

***TRAVEL  
FROM  
NOME TO  
SIBERIA***

## ALASKA/SIBERIA PROPOSED FERRY SERVICE

Mr. Vicktor Mukhortove, the Port Director of Provideniya, has contacted the Nome Chamber of Commerce requesting help to provide ferry service between Alaska and the Soviet Far East. Vicktor has indicated that he has support from his government officials to implement ferry service across the Bering Strait.

There are many questions surrounding this issue and therefore numerous departments and individuals will be in attendance at this meeting to help answer the questions.

People who wish to testify:

William Lorch	-	Alaska Maritime Industry
Commander Fierman	-	U.S. Coastguard
Dick Monkman	-	State Board of Marine Pilots
Harold Mosier	-	Alaska Marine Highway System
Ron Clarke	-	Office of International Trade
Jim Stimple	-	Nome Chamber of Commerce
Don Stoltz	-	Artic Lightering, Nome
Jim Rowe	-	Bering Airlines, Nome

Sites on line via teleconference

Nome  
Savoonga  
Gambell  
Homer  
Kotzebue  
Bethel  
Anchorage  
Juneau

1. Mr. Ron Clarke - Division of International Trade. Ron has been working on this project with the Governor's office. He has been in contact with the Soviets and can provide up-to-date information on what our neighbors are planning for the future.

The Soviet/Alaska Commission was established last session, however funding was not provided for this Commission.

Ron can also provide information on the visa waiver program which will be in effect March/April 1990.

2. Mr. William Lorch, Alaska Maritime Industry. Under the current proposal, the maritime industry will act as the agent for travel between the two countries. This organization will handle piloting, customs, immigration, docking etc.

3. Commander Tiernam - U.S. Coast Guard  
The U.S. Coastguard predominately places requirements on U.S. vessels entering U.S. ports. The state is responsible to set down its own requirements on foreign vessels entering U.S. ports. As this will be a Soviet vessel entering a U.S. port, strict state requirements will need to be met. The coastguard does have several requirements, Commander Tiernam will elaborate on these.
4. Mr. Dick Monkman, Chairman, State Board of Marine Pilots  
Mr. Monkman will explain the state requirements as they pertain to the Bering Straits.
5. Mr. Don Stoltz, Artic Lightering, Nome.  
Don will provide information on the piloting services currently provided by Artic Lightering. Questions surrounding piloting requirements for the Bering Straits remain unanswered, however, initial conversations indicate that most piloting companies within Alaska would be unable to meet the current state piloting requirements for the Bering Straits.
6. Harold Mosier, A.M.H.S. Design and Construction  
The vessel proposed by the Soviets is similar to the M/V Bartlett in size. Initial correspondence indicates the vessel will have the capability to land on the beach. Mr. Mosier is familiar with our marine facilities and he should be able to help determine if the vessel will be able to land at the proposed ports. Some real economic questions exist with providing this service.



Official Business

# Alaska State Legislature

House of Representatives

House Transportation Committee

P.O. Box V  
Juneau, Alaska  
99811

Phone:  
(907) 465-4859

January 23, 1990

Mr. Randall Burns  
Director  
Division of Occupational Licensing  
P. O. Box D-Lic  
Juneau, AK 99811

Dear Randall:

Thank you for participating in the teleconference this morning. The information you provided regarding the state requirements for vessel operation between Alaska and the Soviet Union was very helpful.

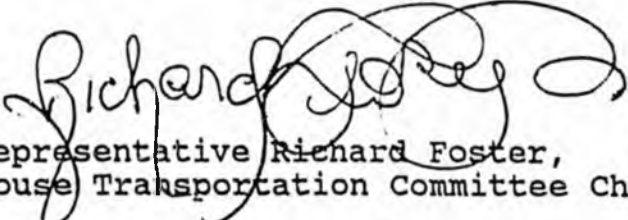
I would like to further research several of the points we discussed this morning. The following questions outline these areas:

1. What state regulations are currently in place for operations of commercial vessels between Alaska and Siberia?
2. Who establishes these requirements?
3. Would the requirements remain the same if a skin boat was operated on this route on a commercial basis?
4. Would operators of a non commercial skin boat need to meet the same requirements? (I am thinking of the boat owner who takes his family on a trip from Gambell to Provideniya).
5. Are the piloting requirements for the Bering Straits different from other areas within Alaska?

6. Are there currently licensed pilots within Alaska who meet the qualifications and experience requirements necessary to pilot a vessel from Alaska to the Soviet Union?
  
7. Do you foresee any other problem areas that we may need to address?

Again, thank you for your assistance. This information will help members of the committee ensure that state marine requirements are adhered to for all proposals offering marine transportation services.

Sincerely,



Representative Richard Foster,  
House Transportation Committee Chairman



Official Business

# Alaska State Legislature

House of Representatives

House Transportation Committee

P. O. Box V  
Juneau, Alaska  
99811

Phone:  
(907) 465-4850

January 24, 1990

Commander Scott W. Tiernan  
U.S. Coast Guard  
P. O. Box 3.5000  
Juneau, AK 99802

Dear Commander Tiernan:

Thank you for participating in the teleconference this morning regarding travel between Alaska and Siberia. Your expertise in U.S. Coastguard regulations and requirements was most helpful.

I would like to research further several of the issues we discussed at this teleconference. The following questions outline these areas:

1. What US Coastguard regulations/requirements are in place for commercial vessels operating between Alaska and the Soviet Union?
2. If a skin boat was operated on a commercial basis between Gambell and Provideniya, what U.S. Coastguard requirements would need to be met?
3. Would the requirements be the same if a skin boat was operated on a non commercial (non paying) basis?
4. Do you foresee any other U.S. Coastguard or vessel operation concerns that may need to be addressed?

I appreciate you taking the time to answer these questions. This information will help the House

Transportation Committee members ensure that proposals for sea travel between Alaska and Siberia meet U.S. Coastguard requirements.

Again, thank you for you participation.

Sincerely

A handwritten signature in cursive script, appearing to read "Richard Foster". The signature is written in black ink and is positioned above the typed name and title.

Representative Richard Foster  
House of Representatives  
Transportation Committee Chairman

FEB 10

U.S. Department  
of Transportation

United States  
Coast Guard



Commander  
Seventeenth  
Coast Guard District

P.O. Box 3-5000  
Juneau, AK 99802-1217  
Phone: (907) 586-7195  
Staff Symbol: m

16731  
6 Feb 90

The Honorable Richard Foster  
Alaska State Legislature  
House of Representatives  
Chairman, House Transportation Committee  
P.O. Box V  
Juneau, Alaska 99811

Dear Mr. Foster:

I wish to thank you for allowing Commander Tiernan to participate in the teleconference held by your committee concerning ferry transportation between the Soviet Union and Alaska. The prospect of opening ferry service between the two countries is very exciting, but will pose some problems.

Members of my Marine Safety Staff have researched the questions you posed in your letter dated 24 January 1990. The first question was, "what Coast Guard regulations are currently in place for commercial vessels operating between the Soviet Union and Alaska"? Generally, the rules/regulations for foreign vessels operating in U.S. waters are generic except for certain fisheries regulations. Therefore I will just address the rules/regulations for foreign vessels operations in general and operational restrictions that apply to Soviet vessels.

Requirements for foreign vessels operating in United States waters include compliance with our pollution prevention laws, marine sanitation device regulations and compliance with maritime treaties such as Safety of Life at Sea (SOLAS) and Prevention of Pollution of the Sea From Ships (MARPOL). Shipping restrictions for foreign vessels prohibit the carrying of cargo or passengers between U.S. ports. Also, foreign passenger vessels operating in U.S. ports are subject to control verification inspections by the Coast Guard. These inspections ensure compliance with applicable international safety standards. Soviet vessels must also request entry approval into U.S. ports under the Special Interest Vessel program. Depending on its size, a Soviet passenger vessel may be require the services of an Alaska State Pilot to call at Alaskan Ports.

While these requirements may seem very broad based, Morflot, the Soviet shipping ministry, has operated extensively in U.S. ports and is very familiar with the applicable requirements. As CDR Tiernan stated at the teleconference, there should be few if any difficulties encountered with the proposed ferry operation.

Your second question concerned the requirements for commercial use of traditional native skin boats in commercial service between Gambell on St. Lawrence Island and Provideniya, Siberia. This proposal raises some interesting questions. There are three scenarios that must be examined and I will discuss each one separately.

The first scenario is carrying 6 or less passengers for hire. This operation requires that the operator of the vessel hold a license suitable for the area of operation. In this instance, the operator would need to obtain an Operator, Uninspected Passenger Vessels endorsed for Near Coastal operation. The vessel would have to meet the minimum safety requirements located in Title 46, Code of federal Regulations, Parts 24,25 and 26.

