

SCOMM

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APPENDIX

A

III

State of Alaska

**Private Sector
International Business
Needs Assessment**

Commissioned by:

**Alaska State Legislature
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**Prepared by:
World Trade Center Alaska**

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Part A

Executive Summary

EXECUTIVE SUMMARY

A. INTRODUCTION

In early 1995, the Alaska State Legislature proposed conducting a comprehensive evaluation of the state's international trade strategy. The process was to include three primary elements:

1. A survey of the international business needs of Alaskan private sector companies.
2. A public review of state international trade facilitation organizations.
3. An examination of international trade promotion efforts in other states.

Together, the three elements will be used in the (legislature led) development of an unified and effective state international policy.

The following report is a compilation and analysis of the results of the private sector business international needs assessment segment of the policy review.

B. PRIVATE SECTOR SURVEY RATIONALE

The presence of international trade assistance organizations (ITAOs) in Alaska has grown dramatically in recent years. Consequently, it has become widely assumed that Alaskan companies, across industry lines, are in theory increasingly able to procure assistance for developing viable tactical export marketing strategies. However, because most Alaskan ITAOs do not conduct regular effectiveness assessments of their services in terms of the actual needs of current and potential exporters in the state, the extent to which ITAOs have spurred economic growth in Alaska remains undetermined. Conducting an independent survey of Alaska's private sector was necessitated by the lack of any previous assessment of the needs of current and potential exporters in the state.

C. KEY FINDINGS

1. Among Alaskan businesses, a measure of demand does exist for government provided international trade assistance services. However, the nature and delivery of these services must be closely tied to the specific needs of individual companies in order to be effective (i.e., services should be customized rather than generic).
2. Small businesses and service exporters require an export assistance package clearly distinct from export promotion strategies appropriate for large companies, manufacturers, and natural resource exporters. Several companies within the former sector group reported feeling "neglected" by the state's narrow international trade promotion efforts (i.e., the state's traditional focus on assisting established businesses, natural resources, and markets in the Asian Pacific Rim).
3. Export finance, industry specific global market information (and trade leads), improved coordination among state trade assistance agencies, and relief from burdensome legal restrictions were reported as exporters' primary international business needs. Among potential exporters, industry specific global market information and support for small businesses and service sector firms seeking to export were listed as primary needs.
4. While international trade talk in Alaska has historically focused on markets in the Asian Pacific Rim, surveyed companies reported having a comparatively "global" market focus (particularly in the service sector).
5. The number of organizations in the state which report to offer some sort of "international service" has led to confusion among Alaskan companies looking for export or other trade assistance.
6. While there are very few private sector export management companies in the state, a number of Alaskan exporters reported utilizing private sector sources for their international

trade needs. This indicates that several types of private trade intermediaries or specialized in-house / inter-industry expertise are being used in Alaska.

7. Alaskan companies are interested and capable of successfully conducting international business in the changing global marketplace. Like all businesses in the rapidly changing world economy, Alaskan companies face a number of export related challenges. However, integrating the unique export needs of Alaskan companies into a comprehensive state international policy is certainly not an unapproachable matter.

D. METHODOLOGY OVERVIEW

Prior to this study, no academic or trade organization in the state had compiled a comprehensive list of current or potential exporters in Alaska. Thus, determining who to sample was an arduous task. A sample size of 8,000 to 10,000 Alaskan companies was initially considered for the survey. However, the project oversight committee indicated that only a small percentage of Alaskan companies (then estimated at around 1,000) had likely ever exported or considered exporting. Consequently, the final sample size was reduced to 2,000 (the extra 1,000 companies were added to increase representation by service sector businesses). The actual sample / mailing list was developed through the following procedure:

1. A copy of the state's master database list of all registered Alaskan companies was obtained.
2. Businesses without an Alaskan zip code were deleted from the list.
3. Major industry groups were classified by respective SIC Codes.
4. The total number of companies within each SIC Code range was determined.
5. Mailing lists from the U.S. Commercial Service (1995 version), World Trade Center Alaska (1994 - 1995 version), Alaska Office of International Trade (1994 version), Alaska Seafood Marketing Institute (1994 version), and Alaska Foresters Association (1995 version) were incorporated into the master mailing list. * (The oversight committee suggested that companies which had previously responded to trade agency mass mailings would be more likely to respond to an international trade questionnaire than companies randomly selected from the state's master database list).
6. Duplicate company listings, government agencies, non-profit organizations, and companies within non-targeted industry groups (i.e., hotels, hair salons, car dealerships, etc.) were deleted. Companies were re-sorted by Standard Industrial Classification (SIC) and assigned serial numbers correlating to their respective SIC Code (to maintain confidentiality, company names were not matched with actual responses anywhere in the analysis process - instead, surveys were coded within major industry / SIC code groups).

Notes on specific survey questions can be found in the appendix. Throughout the survey results, companies which provided responses to open-ended questions are identified according to the following major industry groups:

- (n) = Natural resources
- (o) = other (light manufacturing, retailing, etc.)
- (s) = services

* "Export interested" service sector company names came primarily from CSUSA and World Trade Center Alaska lists.

= The Alaska Center for International Business was contacted but did not have a list of Alaskan current / potential exporters in the state.

E. ANALYSIS NOTES

The survey's primary objective was to gather general information on the needs of Alaskan businesses in the international marketplace in terms of services currently being provided by trade assistance organizations in the state. To enhance the potential usefulness of the results, companies were classified within major industry categories (represented in the survey results by SIC Codes) and export activity levels (i.e., current and potential exporters.) Because detailed information on the export of commodities from Alaska was already available, service sector companies comprised approximately seventy-five percent of the mail-out sample. Only businesses with an Alaskan ZIP code were targeted to receive surveys.

Specific survey analysis points included:

- To what extent are businesses within certain industry classifications (especially the service sector) exporting?
- What factors primarily motivate Alaskan companies to export?
- To what extent is exporting an element in a company's long-term business development plan?
- To what extent do Alaskan companies utilize intermediaries for exporting?
- Are Alaskan companies actively engaging joint ventures?
- Where are Alaskan companies going for export finance assistance?
- Which markets are Alaskan companies actually exporting to?
- Are Alaskan companies interested in international trade?
- What are the major complications Alaskan companies face in establishing and maintaining an export operation?
- What are the primary regulatory restrictions hindering the international success of Alaskan firms?
- What suggestions do Alaskan firms have for "globalizing" the state economy?
- Which organizations do Alaskan companies turn to the most for international assistance -- if at all?

The results of the survey were intended to clear up several questions on the export tendencies of Alaskan firms. While many questions do remain, this survey is a first step towards the development of a streamlined and effective state international policy.

Part B

Survey results

Survey results I (results to Part I, question 1 and Part II, question 2)
What motivates Alaskan companies to export / consider exporting?

