-88  
Agency: DOT&PF

Distribution (by preparer):

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



Corporate Communications, SEAZP, P.O. Box 68900, Seattle, WA 98168

# Alaska Airlines News

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Contact:

Lou Cancelmi  
206/433-3170

FOR IMMEDIATE RELEASE

January 12, 1988

ALASKA AIRLINES ANNOUNCES FILING  
TO SERVE SIBERIAN CITY

SEATTLE -- Alaska Airlines announced today that it has filed an application with the U.S. Department of Transportation to provide scheduled air service between Nome, Alaska, and Provideniya, Siberia, U.S.S.R.

Provideniya, a Soviet Far Eastern city of approximately 4,500 persons, is located on the southeastern tip of the Chukchi Peninsula. The city is about 230 nautical miles across the Bering Sea from Nome.

According to Bruce R. Kennedy, chairman and chief executive officer of the airline, the proposed service would establish a new transportation link between the U.S. and the U.S.S.R.

Kennedy said the new service, if approved by the appropriate U.S. and Soviet authorities, would reunite the indigenous Native people of Alaska and Siberia and provide a unique tourist opportunity for travelers interested in the Arctic and the Soviet Far East.

- more -

While acknowledging that diplomatic and technical questions need to be answered before service can begin, Kennedy said, "Alaska Airlines is no stranger in the arena of Soviet/U.S. aviation." During the summers of 1970, 1971 and 1972 Kennedy noted Alaska Airlines operated some thirty round trip charters between Anchorage and the Siberian city of Khabarovsk, as well as to Leningrad.

Alaska Airlines, a wholly-owned subsidiary of Alaska Air Group, Inc., serves 30 cities in six Western states.

# # #



BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

In The Matter Of The Application Of )  
)

ALASKA AIRLINES, INC. )  
)

For A Certificate of Public )  
Convenience and Necessity )  
To Serve Provideniya, Siberia, )  
U.S.S.R. )  
)

Docket

APPLICATION OF ALASKA AIRLINES INC.

FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Alaska Airlines, Inc. requests a certificate of public convenience and necessity, pursuant to Section 401 of the Federal Aviation Act of 1958, as amended, to operate scheduled service between Nome, Alaska and Provideniya, Siberia, U.S.S.R. Alaska's proposal is designed to forge a new transportation link to the U.S.S.R. in the aftermath of the summit between President Reagan and General Secretary Gorbachev. Among the many outgrowths of the summit are strong indications of warming relationships between the United States and the U.S.S.R. particularly with respect to enhanced trade and cultural exchanges. Alaska's

application would provide a further opportunity for both the United States and the U.S.S.R. to solidify these relationships.

The Nome Gateway has long been a major Alaskan tourist destination during the winter as well as summer months and the addition of a stopover at Provideniya would likely prove extremely attractive to a number of U.S. tourists. The fact that Provideniya is only approximately 230 nautical miles distant from Nome, Alaska would also mean that the new transportation link would assist in re-establishing the longstanding cultural relationships that exist between many native Alaskans and Siberians.

Alaska Airlines was the last U.S. carrier to have operated regular service to Siberia and is therefore particularly well-suited to provide the proposed service. During the 1970-72 period, Alaska pioneered and operated a weekly B-707 charter program to Khabarovsk in Siberia as well as to Leningrad. In conducting that unique program, Alaska Airlines was required to cooperate extensively with the U.S.S.R. and Aeroflot and it is expected that their familiarity with Alaska would allow for a relatively easy implementation of a tourist and exchange program to Provideniya once the Department issues the requested certificate of public convenience and necessity.

In further support of this application, Alaska states as follows:

1. Alaska Airlines, Inc. has its principal headquarters located at 19300 Pacific Highway South, Seattle, Washington 98188. Alaska Airlines is incorporated under the laws of the State of Alaska and is a wholly owned subsidiary of Alaska Air Group Inc., a corporation organized under the laws of the State of Delaware.

2. Alaska Airlines, Inc. is a citizen of the United States within the meaning of Section 101(13) of the Federal Aviation Act of 1958, as amended. Each of Alaska's officers and directors is a U.S. citizen and the owners of record of at least 75% of Alaska's outstanding voting securities are U.S. citizens.

3. Alaska Airlines has repeatedly been found fit, willing and able to provide interstate and foreign air transportation and the Department is requested to take official notice of Alaska's continuing fitness. See e.g. Orders 82-6-80, 82-8-69, 81-12-131 and 81-1-30.

4. Alaska Airlines will engage in the carriage of persons, property and mail between Nome, Alaska and Provideniya, Siberia, U.S.S.R. and this service would be operated with either B-727-200 or B-737-200 aircraft. Alaska currently owns and operates a number of such aircraft.