The second scenario would be the carriage of 7 to 11 passengers. In this case the operator would be required to hold a Master Near Coastal Steam or Motor Vessels of not More Than 100 Gross Tons. This license is more difficult to obtain than the license described above. When more than 6 passengers are carried, the vessel must be Coast Guard inspected and be issued a Certificate of Inspection (COI). To obtain a COI, the vessel would have to be built according to plans approved by the Coast Guard and meet substantial lifesaving and firefighting requirements. There may be other special requirements that the vessel would have to meet but because of the unique nature of the vessel, this could only be determined after a plan review was conducted and the proposed operation reviewed.

The last scenario would be the carriage of 12 or more passengers. The operators license requirements and requirement for Coast Guard inspection of the vessel would be the same as scenario number two, but the SOLAS regulations come into play when 12 or more passengers are carried on an international voyage. Again, the unique nature of the vessel makes a discussion of applicable regulations very lengthy and nearly impossible without some hard proposals on which to base the discussion.

If the residents of Gambell are considering any of the above commercial operations, they should contact the Marine Safety Office in Anchorage, at 271-5137. MSO Anchorage would be the office that would conduct license examinations for the residents of Gambell, and would also do any required inspections on the boats. If there is serious consideration of carrying more than 6 passengers it is imperative that steps are begun immediately to have plan reviews conducted, etc. Plan review and construction inspections can be very time consuming, especially when a unique craft or operation is anticipated.

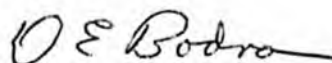
Finally, I wish to remind you that the residents of Gambell can travel back and forth from the Soviet Union in their traditional skin boats without need for licenses or inspection as long as there are not paying passengers carried. In this case payment means any type of consideration including shared fuel expenses,

meals provided to the operator or any other benefit to the operator and/or owner.

I hope this information proves useful.

If there is any further information that we can provide please do not hesitate to contact CDR Tiernan at 586-7195.

Sincerely,



D.E. Bodron  
Captain, U. S. Coast Guard  
Chief, Marine Safety Division  
By direction of the District Commander



Official Business

# Alaska State Legislature

House of Representatives

House Transportation Committee

P. O. Box V  
Juneau, Alaska  
99811

Phone:  
(907) 465-4859

January 24th, 1990

Ambassador Gunnadi I. Oudovenko  
Soviet Mission to the United Nations  
136 East 67th Street  
New York, N.Y. 10021

Your Excellency:

I write to express my concern and seek your assistance to help our countries resolve the Soviet navigator requirement imposed by the Soviet Ministry of Civil Aviation. As Chairman of the Alaska State Legislature, House Transportation Committee, I am troubled by the interruption to this vital and long awaited transportation link.

In July, 1989, when Bering Air received Federal Aviation Administration authority to operate international flights between Nome and Siberia, I felt another milestone had been reached in the efforts to increase relationships between our two countries.

Unfortunately, all flights now appear to be on hold while the decision to waive the Soviet navigator requirement is being considered. I urge your support to assist us in resolving this issue.

In April, 1990 we will commence the visa free travel program between Alaska and the Soviet Union. While implementation of this program reflects tremendous efforts between both our countries, the real benefits of the program will not be realized unless people have a means by which to travel between the two points. If, by working together, we can resolve major issues such as immigration, then I am sure we can find a solution to the Soviet navigator requirement.


It is my understanding that between July and November 1989, Bering Air made 85 flights to and from the Soviet Union without a Soviet navigator. These flights benefited both Alaska and the Soviet Union as it provided an opportunity for scientific, health and student exchanges. It also allowed native people to visit their families in both Siberia and Alaska. In summary Mr. Ambassador, the flights provided by Bering Air greatly benefited both the Soviet Union and Alaska.

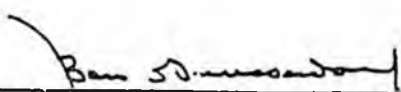
I therefore request the requirement calling for a Soviet navigator to be aboard all Bering Air flights be waived. This waiver is imperative if we are truly sincere about opening the doors and increasing relationships between Alaska and the Soviet Union.

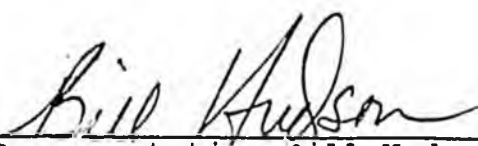
I appreciate your consideration of this important request.

Sincerely

  
Representative Richard Foster  
Chairman, House Transportation Committee

  
Representative Gene Kubina  
Vice Chairman, House Transportation Committee

  
Representative Ben Grussendorf  
Member, House Transportation Committee

  
Representative Bill Hudson  
Member, House Transportation Committee

  
Representative Loren Leman  
Member, House Transportation Committee



Official Business

# Alaska State Legislature

House of Representatives

House Transportation Committee

P.O. Box V  
Juneau, Alaska  
99811

Phone:  
(907) 465-4859

January 24th, 1990

Ambassador Yuri V. Dubinin  
Embassy of U.S.S.R.  
1125 16th St N.W.  
Washington, D.C. 20036

Your Excellency:

I write to express my concern and seek your assistance to help our countries resolve the Soviet navigator requirement imposed by the Soviet Ministry of Civil Aviation. As Chairman of the Alaska State Legislature, House Transportation Committee, I am troubled by the interruption to this vital and long awaited transportation link.

In July, 1989, when Bering Air received Federal Aviation Administration authority to operate international flights between Nome and Siberia, I felt another milestone had been reached in the efforts to increase relationships between our two countries.

Unfortunately, all flights now appear to be on hold while the decision to waive the Soviet navigator requirement is being considered. I urge your support to assist us in resolving this issue.

In April, 1990 we will commence the visa free travel program between Alaska and the Soviet Union. While implementation of this program reflects tremendous efforts between both our countries, the real benefits of the program will not be realized unless people have a means by which to travel between the two points. If, by working together, we can resolve major issues such as immigration, then I am sure we can find a solution to the Soviet navigator requirement.

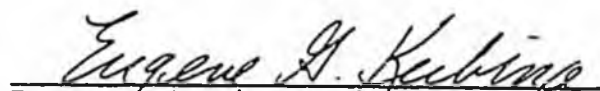
It is my understanding that between July and November 1989, Bering Air made 85 flights to and from the Soviet Union without a Soviet navigator. These flights benefited both Alaska and the Soviet Union as it provided an opportunity for scientific, health and student exchanges. It also allowed native people to visit their families in both Siberia and Alaska. In summary Mr. Ambassador, the flights provided by Bering Air greatly benefited both the Soviet Union and Alaska.

I therefore request the requirement calling for a Soviet navigator to be aboard all Bering Air flights be waived. This waiver is imperative if we are truly sincere about opening the doors and increasing relationships between Alaska and the Soviet Union.

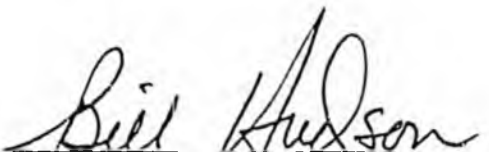
I appreciate your consideration of this important request.

Sincerely

  
Representative Richard Foster  
Chairman, House Transportation Committee

  
Representative Gene Kubina  
Vice Chairman, House Transportation Committee

  
Representative Ben Grussendorf  
Member, House Transportation Committee

  
Representative Bill Hudson  
Member, House Transportation Committee

  
Representative Loren Leman  
Member, House Transportation Committee



Official Business

# Alaska State Legislature

House of Representatives

House Transportation Committee

P. O. Box V  
Juneau, Alaska  
99811

Phone:  
(907) 465-4859

January 26, 1990

TO: All House subcommittee members  
Dept. Commerce and Economic Development

FROM: Representative Richard Foster  
House Transportation Committee chairman

SUBJECT: Alaska/Soviet travel

This past week, the House Transportation held hearings on transportation alternatives between Alaska and Siberia. We heard testimony from Mr. Ron Miller, Office of International Trade and Mr. Jim Rowe, owner and operator of Bering Air concerning the Soviet navigator requirement. In an effort to express our desire to have this requirement waived, the House Transportation Committee forwarded the attached letter to both Ambassador Gunnadi Oudovenko and to Ambassador Yuri Dubinin.

The committee also addressed the proposal to provide ferry service between Alaska and Siberia. In discussions with Ron Miller, it appears this idea is still in the planning stages. Mr. Victor Mukhortov, Director, Port of Provideniya has indicated initial interest from Soviet government officials to provide ferry service across the Bering Straits. Establishing a transportation link between our two countries is undoubtedly the most important step toward increasing our future relationships and ties with our neighbors.

For ferry service to be feasible, the Soviets are probably going require a joint venture agreement with a private sector group here in Alaska. While several groups and individuals have expressed an interest in undertaking this project, the lack of any traffic projections, anticipated costs/revenues and other relevant data has made progress on this project very difficult.