Table I-A, current exporters

<i>Motivation</i>	NATURAL RESOURCES		SERVICES		RETAIL/MEG.		ALL GROUPS	
	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total
a. Unsolicited trade leads	0	0%	4	11%	2	18%	6	10%
b. Unsolicited foreign orders	0	0%	7	18%	3	27%	10	17%
c. Declining domestic sales or excess inventories	0	0%	5	13%	2	18%	7	12%
d. Part of a long-term business development plan	1	1%	11	29%	3	27%	15	26%
e. Special knowledge of a foreign market opportunity	5	56%	8	21%	1	9%	14	24%
f. Other (see below)	3	33%	3	8%	0	0%	6	10%
Total by industry sector	9		38		11		58	

f. Other motivations:

- Received twice the price as if sold locally (n)
- International is the best market for our product - logs (n)
- Much higher price paid in export market (n)
- Response by others to advertising (s)
- Humanitarian - gave help to a neighbor (s)

Table I-B, potential exporters

<i>Motivation</i>	NATURAL RESOURCES		SERVICES		RETAIL/MEG.		ALL GROUPS	
	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total
a. Unsolicited trade leads	0	0%	3	6%	0	0%	3	5%
b. Unsolicited foreign orders	0	0%	0	0%	0	0%	0	0%
c. Declining domestic sales or excess inventories	1	17%	5	10%	1	33%	7	11%
d. Part of a long-term business development plan	3	50%	24	46%	1	33%	28	46%
e. Special knowledge of a foreign market opportunity	2	33%	15	29%	0	0%	17	28%
f. Other (see below)	0	0%	5	10%	1	33%	6	10%
Total by industry	6		52		3		61	

f. Other responses:

- To broaden our market base (o)
- We have a surplus of used electrical equipment (s)
- Personal interest in foreign countries (s)
- To bring foreign tourists into the state (s)
- Unsolicited domestic order (s)

Survey results I. continued (results to Part I, question 1 and Part II, question 2)
Suggestions Alaskan companies have for motivating more businesses to export.

Exporter suggestions

Address legal restrictions

- Health certificate program - export documents for foodstuffs - USDA state inspection program would help (o)
- 1. Reduce size and scope of government at all levels.
- 2. Legislative veto of administration regulations inconsistent with statute intent
- 3. Break open banking community (s)
- Help getting approval to export to EU (s)
- All the mines have been closed due to adverse state / federal regulation - these regulations should be reconsidered (s)
- Advance notice of the state's future / long-term plans (s)
- In the case of this company (forestry), the single greatest service would be to release replenishable natural resources and manage said resources at sustainable levels as per article VIII of the Alaska Constitution (n)
- Provide more raw materials to export. Markets for forest products are very strong and are expected to be that way for years (n)
- Eliminate EPA and have DEC responsible for regulating Alaska. Reduce the time it takes to get environmental permits (n)

Market research / intelligence

- More trade leads to and from Alaska (s)
- State should research advertising media in dynamic foreign markets and help advise business how and where to advertise their products in those markets. Communication methods also need to be known. - e.g., telephone to Magadan is too difficult and limited to use (s)
- Assist in seafood marketing abroad (s)
- Possibly by communicating trade leads in more public forums (s)
- Provide information on specific industries or professionals in other countries and what the needs are (s)
- Acting locally, thinking globally. Our world is a market - not just the U.S. (s)
- Support for foreign (Far East) small business owners in establishing contacts with Alaskan businesses (s)
- Maintain foreign offices - Japan, etc. (o)
- Better information to Alaskan tourism companies on the services the state can provide - translating brochures, marketing Alaskan business at foreign trade shows (o)

Export finance

- Provide export finance programs (s)
- Local office with knowledgeable staff for actually helping with paperwork required by government regulations (foreign and domestic) helping in payment guarantees (s)
- Expand scope of Office of International Trade. Push AIDEA to be more helpful (u)
- Offer local businesses better lines of credit to purchase inventory for export (o)
- Education on export opportunities - Programs to provide financial assistance / insurance, etc. (o)
- Export financing - i.e., feasibility grants, low interest loans (non-banking) for domestic manufacturers producing products for export. ACCESS TO MONEY (o)

Other comments

- Please do nothing! (s)
- Use of World Trade Center, Alaska International Trade Office (state) (s)
- The University of Alaska Fairbanks starting commercial thinning of their forest lands (n)

Potential exporter suggestions

Industry specific export assistance

- More information - especially for small businesses (s)
- The development of an awareness that Alaskans have expertise in design and construction in Arctic and Antarctic regions. (s)
- Many Alaskan companies are small businesses and cannot afford expensive trips and / or conventions. However, our special expertise on Arctic conditions and technology is unique. Training on how to tap cheaper services of leads and contacts would be a great help (s)
- Engineering or specialty services involving Arctic conditions. Arctic (especially high latitude) construction and civil engineering services (s)
- As a professional services firm, we think we have special knowledge in Arctic design and have considered the Russian Far East and Canada as possible markets (s)
- Information about potential service markets and assistance in making contact with key individuals (s)
- Programs or services related to tourism industry. Tourism is our future (o)
- The tourism industry needs more support from the state level in bringing people into the state - such as an overseas representative for the industry (s)

- Timber processing requirements for F.S. harvests (n)
- Demand for product or service (s)

Market research / intelligence

- International information provider where we can get reliable information without getting scammed (s)
- A broader distribution of the UAA newsletter on international developments (s)
- How to - Exporting for Dummies (s)
- SBA services - contacts in foreign countries - interpreter service - market analysis of foreign countries specific to trade / business (s)
- The ability to get valid market data on volumes, prices, competition, etc. on foreign markets from the Office of International Trade or a referral to a source of good information from them (n)
- Improve infrastructure and information systems, continue programs which promote travel and trade shows (s)
- Any type of forum which would initiate contacts with prospective clients (s)
- Interpreter services - published lists of foreign needs if available (s)

Export finance

- 1. Encourage ASTF to support more large-scale commercial demonstration projects to increase marketability of value added natural resources (such as low rank coal water fuel)
- 2. Provide funding to support long term testing of products to assist in Asian market assistance (s)
- Export subsidies for a limited period to offset documented incremental extra costs of developing export markets (e.g., extra foreign travel, communications, freight, etc.) (s)
- Federal programs such as USAID or USIA which fund a variety of projects by Alaskans in the Russian Far East (s)
- Funding, U.S. trade policies, and foreign government cooperation (o)
- An interpreter to overcome language barriers (n)

Survey results II (results to Part I, question 8a and Part II, question 4a)

A company is suddenly given an international trade lead. What priority is the trade lead given?

