

SCOMM

83:13

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSHJR20

Revision Date: _____ Department Affected: Office of the Governor
 Title: Encouraging the US and Soviet Office of International Trade
national govts. to establish consulates Component: _____
 Sponsor: H. Intl. Trade and Tourism
 Requestor: Committee COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Resolution encourages Soviet and American national governments to establish new consulates in Alaska and the Soviet Far East. There is no fiscal impact to the state of Alaska.

Prepared By: David RamseurPhone: 465-3940Division: Rep. Tom Mover, ChairmanDate: 2/13/91Approved by Commissioner: Tom MoverAgency: H. Intl. Trade and Tourism CommitteeDate: 2/13/91Distribution (by preparer): Legislation, Finance, Education

MB, & Impacted Agency(ies)

Rev 10/90

- Fiscal Note -

Page

REPRESENTATIVE TOM MOYER

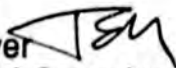
DISTRICT 19 • 119 N. CUSHMAN ST., SUITE 203 • FAIRBANKS, AK 99701 • (907) 456-8161

International Trade & Tourism, Chair • State Affairs, Vice Chair • Resources, Member

MEMORANDUM

To: Senator Fred Zharoff
Chairman, Senate Rules

May 1, 1991

From: Representative Tom Moyer 
Chairman, House Special Committee
on International Trade and Tourism

Re: HJR20, Soviet and U.S. consulates

With this memo, I would like to respectfully request the Senate Rules Committee to schedule this resolution for the floor at your earliest convenience, pending referral by the Senate State Affairs Committee which approved it today.

The resolution encourages the U.S. and Soviet national governments to establish new consulate offices in Alaska and the Soviet Far East to help process the required approvals for business ventures, exchanges and travel between the two countries.

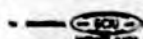
The resolution is timely because Alaska Airlines begins new regular service to the Soviet Far East in June and Aeroflot begins service to Anchorage in early May. In addition, the U.S. Congress may soon consider legislation that would have an impact on these consulates. Senator Frank Murkowski recently testified before a joint hearing of the House and Senate International Trade and Tourism committees that such a resolution would be helpful to congressional deliberations.

The resolution has been favorably considered by the full House and by the Senate Special Committee on International Trade and Tourism.

I am prepared to answer questions about the resolution at your convenience. Please let me know if I can provide any additional information.

ALASKA STATE LEGISLATURE • P.O. BOX V • JUNEAU, AK 99811 • (907) 465-4930

Steele Creek/Gimre • Steese East • Steese West • Goldstream • Ester • Ft. War Wright • Two Rivers • Fox • Central • Livengood • Circle • Chit'anika



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HOUSE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM

ALASKA STATE LEGISLATURE

P.O. BOX V, JUNEAU 99811

(907) 465-2973



MEMORANDUM

To: Senator Pat Rodey
Chairman, Senate State Affairs

From: Representative Tom Moyer
Chairman, House Special Committee
on International Trade and Tourism

April 22, 1991

Re: HJR20, Soviet and U.S. consulates

With this memo, I would like to respectfully request the Senate State Affairs Committee to consider this resolution at your earliest convenience. The resolution encourages the U.S. and Soviet national governments to establish new consulate offices in Alaska and the Soviet Far East to help process the required approvals for business ventures, exchanges and travel between the two countries.

The resolution is timely because Alaska Airlines begins new regular service to the Soviet Far East in June and Aeroflot begins service to Anchorage in early May. In addition, the U.S. Congress may soon consider legislation that would have an impact on these consulates. Senator Frank Murkowski recently testified before a joint hearing of the House and Senate International Trade and Tourism committees that such a resolution would be helpful to congressional deliberations.

The resolution has been favorably considered by the full House and by the Senate Special Committee on International Trade and Tourism.

I am prepared to testify about the resolution at your convenience. Please let me know if I can answer any questions or provide additional information about it.

HOUSE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM

ALASKA STATE LEGISLATURE

P.O. BOX V, JUNEAU 99811

(907) 465-2973



MEMORANDUM

To: Representative Johnny Ellis
Rules Chairman

March 5, 1991

From: Representative Tom Moyer *TM*
International Trade Chairman

Re: HJR20, Soviet and U.S. consulates

With this memo, I would like to request the Rules Committee to consider and schedule for floor action this resolution at your earliest convenience. As you know, the resolution encourages the U.S. and Soviet national governments to establish new consulate offices in Alaska and the Soviet Far East to help process the required approvals for business ventures, exchanges and travel between the two countries.

The resolution is timely because Alaska Airlines begins new regular service to the Soviet Far East in June and Aeroflot begins service to Anchorage in early May. In addition, the U.S. Congress may soon consider legislation that would have an impact on these consulates. As you'll recall, Senator Frank Murkowski testified before the House Special Committee on International Trade and Tourism that such a resolution would be helpful to congressional deliberations.

The resolution has been favorably considered by both the House Special Committee on International Trade and Tourism and the State Affairs Committee.

Please let me know if I can answer any questions about it.



Official Business

Alaska State Legislature

P.O. Box V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

To: Representative Gene Kubina
Chairman, State Affairs Committee

Feb. 20, 1991

From: Representative Tom Moyer 
Chairman, Special Committee on
International Trade and Tourism

Re: HJR20, Soviet and American consulates

With this memo, I am requesting that you schedule HJR20 for a hearing at your earliest convenience. The resolution, sponsored by the Special Committee on International Trade and Tourism, was unanimously passed out of the committee on Feb. 13.

The resolution encourages the U.S. and Soviet national governments to establish new consulates in Alaska and the Soviet Far East to help process the necessary approvals for Alaska-Soviet business deals, exchanges and travel. Senator Murkowski appeared before the committee to endorse the resolution and said its early approval would be helpful in Washington.

My office already has forwarded to your committee a complete file on the resolution. Please let me know if I can answer questions about it. I am happy to testify about the resolution at your convenience.