I would like to request funding for the Division of Tourism to conduct a complete analysis of this proposal. The division informed my office the funds required to adequately evaluate this proposal would be approximately \$50,000. This initial money would provide us with the information required to attract private sector participation. This is a small amount when we consider it could eventually lead to the development of an inexpensive and efficient travel mode between Alaska and Siberia.

I urge your support for this funding.

Thank you.

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

*Companion  
SB-*

1 IN THE HOUSE

2 HOUSE BILL NO. 440

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska-Soviet Far East  
7 Commission; and providing for an effective date."

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

9 \* Section 1. AS 44.19 is amended by adding new sections to read:

10 ARTICLE 16. ALASKA-SOVIET FAR EAST COMMISSION.

11 Sec. 44.19.605. ALASKA-SOVIET FAR EAST COMMISSION. There is  
12 created in the Office of the Governor the Alaska-Soviet Far East  
13 Commission.

14 Sec. 44.19.615. PURPOSE. The purpose of the commission is to  
15 represent the state in Alaska-Soviet issues and to serve as the point  
16 of contact and official coordinator in the development of economic,  
17 cultural, scientific, technical, and educational contacts between the  
18 Soviet Far East and the State of Alaska, University of Alaska, and the  
19 private sector.

20 Sec. 44.19.625. COMPOSITION. (a) The commission consists of  
21 seven members appointed by the governor. At least two members must be  
22 from the private sector, at least two members must be from higher  
23 education, and at least one member must be from the Native community.

24 (b) The governor shall designate one member of the commission as  
25 chairperson of the commission. This member shall serve as chairperson  
26 for a term of one year, but may be reappointed for successive terms.

27 Sec. 44.19.635. TERM OF OFFICE. The term of office of each  
28 member is three years. Terms shall be staggered. The governor shall  
29 designate who among the initial appointees shall serve one-, two-, and

1 three-year terms in accordance with AS 39.05.055(5). A vacancy shall  
2 be filled for the remainder of the term in the same manner as the  
3 original appointment.

4 Sec. 44.19.645. POWERS AND DUTIES. The commission shall

5 (1) serve as the official coordinator and representative of  
6 the State of Alaska for all Alaska-Soviet exchanges;

7 (2) serve as a forum for the exchange of information between  
8 the state, the University of Alaska, and the private sector about  
9 current developments and contacts in Alaska-Soviet Far East relations;

10 (3) host and coordinate official delegations visiting Alaska  
11 and the Soviet Far East; and

12 (4) accept monetary gifts or grants from the federal govern-  
13 ment or an agency of it, from any charitable foundation or professiona  
14 association, or from any other sources for implementation of any  
15 program or project necessary or desirable for carrying out the general  
16 purposes of the commission.

17 Sec. 44.19.655. MEETINGS. Within 60 days after the appointment  
18 of all the members of the commission, the governor shall call the  
19 first meeting. A majority of the members constitutes a quorum for  
20 conducting business and exercising the powers of the commission. The  
21 commission shall meet at the call of the chairperson, at the request  
22 of a majority of the members, or at a regularly scheduled time as  
23 determined by a majority of the members

24 Sec. 44.19.665. COMPENSATION. Members of the commission serve  
25 without compensation but are entitled to per diem and travel allow-  
26 ances as authorized by AS 39.20.180 and AS 39.20.185.

27 Sec. 44.19.675. ANNUAL REPORT AND RECOMMENDATIONS. Each year  
28 the commission shall submit to the legislature and the governor a  
29 report of its activities during the previous calendar year and any

1        recommendations the commission considers appropriate. The report and  
2        any recommendations shall be submitted no later than the 10th day of  
3        each regular legislative session.

4        \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

5

6

7

8

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: An Act establishing the  
Alaska-Soviet Far East Commission  
Sponsor: Rules Committee  
Requestor: Governor

Agency Affected: Office of the Governor  
BRU: Commissions and Special Offices  
Components: Alaska-Soviet Far East  
Commission

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	50.1	52.2	53.8	55.5	57.2	59.1
TRAVEL	77.7	77.7	77.7	77.7	77.7	77.7
CONTRACTUAL	94.1	94.1	94.1	94.1	94.1	94.1
SUPPLIES	1.9	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	14.8	.5	.5	.5	.5	.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	50.0	60.0	70.0	80.0	90.0	100.0
<b>TOTAL OPERATING</b>	<b>288.6</b>	<b>286.0</b>	<b>297.6</b>	<b>309.3</b>	<b>321.0</b>	<b>332.9</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	238.6	226.0	227.6	229.3	231.0	232.9
FEDERAL FUNDS						
OTHER	50.0	60.0	70.0	80.0	90.0	100.0
<b>TOTAL</b>	<b>288.6</b>	<b>286.0</b>	<b>297.6</b>	<b>309.3</b>	<b>321.0</b>	<b>332.9</b>

**POSITIONS:**

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

See attached analysis

Estimate for program receipts, i.e., private sector donations, contributions. There would be a need to include expenditure/receipt authority within the powers of the Commission.

Prepared by: Michael A. Nizich, Director  
Division: Administrative Services

Phone: 465-3616

Date: 1-12-90

Approved by Commissioner: Garrey Peska  
Agency: Office of the Governor

Date: 1/12/90

**Distribution (by preparer):**

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

PERSONAL SERVICES 50.1

Fiscal note assumes Anchorage location of commission staff consisting of one Program Coordinator, Range 18.

Request for New Position form is attached. Salary shown is step A for FY 91. Personal Services request for subsequent years includes a one-step merit increase.

TRAVEL 77.7

Travel has been averaged to incorporate the travel costs from statewide locations of the public members and assumes eight commission meetings.

Anchorage: 5 meetings

Public members

travel @ 450/person x 6 people	=	2,700	
per diem @ 80/day x 3 days x 7 people	=	<u>1,680</u>	
five meetings @		4,380	= 21,900

Juneau:

Public members

travel @ 450/person x 6 people	=	2,700	
per diem @ 80/day x 3 days x 7 people	=	1,680	

Administrative staff

travel @ 366/person x 1 person	=	366	
per diem @ 80/day x 3 days x 1 person	=	240	4,896

Fairbanks:

Public members

travel @ 450/person x 7 people	=	3,150	
per diem @ 80/day x 3 days x 7 people	=	1,680	

Administrative staff

travel @ 436/person x 1 person	=	436	
per diem @ 80/day x 3 days x 1 person	=	240	5,506

TRAVEL (continued)

Soviet Far East:

Public members

travel @ 2100/person x 7 people = 14,700  
per diem @ 1050/person x 7 people = 7,350

Administrative staff

travel @ 2100/person x 1 person = 2,100  
per diem @ 1050/person x 1 person = 1,050 25,200

Additional public member travel:

Accompany delegations - assumes 2 public members  
for three delegations

travel @ 2100/person x 2 people = 12,600  
per diem @ 1050/person x 2 people = 6,300 18,900

Additional administrative staff travel

Juneau:

travel @ 366/trip x 2 trips = 732  
per diem @ 80/day for total 6 days = 480 1,212

Total Travel: 77,704

CONTRACTUAL 94.1

Professional Services:

Interpreter services, delegations hosting  
expenses, professional services contracts 60,000

Communication:

Telephone (toll costs, base/local  
fixed costs, centrex network costs)  
350/mo x 12 months 4,200  
Telecopier charges -- 25/mo x 12 months 300  
Teleconference charges -- 8 @ 450 3,600  
Postage -- 300/mo x 12 3,600 11,700

CONTRACTUAL (Continued)

Transportation:

Freight and express charges -- 75/mo x 12 900

Advertising, Printing & Binding:

Subscriptions	75	
Advertising -- 8 meetings x 350	2,800	
Printing -- 4 newsletters x 800 each	3,200	
Annual report	13,500	
Forms, misc.	750	20,325

Minor Repair, Maintenance 1,200

Rental for Space:

Fiscal note assumes availability of office space  
within existing leased space in Anchorage.

Total Contractual: 94,125

SUPPLIES AND MATERIALS 1.9

Office and library supplies, 150/mo x 12 =	1,800	
Data processing supplies =	75	1,875

EQUIPMENT 14.8

Communication Equipment:

network hookup, 1 station =	1,500	
1 position phone =	500	2,000

Data Processing Equipment:

1 PC workstation 4,500

Furniture/Office Equipment:

Desk, chair, etc. =	5,000	
1 5-drawer lateral file cabinets =	425	
Bookcases =	175	
Photocopier =	1,800	
1 calculator =	75	
typewriter =	800	8,275

Total Equipment: 14,775

MISCELLANEOUS 50.0

Estimate for program receipts, i.e., private sector  
donations and contributions, for identified  
Commission projects. 50,000



**NOME CHAMBER OF COMMERCE**  
**COMMITTEE FOR COOPERATION, COMMERCE, AND PEACE**  
**BOX 251, NOME, ALASKA 99762**

Wendy RM 17  
 465-4858  
 Rep Foster

James R. Ayers  
 System Director  
 Alaska Marine Highway System  
 P O Box R  
 Juneau, Alaska  
 99811-2505

1/29/90

Wendy

JAN 29 1990

Dear Mr. Ayers:

Thank you for your reply and interest in seeing ferry service between Alaska and the Soviet Far East. The next step is to invite Viktor Mukhortov and appropriate Soviet officials to discuss a plan to provide economical ferry service across the Bering Strait.