Table II-A, current exporters

<i>Responses to Hypothetical Situation</i>	NATURAL RESOURCES		SERVICES		RETAIL/MFG.		ALL GROUPS	
	Total	Percent of	Total	Percent of	Total	Percent of	Total	Percent of
	citing response	sector total	citing response	sector total	citing response	sector total	citing response	sector total
a. The same priority as domestic business leads	6	67%	29	74%	10	91%	45	76%
b. Secondary priority to any domestic leads	1	11%	6	15%	1	9%	8	14%
c1. Our intermediary handles exports	0	0%	1	3%	0	0%	1	2%
c2. We already have all of the business we can handle	0	0%	1	3%	0	0%	1	2%
c3. We are concerned about international business risk	0	0%	1	3%	0	0%	1	2%
c4. Product or service does not lend itself to exporting	0	0%	0	0%	0	0%	0	0%
c5. Other (not specified)	0	0%	0	0%	0	0%	0	0%
d. Does not apply (we only do international)	2	22%	1	3%	0	0%	3	5%
Total by industry	9		39		11		59	

Table II-B, potential exporters

<i>Responses to Hypothetical Situation</i>	NATURAL RESOURCES		SERVICES		RETAIL/MFG.		ALL GROUPS	
	Total	Percent of	Total	Percent of	Total	Percent of	Total	Percent of
	citing response	sector total	citing response	sector total	citing response	sector total	citing response	sector total
a. The same priority as domestic business leads	5	63%	29	55%	2	67%	36	56%
b. Secondary priority to any domestic leads	3	38%	20	38%	1	33%	24	38%
c1. Our intermediary handles exports	0	0%	0	0%	0	0%	0	0%
c2. We already have all of the business we can handle	0	0%	1	2%	0	0%	1	2%
c3. We are concerned about international business risk	0	0%	1	2%	0	0%	1	2%
c4. Product or service does not lend itself to exporting	0	0%	0	0%	0	0%	0	0%
c5. Other (not specified)	0	0%	1	2%	0	0%	1	2%
d. Does not apply (we only do international)	0	0%	1	2%	0	0%	1	2%
Total by industry	8		53		3		64	

Survey results III. continued (results to Part I, question 13)
Regulatory restrictions hindering export activity (exporters only).

- State agencies generally have not been focused on developmental assistance of foreign trade in any respect as far as I can see. Most are regulatory in focus and not "pro-trade" for assistance values unless under some federal grant money where the focus is only on assistance (s)
- Lack of assistance from employees of the state international agencies. "It is not my job" or "that is not public information" is all I hear (s)
- None, but state political leadership does little to support international trade (s)
- We have never considered Alaska's laws, regulations, or published policies as burdensome. Lack of agencies following own laws, regulations, and policies has been disastrous for us (n)
- Since we grow seed of native species only, we must collect seed of the native species in the wild for research and development of crop fields. The Alaska Department of Natural Resources is the main block in development. Regulations on the search for plant materials is very restrictive (s)
- I know of no real problem with the state. However, the lack of USDA officials can (or allowed) to approve meat, poultry, and potatoes drives this important export to Seattle. Potatoes would be a tremendous export for Alaska (s)
- The cumulative impact of state, federal and local regulations is taking an ever increasing percentage of management time and is giving customers the impression that we can't be steady, long-term, reliable suppliers of forest products (n)
- Title 16 (s)
- Our timber sale regulations (s)
- DEC inconsistent enforcement of regulations (n)
- Jones Act, OSHA (o)
- The Jones Act (n)
- Jones Act maybe (o)
- Enforcement - failure of state and federal government to make sure that foreign companies offering trips in Alaska have permits and follow the same regulations as Alaskan owned businesses (o)
- In our experience, the issue of regulatory barriers to Alaska's ability to compete internationally is largely a myth (s)

Survey Results III. continued (results to Part I, question 10)
Exporters' single greatest export burden.

Address legal restrictions

- Changing Russian import laws (s)
- Federal government policies based on politics (s)
- Joint venture in Russia will not keep their agreement. U.S. immigrations will not back the American businessman when then they find they have been used (s)
- Foreign import laws and customs (s)
- Inability to compete in an open, competitive market. If it were left up to the Russian market alone, competition would soon benefit both parties and countries. The constant changing of Russian customs, fees, and regulation have a way of stifling legitimate competition and, in some cases, encouraging unethical practices (s)
- Lack of stable telephone communications and tax demands in Russia (s)
- Communications (s)
- EU import restrictions and requirements (s)
- Understanding foreign regulations and import procedures (s)
- Documentation for foodstuffs - different for every country - need an united set of regulations (o)
- Changeable foreign tax structures (o)
- Alaska and U.S. regulations to ship product - tug escorts, etc. (o)
- Inconsistency between US Government and State or Alaska fisheries and processing laws - particularly the new IFQ program (n)
- Staying in business because of environmental restrictions. Constant terror imposed by EPA (n)
- Assuring our customers that we can be providers of a long term supply of timber products (n)

Market research / intelligence

- Finding potential customers and making them aware of my services (s)
- The time and resources to meet all of our expectations and opportunities (s)
- Knowledge of market - need for engineering consulting (s)
- Finding markets (s)
- Finding foreign customers (s)
- Lack of knowledge of foreign markets (s)
- Identifying leads on consistent basis (s)
- Qualification of potential buyers and their valid needs (s)
- Very competitive international seafood environment (finding buyers at profitable levels) (s)
- Obtaining background information (s)
- Matching product to market with highest return (n)

Export finance

- Lack of understanding of "service" exports by government and financial providers of assistance (s)
- Letters of credit (s)
- Lack financing (s)
- Payment guarantees (s)
- Cost of shipping (s)
- Committed funds in American dollars in American banks (s)
- Having inventory on hand to meet increased demand (s)
- Operating capital, line of credit financing (s)
- 1. Economical transport from Alaska to markets
- 2. Lack of state / local government cooperation (s)
- No money for marketing research, development, marketing and no money for financing productions (o)
- Lack of inventory to export (o)
- Cost of exposure to new markets (o)
- Getting adequate credit coverage from Russian customers (o)
- Travel costs to promote our product - i.e., Alaskan trips (o)
- Obtaining financing for working capital (n)

Product related

- Securing product (s)
- Civil engineering materials expertise (s)
- No longer have products to service (s)
- Lack of stumpage (available timber) (s)
- Price for product - market is getting too flooded (o)
- Not enough product (o)
- No market at this time (n)
- Lack of Alaska raw material for value added processing (n)

- Arranging and finding lowest cost alternative for shipping the product (n)

Other

- Communications, as we deal mostly with Russia (s)
- Order mistakes by U.S. suppliers (s)
- Time required to get visas and to actually begin (s)
- We were providing professional engineering services in Guam. The biggest problem was getting people to move to Guam or finding competent help on the island (s)
- Uncertainties with support and logistics. Communications can also be difficult (s)
- Snow and breakdowns (n)
- Transport within Alaska (n)

Survey results III. continued (results to Part I, question 11)
Suggestions exporters have for easing operational export complications.

Address legal complications

- Force DNR to follow the law - article VIII of Alaska's constitution. Quit giving timber to insects, rot, and fire (n)
- Streamline environmental permit procedures (n)
- Food export certification program within D.E.C. (o)
- Be realistic on liability (o)
- Strict enforcement of bilateral agreements at very level - i.e., the removal of the new 30 % tariff the Russians have put on food products. This should have been dealt with instantly and firmly with similar tariffs (s)
- Support all export efforts as a policy decision (s)
- Sell more state timber (s)
- Tax break on foreign sales (s)
- Reduce overwhelming government (s)
- Provide up-to-date information on customs (Russian) laws (s)
- Revise the title 16 recognizing that there are other and equal values than just habitat (s)
- Inequities in customs laws which allow imports into U.S., but prevent us from exporting similar products. Example: Canadians in our business freely work in Alaska and conduct geophysical or geological services in Alaska, but we can't export the same services to Canada (s)

Export finance

- More money, insurance break (n)
- AIDEA support (n)
- Loan funds - non-banking type (o)
- Financial assistance with trade shows (o)
- Use Washington model for export assistance centers. Assist companies trying to find export financing through the entire process (s)
- Provide sources of export finance (s)
- Local bank programs that interact with foreign (banks) and World Bank (s)