- Sponsor Statement -

FRANK H. MURKOWSKI
ALASKA

COMMITTEES:

SELECT COMMITTEE ON INTELLIGENCE (VICE CHAIRMAN)
ENERGY AND NATURAL RESOURCES
FOREIGN RELATIONS
VETERANS' AFFAIRS
SELECT COMMITTEE ON INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-0202

(202) 224-6865
February 18, 1992

222 WEST 7TH AVENUE, BOX 1
ANCHORAGE, AK 99513-7570
(907) 271-3735

101 12TH AVENUE, BOX 7
FAIRBANKS, AK 99701-6278
(907) 456-0233

P.O. Box 21647
JUNEAU, AK 99802-1647
(907) 586-7400

130 TRADING BAY ROAD, SUITE 350
KENAI, AK 99611-7716
(907) 283-5808

109 MAIN STREET
KETCHIKAN, AK 99901-6469
(907) 225-6880

The Honorable Tom Moyer
Representative
Alaska State Legislature
P.O. Box v
Juneau, Alaska 99811

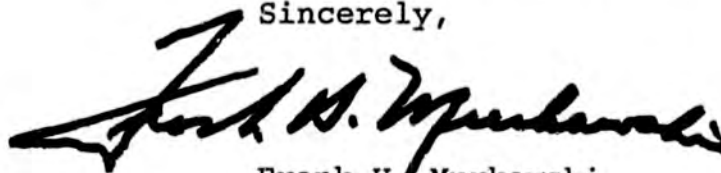
Dear Tom:

Thank you for your letter and for forwarding me copies of the resolutions regarding a consulate in the Soviet Far East you have worked on. I appreciate your keeping me informed of the good work that you have been doing on the Alaska-Soviet Far East front in the Alaska State Legislature.

I am very optimistic about the future of the United States Consulate to be opened in Khabarovsk. I am pleased to see that this process is moving forward.

Thanks once again for your letter. Please feel free to contact me again with any comments or concerns you may have.

Sincerely,



Frank H. Murkowski
United States Senator

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

3601 C STREET, SUITE 724
ANCHORAGE, ALASKA 99503
PHONE: (907) 562-2728

July 2, 1991

Senator Ted Stevens
United States Senate
522 Hart Building
Washington, D.C. 20510-0201

Dear Senator Stevens:

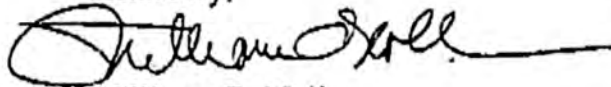
I write you with an update from the Soviet Far East and a request for your help.

Sen. Arliss Sturgulewski, Rep. Tom Moyer and I just returned from a 10-day trip to the Soviet Far East, where our delegation, along with John Sims, joined with the leaders of Primorksi, Magadan, Sakhalin and Khabarovsk regions in calling on our national governments to establish new consulates in Alaska and the Soviet Far East. I'm enclosing copies of the protocols we signed while there.

The need for the consulates is clear and convincing. More and more travelers move between our two areas every day, and the existing consulates are ill-equipped to handle the increase in business. Moreover, the establishment of new consulates would help Alaska in its bid to position itself as the gateway to the Soviet Far East.

Your assistance in this matter is essential. I look forward to working together to see that this issue moves ahead in the coming months. If I can be of any further help, please don't hesitate to call.

Sincerely,



William C. Noll
Deputy Commissioner
International Trade & Development

Enclosures

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

3601 C STREET, SUITE 724
ANCHORAGE, ALASKA 99503
PHONE: (907) 562-2728

July 2, 1991

Senator Frank H. Murkowski
United States Senate
709 Hart Building
Washington, D.C. 20510-0202

Dear Senator Murkowski:

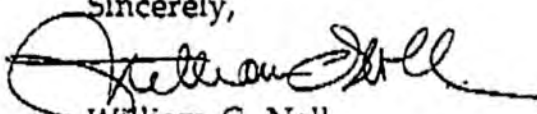
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Sincerely,



William C. Noll
Deputy Commissioner
International Trade & Development

Enclosures

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

3601 C STREET, SUITE 724
ANCHORAGE, ALASKA 99503
PHONE: (907) 562-2728

July 2, 1991

Representative Don Young
House of Representatives
2331 Rayburn House Office Building
Washington, D.C. 20510-0201

Dear Representative Young:

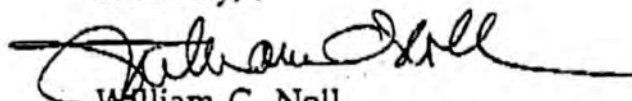
I write you with an update from the Soviet Far East and a request for your help.

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Sincerely,



William C. Noll
Deputy Commissioner
International Trade & Development

Enclosures

PROTOCOL

Between the State of Alaska,
United States of America
and the Sakhalin Oblast,
Union of Soviet Socialist Republics

An agreement to work to establish new Soviet and American consulates in Alaska and the Soviet Far East.

Alaska is the only U.S. state to share a common border with the Soviet Union, and is geographically closer to the U.S.S.R. than any other state, separated by only 2.5 miles (4 kilometers) at the closest point.

Alaska and the Soviet Union share a common history and heritage, and many Native people of both countries are related by blood and speak a common language.

Regular contact between Alaska and the Soviet Far East resumed in 1987 following more than 40 years of separation by political differences.

Citizens of Alaska and the Soviet Far East are at the forefront of opening trade, scientific and cultural relations between the U.S. and U.S.S.R. and Alaska and Soviet air carriers make frequent flights across the Bering Strait.

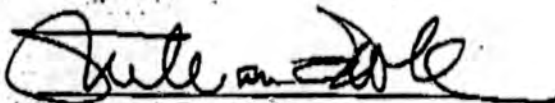
The growing number of visits by Alaskans and Soviets to each other's countries and an increasing number of trade, tourist, scientific and cultural ventures require visas and other approvals by both national governments.

There is a considerable burden on and delay for those seeking to travel and pursue joint ventures because Soviets must personally travel to Moscow, the U.S. Embassy in Moscow is cutting back on approvals, and the Soviet Embassy in San Francisco processes an estimated 5,000 visa applications monthly.

Therefore, the undersigned representatives of the state of Alaska and the Sakhalin Oblast of the Soviet Far East agree to work to encourage their national governments to establish as soon as possible an American consulate in the Soviet Far East and a Soviet consulate in Alaska to more quickly and efficiently process the required approvals for Alaska-Soviet exchanges and visits, and to further encourage the warming relations between our two countries.

Agreed to: on this 25th day of June, 1991, in the city of Yuzhno-Sakhalinsk.