Bering Air is scheduling a flight this morning at about 10:00 am. I am forwarding a copy of your letter to be hand delivered to the Port Director, Viktor Mukhortov. An invitation to come to Alaska to meet with you and review his proposal would be very helpful. Ron Miller with the Office of International Trade is very familiar with the process of extending an invitation on the State level.

While in Alaska, Mr. Mukhortov could meet with private sector groups interested in tourism to the Soviet Far East (SFE) and marketing the ferry as a part of existing tourism routes with Alaska and Canada. If Viktor comes through Nome, we will provide his accommodations and meals, and arrange for him to see Grantley Harbor in Teller, Gambell on St. Lawrence Island, and meet with the City and see the Port of Nome.

With Bering Air resuming flight service to Provideniya and seeking permission to service other communities in the SFE, the development of a summer ferry route to the SFE will enhance air connections, increase tourism and provide Western Alaska with additional income and jobs.

Sincerely

*Jim Stimpfle*

Jim Stimpfle  
 Chairman, Committee for Cooperation, Commerce, and Peace  
 (907) 443-2002

cc: Rep. Richard Foster, Chairman Transportation Committee  
 Ron Miller, Office of International Trade  
 Viktor Mukhortov, Port Director Provideniya

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: An Act establishing the  
Alaska-Soviet Far East Commission  
Sponsor: Rules Committee  
Requestor: Governor

Agency Affected: Office of the Governor  
BRU: Commissions and Special Offices  
Components: Alaska-Soviet Far East  
Commission

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	50.1	52.2	53.8	55.5	57.2	59.1
TRAVEL	77.7	77.7	77.7	77.7	77.7	77.7
CONTRACTUAL	94.1	94.1	94.1	94.1	94.1	94.1
SUPPLIES	1.9	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	14.8	.5	.5	.5	.5	.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	50.0	60.0	70.0	80.0	90.0	100.0
<b>TOTAL OPERATING</b>	<b>288.6</b>	<b>286.0</b>	<b>297.6</b>	<b>309.3</b>	<b>321.0</b>	<b>332.9</b>

\*\*

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	238.6	226.0	227.6	229.3	231.0	232.9
FEDERAL FUNDS						
OTHER	50.0	60.0	70.0	80.0	90.0	100.0
<b>TOTAL</b>	<b>288.6</b>	<b>286.0</b>	<b>297.6</b>	<b>309.3</b>	<b>321.0</b>	<b>332.9</b>

**POSITIONS:**

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)  
See attached analysis

\*\*

Estimate for program receipts, i.e., private sector donations, contributions. There would be a need to include expenditure/receipt authority within the powers of the Commission.

Prepared by: Michael A. Nizich, Director  
Division: Administrative Services

Phone: 465-3616  
Date: 1-12-90

Approved by Commissioner: Garrey Peska  
Agency: Office of the Governor

Date: 1/12/90

Distribution (by preparer):

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

PERSONAL SERVICES 50.1

Fiscal note assumes Anchorage location of commission staff consisting of one Program Coordinator, Range 18.

Request for New Position form is attached. Salary shown is step A for FY 91. Personal Services request for subsequent years includes a one-step merit increase.

TRAVEL 77.7

Travel has been averaged to incorporate the travel costs from statewide locations of the public members and assumes eight commission meetings.

Anchorage: 5 meetings

Public members

travel @ 450/person x 6 people	=	2,700	
per diem @ 80/day x 3 days x 7 people	=	<u>1,680</u>	
five meetings @		4,380	= 21,900

Juneau:

Public members

travel @ 450/person x 6 people	=	2,700	
per diem @ 80/day x 3 days x 7 people	=	1,680	

Administrative staff

travel @ 366/person x 1 person	=	366	
per diem @ 80/day x 3 days x 1 person	=	240	4,896

Fairbanks:

Public members

travel @ 450/person x 7 people	=	3,150	
per diem @ 80/day x 3 days x 7 people	=	1,680	

Administrative staff

travel @ 436/person x 1 person	=	436	
per diem @ 80/day x 3 days x 1 person	=	240	5,506

TRAVEL (continued)

Soviet Far East:

Public members

travel @ 2100/person x 7 people = 14,700  
per diem @ 1050/person x 7 people = 7,350

Administrative staff

travel @ 2100/person x 1 person = 2,100  
per diem @ 1050/person x 1 person = 1,050 25,200

Additional public member travel:

Accompany delegations - assumes 2 public members  
for three delegations

travel @ 2100/person x 2 people = 12,600  
per diem @ 1050/person x 2 people = 6,300 18,900

Additional administrative staff travel

Juneau:

travel @ 366/trip x 2 trips = 732  
per diem @ 80/day for total 6 days = 480 1,212

Total Travel: 77,704

CONTRACTUAL 94.1

Professional Services:

Interpreter services, delegations hosting  
expenses, professional services contracts 60,000

Communication:

Telephone (toll costs, base/local  
fixed costs, centrex network costs)  
350/mo x 12 months 4,200  
Telecopier charges -- 25/mo x 12 months 300  
Teleconference charges -- 8 @ 450 3,600  
Postage -- 300/mo x 12 3,600 11,700

CONTRACTUAL (Continued)

Transportation:

Freight and express charges -- 75/mo x 12 900

Advertising, Printing & Binding:

Subscriptions	75	
Advertising -- 8 meetings x 350	2,800	
Printing -- 4 newsletters x 800 each	3,200	
Annual report	13,500	
Forms, misc.	750	20,325

Minor Repair, Maintenance 1,200

Rental for Space:

Fiscal note assumes availability of office space within existing leased space in Anchorage.

Total Contractual: 94,125

SUPPLIES AND MATERIALS 1.9

Office and library supplies, 150/mo x 12 =	1,800	
Data processing supplies =	75	1,875

EQUIPMENT 14.8

Communication Equipment:

network hookup, 1 station =	1,500	
1 position phone =	500	2,000

Data Processing Equipment:

1 PC workstation 4,500

Furniture/Office Equipment:

Desk, chair, etc. =	5,000	
1 5-drawer lateral file cabinets =	425	
Bookcases =	175	
Photocopier =	1,800	
1 calculator =	75	
typewriter =	800	8,275

Total Equipment: 14,775

MISCELLANEOUS 50.0

Estimate for program receipts, i.e., private sector donations and contributions, for identified Commission projects. 50,000

1. POSITION TITLE Program Coordinator				RANGE/STEP 18/A	BARG. UNIT	PAGE/LINE	GOV.	APPROV.	DISAPP
2. TYPE OF POSITION PFT		STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.	
3. CONTINUATION LEVEL				ADDITION	X				
4. TYPE OF EXPENDITURE				AMOUNT					
1				2		3			
PERSONAL SERVICES									
5. Salary		37,543.00							
C. Benefits		12,957.03							
7. Supplemental Benefits									
8. Fixed Benefits									
9. TOTAL PERSONAL SERVICES		01		50,505.03					
10. Travel		02		3,504.00					
11. Contractual		03							
12. Commodities		04		1,875.00					
13. Equipment		05		14,775.00					
14. Other									
15. TOTAL COST				70,659.03					
JUSTIFICATION: Program Coordinator to staff Commission on Alaska-Soviet Relations. Position will provide full support to commission.									
RECEIPT CODE				FUNDING SOURCE					
16.				Federal Receipts		1002			
17.				G.F. Match		1003			
18.				General Funds		1004		70,659.03	
19.				I-A Receipts		1005			
20.				Program Receipts		1028			
21.				Other					
FOR B&M USE ONLY KEY NUMBER									

REQUEST FOR NEW POSITION
-----------------------------

AGENCY Office of the Governor  
 BRU Executive Operations  
 COMPONENT Executive Office

Page <u>1</u> of <u>1</u>
Revised Date _____

FY 91
-------



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

November 27, 1989

The President  
The White House  
Washington, DC

Dear Mr. President:

Business, cultural and educational exchanges between Alaska and the Soviet Far East and North continue to expand rapidly.

Alaskans are proud to be among the leaders in warming relations between the Soviet Union and the United States and we thank you for your efforts in this area. Together, our two countries can help make the world a better, safer place to live.