Market research / intelligence

- Agent / Distributor program, U.S. Department of Commerce (s)
- None, the main problems are in foreign markets. Main problem is identifying bona fide buyers. To date service needs have been fulfilled by private companies based upon need (s)
- Compile list of Alaskan firms with a brief description of products and services - distribute to U.S. Embassies (s)
- Alaskan companies need someone to introduce them to the right people. If they need engineering services, who do we talk to in that country? (s)
- Setting up small "offices" or "message centers" in foreign locations where Alaskans could get information while working in other locations. Provide a way to make contact (s)

Recommendations for agencies

- State should joint venture with Alaska World Trade Center or other private groups as state has closed out all people of knowledge. The state has lost the ability to help (s)
- Better communications between foreign government and state Commerce Department offices for Alaska state support in initiating business relationships (s)
- Centralize information that is currently being duplicated by many different agencies - making this public information (s)
- Better or more cooperative information exchange (s)
- Governor's promotion of diplomatic relations (s)
- Better funding for Division of Tourism's international marketing program (o)
- Any time a state or federal organization tries to help, they inevitably screw it up (o)
- Office of International Trade (o)
- More educational programs outside of Anchorage (o)
- Government to government assistance for problems in foreign country such as collecting on letters of credit, false claims, etc. (n)

Other comments

- Getting Alaskan exporters together to share services to aid in support (o)
- Make it simpler to export goods to Russian Far East. I have to e-mail contact days in advance of shipping so my partner can make Russian customs aware that shipments are coming. Customs clearing can take days and several trips to the airport (s)
- Freight - scheduling, cost, frequency (s)
- Local availability to get visas (s)
- We are aware of most programs (s)

Survey results III. continued (results to Part II, question 3)

Suggestions potential exporters have for easing export operation start-up complications.

Industry specific / small business export assistance

- It would be best to make visits as part of trade organizations geared to design and construction (s)
- To organize and offer an Anchorage trade show for Alaska artists and foreign companies interested (o)
- 1. Retain (on an as-needed basis), an Alaskan office of international trade representatives who can facilitate trade in the Middle East (Arabic speaking countries) and another in Europe (s)
- More accessible assistance by UAA for small John Doe businesses. Maybe I just don't know how to ask for the right help. I get the feeling that if I worked for VECO or Marathon, that I would get more coaching on how to access available assistance. I understand the difference between big and small businesses and am prepared to accept it (s)
- Small business exporting education (s)
- Some kind of clearing house we can advertise in which would be distributed to large U.S. companies looking for expertise (s)
- Japanese Export Trade Organization (JETRO) offers an eight day study program for Alaskans interested in learning about business in Japan - all expenses are paid! More programs like this would be helpful - especially for small businesses like mine. Also, the state university could sponsor more "road shows" in which international exporters do presentations around the state - not just in Anchorage or Juneau (s)
- Within the construction industry, concerns are skilled workers, funding, and adequate materials (s)

Market research / intelligence

- It would be best if one department could handle financing, trade regulations and foreign laws in one location to better serve the business community (o)
- Have resident experts on staff - State of Alaska International Business - to assist import / export to specific economic regions in several countries at the local and regional level (o)
- Assistance in locating those firms that require our services (s)
- Companies to contact that would be interested in my product, getting over the language barrier, assistance in starting the process of exporting (n)
- Better market information (n)
- SBA services - contacts in foreign countries - interpreter service - market analysis of foreign countries specific to trade / business (s)
- Alaska has many sole proprietors that should be involved with the Pacific Rim - Russia, Japan, Korea (s)
- 2. Have semi-annual workshops in Anchorage in which ALL representatives come, give overviews of their region, and then provide time for one-on-one meetings with Alaskan businessmen to plan a strategy for exporting to that region (s)
- Information kits on (for instance) Russian import laws and customs regulations (s)
- General information on laws, regulations, tariffs, taxes and other impediments to importing goods and services would help. In Canada, the government often takes a much more proactive role in primary exports assisting with finances or payment methods, etc. (s)
- More information on NAFTA (o)
- I am an author and would like to see my books translated into Japanese and perhaps other languages and markets abroad. I do not have an agency but would like assistance in developing contacts abroad and connecting them with my business (s)

Other

- I'm not sure it is the government's business to assist in opening foreign markets. It comes close to becoming a business subsidy (s)
- Eliminate export bans (s)

Survey results III. continued (results to Part II, question 3)
Start-up export operation complications for potential exporters

Table III-B

Complication	NATURAL RESOURCES	SERVICES	RETAIL/ MFG	ALL GROUPS
	Total citing response	Total citing response	Total citing response	Total citing response
a. Finding foreign customers	0	24	2	26
b. Obtaining background information on foreign companies	0	7	0	7
c. Obtaining background information on foreign markets	0	11	1	12
d. Finding info. on the market for your company's particular product or service	3	25	1	29
e. Foreign relations complications	2	9	0	11
f. Finding companies to form joint partnerships with	1	11	0	12
g. Shipping, coordinating, or distributing the product or service	2	2	1	5
h. Finding and / or utilizing government trade assistance	1	3	1	5
i. Obtaining adequate financing	2	4	1	7
j. Establishing payment / credit terms with foreign customers	0	16	0	16
k. Handling foreign import laws, customs, or export documentation	4	6	1	11
l. Lack of in-house expertise	2	11	1	14
m. Other	4	16	1	21

m. (other significant obstacles in no particular order):

- Sorting the substance from the university (s)
- The time to overcome obstacles (s)
- Proposals to other foreign countries (s)
- Most of our products are illegal to export (made from animal parts) (o)
- Lack of marketing skills in a foreign cultural situation (s)
- Finding clients - cost of doing business (s)
- Finding agents in foreign countries who specialize in publications, translation work (s)
- Immigration (s)
- High shipping costs, low unit value of product - foreign material specifications (n)
- Wetlands restriction (s)
- License to operate (s)
- Cost of sharing for long term product testing in Asia (o)
- Our parent company's business plan includes markets other than Russia, Asia, Pacific Rim (s)
- Lack of opportunity (s)
- Currency exchange (s)
- Regulations requiring initial processing prior to exporting to non-U.S. markets (n)
- Market acceptance of coal of non-typical specifications (n)

Survey results III (results to Part I, question 9)
Start-up / operational export complications for exporters (only)

Table III-A

SERVICES

- a. Finding foreign customers
- b. Obtaining background information on foreign companies
- c. Obtaining background information on foreign markets
- d. Finding info. on the market for your company's particular product or service
- e. Foreign relations complications
- f. Finding companies to form joint partnerships with
- g. Shipping, coordinating, or distributing the product or service
- h. Finding and / or utilizing government trade assistance
- i. Obtaining adequate financing
- j. Establishing payment / credit terms with foreign customers
- k. Handling foreign import laws, customs, or export documentation
- l. Lack of in-house expertise

**Difficulty setting
started**

ONE	TWO	THREE	Mean	x	i
13	11	6	1.77	0	0
6	12	6	2	6	0
12	11	3	1.65	4	0
17	7	5	1.59	1	0
11	10	7	1.86	1	0
6	9	5	1.95	9	0
14	10	0	1.42	6	0
12	7	6	1.76	5	0
6	6	8	2.1	0	0
9	12	7	1.68	3	0
8	14	7	1.97	2	0
8	11	7	1.96	3	0

Operational difficulties

ONE	TWO	THREE	Mean	x
10	12	7	1.9	0
8	12	4	2.17	4
14	8	2	1.5	3
14	8	5	1.67	1
12	7	8	1.85	1
9	7	3	1.68	8
15	8	0	1.35	4
10	6	7	1.72	4
7	5	7	2	8
11	8	6	1.8	2
10	13	5	1.82	0
14	8	1	1.43	3

RETAIL / MFG.