For Alaska:



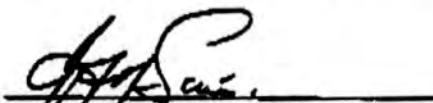
William C. Noll
Deputy Commissioner for
International Trade & Development
State of Alaska



Senator Arliss Sturgulewski
Alaska State Legislature

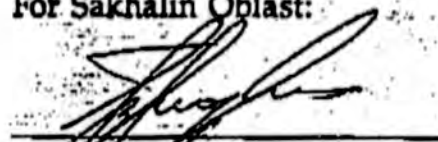


Representative Tom Moyer
Alaska State Legislature

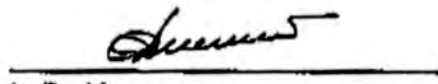


John Sims, Chairman
Alaska State Chamber
of Commerce

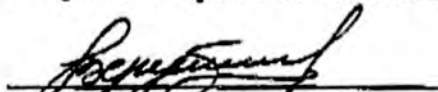
For Sakhalin Oblast:



V. P. Mozelevsky
Deputy Chairman of Sakhalin
Executive Committee



A. P. Aksyonov
Chairman of Sakhalin
Peoples Deputies Council



V. I. Khrustalyov
Representative of Soviet
Foreign Economic Affairs
Ministry



S. V. Migashko
Director of Sakhalin
Branch Far East Chamber
of Commerce & Industry



PROTOCOL

Between the State of Alaska,
United States of America
and the Primorski Krai,
Union of Soviet Socialist Republics

An agreement to work to establish new Soviet and American consulates in Alaska and the Soviet Far East.

Alaska is the only U.S. state to share a common border with the Soviet Union, and is geographically closer to the U.S.S.R. than any other state, separated by only 2.5 miles (4 kilometers) at the closest point.

Alaska and the Soviet Union share a common history and heritage, and many Native people of both countries are related by blood and speak a common language.

Regular contact between Alaska and the Soviet Far East resumed in 1987 following more than 40 years of separation by political differences.

Citizens of Alaska and the Soviet Far East are at the forefront of opening trade, scientific and cultural relations between the U.S. and U.S.S.R. and Alaska and Soviet air carriers make frequent flights across the Bering Strait.

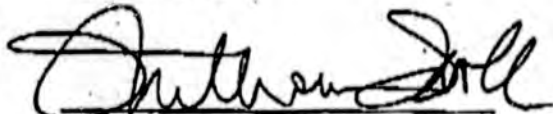
The growing number of visits by Alaskans and Soviets to each other's countries and an increasing number of trade, tourist, scientific and cultural ventures require visas and other approvals by both national governments.

There is a considerable burden on and delay for those seeking to travel and pursue joint ventures because Soviets must personally travel to Moscow, the U.S. Embassy in Moscow is cutting back on approvals, and the Soviet Embassy in San Francisco processes an estimated 5,000 visa applications monthly.

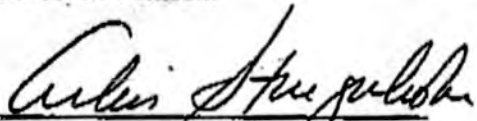
Therefore, the undersigned representatives of the state of Alaska and the Primorski Krai of the Soviet Far East agree to work to encourage their national governments to establish as soon as possible an American consulate in the Soviet Far East and a Soviet consulate in Alaska to more quickly and efficiently process the required approvals for Alaska-Soviet exchanges and visits, and to further encourage the warming relations between our two countries.

Agreed to: on this 27th day of June, 1991, in the city of Vladivostok.

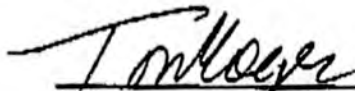
For Alaska:



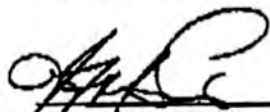
William C. Noll
Deputy Commissioner for
International Trade & Development
State of Alaska



Senator Arliss Sturgulewski
Alaska State Legislature

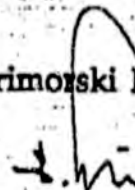


Representative Tom Moyer
Alaska State Legislature

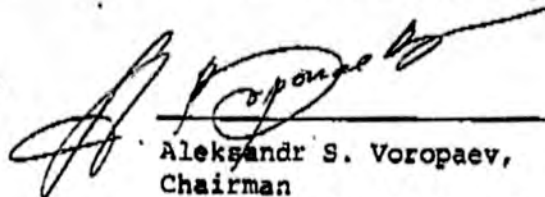


John Sims, Chairman
Alaska State Chamber
of Commerce

For Primorski Krai:



Valeri K. Lozovoi,
Vice-Chairman
Primorski Territory
Executive Committee



Aleksandr S. Voropaev,
Chairman
Permanent Commission, Primorski
Territory Soviet



Aleksandr S. Pisarev,
Chairman
Primorski Regional Chamber of
Commerce and Industry



PROTOCOL

Between the State of Alaska,
United States of America
and the Magadan Oblast,
Union of Soviet Socialist Republics

An agreement to work to establish new Soviet and American consulates in Alaska and the Soviet Far East.

Alaska is the only U.S. state to share a common border with the Soviet Union, and is geographically closer to the U.S.S.R. than any other state, separated by only 2.5 miles (4 kilometers) at the closest point.

Alaska and the Soviet Union share a common history and heritage, and many Native people of both countries are related by blood and speak a common language.

Regular contact between Alaska and the Soviet Far East resumed in 1987 following more than 40 years of separation by political differences.

Citizens of Alaska and the Soviet Far East are at the forefront of opening trade, scientific and cultural relations between the U.S. and U.S.S.R. and Alaska and Soviet air carriers make frequent flights across the Bering Strait.

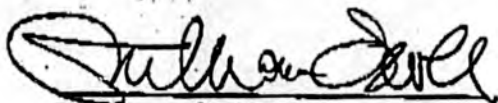
The growing number of visits by Alaskans and Soviets to each other's countries and an increasing number of trade, tourist, scientific and cultural ventures require visas and other approvals by both national governments.

There is a considerable burden on and delay for those seeking to travel and pursue joint ventures because Soviets must personally travel to Moscow, the U.S. Embassy in Moscow is cutting back on approvals, and the Soviet Embassy in San Francisco processes an estimated 5,000 visa applications monthly.

Therefore, the undersigned representatives of the state of Alaska and the Magadan Oblast of the Soviet Far East agree to work to encourage their national governments to establish as soon as possible an American consulate in the Soviet Far East and a Soviet consulate in Alaska to more quickly and efficiently process the required approvals for Alaska-Soviet exchanges and visits, and to further encourage the warming relations between our two countries.

Agreed to: on this 19th day of June, 1991, in the city of Magadan.