The purpose of this letter is to request that you place three items on the agenda for your summit meeting with President Gorbachev in the summer of 1990. The items are:

1. Visa free travel between Alaska and the Soviet Far East and North.
2. New consulate offices in Anchorage and Khabarovsk.
3. A direct commercial air route between Alaska and the Soviet Far East.

VISA FREE TRAVEL

As a result of the agreement signed by Secretary of State James Baker and Soviet Foreign Minister Edward Shevardnadze in Wyoming in September 1989, certain indigenous people from Alaska's northwest coast and the Soviet Union's northeast coast are now allowed to visit visa free.

Extension of the visa free travel privileges to all residents of the Soviet Far East and North and to all residents of Alaska would help greatly in our efforts

to expand business, cultural and educational exchanges between our regions.

Due to the heavy demands being placed on the Soviet and American Embassies to process visas, delays are often lengthy, making travel planning uncertain and difficult.

#### CONSULATE OFFICES

As relations warm, numerous Soviets are traveling to Alaska and just as many Alaskans are traveling to the Soviet Far East and North.

Alaska has invited 80 Soviets to attend a seminar in Anchorage in April of 1990 on how to do business in Alaska. Officials in Khabarovsk and Magadan have, in return, invited 80 Alaskans to attend seminars in their regions at the same time on how to do business in the Soviet Union.

Alaska is inviting 160 Soviet citizens from around the Soviet Union to attend a conference on issues common to the northern regions of the world to be held in September of 1990 in Anchorage.

Many schools, cultural and business organizations are also planning exchange visits at their own initiative.

A Soviet consulate office in Anchorage and an American consulate in Alaska's sister state of Khabarovsk would be very helpful in organizing and implementing visits between the regions.

I respectfully request that the 1990 summit agenda include discussion of increasing the number of Soviet consulate offices in the U.S. and the number of Soviet consulate offices in the U.S.S.R. These new offices would greatly enhance our ability to continue expanding the working relationships between Alaska and the Soviet Far East and North.

#### COMMERCIAL AIR ROUTES

Officials of Aeroflot in the Soviet Far East and Alaska Airlines have been working diligently to open a route between Anchorage, Magadan and Khabarovsk. These efforts continue to be thwarted by counter proposals from Moscow calling for Aeroflot to receive landing rights in Los

November 27, 1989

Angeles or San Francisco in exchange for Alaska Airlines' landing rights in Magadan or Khabarovsk.

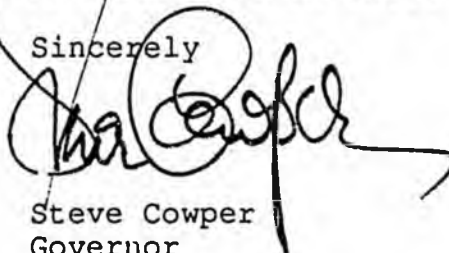
Officials at the highest levels in Khabarovsk and Magadan agree with us in Alaska that we should simply strive to open the route between Alaska and the Soviet Far East and separate the question of landing rights for Aeroflot at a major U.S. west coast city.

I believe that benefits from improved commerce will result immediately if an air route between Anchorage, Khabarovsk and Magadan is opened. This issue is much too important for us to allow it to be delayed by negotiations over landing rights in other U.S. west coast cities.

In summary, I ask that each of the above subjects be placed on the agenda for the 1990 summit meeting and that agreements be signed allowing the implementation of these ideas.

I invite your staff to contact me if I can provide additional information or be of assistance on these matters.

Sincerely

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the word "Sincerely". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Steve Cowper  
Governor

cc: Secretary of State James Baker  
Soviet Foreign Minister Edward Shevardnadze  
Ambassador Yuri Dubinin



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

November 15, 1989

Ambassador Yuri V. Dubinin  
Embassy of the Soviet Socialist Republics

VIA: Facsimile

Your Excellency:

I write to express concern and seek your assistance in connection with a newly imposed requirement by the Soviet Ministry of Civil Aviation that has interrupted an Alaska charter airplane service between Nome and Provideniya on the Chukotsk Peninsula in the Soviet Far East.

The charter service, Bering Air, Inc., has operated 85 flights since July across the Bering Strait that separate our countries. It has carried both Soviets and Alaskans and helped transport members of my party during my visit to the Soviet Far East in September. The charter service has operated safely and is an important link in the warming relations between our countries.

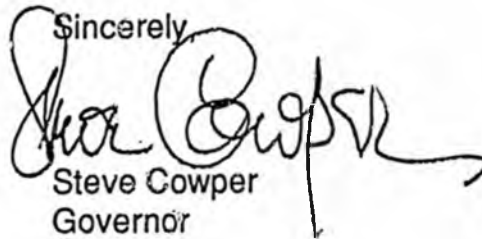
On Tuesday, November 14, Bering Air received a cable from the Soviet Civil Aviation Ministry informing them of a new requirement that all flights carry a Soviet navigator. That requirement has the effect of shutting down Bering Air because of the prohibitive costs of transporting a Soviet navigator from Moscow to Nome.

Yesterday's development has resulted in some immediate problems. Stranded in Provideniya is the 11-year-old son of Bering Air's president, Jim Rowe, and a delegation of Soviets planning to spend two weeks in Alaska on a friendship mission.

We are contacting agencies in the U.S. government about this problem including the State Department and Federal Aviation Administration. I would appreciate any efforts on your behalf to resolve the problem in Moscow. At a minimum, we would like Bering Air to receive permission to complete its current schedule of flights. For the long term, we believe the requirement for a Soviet navigator on Bering Air flights to Provideniya is unnecessary and burdensome.

Thank you in advance for your efforts on this matter. I stand ready to assist you in any way possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", with a long, sweeping flourish extending to the right.

Steve Cowper  
Governor

R

**NOME CHAMBER OF COMMERCE****COMMITTEE FOR COOPERATION, COMMERCE, AND PEACE****BOX 251, NOME, ALASKA 99762**

Rep. Richard Foster  
Chairman  
Transportation Committee  
Rm #17  
465-4858, Wendy

1/23/90

Thank you for the opportunity to testify on issues of travel between Alaska and the Soviet Far East in the Bering Strait region.

To summarize, I believe that the Transportation Committee could be most helpful in directing appropriate State agencies, (Governor's Office of International Trade, and Dept. of Transportation) to work with Soviet officials in waiving or recommending regulations that will enhance the cultural, educational, and commercial opportunities for Alaskans and Soviets to travel back and forth.

Specifically, a letter to appraise Soviet and US officials of the Committee's interest to develop affordable means of transportation across the Bering Strait.

Yuri V. Dubinin, Ambassador  
Union of Soviet Socialist Republics  
1125 Sixteenth Street, NW  
Washington, DC 20036  
FAX (202) 347-5028

U S Dept. of State  
Office of Soviet Affairs  
Washington, DC 20520  
20520  
FAX (202) 347-5028

Invite Viktor Mukhortov to Alaska to meet with the Transportation Committee, State officials, and the US Coast Guard to present his proposal for ferry service within the next two months. This will also give the private sector the opportunity to discuss ground support services and tourism potential with him so that he has a clear idea of the costs involved.

Sincerely

  
Jim Stimpfle  
Chairman, Committee for Cooperation, Commerce, and Peace  
(907) 443-2002



Anchorage Daily News/Dee Boyles

ATTN: Wendy  
c/o Rep. Foster  
465-4858  
Rm 17

**NOME CHAMBER OF COMMERCE**  
**COMMITTEE FOR COOPERATION, COMMERCE, AND PEACE**  
**BOX 251, NOME, ALASKA 99762**

ATTN: Wandy  
c/o Rep. Foster  
465-4858  
Rm 17

**PRESS REL**

January 6, 1990

RE: Soviet Ferry service from Provideniya  
to Alaska across the Bering Strait.

Viktor Mukhortov, the Port Director of Provideniya in the Soviet Far East, called on the telephone to Nome, Alaska. He wants to establish ferry service between the Eskimo communities of the Bering Strait this summer.

In March, the United States and the Soviet Union will implement the VISA-WAIVER program for US and Soviet Eskimo people to visit one another without the need for visas.

After 40 years of separation, the Siberian Yupik Eskimo people will be able to visit one another in the communities of Nome, Provideniya, Gambell, Little Diomed, Anadyr, Lavrentiya and Uelen. These "designated entry points" and the surrounding regions, (Nome and Kobuk census areas of Alaska and Iultinsky Rayon, Providenskiy Rayon, and Chukotsky Rayon, eastern Anadyrskiy Rayon, and the Chukotsky Autonomous Okrug) are open to travel for Eskimo peoples. Passports are required.

Ferry service to the communities of Gambell, Alaska on St. Lawrence Island, Teller, and Nome to the Soviet communities across the Bering Strait. It is hoped that US and Soviet citizens will visit one another reestablishing ties of kinship and culture.

For additional information contact:

Viktor Murkhortov, Provideniya  
tel. 2-21-35  
tel. 2-22-67  
Telex 145638.