- a. Finding foreign customers
- b. Obtaining background information on foreign companies
- c. Obtaining background information on foreign markets
- d. Finding info. on the market for your company's particular product or service
- e. Foreign relations complications
- f. Finding companies to form joint partnerships with
- g. Shipping, coordinating, or distributing the product or service
- h. Finding and / or utilizing government trade assistance
- i. Obtaining adequate financing
- j. Establishing payment / credit terms with foreign customers
- k. Handling foreign import laws, customs, or export documentation
- l. Lack of in-house expertise

ONE	TWO	THREE	Mean	x	i
2	4	4	2.2	1	0
4	1	3	2.38	6	0
5	4	0	1.44	0	0
5	3	1	1.35	0	0
7	2	0	1.22	0	0
0	3	0	2	0	0
3	2	3	2	5	0
6	0	1	1.29	1	0
2	1	2	2	2	0
4	5	1	1.7	5	0
7	1	1	1.33	1	0
4	4	1	1.66	0	0

ONE	TWO	THREE	Mean	x
3	3	2	1.88	0
4	2	2	1.75	0
6	2	0	1.25	0
6	1	1	1.38	1
8	0	6	1.86	0
0	1	2	2.67	5
3	4	6	2.23	1
6	1	1	1.38	0
2	0	2	2	5
4	0	2	1.67	2
4	2	1	1.57	1
3	4	0	1.57	1

NATURAL RESOURCES

- a. Finding foreign customers
- b. Obtaining background information on foreign companies
- c. Obtaining background information on foreign markets
- d. Finding info. on the market for your company's particular product or service
- e. Foreign relations complications
- f. Finding companies to form joint partnerships with
- g. Shipping, coordinating, or distributing the product or service
- h. Finding and / or utilizing government trade assistance
- i. Obtaining adequate financing
- j. Establishing payment / credit terms with foreign customers
- k. Handling foreign import laws, customs, or export documentation
- l. Lack of in-house expertise

ONE	TWO	THREE	Mean	x	i
3	3	1	1.71	0	0
1	3	2	1.42	3	0
4	2	1	1.57	3	0
4	2	1	1.57	2	0
6	0	1	1.29	2	0
3	2	0	1.4	4	0
1	2	4	2.42	2	0
1	0	2	2.33	5	0
1	1	1	2	4	0
2	3	0	1.6	2	0
2	1	1	1.75	3	0
2	0	2	2	3	0

ONE	TWO	THREE	Mean	x
4	2	0	1.33	1
2	2	1	1.8	1
3	2	0	1.4	3
5	0	0	1	3
3	0	1	1.5	3
3	1	0	1.25	3
1	1	3	2.4	2
1	1	2	2.25	4
1	1	1	2	3
2	1	0	1.33	3
2	1	1	1.75	3
3	0	1	1.5	3

ONE(1) = A minor / no difficulty; TWO(2) = A moderate difficulty; THREE(3) = A major difficulty
 i = Use / used a private export management company for this
 x = does not apply to our company's situation

Survey results IV (results to Part I, question 5)
Export finance (exporters only)

Table IV

	NATURAL RESOURCES	SERVICES	RETAIL/MEG.	ALL GROUPS	
<i>Export finance source</i>	Total citing response	Total citing response	Total citing response	Total citing response	Percent of response total
a. Bank line of credit					
Alaskan bank	1	10	6	17	61%
Non-Alaskan bank	2	5	0	7	25%
b. Special export bank loan					
Alaskan bank	1	0	0	1	4%
Non-Alaskan bank	0	0	0	0	0%
c. State export finance program					
AIDEA	0	0	0	0	0%
d. Federal government export finance program					
SBA (1), World Bank (1), TDA (2)	1	2	0	3	11%
Total (for all groups)				28	

Survey results V (results to Part I, question 4)
Joint venture activity (exporters only)

Table V-A

<i>Engaged in Joint Venture?</i>	NATURAL RESOURCES		SERVICES		RETAIL/MFG.		ALL GROUPS	
	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total
a. Yes	6	55%	18	46%	2	15%	26	41%
b. No	5	45%	21	54%	11	85%	37	59%
Total by industry	11		39		13		63	

Survey results VI (results to Part I, question 3)

Use of private export management companies - PEMCs (exporters only)

Table VI-A

<i>Used private export mgmt. company?</i>	NATURAL RESOURCES		SERVICES		RETAIL/MFG.		ALL GROUPS	
	Total	Percent of	Total	Percent of	Total	Percent of	Total	Percent of
	citing response	sector total	citing response	sector total	citing response	sector total	citing response	sector total
a. Yes	2	18%	7	18%	0	0%	9	14%
b. No	9	82%	32	82%	13	100%	54	86%
Total by industry	11		39		13		63	

Table VI-B, where are the PEMCs based?

(responses)

a. Alaskan intermediary only:	4
b. Alaskan and outside intermediary:	4
c. Outside intermediary only:	1

Table VI-C, why do companies prefer to use PEMCS?

(responses)

b. No specialized knowledge for exporting:	1
e. Export company / consultant is better able to procure contracts:	4
f. Other reasons:	3
• To understand the Russian law	
• Use of an American / Russian individual because of language and community knowledge in Russia	
• Use of intermediaries common in seafood industry	

Survey results VII (results to Part III, introductory question)
Use of government assistance for international trade

Table VII-A, exporter use of government assistance for international trade

	NATURAL RESOURCES		SERVICES		RETAIL/MFG.		ALL GROUPS	
	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total
Used								
Govt. Assistance								
a. Yes	2	18%	21	48%	7	54%	30	44%
b. No	9	82%	23	52%	6	46%	38	56%
Total by industry	11		44		13		68	

Table VII-B, potential exporter use of government assistance for international trade

	NATURAL RESOURCES		SERVICES		RETAIL/MFG.		ALL GROUPS	
	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total
Used								
Govt. Assistance								
a. Yes	4	10%	14	11%	0	0%	18	9%
b. No*	36	90%	128	90%	9	100%	172	90%
Total by industry	40		142		9		191	

* Considers companies which responded "no" to Part II, question 1. as "no" respondents to Part III, initial question.

Survey results VII. continued (results to Part I, question 8b and Part II, question 4b)

A company is given an international trade lead. Where does the company go for more information?