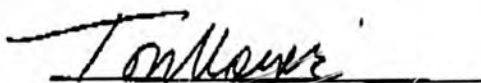
For Alaska:



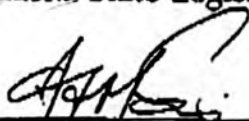
William C. Noll
Deputy Commissioner for
International Trade & Development
State of Alaska



Senator Arliss Sturgulewski
Alaska State Legislature



Representative Tom Moyer
Alaska State Legislature

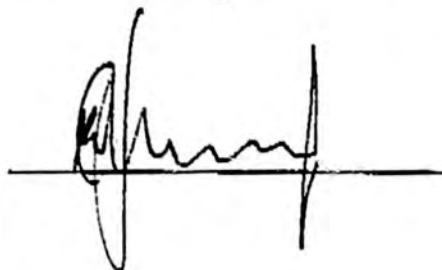
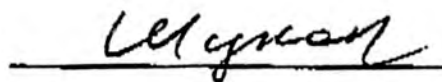


John Sims, Chairman
Alaska State Chamber
of Commerce

For Magadan Oblast:



Заместитель председателя
Магаданского областного
Совета народных депутатов



Agreed to: on this 19th day of June, 1991, in the city of Magadan.

For Alaska:

Arliss Sturgulewski
Senator Arliss Sturgulewski
Alaska State Legislature

Tom Moyer
Representative Tom Moyer
Alaska State Legislature

Bill Noll
Bill Noll, Deputy Commissioner
for International Trade
Alaska Department of Commerce

Witnessed by:

John Sims
John Sims, Chairman
Alaska State Chamber of Commerce
and Economic Development

For the Soviet Union:

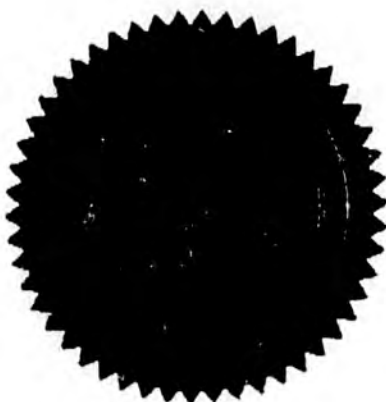
A.A. Makeev
A.A. Makeev,
Vice Chairman of the Magadan
Oblast Soviet of People's Deputies

Y.A. Gorlin
Y.A. Gorlin
Chairman of the Permanent Commission
of the Oblast Soviet of People's Deputies

P.P. Shukan
P.P. Shukan
Chairman of the Health Commission
of the Oblast Soviet of People's Deputies

Witnessed by:

V.A. Spirin
V.A. Spirin
Vice Chairman of the Oblast
Executive Committee



PROTOCOL

Between the State of Alaska,
United States of America
and the Khabarovsk Krai,
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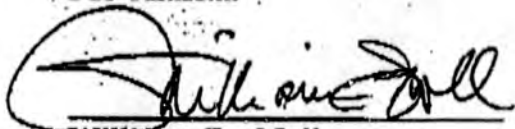
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There is a considerable burden on and delay for those seeking to travel and pursue joint ventures because Soviets must personally travel to Moscow, the U.S. Embassy in Moscow is cutting back on approvals, and the Soviet Embassy in San Francisco processes an estimated 5,000 visa applications monthly.

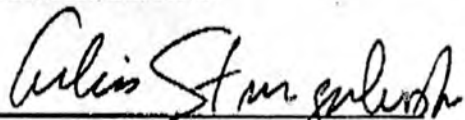
Therefore, the undersigned representatives of the state of Alaska and the Khabarovsk Krai of the Soviet Far East agree to work to encourage their national governments to establish as soon as possible an American consulate in the Soviet Far East and a Soviet consulate in Alaska to more quickly and efficiently process the required approvals for Alaska-Soviet exchanges and visits, and to further encourage the warming relations between our two countries.

Agreed to: on this 21st day of June, 1991, in the city of Khabarovsk.

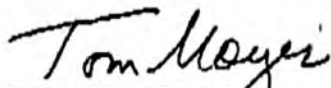
For Alaska:



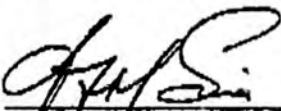
William C. Noll
Deputy Commissioner for
International Trade & Development
State of Alaska



Senator Arliss Sturgulewski
Alaska State Legislature



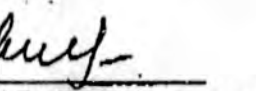
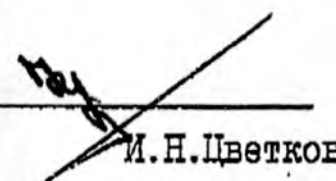
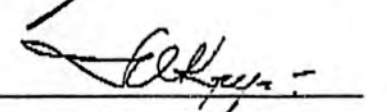
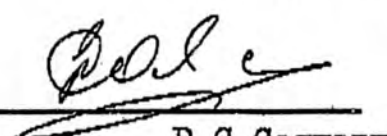
Representative Tom Moyer
Alaska State Legislature



John Sims, Chairman
Alaska State Chamber
of Commerce



Khabarovsk Krai:


В.В.Литвинов
М.Н.Цветков
М.В.Кругликов
В.С.Солдатченков

FRANK H. MURKOWSKI

ALASKA

COMMITTEES:

VETERANS AFFAIRS (RANKING MEMBER)
ENERGY AND NATURAL RESOURCES
FOREIGN RELATIONS
SELECT COMMITTEE ON INTELLIGENCE
SELECT COMMITTEE ON INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510
(202) 224-6666

222 WEST 7TH STREET, BOX 1
ANCHORAGE, AK 99513
(907) 271-3738

101 12TH AVENUE, BOX 7
FAIRBANKS, AK 99701
(907) 466-0233

P.O. BOX 1647
JUNEAU, AK 99802
(907) 588-7400

120 TRADING BAY ROAD, SUITE 350
KENAI, AK 99511
(907) 283-6808

109 MAIN STREET
KETCHIKAN, AK 99821
(907) 226-6880

January 23, 1991

The Honorable Andre Kolosovskiy
Special Plenipotentiary Envoy to the U.S.
Embassy of Russian Federation
1125 Sixteenth Street, N.W.
Washington, D.C. 20036

Dear Mr. Kolosovskiy:

Please allow me to extend my best wishes and a warm welcome to you in your new role as the Russian Federation Envoy to the United States. I hope and trust your time in Washington, D.C. will be both enjoyable and fruitful.

In the past, my state of Alaska has enjoyed close ties with the Russian Republic and I fully expect these ties to broaden and grow in our new relationship with your country. Alaskans are proud of their shared roots with the people of the Russian Far East and are eager to establish deeper cultural and economic ties with their neighbors across the Bering Straits.