Jim Stimpfle, Chairman,  
Committee for Cooperation,  
Commerce, and Peace  
(907) 443-2002



**NOME CHAMBER OF COMMERCE**  
**COMMITTEE FOR COOPERATION, COMMERCE, AND PEACE**  
**BOX 251, NOME, ALASKA 99762**

Jim Ayers  
System Director  
Alaska Marine Highway System  
P O Box R  
Juneau, Alaska  
99811-2505

Jan. 5, 1990

RE: Soviet Ferry to Gambell, Teller, and Nome, Alaska  
1990

File No. 140-3745-C, April 17, 1989

Dear Mr. Ayers

On January 4, I was contacted by Viktor Mukhortov, the Port Director of Provideniya, asking help to provide ferry service between Alaska and the Soviet Far East. Previous discussions with George Davidson, the Systems Director, and the Governor's Office of International Trade, Ron Miller (tel. 561-5585) indicated interest in providing some help from the State to implement service from the Port of Provideniya, servicing the Eskimo communities on both sides of the Bering Strait.

Since the initial contact in April of 1989, much progress has been made in establishing cultural, educational, and commercial relations between the State of Alaska and the Magadan region of the Soviet Far East.

Mr. Mukhortov (telex 145638, tel. 2-21-35, or 2-22-67 Provideniya) indicated that he has support from his government officials to implement ferry service across the Bering Strait for this year. Last year we were very close to implementing service with the help of Alaska Maritime Agency, (Bill Lorch, tel. 272-0714), the USCG inspection team, (CDR Blais, tel. 271-5137), State Dept. (Wayne Nell, tel. 202-647-4088), and support from our Congressional delegation.

In view of the fact, that a visa-walver agreement for US/Soviet Eskimo people will be in effect by March or April of this year, the tremendous potential for tourism development, and 85 flights by Bering Air from Nome to Provideniya, I believe that State assistance in developing this ferry service is warranted. It is time to put together a working group on a State level to assist with the necessary permits, authorizations, fees, and technical requirements on the federal level.

page 2

Mr. Ayers

1/5/90

The communities of Teller, Gambell, and Nome are interested in a ferry service connecting US/Soviet communities in the Bering Strait.

Your attention to this matter will benefit all Alaskans and develop new employment opportunities for Western Alaska.

Sincerely

Jim Stimpfle  
Chairman, Committee for Cooperation, Commerce, and Peace  
(907) 443-2002

cc: Congressional Delegation  
Ron Miller, Gov.'s Office International Trade  
Wayne Nell, US State Dept.  
Bill Lorch, Alaska Maritime Agency  
CDR Blais, US Coast Guard  
Mayor Gambell  
Mayor of Teller  
City of Nome

# Oceans of red tape blocking Bering ferry prompt Nome SOS

NOME (AP) — A Nome man is asking the state to help clear the regulatory hurdles to provide ferry service between Alaska and Siberia.

Jim Stimpfle of the Committee For Cooperation, Commerce and Peace of the Nome Chamber of Commerce said Monday the Soviet Union is interested in providing the service, but help is needed to "jump through all the necessary hoops."

Stimpfle has written the director of the Alaska Marine Highway System asking for help.

The ferry service idea has been percolating since last spring when it was raised by Vik-

tor Mukhortov, director of the Port of Provideniya, Stimpfle said. It nearly became a reality last fall, but the plan fell apart when regulatory requirements imposed an additional burden of \$8,000 per trip, he said.

The Soviet Union already provides ferry service for native villages along the Siberian coast, Stimpfle said. With east-west travel expected to increase dramatically as a visa-waiver program goes into effect this spring, the Soviets are interested in expanding the service across the Bering Strait, he said.

In a telephone conversation with Mukhortov last week, See Bering ferry, page B-2

Continued from page B-1

Stimpfle said he learned the Soviet government has approved the concept. And the Soviet government is considering purchasing a new \$4 million ferry if it appears Alaska traffic will make it worthwhile, he said.

The stationing of a customs agent in Gambell and the expected arrival of an immigration official in Nome already have eased some of the expense facing the venture last year, Stimpfle said. The largest remaining cost will be obtaining marine pilot services for the vessel in Alaska waters, he said.

The Coast Guard already has agreed to provide free vessel inspections, he said.

In his letter to Jim Ayers of the Alaska ferry system, Stimpfle said the project needs state help to obtain the necessary permits and meet technical requirements at the state and federal level.

"With this ferry, you will engender greater economic and employment opportunities for western Alaska," Stimpfle said Monday.

Once the regulatory problems are cleared up, private sector involvement will be needed to provide booking, catering and promotional service, he said.

Among the possibilities are cruise ship companies, travel agencies and Bering Air, a Nome-based air taxi which already has made 85 flights to the Soviet Union, Stimpfle said.

Tourists would be needed to make the service feasible, Stimpfle said, because the population of western Alaska is too small to make it economical.

## Nome man wants Bering ferry

THE ASSOCIATED PRESS

**NOME** — A Nome man is asking the state to help clear the regulatory hurdles to provide ferry service between Alaska and Siberia.

Jim Stimpfle of the Committee For Cooperation, Commerce and Peace of the Nome Chamber of Commerce said Monday the Soviet Union is interested in providing the service, but help is needed to "jump through all the necessary hoops."

Stimpfle has written the director of the Alaska Marine Highway System asking for help.

The ferry service idea has been circulating since last spring when it

was raised by Viktor Mukhortov, director of the Port of Provideniya, Stimpfle said. It nearly became a reality last fall.

The Soviet Union already provides ferry service for native villages along the Siberian coast, Stimpfle said. With east-west travel expected to increase dramatically as a visa-waiver program goes into effect this spring, the Soviets are interested in expanding the service across the Bering Strait, he said.

## The Alaska Economic Report

The Alaska Economic Report Circulation Office

EFFORTS STILL UNDERWAY ON CROSS-BERING STRAIT FERRY SERVICE: Nome businessman Jim Stimpfle, promoting increasing Alaska-Soviet ties across the Bering Straits, has asked for state help to clean regulatory hurdles for an Alaska-USSR ferry service across the straits. The Soviets are interested in the service and could move to purchase a \$4 million new vessel if U.S. approvals are granted. The ferry would largely depend on summer tourists. The Soviets already provide ferry service to remote communities along the Siberian coast.

SJR 50, (cont'd)

judicial enforcement of that law.

If passed by the legislature, the amendment will be placed before the voters at the next general election.

Introduced January 15, 1988 and referred to State Affairs; Judiciary.

Flexible Lending & Collecting Policies

SENATE CONCURRENT RESOLUTION NO. 32, by Sens. Fischer, Halford, Faiks, Jones, Sturgulewski, Uehling, Kerttula, and Kelly. Would urge the financial institutions of the state to adopt more flexible lending and collection policies in order to help improve the state economy in the present economic climate.

Introduced January 11, 1988 and referred to Finance.

Winter Olympics Account  
(suspends Uniform Rules)

SENATE CONCURRENT RESOLUTION NO. 33, by the Rules Committee. Would suspend Uniform Rule 23(a) regarding the preceding Thursday notice requirement of a committee meeting and the five day notice of the first hearing on a bill in consideration of SB 319, which would increase the amount that may be contributed from the permanent fund dividend to the Alaska Winter Olympics account.

Introduced January 11, 1988 and referred to Rules. Note: also see section entitled "Bills & Resolutions Passed by the Senate," this report.

Commission on Alaska-Soviet Relations  
(establishing)

SENATE CONCURRENT RESOLUTION NO. 34, by Sens. Hensley, Josephson, Sturgulewski, Binkley, Duncan, and Zharoff. Requests the Governor to appoint a nine member commission on Alaska-Soviet relations from government, civic, academic, cultural, and business leaders in the state to make recommendations to the Governor and the legislature on "mutually beneficial relationships between the people of the state and our Siberian neighbors". The resolution cites earlier efforts, exchanges, and agreements between the federal and state governments and the Soviets as a model. A report on the commission's findings and recommendations would be made to the governor and the legislature by February 1, 1989.

Introduced January 12, 1988 and referred to State Affairs.

Fetal Alcohol Syndrome  
(awareness week)

SENATE CONCURRENT RESOLUTION NO. 35, by Sens. Binkley, Hensley, Zharoff, Sturgulewski, Eliason, Josephson, Coghill, Rodey, Kelly, Uehling, Duncan, Halford, Fanning, Fischer, Szymanski, Fahrenkamp, Kerttula, Faiks, Jones and Abood. Requests the Governor to proclaim May 8 - 14, 1988 Fetal Alcohol Syndrome Awareness Week, and to request that schools, health care organizations and practitioners, and other public and private agencies observe the week with appropriate activities.

Introduced January 15, 1988 and referred to State Affairs.