Exporters

Private source

- We have many sources in Japan, Korea, and Taiwan and have a long relationship with our potential buyers there as well (s)
- We ask the customer. They are better suited to advise on product import restrictions (s)
- Personal network of contacts (s)
- International trade is handled through our Seattle office so far - not our Alaskan office (s)
- To our potential client, directly (s)
- Known and trusted individuals that have first hand, proven experience and knowledge (s)
- I would contact the foreign companies that would be interested in services (s)
- We would devise a payment guarantee for any foreign project either through the client or an international bank (s)
- To our Russian associates (s)
- Trade associates (s)
- Private resources, Seafax (s)
- The fish industry often markets through companies which are buyer / seller or wholesale distributors specializing in products or markets. Would contact others in industry, wholesale - distributor, publications, OIT (s)
- Direct to foreign source (s)
- Our brokers in Europe or Japan (s)
- We would use our intermediary to investigate (s)
- Companies currently doing business (s)
- Or established sales office in parent company - we have international sales team (s)
- To other private businesses that have done business in that area (s)
- Current customers and industry contacts (n)
- To the foreign customer directly (n)
- Friends in the same business (n)
- Consultants in marketing mineral concentrates (all in lower-48) - very specialized business - few exports (n)
- The country in questions - we develop direct contacts or leads from foreign associates in Asia, Europe, and Central America. (n)
- Seattle - freight forwarding company (o)
- The country of interest (o)
- International business directory (o)
- Probably handle on our own (o)

Government agency / other

- World Trade Center, Governor's Office of International Trade, Congressional Delegation (Ted Stevens), U.S. Department of Commerce (s)
- World Trade Center - U.S. Department of Commerce (s)
- World Trade Center (s)
- World Trade Center, UAA Business Department - International Business group - Northern Forum (s)
- Federal information, UAA, Business Center, State of Alaska, World Trade Center, library, specified are of opportunity on local arena. Network with individuals that are familiar with country or opportunity, Alaska governor's office (s)
- World Trade Center of Foreign Commercial Office (federal) (s)
- International Trade Center (s)
- World Trade Center, U.S. Department of Commerce (s)
- U.S. Department of Commerce, U.S. State Department (s)
- World Trade Center (s)
- World Trade Center, Office of International Trade, Department of Commerce, possibly UAA. (s)
- U.S. Department of Commerce, International Trade Administration (s)
- Alaska World Trade Center (s)
- America Russia Trade Center, University of Alaska Anchorage, ENRI (Environmental Natural Resource Institute) (s)
- World Trade Center and appropriate organizations in Seattle area (s)
- World Trade Center, Office of International Trade - we use the World Trade Center as our "one stop shop" with regards to all international matters (o)
- Alaska World Trade Center (o)
- World Trade Center, Department of Commerce, ASTF, SBDC (o)
- Depending on country - OIT, World Trade Center, or Department of Commerce (o)
- Alaska Division of Tourism (o)
- Office of International Trade, World Trade Center, TROIKA, Department of Commerce (n)
- American Embassy - commercial trade section (n)

Potential exporters

Private source

- I would contact long-time media sources with expertise in specific countries and then follow up on their leads (s)
- To the principals involved (s)
- To the source of the lead and then a long trail of phone calls (s)
- The customers are connected to the petroleum industry and leads come from U.S. and Western country contacts (s)
- Start at library and Chamber of Commerce - also with business associates that have provided foreign services (s)
- Try to contact client (and interpreter service in Anchorage) (s)
- We have had international advertising agencies contact us to advertise overseas (s)
- We would go to other businesses who are providing services or supplies to foreign markets. We are not aware of where else to turn for information (s)
- To the U.S. company involved or associated, the appropriate international division and finally to project management (s)
- The foreign market (s)
- Other business acquaintances (s)
- Rotary members with contacts in target area (s)
- To the source (o)
- Local fish dealers (n)

Chuck Becker (Director, CSUSA - Alaska)

- Chuck Becker (s)
- Chuck Becker, U.S. Department of Commerce (s)
- U.S. Department of Commerce - Chuck Becker (n)

Government agency / other

- Thomas Register, Alaska Center for International Business (s)
- World Trade Center, Office of International Trade (s)
- U.S. State Department, U.S. Department of Commerce, Small Business Administration - UAS or UAF (s)
- U.S. Department of Commerce (s)
- Office of International Trade - especially Tokyo office (s)
- International Trade Center, UAA, Expats (s)
- Office of International Trade - they have been very helpful in the past (s)
- World Trade Center (s)
- Not sure. Would depend upon the lead and type of project(s) involved. I am aware we have some ties with Japan and Korea but am unsure as to what assistance these would provide (s)
- Unknown - need help here (s)
- International Trade Commission or area legislature representative (s)
- Economic Development Corporation (s)
- UAA Alaska Center for International Business or the U.S. Department of Commerce (Foreign Commercial Service) (s)
- University of Alaska Trade Center (s)
- American Russian Center, Anchorage Center for International Business, UAA (s)
- Embassy of the foreign country and their information institute (s)
- World Trade Center (s)
- State Office of International Trade (s)
- UAA (s)
- U.S. Department of Commerce, American Petroleum Institute, potential clients in the international location. (s)
- World Trade Center and UAA (s)
- World Trade Center (s)
- State of Alaska - Department of Commerce and Economic Development, federal government mission or foreign offices (s)
- Department of Commerce (s)
- Alaska Division of Economic Development (s)
- State of Alaska - Department of Commerce (s)
- Customer, Parent company resource, World Trade Center, U.S. Department of Commerce International Trade Administration, private research (s)
- University of Alaska, Fairbanks (s)
- Back to that book - Exporting for Dummies (s)
- Local international trade organization, MOA, AEDC (s)
- Governor's Office and L.I.O. (s)
- Commerce Department (U.S. government), Alaska Department of Foreign Relations (o)
- Alaska Office of International Trade (o)
- UAA (n)
- State legislative personnel (n)
- Office of International Trade, U.S. Department of Commerce and World Trade Center (n)
- State of Alaska agencies, UAF Business School, other businesses conducting import-export operations in that country (n)

Survey results VII. continued (Part III, question 21)
Use of government assistance for international trade

Why haven't exporters used government assistance for international trade?

Government not capable

- These various agencies are not specifically established or motivated to dedicate adequate time into developing relations between a local and foreign company. Poor at best! Typical of government involvement - civil servants on yearly salaries with little or no motivation to excel! (s)
- Our company is the living embodiment of a business which has become very expert in a very specialized area of international trade over many years - only to see various politicians and political appointees travel to Asia on behalf of the state without so much as a briefing on the project - LESSON: get informed BEFORE going! (s)
- We have found most programs to be well meaning but ineffective. As experts in our field we have developed in-house capabilities. We do appreciate foreign market reports for bench marking. Also, we have found that government is inconsistent - advocating trade but restricting access to raw materials (n)
- Fully capable of dealing with these issues without government help (s)
- State can use all of the above, but not its present mode (s)
- In the real (non-government) world, I found the state department to be the only agency with reliable and up-to-date information which was available immediately (s)