5. Alaska will also shortly provide a map depicting the route between Nome, Alaska and Provideniya, Siberia and an illustrative service proposal setting forth the aircraft type, capacity, elapsed trip time and an estimate of the fuel to be consumed during the first year of proposed operations.

CONCLUSION

WHEREFORE, Alaska Airlines, Inc. respectfully requests that the Department issue Alaska Airlines, Inc. a certificate of public convenience and necessity authorizing Alaska to engage in scheduled foreign air transportation between Nome, Alaska and Provideniya, Siberia U.S.S.R. or grant such other relief as the Department may deem appropriate.

ALASKA AIRLINES, INC.

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Marshall S. Sinick  
Squire Sanders & Dempsey  
1201 Pennsylvania Avenue, N.W.  
Washington, D.C. 20044

Washington Counsel

January 12, 1988

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing application was served by mail, postage prepaid, upon the persons named below.

---

Nancy L. Hassan

Honorable Steven Cowper  
Governor State of Alaska  
P.O. Box A  
Juneau, Alaska 99811-0101

Honorable Ted Stevens  
United States Senator  
522 Hart Senate Office Bldg.  
Washington, D.C. 20510

Honorable Frank H. Murkowski  
United States Senator  
709 Hart Senate Office Bldg.  
Washington, D.C. 20510

Honorable Don Young  
United States Congressman  
2331 Rayburn House Office Bldg.  
Washington, D.C. 20575

Honorable George Schultz  
Secretary of State  
State Department  
2201 C Street, N.W.  
Washington, D.C. 20520

Honorable Jeffrey N. Shane  
Deputy Assistant Secretary  
for Transportation Affairs  
State Department  
2201 C Street, N.W.  
Washington, D.C. 20520

Honorable James H. Burnley IV  
Secretary of Transportation  
Department of Transportation  
400 7th Street, S.W.  
Washington, D.C. 20590

Honorable Matthew V. Scocozza  
Assistant Secretary for  
Policy and International  
Affairs  
Department of Transportation  
400 7th Street, S.W.  
Washington, D.C. 20590

Honorable Philip W. Haseltine  
Deputy Assistant Secretary  
Department of Transportation  
400 7th Street, S.W.  
Washington, D.C. 20590

Honorable John K. Handeland  
Mayor, Nome, Alaska  
P.O. Box 281  
Nome, Alaska 99762

Mr. A. Bufsas, Jr.  
Manager  
Nome Airport  
Nome, Alaska 99762

Mr. Ralph Brumbaugh  
President  
Markair, Inc.  
4100 International Airport  
Road  
P.O. Box 19769  
Anchorage, Alaska 99519

Mrs. Rita Sholton  
President  
Northern Air Cargo, Inc.  
3900 West International  
Airport Road  
Anchorage, Alaska 99502

Honorable Rozanne L. Ridgeway  
Assistant Secretary for  
European Affairs  
Department of State  
Room 6226  
2201 C Street, N.W.  
Washington, D.C. 20520

His Excellency Yuriy V. Dubinin  
Ambassador to the United States  
Embassy of the Union of Soviet  
Socialist Republic  
1125 16th Street, N.W.  
Washington, D.C. 20036

Mr. Robert Clarke  
Office of Soviet Affairs  
Bureau of European &  
Canadian Affairs  
Room 4223  
2201 C Street, N.W.  
Washington, D.C. 20520

SCHEDULE  
(Saturday and Sunday)

	<u>ANC</u>		<u>OME</u>		<u>PROVIDENIYA</u>
	<u>Arr.</u>	<u>Dep.</u>	<u>Arr.</u>	<u>Dep.</u>	<u>Arr.</u> <u>Dep.</u>
Flight 001		0700	0830	0910	0955
Flight 002	1315		1115	1155	1030
Flight 003		1245	1415	1455	1540
Flight 004	1855		1700	1735	1615

1. The above schedule is illustrative of the B-727/B737 summer season service pattern that Alaska Airlines would operate and all times set forth are expressed in Alaska Daylight Time without modification for crossing the international dateline.
2. Alaska Airlines initially contemplates operating a twice weekly service pattern (two round trip flights on each day) during the ten week summer season and further flights would be added when justified by traffic levels.

PUBLIC OPINION MESSAGE

DEAR: SENATOR STURGULEWSKI

NAME: JIM STIMPFLER  
TITLE: CHAMBER OF COMMERCE, CCCP  
ADDRESS: BOX 729  
CITY: NOME ZIP: 99762  
PHONE: 443-2002  
BILL NO: SJR 54  
SUBJECT: SUPPORT AK AIRLINES FLIGHTS TO SIBERIA  
MESSAGE: THANK YOU FOR YOUR SUPPORT FROM THE SENATE ENCOURAGING THE DEVELOPMENT  
OF DIRECT CULTURAL AND COMMERCIAL ACTIVITIES BETWEEN NOME AND PROVIDENIYA BY  
ALASKA AIRLINES. WE BELIEVE THAT THESE FLIGHTS WILL GREATLY AFFECT ALL  
ALASKANS, FOCUSING WORLD ATTENTION OF ALASKA'S POSITION TO INFLUENCE  
FRIENDSHIP, GOODWILL AND TRADE BETWEEN THE UNITED STATES AND U.S.S.R.