I have spent much time discussing bilateral issues of importance to my constituents, and feel it would be helpful to raise a few of these with you. A greater understanding of the needs and desires of our people will smooth the road to greater cooperation and increase our mutual benefits.

A great many Alaskans are pursuing business ties in the Russian Far East. Of most immediate concern to them is the ability to travel back and forth from Alaska with relative ease. For this reason I have been promoting the opening of a U.S. Consulate in the Russian Far East, and it appears that one will open in Khabarovsk this year. I strongly advocate Russia's consideration of a Consulate in Anchorage. This would greatly facilitate the issuance of visas, and the problems of international travel.

In addition, many Alaskans who are already traveling to Russia have expressed their desire for multiple-entry visas. Such an action would reduce the time and paperwork spent preparing to travel, again, facilitating travel and business ties.

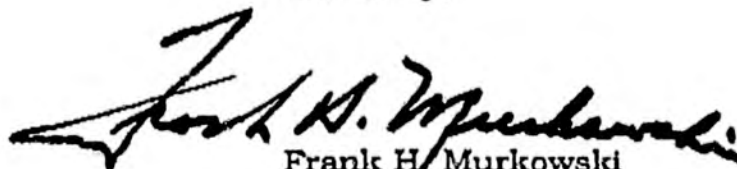
Alaska Airlines began direct flight service from Anchorage to Khabarovsk and Magadan last year. I think we can all agree that this arrangement has been a success. Furthermore, Aeroflot's year-round

flights through Anchorage continue to be popular with Alaskans. In the future I hope to work to expand these flight routes to other Russian cities and look forward to working with you to achieve this goal.

Finally, quick ratification of the U.S.-Russian Maritime Boundary Treaty by the Russian Parliament will be greatly appreciated. The U.S. Senate ratified the treaty in 1991, and it awaits Russian action for final implementation. This boundary treaty has direct benefits for both our nations, so the sooner it is in place, the better.

I hope to have the opportunity soon to discuss these issues with you personally, and to hear of any matters in Russian-Alaskan relations that you care to raise. Again, I welcome you to Washington, D.C., and look forward to a productive relationship.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank H. Murkowski". The signature is stylized with a large, sweeping initial "F" and a long, horizontal stroke extending to the right.

Frank H. Murkowski
United States Senator

Walter J. Mickel
Governor,
State of Alaska

February 8, 1991

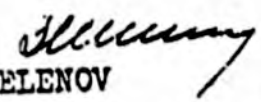
Dear Mr. Mickel,

Let me express my deep appreciation for your kind letter on the opening of the Soviet consulate in Alaska.

I share your opinion that both countries should work together and do everything to promote further development of all-round ties between inhabitants of Alaska and the Soviet Far East. We highly regard your personal efforts and participation in bilateral projects between the two regions.

It is very kind of you to invite me to Alaska . Unfortunately, at this time my schedule is rather tight which prevents me from planning such a trip. However, I will return to you as soon as I am a bit less busy here in my Department.

Sincerely,


Victor M. ZELENOK

Head, Consular Affairs
Department,
Ministry of Foreign
Affairs, Moscow, USSR

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

December 13, 1990

Mr. V.M. Zelanov, Chief
Consular Affairs Department
Ministry of Foreign Affairs
Moscow, U.S.S.R.

Dear Victor Matveyevitch:

My administration is firmly committed to the development of close ties between Alaska and the Soviet Union. It is our hope that your government will establish its second West Coast consulate in Alaska.

Toward that end, I wish to extend an invitation to you to visit our state at a mutually convenient time in order that we may pursue discussions about the consulate. I am proud that Alaskans have been in the forefront of people-to-people and commercial contacts between our two countries. A consulate would permit further development of our maturing relationship.

In the meantime, we look forward to your continuing support of the on-going exchanges occurring between Alaska and the Soviet Far East, such as the Juneau - Vladivostok exchange occurring later this week.

I look forward to your reply.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel
Governor

- Backup -

STEVE COWPER
GOVERNORSTATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 26, 1990

The President
The White House
Washington, D.C. 20500

Mr. President:

The purpose of this letter is to let you know that we all support the opening of an American Consulate office in Khabarovsk, USSR and a Soviet Consulate office in Anchorage, Alaska.

These offices would provide valuable services to support our efforts to promote business, cultural and social exchanges and transactions between Alaska and her neighbors to the West.

The number of people travelling between Alaska and the Soviet Far East has increased substantially and rapidly. Your favorable consideration of this request will help with visa approvals and other matters important to travellers.

Sincerely,

Ted Stevens
United States SenateSteve Cowper
Governor, State of AlaskaFrank Murkowski
United States SenateDon Young
U.S. House of Representatives

cc: Secretary James Baker, Department of State

NEWS RELEASE

STATE OF ALASKA

OFFICE OF THE GOVERNOR
P.O. BOX A
JUNEAU, ALASKA 99811

STEVE COWPER,
GOVERNOR



FOR INFORMATION CONTACT:

DAVID RAMSEUR
PRESS SECRETARY

TERRENCE O'MALLEY
DEPUTY PRESS SECRETARY

(907) 465-3500

FOR IMMEDIATE RELEASE

March 1, 1990

No. 90-38

COWPER CONGRESSIONAL DELEGATION REQUEST CONSULATES

JUNEAU--Gov. Steve Cowper and Alaska's congressional delegation have asked President Bush to support the opening of an American consulate in Khabarovsk, USSR, and a Soviet consulate in Anchorage.

"These offices would provide valuable services to support our efforts to promote business, cultural and social exchanges and transactions between Alaska and her neighbors to the west," Cowper, Sens. Ted Stevens and Frank Murkowski and Rep. Don Young wrote in a letter to Bush this week.

"The number of people traveling between Alaska and the Soviet Far East has increased substantially and rapidly. Your favorable consideration of this request will help with visa approvals and other matters important to travelers," they said.

The U.S. currently has an embassy in Moscow and a consulate in Leningrad, but offers no formal diplomatic services in the Soviet Far East. The Soviet consulate closest to Alaska is located in San Francisco.

The Alaska officials requested that the additional U.S. consulate office be located in Khabarovsk because the city serves as the economic center of the Soviet Far East and is the aviation hub of the region. In addition, Alaska Airlines is seeking rights to fly between Alaska and Khabarovsk.