Use intermediaries / in-house expertise

- Our main office is in Seattle as are virtually all seafood companies - sales are generated there. We receive no help whatsoever in marketing seafood internationally except for ASMI and an occasional trade lead which has never materialized into a sale. (s)
- Our company is an international company so most functions are already well established. Trade leads are the most important need we have (s)
- Very specialized business - but well known export procedures (s)
- International trade is handled through our Seattle office so far - not our Alaskan office (s)
- We have a branch firm in Canada handling Canadian business. Our product is too heavy to complete and needs to be manufactured in the country of use. Russia has the market but we have not located adequate partners (s)
- Another company bought the timber, I logged it, and they sold it to the foreign market (n)
- We deal with people we know personally or by reputation (both ways). Alaska Department of Natural Resources, Division of Lands is NOT supportive. Division of Agriculture and Plant Materials is an exception. They are very good (s)
- I deal with a very small group of companies and clients and they and they are very sensitive to sharing information with competitors. Many of these organizations have foreign nationals as members and far too often, one finds them attempting to be "middlemen" in the operation or passing information and leads to those companies they are associated with. I do not want to give the impression that I am dissatisfied with the groups or agencies listed on these forms - I just have very little need for them although I have given many of them information when they asked (s)
- We have established our own contacts, struggled through learning the procedures and have dealt with the Russian embassy ourselves. We did receive assistance from the U.S. State Department and the U.S. DOT during the beginning (s)

No need

- We have not had a need for any of the available assistance (s)
- No need to (s)
- I take care of myself and do not need any nosy bureaucrats (n)
- No need to (n)
- At this time - no need. I only did one job in a foreign market - they contacted me to do the work for them (s)
- Have not found it necessary (s)
- Not needed (o)

Not aware of agencies

- I am currently unaware of programs / services available from these sources that would be beneficial to my business (s)
- Don't know what they offer! (s)
- Don't know how to go about obtaining various government assistance (o)
- Not aware of many of the programs (o)
- I am an one man logging outfit. I only exported a certain amount last year because I could get a better price for higher grade logs. I do not actively seek to export - I would rather see something done with the logs locally (s)

Other

- We are in the fundamental stage and have not yet exported. We obtained information from OIT regarding the background of a company that solicited our products (o)

Why haven't potential exporters used government assistance for international trade?

Not aware of agencies

- These services are not readily known - small businesses have been ignored. As a small sole proprietor consulting engineer, I have not been provided any information. I think this is an area that needs improvement (s)
- Most small businesses are unaware of the services provided by the agencies listed above. More outreach by these agencies to small businesses would be helpful (o)
- I didn't know that these services were available. I'm interested in many of these services (n)
- Government services are not advertised in professional industry bulletins / periodicals I receive (s)
- Don't know what they are (n)
- Did not know any of these things were available to my business (n)
- Generally unaware of their (agency's) existence or use as a resource (s)
- Did not know these services were available (s)
- Was unaware that these services were available (s)
- Not aware that they were available and not aware of how to obtain them (s)
- Did not know what was available (s)
- Unaware of where to get the help (s)
- Have not investigated to know that such assistance was available (s)
- I did not know that these agencies were available and not familiar with the types of services they provide (s)
- Did not know any existed (s)
- They were never offered to us! (o)

Not focused on international trade

- Not focused on international trade (s)
- Looking at Russian opportunities, but waiting for better conditions, - stability (in Russia) (s)
- We are busy establishing our local and national ties (s)
- I spend 100 % of time on professional mechanical engineering in U.S.A. (s)
- We have not considered international trade, although with improved telecommunications we might be able to do so in the future (computer technical support and desktop publishing - computer publishing) (s)
- This is our first year of business - international trade is our long term business plan - 5 year (n)
- We have just been contacted from a foreign market regarding export out of Alaska. At some point we will use the above services if necessary (s)
- Not interested (s)
- Export of pipe prepared in Fairbanks is not encouraged (s)
- Sole proprietorship - too busy (n)
- Have not exported services yet (s)
- We have seen enough opportunity here, but we have not had the incentive to divert energy elsewhere - but we have given it thought and not ruled it out (s)
- I am a small sole proprietor of a company that is less than two years old and have all the business I can handle within the state without looking to outside markets (s)
- Just have not taken this step yet - need to resolve internal questions before getting into the international market (s)
- My product is engineering design, evaluation, investigation or reports. I am a sole proprietor - independent consulting engineer. Export could be worth investigating, but I have just not looked into - except in response to another company's inquiry (s)
- Have not done international work - I have used several of these agencies for Alaskan business information (s)
- No specific situation has required these services (s)
- No government assistance required (s)
- No need for any of the services (n)
- I am a legitimate (but small time) mineral resource developer. If my mining operation gets off the ground, then possibilities for international trade exist (n)

Company / product not suited for international trade

- Exporting sand / gravel / crushed stone is not a feasible venture (s)
- I have not seen a great demand for engineering services in other countries applicable to my firm (s)
- We have not used the services listed above in the last five years, but we have recently become aware of potential high Arctic latitude projects which may be within our potential market area (s)
- Our own contacts showed that the particular international venture was not feasible (s)
- My company is too small and localized (s)
- There is very limited opportunity for our services abroad and in the Pacific Rim. Because we are a small business, we would work as a sub-contractor to large U.S. companies or agencies with contacts abroad (s)
- Have not yet ventured into international trade but want to. Need help please (s)
- The above (agencies and services) are fine if you have the time or resources to devote. Generally with small businesses, this isn't the case (s)
- I'm too small at present (moderate capital) (s)

Other

- Because I believe that the role of business is to do business and the role of government is to stay out of business as much as possible (s)

- Currently, mineral processing (i.e., zinc) is not done in North America because environmental requirements make it cost prohibitive when compared to other parts of the world. We ship raw materials out, they are processed and then we have to pay import duties to bring them back in for use (s)
- Our (international business) attempts have been through projects of U.S. companies involved in overseas resource development. Our company president did attend the Department of Energy Seminar for the Russian ministers held at Alyeska Resort) (s)
- We have been working on our own contacts (s)
- Why does Alaska:
 - 1) duplicate federal agency services
 - 2) try to have a foreign policy - we are a state (s)
- We receive BISNIS which rates as 3 (s)
- So much for reduced government waste (s)
- A proposal I sent to the American Russian Center was rejected because I am a private company. Allow individuals to compete for federal funds allocated to the American Russian Center in Anchorage - I have requested and been denied funds (s)

Survey results VII. continued (results to Part I, question 8b and Part II, question 4b)

A company is suddenly given an international trade lead. Where does the company go for more information?