POMID: 11112031  
DATE: 01/21/88  
TIME: 11:20:31  
LIONAME: NOME INFORMATION OFFICE

COPIES: REPRESENTATIVES

SPRINGER  
KOPONEN

Presented By:  
City Manager  
Action Taken:  
Yes 4 No 0

CITY OF NOME, ALASKA

RESOLUTION NO. R-88-1-3


A RESOLUTION EXPRESSING SUPPORT FOR  
SENATE JOINT RESOLUTION NO. 54 AND  
URGING ITS ADOPTION.

WHEREAS, Senator Arliss Sturgulewski has introduced  
Senate Joint Resolution No. 54 expressing support for the Alaska  
Airlines application for approval to fly to Siberia; and,

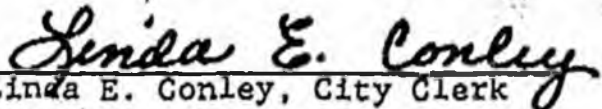
WHEREAS, scheduled air service between Nome and Pro-  
videnya will encourage renewal of cultural ties between the  
native peoples of western Alaska and eastern Siberia and the  
opportunity for economic development in Nome,

NOW, THEREFORE, BE IT RESOLVED that the Nome Common  
Council greatly appreciates Senator Sturgulewski's introduction  
of Senate Joint Resolution No. 54 and strongly urges the adoption  
of the Resolution by the Alaska State Senate.

APPROVED and SIGNED this 25<sup>th</sup> day of January, 1988.

  
John K. Handeland, Mayor

ATTEST:

  
Linda E. Conley, City Clerk



**ALASKA STATE CHAMBER OF COMMERCE**

310 Second Street  
Juneau, Alaska 99801  
(907) 586-2323

RESOLUTION

A RESOLUTION TO ENCOURAGE THE DEVELOPMENT OF COMMERCE, TOURISM, CULTURAL, EDUCATIONAL, MEDICAL, SCIENTIFIC EXCHANGES BETWEEN ALASKA AND SIBERIA.

WHEREAS, the Summit meeting in Washington, D.C. has discussed a direct route of friendship and commerce between Alaska and Siberia, and

WHEREAS, Alaska will benefit and lead the United States in developing direct flights from Nome to Provideniya for commercial and cultural activities, and

WHEREAS, Alaska's tourism industry will increase substantially with direct access to Siberia from Alaska, especially helping Anchorage's bid for the 1994 Olympics, and

WHEREAS, Alaska's agricultural products can be exported to Siberian cities, such as milk products, potatoes, barley, and

WHEREAS, Alaska's technological advances in the area of gas and oil, environmental protection, telecommunications could be the basis for business-related development, and

WHEREAS, various megaprojects including electrical grid systems and transportation tunnels to connect the North American and Asian continents for trade, and for transport of minerals and power to world users have been proposed, and

WHEREAS, the University of Alaska Siberian Medical Program will be addressing the health and educational needs of Alaskan people living in the Arctic, to understand nutrition, physiology, alcohol abuse, mental health, and stress, and

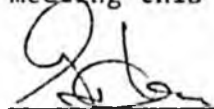
WHEREAS, Alaska's schools, colleges, and university will benefit by student, teacher exchanges, conferences, with Siberian schools, colleges, and universities, leading to greater understanding, and

WHEREAS, Alaska's cultural heritage, its people, children, students, teachers, performing artists, elders, are Alaska's gift of peace and represent the spirit of Alaska to Siberia,

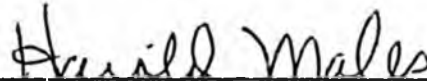
NOW, THEREFORE, BE IT RESOLVED by the Alaska State Chamber of Commerce that these unique opportunities for Alaska with Siberia be developed by the State of Alaska, by our Congressional delegation, and by each and every local Chamber of Commerce wishing to participate,

AND BE IT FURTHER RESOLVED that the Alaska State Chamber of Commerce endorses and supports on a national level efforts to develop cooperation, commerce, and peace by the U.S. Chamber of Commerce and the United States of America with the Soviet Union.

Passed and approved by the Alaska State Chamber of Commerce, Board of Directors' meeting this eleventh day of December 1987.



George Krusz, President



Harold Moles, Chairman