"Imagine if Alaskans had to apply to Washington D.C. for a visa to travel to Canada. That's about the situation we're in with the Soviets right now," Cowper said. "These new consulate offices would streamline the visa process and enhance our ability to cultivate economic, social and cultural trade with the Soviets. The two regions - Alaska and the Soviet Far East - would mutually benefit from these consulates."

-MORE-

"The absence of a U.S. consulate office in the Soviet Far East complicates our efforts to increase Alaska - Soviet trade," Stevens said. "Soviets who wish to travel to Alaska have to obtain visas from the American embassy thousands of miles away. We must improve our services if Alaskans are to develop closer business, cultural and educational ties with the Soviets," Stevens added.

"We are making good progress in efforts to create direct air routes between Alaska and the Soviet Far East," Murkowski said. "These routes will be hard to support if the process of getting a visa for an Alaskan or a Soviet continues to involve three or four weeks of waiting."

Creating new diplomatic posts overseas - particularly in the Soviet Union - can involve a lot of bureaucratic hurdles and red tape," Murkowski said. "This fact makes it all the more important that Alaskans present a strong, united front on this request."

In a related matter, Cowper met with Soviet Ambassador to the U.S. Yuri Dubinin in Washington Wednesday and was told the ambassador plans to return to Alaska in September. Dubinin said he will speak at the Northern Regions Conference scheduled for Anchorage Sept. 14-21. The conference will focus on problems common to the North and officials of 11 northern nations are expected to attend.

Dubinin, who hosted a lunch for Cowper in the Soviet Embassy, also expressed support for continuing trade and goodwill relations between Alaska and the Soviet Union.

Anchorage Times 3/3/91

Soviet turmoil tests Alaska enthusiasm for business ties

By JULIA RUBIN
Associated Press Writer

ANCHORAGE—Not long ago, it seemed all an Alaskan needed to start a business venture across the Soviet border was a warm handshake.

Now, many realize, a cool nerve may be more important.

"Only certain people have the stomach to persevere," said Jim Rowe, president of Nome-based Bering Air, which has operated charter flights between Nome and the Soviet city of Provideniya for nearly two years. He hasn't turned a profit yet, and doesn't expect to for awhile.

As the Soviet Union's political and economic troubles grow, there's a weeding out process taking place among the numerous business exchanges that have sprouted between Alaska and the Soviet Far East in the past two years.

Those with enough patience and dedication are hanging in there. Others are stepping back in frustration.

Many Alaskans say the Soviet Far East is far enough from Moscow and the Baltics that it is relatively unaffected by the unrest and turmoil there. The big ventures continue.

Alaska Airlines, for example, remains committed to launching commercial service to the Soviet Far East in June.



Earl Romans, president of Alaskan Battery in Fairbanks, is undaunted in his efforts to make batteries with a Magadan outfit and sell them internationally.

The first shipment of his Soviet-made batteries, manufactured by agreement with the Soviets at a government facility, recently was seized as contraband by authorities before it could leave port. But Romans, who has written Soviet President Mikhail S. Gorbachev personally to get the issue resolved, said such things are simply part of the ups and downs of doing business in the Soviet Union.

"You have to be very patient," Romans said. "When you make new rules, nobody understands them. It takes time for people to figure it out."

Nome merchants aren't giving up either. Many have been accepting rubles from Soviet visitors in hopes the currency

will become convertible on the world market. It hasn't, and they've been stuck selling the worthless bills to American tourists as novelties.

They have no plans to give up the money exchange or any of the many programs Nome residents are taking up with the Soviets, however.

Still, other businesspeople are nervous about what they see happening in the Soviet Union, including the government's authorization to the KGB to examine private businesses' books and look for speculators.

Vic Fischer, who has coordinated numerous scientific and cultural exchanges as director of Soviet relations at the University of Alaska, said such moves threaten to chill enthusiasm in both countries.

"People who are involved in business activities are sort of holding their breath," he said. "The mood is very different compared with two years ago."

"Then it was general enthusiasm and optimism about perestroika, about what was coming down the line, about Gorbachev. And gradually over the last two years, it just has been continually a decline—in faith in the system and the government, in reform and perestroika and Gorbachev himself."

Harry Gregson, owner of

(See SOVIET, Page B-6)

SOVIET

(Continued from Page B-1)

Easy Travel Service in Anchorage, said his Russian business partners still were eager to build a joint tourism business. But problems in the western Soviet Union convinced him it wouldn't work.

Eight months ago, Gregson visited the Soviet Union to set up contacts and left thinking it was the perfect tourism destination, full of rare sights and friendly people.

But soon things began unraveling. There was little existing tourism infrastructure, he found, and communications were difficult. Most Alaskans who wanted to visit the Soviet Union wanted to see its western cities, where Gregson saw growing street crime, ethnic tension and material shortages.

He said he couldn't make a business based only on travel to the Soviet Far East.

"The Soviet people are wonderful, and I have some real guilt feelings about not trying to do business for them," said Gregson. "But the uncertainties—food problems, crime and the disorganized way they do business. I decided it wasn't worth putting very much effort into promoting it now. A year ago, it would have been completely opposite."

Most of Gregson's bookings to the Soviet Union are by businesses, and that part of his bookings has dropped off by half, he said. Some of the decline might also reflect travelers' concerns about terrorism and making airline connections in Europe, he said.

But Rich Goldstein, a Russian translator in Anchorage who helps American companies communicate with the Soviets, said that part of his business also appears to have dipped.

He said he has seen a cycle of frustration that he believes is part of dealing with the Soviets.

"All the good wishes in the world won't make up for the lack of a telephone system or a working postal system," Goldstein said.

A L A S K A A I R L I N E S
1 9 9 1

RUSSIA

THE SOVIET FAR EAST



Alaska Airlines
VACATIONS

Alaska Airlines

SEE YOUR TRAVEL AGENT

THE ALASKA ECONOMIC REPORT

Agencies developing internal policies:

February 8, 1991

No. 3/91

Wetlands regulation: New mitigation plan

It's out of the headlines, but the federal wetlands regulation issue is still there, ticking like a time bomb. Here's the latest: The White House Domestic Policy Council is still wrestling with what to do about it. Formally, the council has suspended action due to the war, while staff work goes on. But insiders in Washington say policy people on the council, realizing the sensitivities that national application of a wetlands "no net loss" policy would stir, quietly wish the issue would just go away. But federal agencies, mainly Environmental Protection Agency and U.S. Fish and Wildlife Service, are still pressing hard.