\*\*\*\*\*  
 \*  
 \* DELIVER TO: LIOCROD  
 \*  
 \*  
 \* ORIGINAL  
 \* SENT: 01/23/90 TIME: 08:30  
 \* FROM: LIOCBET  
 \* SUBJECT: (H)TRANS;FL#2;TRAVEL;1-23-90  
 \* PRINT DATE: 01/23/90 TIME: 08:30  
 \*  
 \*\*\*\*\*

T/C NO: 90-01-146  
 DATE: JANURAY 23, 1990  
 SPONSOR: HOUSE TRANSPORTATION COMMITTEE  
 SUBJECT: AIR TRAVEL BETWEEN ALASKA AND SIBERI  
 MODERATOR: WALLY RICHARDSON  
 SITE: BETHEL

PARTICIPANT LIST

\*\*\*\*\*  
 TESTIFIED

NAME/REPRESENTING	ADDRESS
1. DIANA CARPENTER, BOX 367, BETHEL	99559
2.	
3.	
4.	
5.	

\*\*\*\*\*  
 OBSERVED

NAME/REPRESENTING	ADDRESS
1.	
2.	
3.	
4.	
5.	

\*\*\*\*\*  
 TESTIFIED:  
 UNABLE:  
 OBSERVED:  
 TOTAL:

START TIME: END TIME:

\*\*\*

```

*****
*
* DELIVER TO: LIOCROD
*
* ORIGINAL
* SENT:          01/23/90   TIME: 08:41
* FROM:          LIOCROM
* SUBJECT:       90-01-146; FL2; AK. SIBERIA; 1-23
* PRINT DATE:   01/23/90   TIME: 08:42
*
*****

```

```

T/C NO:          90-01-146

DATE:           JANUARY 23, 1990
SPONSOR:        HOUSE TRANSPORTATION COMMITTEE
SUBJECT:        LPH: TRAVEL AK.(NOME) AND SIBERA
MODERATOR:      ROXANNE BARRON
SITE:           NOME

```

PARTICIPANT LIST

```

*****
TESTIFIED

```

NAME/REPRESENTING	ADDRESS
1.	
2.	
3.	
4.	
5.	

```

*****
OBSERVED

```

NAME/REPRESENTING	ADDRESS
1. LEW TOBIN	
2. JOSEPH DAVIS, NOME CUB SCOUTS	
3.	
4.	
5.	

```

*****

```

```

TESTIFIED:
UNABLE:
OBSERVED:
TOTAL:

```

```

START TIME:          END TIME:

```

\*\*\*

\*\*\*\*\*  
 \*  
 \* DELIVER TO: LIOCROD  
 \*  
 \*  
 \* ORIGINAL  
 \* SENT: 01/23/90 TIME: 08:53  
 \* FROM: LIOCROM  
 \* SUBJECT: 90-01-146;FL3;AK.SIBERIA;1-23E  
 \* PRINT DATE: 01/23/90 TIME: 53  
 \*  
 \*\*\*\*\*

T/C NO: 90-01-146  
 DATE: JANUARY 23, 1990  
 SPONSOR: HOUSE TRANSPORTATION COMMITTEE  
 SUBJECT: LPH: TRAVEL AK.(NOME) AND SIBERA  
 MODERATOR: ROXANNE BARRON  
 SITE: NOME

PARTICIPANT LIST

\*\*\*\*\*  
 TESTIFIED

NAME/REPRESENTING	ADDRESS
1.	
2.	
3.	
4.	
5.	

\*\*\*\*\*  
 OBSERVED)

NAME/REPRESENTING	ADDRESS
1. LAURA KOSELL/D.O.T./P.F.	
2.	
3.	
4.	
5.	

\*\*\*\*\*

TESTIFIED:  
 UNABLE:  
 OBSERVED:  
 TOTAL:

\*\*\*\*\*  
\*  
\* DELIVER TO: LIOCROD  
\*  
\* ORIGINAL  
\* SENT: 01/23/90 TIME: 08:17  
\* FROM: LIOCTOM  
\* SUBJECT: 90-01-146; PL; TRAVEL; 1-23-90  
\* PRINT DATE: 01/23/90 TIME: 08:17  
\*  
\*\*\*\*\*

T\C NO: 90-01-146

DATE: 1-23-90  
SPONSOR: HOUSE TRANSPORTATION  
SUBJECT: TRAVEL BETWEEN AK AND USSR  
MODERATOR: TOM FILLIFANT  
SITE: ANCHORAGE

### PARTICIPANT LIST

\*\*\*\*\*  
TO TESTIFY:

1. RON MILLER

\*\*\*\*\*  
TO OBSERVE:

1. RAY KRIEG

BACKUP NUMBER - 561-1199  
EMAIL ADDRESS - LIOCTOM

\*\*\*\*\*  
\*  
\* DELIVER TO: LIOCROD  
\*  
\*  
\* ORIGINAL  
\* SENT: 01/23/90 TIME: 08:16  
\* FROM: LIOCBET  
\* SUBJECT: (H)TRANS;PL#1;TRAVEL;1-23-90  
\* PRINT DATE: 01/23/90 TIME: 08:17  
\*  
\*\*\*\*\*

T/C NO.: 90-01-146

DATE: JANUARY 23, 1990  
SPONSOR: HOUSE TRANSPORTATION COMMITTEE  
SUBJECT: TRAVEL BETWEEN ALASKA AND SIBERIA  
MODERATOR: WALLY  
SITE: BETHEL

I AM EXPECTING SOMEONE BUT WILL NOT CALL IN UNT

\*\*\*\*\*  
 \*  
 \* DELIVER TO: LIOCROD  
 \*  
 \*  
 \* ORIGINAL  
 \* SENT: 01/23/90 TIME: 08:18  
 \* FROM: LIOCROM  
 \* SUBJECT: 90-01-146; PL#1; AK/SIBERIA; 1-23  
 \* PRINT DATE: 01/23/90 TIME: 08:18  
 \*  
 \*\*\*\*\*

T/C NO: 90-01-146

DATE: JANUARY 23, 1990  
 SPONSOR: HOUSE TRANSPORTATION COMMITTEE  
 SUBJECT: TRAVEL BETWEEN ALASKA AND SIBERIA  
 MODERATOR: ROXANNE BARRON  
 SITE: NOME

PARTICIPANT LIST

\*\*\*\*\*  
 TESTIFIED

NAME/REPRESENTING	ADDRESS
1. RICHARD STERN/BERING AIR	
2. JIM STIMPLE/NOME CHAMBER OF COMMERCE	
3.	
4.	
5.	

\*\*\*\*\*  
 OBSERVED

NAME/REPRESENTING	ADDRESS
1. GARY HART/CHECKER CAB	
2. DON STULTZ/CROWLEY MARITIME CO.	
3.	
4.	
5.	

\*\*\*\*\*

TESTIFIED:  
 UNABLE:  
 OBSERVED:  
 TOTAL:

START TIME:

END TIME:

\*\*\*

\*\*\*\*\*  
 \*  
 \* DELIVER TO: LIOCROD  
 \*  
 \* ORIGINAL  
 \* SENT: 01/23/90 TIME: 09:26  
 \* FROM: LTCCHOM  
 \* SUBJECT: H.TRANS;PL;TRAVEL;1-23-90 E  
 \* PRINT DATE: 01/23/90 TIME: 09:27  
 \*  
 \*\*\*\*\*

T/C NO: 90-01-146  
 DATE: JANUARY 23, 1990  
 SPONSOR: HOUSE TRANSPORTATION  
 SUBJECT: TRAVEL BETWEEN ALASKA AND SIBERIA  
 MODERATOR: CHARLENE DITTON  
 SITE: HOMER

PARTICIPANT LIST

\*\*\*\*\*  
 TESTIFIED

NAME/REPRESENTING	ADDRESS
1. CAPTAIN ED MURPHY, SOUTHEAST PILOTS, BOX 977, H	
2. JAMES A. HAAS, 177 BUNNELL ST., HOMER 99603	
3.	
4.	
5.	

\*\*\*\*\*  
 OBSERVED

NAME/REPRESENTING	ADDRESS
1.	
2.	
3.	
4.	
5.	

\*\*\*\*\*

TESTIFIED:  
 UNABLE:  
 OBSERVED:  
 TOTAL:

START TIME: END TIME:

\*\*\*

JAN 23 90

H. TRANS COMMITTEE

8:20 AM

GRUS, Leman, FOSTER

limit test. to 3 minutes

name on line - B. AIR travel

RWCH. INT TRADE - LOW MILLER.

Ferry System to follow. w/ list of speaker.

8:23 Hudson.

Richard Stern

Dor Stoltz

Tim Stimpfle

Gary Hart.

Richard Stern - name - testimony

2 parts. overall

specific

entry still req. visas and invitation to participate  
it is becoming easier - more & more people.

oversight:

FAA, St. Alaska,

{ ministry Civil Aviation  
Soviet Military.

Beijing Air

have auth. for 4 Far east cities, but no  
used as yet plus lack of information.

Civil (ministry) requires Soviet navigator.

② AIR TRAVEL → [ome - Prov.]

began mid July 1989

hosted prominent soviet navigator. showed inside cockpit operations plus efforts to learn language. 87 flights were waived of requirement. Mid November routine request have been denied.

→ capsule summary to date - no flights since Nov.

Leman - what is projected costs w/ w/ navigator  
\$3,000 / flight. ome → prov.

prov. → ome.

includes cost of customs to nome, salary, etc

if we bring navigator, requires travel, 1<sup>st</sup> class to us, salary, room & bd., about \$12,000<sup>00</sup>

Hudson - how many flights - & are they full capacity  
87 from mid-July till Nov. capacity generally full. i

0208

if ~~large~~ freight is allowed, this could increase.

W<sup>m</sup> Lorch. Re: Ferry service - no testimony.

MR. Ron Miller - Int. Trade Office - Anch.

the latest, according to Civil Ministry, is no problem. but the military is insisting. comply w/ letter of the law.

Tru-zub-off

③

#. Trans. Comm.

Victor Trubtsoff. <sup>(SP)</sup> minister Aviation for  
Magadan Province, meeting w/ his people  
back in Moscow. Negotiations are underway  
but no resolution expected shortly.

Possibly Aeroflot is using this as leverage to  
get involved.

Gusendorf — military concern may be cloaking  
other issues — what in the area of  
reciprocity re: Aeroflot?

Miller — recently we had a Soviet flight  
land in Anch, pick up navigator —  
request of military <sup>(w. J.C.)</sup> and continue on.  
but we did not require navigator from  
Anch and Magadan province.

• Our navigator requirements are not as severe  
financially.

• We hope it doesn't get to the point that  
nothing flies w/o navigator — we think they  
will realize the profitability of the exchange.

• They have unrealistic perspective in the  
exchange. They see Rowe as getting rich.  
Simply trying to get everything they can  
from Americans — we've cautioned them  
but that's one of the problems.

④ 0360

U.S. & USSR have yet to sign agreement on designated corridor.

"it's difficult to peel away the issues in these situations." I wouldn't be surprised if something comes up before we can resolve this navigator issue.

Foster - do I understand correctly - FAA is not the snag in this situation. "Not this time. but somehow, in the past, there was criticism of Soviet airports and inadequate facilities, consequently, Soviets then demanded navigator.

Hudson - any long term solution is to require military to military resolution. do you know if military is negotiating?

Miller - that is being coordinated by consulate of military affairs. they met in Nov. in effort to, drag feet, to get improvements at Soviet airports by USA.

Foster - what can we do in Committee?

Miller - send letter to Ambassador Dabirina stressing importance, and ~~the~~ inconsistency of late military concerns.

Gov. has sent several letters. we need to keep pressure up.

6

Cmdr. Tierman. Coast Guard

- proposed ferry btwn Dne Providence.
  - Soviet vessel - there will be some inspections - called "control verification" -
  - special interest vessel program. - req. to report w/in 14 day prior to coming into country. there is a way to get around this - through gov't to gov't.
- don't see any problems

Foster - What prob. do you foresee?

Tierman - don't see any if all is worked out well in advance.

and preliminary inspection. but generally Soviets are familiar.

Gussendorf - what are oppty. times.

Tierman not sure, because not sure of specifics of vessel, possibly close in scope to the M/V Aurora.

Ed Murphy - SW pilots assn. Homer. Re: state pilotage.

- it doesn't appear clear, but there is a general rule, (Nome is west of the required area) but general rule may apply.
- port of Nome is not exactly a defined port.

Ques. Hudson - can vessel beach in Nome - like old landing craft.

Murphy - can't tell.

(7)

Beth Kertulla - rep. of Assn. Marine Pilots. A/G's office.

Hudson - is there any liability? frequent travel for native people

can you think of any liability.

Beth - hard to answer that, I suppose there could be some, but I couldn't answer it off hand.

Stimpfle - re: ferry. considering purchase new ferry - high speed  
pass / cargo ferry - from W. Germany. Recently spoke w/  
port director Progidanya. He did receive permission  
to go ahead and begin talks between W.A. W.S.R.  
One question - could it pay for itself? Original  
concept has 2X weekly trips to Gambell. Recent discussions  
has developed into coastal visits from Diomed<sup>Wales</sup>, Teller &  
Nome. Lots of red white & blue tape. We will need  
c's 0633 end Side A. -

Side B.

Com. Tierman - vessel could stop along coastal communities  
and pick-up passengers but could not drop  
them off in another Alaskan port. Jones  
Act restricts.

Don Stoltz - what are requirements of Coast Guard?

Tierman - pilotage question - fed & state reg.

- under old States Rights rule -
- if state does not reg. pilotage, then Fed may
- ~~if~~ most licences have both qualification.

7

Hudson - could us built vessel be run between us ports if it were foreign crew?

Tierman - probably not.

Randy Baum - requirements for pilotage.

- need experience in that particular port. once you meet dockings & undockings required, then you would be awarded license.

Foster - ask Stimpfle - what can we do?

Stimpfle - there's a barrelload of regulation to protect certain interests - we're witnessing unraveling of these restrictions. hopefully this will continue. in view of the fact that in March, the visa waiver agreement will be signed, it may not mean much because there's no safe scheduled travel means.

Recommend - appoint working group to address these catch-22's transportation issues. begin to resolve all regulations & make waivers to resolve the issues.

Grassendorf - to Ron Miller - 2 issues of ferries - and airlines. shouldn't tie up the two issues may facilitate resolution of the issues. surface vessel approach would probably be easiest

Miller - I agree - there are 2 separate matters. no one has done analysis to determine viability nor cost analysis.

8

Short window of activity (summer). No business analysis to see if profitable.

Requirements by C.G. and other technicalities seem like they can be worked out but can it be economically viable?

Hudson. Needs to be some cooperative analysis. I believe technicalities can be worked out and Jones Act could be waived but you're right, can it pay?

1278

Gambell - Branson Tunjiyak - (Ques.) Regards Ak Maritime Assn. \$10,000 fee. could it be waived.

Tierman - not aware.

~~Hudson~~ Tunjiyak - another Q. - traditional used by skin boat.

Tierman - no coast guard regs. maybe immigration & emigration.

Foster - how long does it take?

Tung - 1 hour.

Stimpfle - regarding Miller's discussion on economic viability. There needs to be consensus from State / Fed & USSR to define parameter.

Re: Ak Maritime Assn - est. price before immigration and to handle/insure all requirements be met.

This is the problem - no one knows how much they would be liable for.

Tierman - re: skin boats, if passengers, then there would be coast guard requirements. if over 12 passengers, then SOLIS Regulations would kick in.

9

Tungian - we have been considering it.

Hudson - back to Stimpfle - could you develop informal survey to determine possible usage. That could help determine usage.

Stimpfle - approximately \$150 R.T. between Prov. & Gambell. state needs to work on this. there is exciting potential here & the state needs to work on this. Also, we need to consider icebreaker cruises.

Foster - can skiboat just have passengers chip in?

Tierman - no sharing of expenses permitted.

Savanna -

Kotz

Bethel - Diane Carpenter - happy to see/hear teleinterview chn of Paths Committee. "Paths across the horizon." Agree considerable tourism benefits. Need to consider ferry travel all along the coast.

back to Gambell - Lenard Apangalok - one concern - one primary front was to est. <sup>traditional &</sup> cultural ties - my concern is ~~that~~ that trad. & cultural ties diminish due to economic emphasis. need state or fed to survey our village to see what potential is there.

- ① contact w/ relatives
- ② economics.

(13)

Foster. - have you gotten any polar bear, no, but  
we got 47 how reindeer.

0528

~~Hjornin~~  
Announcements

Thurs. Concerns of  
- Air Taxi Operators.

945 Ac

---

FAX TO TIERNAN COAST GUARD.

586-7258

Addresses.



# Representative Bette Cato, Chair House Transportation Committee

SUBJECT OF MEETING:

DATE:

PLACE:

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Harold Moeser	AMHS	P.O. Box R, Juneau AK	99811	<del>465-2734</del>	465-2734	Y	(N) Answer Questions
COR SCOT W. TIERNAN	GUARD US COAST	P.O. Box 3-5000 JUNEAU, AK	99802		586-7689	Y	N
Richard Stern	Being Air	Nome, AK				Y	N
Bon Miller	Office of Internal Trade	Anchorage	99			Y	N
Commander Treonnan						Y	N
Captain Ed Murphy						Y	N
Randal P Burns	Dept of Commerce	P.O. Box D-44 Juneau			465-2335	Y	N
						Y	N
						Y	N
						Y	N
						Y	N