These agencies say they're already incorporating the ideals of "No net loss" in the controversial Memorandum of Understanding signed last year between EPA and the Corps of Engineers that officially sanctions mitigation for wetlands loss. This winds up in stipulations on Corps Section 404 construction permits. But there's a glimpse of hope even within the agencies: High-level EPA officials now think a wetlands "ranking" system (high value, low

value, etc.) is needed, but mid-level agency staff are resisting the idea, arguing it is too "subjective." Wetlands ranking is also central to a new bill coming into the House, co-sponsored by Alaska's Rep. Young and hopefully 50 other congressmen. Such a procedure is important to Alaskan interests because most Alaskan wetlands — like millions of acres of tundra underlain by permafrost — would come in the "low value" category. Alaskans hope these could even be exempt from mitigation. Something to watch, however: Within the context of the MOA agreed to last year, federal agencies are working (Continued Pg. 2)

In This Issue:

- *** UNDERGROUND TANKS: New state program won't solve EPA problemPg. 2
- *** NATURAL GAS PIPELINE: Yukon Pacific makes a progress reportPg. 3
- *** SLOPE: Busy '91 forecastPg. 6

Despite turmoil, Alaskans press Soviet trade deals

Despite political and economic turmoil in the Soviet Union, Alaska businessman Doug Drum's meat-packing joint venture is successful and expanding fast in the Soviet Far East. Of 57 U.S.-Soviet JVs in the Soviet Far East, most have failed. Drum's is one of the few successes. Drum has over \$1 million invested in two ventures now underway with food-producing co-ops in Magadan and other areas, and by June will have five plants up and running, some operating under separate JVs. These plants make reindeer products for domestic consumption and export. Drum, of Indian Valley Meats near Anchorage, briefed the state legislature's House International Trade Committee on his progress last week.

Drum and his Soviet partners generate hard cur-

rency by selling reindeer byproducts like horn, hides and high-value meat parts in Hong Kong, Korea, and Europe, and so far these have generated some \$18 million to \$20 million in export earnings. One new development is a partnership with Southwest Hides, a major U.S. firm, in helping Soviets upgrade leather processing and manufacturing ability, to make secondary products for export.

But the Soviets' main interest is in producing food products for local consumption. Drum's experience from his successful Alaska specialty meat packaging operation is proving invaluable. He and his partners were able to get modern meat plants up and running in seven months, a process that would have taken the Soviets about five years. (Continued Pg. 2)

General Business

Will state LUST fund satisfy EPA?

State officials now say the new Leaking Underground Storage Tank assistance fund is not likely to qualify as a substitute for \$1 million insurance requirements by the federal EPA in effect later this year. Because the LUST fund is based on general fund appropriations — not a dedicated fund, as other states have done — EPA will likely still require some form of insurance for owners of underground tanks, rather than allowing the state program to stand in lieu of insurance. Regulations on the program, including the critical definition of "how clean is clean" are due out soon.

Wetlands mitigation planned (Cont.)

(Cont. from Pg. 1) on a mitigation "banking" concept, the idea being to formalize the concept of off-site mitigation. Alaskans have problems with this because if off-site compensation is needed, there will be added costs to community expansions, and marginal resource projects may get pushed over the edge. Also in the bill to be co-sponsored by Young is language to allow wetlands now preserved in national conservation land units to be considered as part of a preservation bank, offsetting any wetland acreage used in community or resource development.

The wetlands issue is critical in Alaska because most communities are surrounded by lands classified as wetland under new federal regulation; also, virtually no resource-related activity, like mining or oil development, can occur without some use of tundra for gravel pads or roads. An Alaska coalition of municipalities, resource developers and Native corporations has been quietly working the issue, with some success, to raise the level of national awareness. Alaskans hope this doesn't "backfire": Alaska has unique wetlands problems, but in a "national" solution, Alaskan concerns could get traded away in negotiations between more powerful constituencies.

Meanwhile, there's still hope the EPA-Corps memorandum can be overturned. Recently, the courts turned down petitions by resource companies, Native corporation and local governments to rule the MOA invalid, because as yet there was no actual situation where harm had been demonstrated. Plaintiffs still feel the issue is valid, once a good test case develops, because the agencies had "made policy" in the MOA without going through the normal procedure of regulation adoption and public hearings.

BP: \$2.5 billion in next three years

BP head John Browne told Alaska business leaders his company sees 25 billion barrels of recoverable oil left in northern Alaska. BP will spend \$2.5 billion here in the next three years, Browne said.

Alaska-Soviet trade deals (Cont.)

(Cont. from Pg. 1) Because Drum was one the first American joint ventures to get rolling in the Soviet Far East, terms of his contracts are more liberal than deals signed later. Also, the value of his investments in the Soviet meat plants, on paper at least, has tripled since devaluation of the ruble in its relation to the dollar, although the ruble itself remains unconvertible. One indicator of Soviet confidence in Drum's venture is a major Moscow bank's investment of up to half a million in hard currency reserves in all of Drum's new JVs with cooperatives in the Far East.

Drum sees the market for U.S. food-handling expertise as wide open: Soviet packaging and distribution technology is so primitive that almost half of the meat product in the Soviet Far East, for example, is lost through spoilage before it can be preserved. While severe meat shortages plague major cities like Moscow, there are up to 40,000 hogs surplus in the Kamchatka Peninsula, the meat from which local officials have no way of preserving or getting to western parts of the U.S.S.R. Drum's success is unusual, but he's not alone. Alaskan business leaders see the U.S.S.R.'s economic and political turmoil as affecting mainly European Russia, with the Far East "fortunately, far from Moscow," one businessman said.

Several other Soviet-Alaska deals are moving ahead: Alaska Airlines will begin scheduled passenger service in late spring; Fairbanks businessman Earl Romans has a joint-venture battery-manufacturing plant up and running in Magadan. The output is mainly for local markets. Bureaucratic snafus have temporarily stalled a test shipment for export, but Romans is now in the U.S.S.R. working to straighten this out. Romans operates Alaska Battery, specializing in making battery units, in Fairbanks. Other Alaska ventures are in the works. *North Pacific Mining, subsidiary of Cook Inlet Region, Inc. is looking at minerals exploration in the SFE. Alaskan oil service firms are hoping to do work for a new Atlantic Richfield subsidiary formed to explore for oil in Magadan. Other firms, — Alascom, Bering Straits Native Corp., Northern Air Cargo — have ventures formed some time ago.*

For Wealthy Alaska, Soviet Far East, A Cautious Courtship Across Cold Sea

Exchanges Continue as Bureaucratic Obstacles Temper Optimism

By Jay Mathews
Washington Post Staff Writer

ANCHORAGE—Rich and restless, at odds with nagging, distracted parents, the state of Alaska and the Soviet Far East act like two teeny teenagers in an Arctic flirtation. After two years of exchanging glances, they remain interested in each other but unsure whether they are capable of a lasting commitment.

Despite political and economic turmoil in Moscow and war fever in Washington, these two territories separated by just a few miles of frigid ocean have surprised their distant political masters by moving with the inbred confidence of people surrounded by vast mineral, forest and ocean resources.

"The people of the Soviet Far East are very progressive, by and large," said Douglas Versteeg, vice president of Alaska Airlines, whose company is about to launch the first regular transpacific routes to the Soviet Union in June.

"They have timber reserves, fishing, gold, gems, oil and gas," said David Cannon, an American trader enthusiastic about his dealings with several popular and innovative Soviet Far East politicians.

American visitors to the Magadan region across the Bering Strait and the Khabarovsk region farther south see their Soviet hosts eating well while food shelves in



BY CLARICE BOND—THE WASHINGTON POST

Moscow far to the west are empty. The Soviet territory has no major ethnic strife and, as part of the Russian Republic, does have many local leaders with close ties to reformist Russian President Boris Yeltsin.

Soviet visitors to Nome and Anchorage in turn find American business executives enjoying a still-healthy economy aided by recent oil price increases. Many Alaskans appear willing to take risks with erratic Soviet regulations and a Soviet currency useless beyond Soviet borders.

Consider, for instance, the case of Earl Romans, owner of Alaskan Battery Enterprises Inc. in Fairbanks. He began producing vehicle batteries with a Soviet partner in Magadan, whereupon the KGB grabbed his first shipment overseas as contraband.

Romans is back in Magadan this week asking the Soviet intelligence agency to alter its designation of

the batteries as war materiel. "He's going to keep with it," said Steve Best, Romans's operations manager in Fairbanks, "and he figures when you get the first shipment through, then things will be okay."

Interest in economic, social and scientific exchanges across the Bering Strait blossomed in late 1987 with an exchange of messages between Juneau and the city of Khabarovsk more than 3,300 miles away. The idea of reviving some of the 19th century closeness when this was Russian territory led to a flurry of visits and a media extravaganza, the Nome to Provideniya Friendship Flight of June 1988.

Like all American love feasts with socialist countries, the Alaska-Soviet Far East relationship since has bogged down in bureaucratic wrangling, misunderstood rules, language gaps and resistance from distant national capitals with different priorities.

The Soviet Far East has new governors who share Yeltsin's reformist views but must deal with less imaginative bureaucrats in Moscow and foot-dragging officials on their own staffs. "It is not as optimistic as it once was," said Glenda Clark, special staff assistant with the Alaska governor's Office of International Trade (OIT).

The OIT's most recent assessment said "Alaskans will need to keep their expectations of Soviet Alaskan ventures low for the short term." It said the Soviets would



BY BOB MILLER FOR THE WASHINGTON POST

Doug Drum's Soviet-based sausage factory sells a rosidoo—the reindeer horns—to South Korea to earn hard currency.

have to do something about their unstable, nonconvertible currency, the ruble, which "makes many investors gun shy" although "many Alaskans have thought up clever ways of bartering for their investment payment."

Among the most creative has been Doug Drum of Indian Valley Meats, whose complex three-corner trade was reported in the newsletter of the University of Alaska's Alaska Center for International Business.

Drum's Soviet-based reindeer sausage factory has branched into poultry, pasta and ice cream. He has found a way to earn hard currency by selling reindeer horns, a residue of the sausage plant, to South Korea where they are ground

into powder and savored for their alleged aphrodisiac effect on men.

The lack of hard currency leads to a habitual grasping by Soviets in negotiations. Aeroflot, the state airline, "tries to get all the hard dollars out of you they can," said Ron Sheardown, an Anchorage gold-mining entrepreneur involved in several Soviet negotiations.

Initial exchanges, he said, were on a "you pay, we pay" basis, with hosts paying foreign visitors' expenses. Now the Soviets ask for what Sheardown called a "you pay, you pay" arrangement.

The most active Alaskan traders seem willing to persevere. Cannon said he had to cancel a trade-delegation trip in December when "a directive came from Moscow that

doubled the effective cost of the charter flight." But he plans to leave with another delegation Friday for Sakhalin Island, where the local reformist governor, Valentin Fyodorov, wants to do more business with his new American friends.

Sakhalin has potential offshore oil reserves, the makings of a tourist market and a governor who exemplifies the Soviet Far East's streak of independence and impatience with old rules, even if obstacles remain.

At a welcoming meeting, Fyodorov pointed to an unsmiling line of men nearby and told his guests: "I want you to look to your right over here. These are the people you have to fight. They are my deputies. They cause all the problems."

Anchorage Daily News 3/3/91

Aeroflot sets debut

By HAL BERNTON

Daily News reporter

Aeroflot, the Soviet state-owned airline, plans to begin twice-weekly scheduled service through Anchorage with flights beginning May 12, according to Scott Thorson, marketing manager for Northern Air Cargo.

One flight would begin in the Soviet Far East city of Khabarovsk and fly through Magadan to Anchorage. Another flight will continue on to San Francisco.

Thorsen said he received news of the

Please see Page D-2, **AEROFLOT**

AEROFLOT: Sets regular service

Continued from Page D-1

start-up service in a telex from the Soviet Far East office of Aeroflot.

The magazine *Aviation Week & Space Technology* reported that the service will be on a seasonal basis during the spring and summer months.

Beginning May 31, Aeroflot also plans to offer twice-weekly service between Moscow, Anchorage and San Francisco, the magazine reported.

Aeroflot officials could not be reached for comment. A federal Transportation Official reached Friday in Washington said he could not confirm the service.

As yet, Aeroflot has not filed with the agency for permission to serve the routes, a step required as part of 1990 aviation agreement.

Aeroflot currently operates frequent charter flights into Anchorage.

When it begins scheduled service this summer, it will compete for passengers with Alaska Airlines, which beginning in June will offer three-times weekly service from Anchorage to Magadan and Khabarovsk.

Thorson said Northern Air Cargo will begin on Aug. 1 a weekly all-cargo service to Magadan and Khabarovsk. If traffic loads are high enough, the service will continue year-round.

For Northern Air, the service is a bit of a gamble, and at least in the early months it will not be able to garner any mail traffic to help fill up the airplanes. That's because the U.S. Postal Service still routes all of its Anchorage-Magadan mail on a lengthy trans-Atlantic route through Moscow.