Table VII-E, exporters

	NATURAL RESOURCES	SERVICES	RETAIL/MEG.	ALL GROUPS
<i>Assistance source</i>	Total citing response	Total citing response	Total citing response	Total citing response
Private source	5	20	4	29
World Trade Center Alaska	1	11	4	16
Commercial Service of the U.S.A.	1	8	2	11
Division of Trade and Tourism (OIT)	1	4	2	7
University of Alaska Anchorage	0	4	0	4
SBA / SBDC	0	0	1	1

Table VII-F, potential exporters

	NATURAL RESOURCES	SERVICES	RETAIL/MEG.	ALL GROUPS
<i>Assistance source</i>	Total citing response	Total citing response	Total citing response	Total citing response
Private source	1	15	1	17
Commercial Service of the U.S.A.	2	9	1	12
*Chuck Becker (by name) - CSUSA	1	2	0	3
Division of Trade and Tourism (OIT)	2	7	1	10
World Trade Center Alaska	1	8	0	9
University of Alaska Anchorage	1	4	0	5
Alaska Center for Int'l Business	0	3	0	3
University of Alaska Fairbanks	1	2	0	3
Alaska State Legislature	1	2	0	3
University of Alaska Southeast	0	1	0	1
SBA / SBDC	0	1	0	1

10

9-

Survey results VII, continued (Part III)

Government agency use / service rating (exporters)

Table VII-C

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:

**UAF, School of
Management**

Used	1s	2s	3s

Used	1s	2s	3s
1\64			1
1\64			1

Used	1s	2s	3s

1s	2s	3s

**UAF Arctic
Research**

Used	1s	2s	3s

Used	1s	2s	3s
1\64			1
1\64			1

Used	1s	2s	3s

1s	2s	3s

**UAA, School of
Business**

Used	1s	2s	3s
1\64		1	
1\64		1	

Used	1s	2s	3s
3\64		1	2
1\64		1	

Used	1s	2s	3s

1s	2s	3s
	1	

Agencies not marked: Division of Investments, Division of Banking, Kenai Peninsula Borough, Fairbanks North Star Borough, Fairbanks Airport, Southwest ARDOR, Southeast ARDOR, Prince William Sound ARDOR, Bering Straits ARDOR, Arctic ARDOR, Alaska Fisheries Development

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Re'errals to other sources of assistance (public or private)

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:**World Trade Center
Alaska**

Used	1s	2s	3s
16\64	10	3	1
18\64	5	10	1
18\64	9	4	4
14\64	8	3	2
17\64	9	5	1

Used	1s	2s	3s
10\64	6	1	3
16\64	7	4	3
12\64	6	1	4
12\64	7	3	1
11\64	5	3	2
9\64	5	1	1
7\64	1		3
12\64	5	2	4

Used	1s	2s	3s
7\64	4		3
4\64	2		2
4\64	2		2
4\64	1	1	2
3\64	1		2

1s	2s	3s
8	3	1

**Alaska Center for
Int'l Business**

Used	1s	2s	3s
5\64	1	4	
4\64		4	
4\64		3	1
5\64	2	1	2
3\64		2	1

Used	1s	2s	3s
1\64		1	
1\64			1
2\64		2	
2\64		2	
3\64		1	2

Used	1s	2s	3s
1\64	1		

1s	2s	3s
3	1	1

**American Russian
Center**

Used	1s	2s	3s
3\64	1	2	
2\64		2	
3\64		2	1
3\64		2	1
2\64	1	2	

Used	1s	2s	3s
1\64		2	
1\64		2	
2\64		1	1
3\64	2	1	
2\64		2	
2\64		1	1

Used	1s	2s	3s
1\64		1	

1s	2s	3s
1	1	1

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**Small Business
Development Cntr.**

Used 1s 2s 3s

1\64	1		

**Circumpolar
Health Studies**

Used 1s 2s 3s

Kenai College

Used 1s 2s 3s

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Used 1s 2s 3s

1\64	1		
1\64			1
1\64			1

Used 1s 2s 3s

1\64			1
1\64			1

Used 1s 2s 3s

1\64			1
1\64			1

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Used 1s 2s 3s

Used 1s 2s 3s

Used 1s 2s 3s

Overall agency satisfaction:

1s 2s 3s

1		
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1s 2s 3s

	1	
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1s 2s 3s

	1	
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General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:

**Alaska Science and
Tech. Foundation**

Used 1s 2s 3s

Used 1s 2s 3s

1\64			1
1\64			1

1s 2s 3s

		1
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**Alaska Industrial
and Export Auth.**

Used 1s 2s 3s

Used 1s 2s 3s

1\64			1
1\64			1

1s 2s 3s

		1
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**Alaska State
Legislature**

Used 1s 2s 3s

Used 1s 2s 3s

1\64			1
1\64			1

1s 2s 3s

		1
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General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:

**Alaska Seafood
Marketing Inst.**

Used 1s 2s 3s

Used 1s 2s 3s

1\64			1
1\64		1	

Used 1s 2s 3s

1s 2s 3s

	1	
--	---	--

**(AK) Dept. of
Commerce**

Used 1s 2s 3s

Used 1s 2s 3s

1\64			1
1\64			1

Used 1s 2s 3s

1s 2s 3s

	1	
--	---	--

**Office of Int'l
Trade**

Used 1s 2s 3s

5\64	4	1	
7\64	3	3	1
9\64	4	4	1
7\64	4	1	2
8\64	3	5	

Used 1s 2s 3s

4\64	3		1
8\64	3	3	2
5\64	3		3
6\64	4	2	
8\64	3	4	1
4\64	1	1	2
2\64	2		
7\64	3	2	1

Used 1s 2s 3s

2\64	1	1	
2\64	1	1	
1\64		1	
1\64	1		
1\64	1		
1\64		1	

1s 2s 3s

3	1	1
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General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:**Northern Forum**

Used 1s 2s 3s

Used 1s 2s 3s

1\64		1	
1\64			1
1\64			1
1\64			1
1\64			1
1\64			1

Used 1s 2s 3s

1\64			1

1s 2s 3s

	1	
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**(AK) Div. of
Nat. Resources**

Used 1s 2s 3s

Used 1s 2s 3s

1\64			1

Used 1s 2s 3s

1s 2s 3s

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**(AK) Div. of
Tourism**

Used 1s 2s 3s

1\64		1	
1\64		1	
1\64			1

Used 1s 2s 3s

1\64		1	

Used 1s 2s 3s

1s 2s 3s

	1	
--	---	--

General Information (Including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**U.S. Commercial
Service (US & FCS)**

Used	1s	2s	3s
11\64	7	1	2
11\64	4	3	2
10\64	5		3
10\64	6	1	2
10\64	5	3	1

**National Marine
Fisheries Service**

Used	1s	2s	3s

**Small Business
Administration**

Used	1s	2s	3s

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Used	1s	2s	3s
5\64	1	2	2
8\64	4	2	1
7\64	1	2	2
7\64	6		1
5\64	3	1	
5\64	2	2	
4\64	3	1	
5\64	2	1	1

Used	1s	2s	3s

Used	1s	2s	3s

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Used	1s	2s	3s
6\64	3	2	1
3\64	1	1	1
2\64		1	1
4\64	3	1	
2\64	2		
1\64	1		

Used	1s	2s	3s

Used	1s	2s	3s
2\64			2
4\64	1		3
1\64			1
1\64			1
4\64	1		3
1\64			1

1s	2s	3s
5	3	

1s	2s	3s
	1	

1s	2s	3s
1	1	2

Overall agency satisfaction:

General information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**U.S. Congressional
Delegation**

Used 1s 2s 3s

1\64	1		
3\64	1	2	
3\64	3		
2\64	2		
2\64		2	

**Muni. of
Anchorage**

Used 1s 2s 3s

			1

**Anchorage Int'l
Airport**

Used 1s 2s 3s

1\64	1		
1\64		1	

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Used 1s 2s 3s

1\64		1	
2\64	1	1	
1\64		1	
2\64	1	1	
1\64	1		
1\64		1	
1\64		1	
1\64	1		

Used 1s 2s 3s

			1
		1	
		1	

Used 1s 2s 3s

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Used 1s 2s 3s

1\64	1		
1\64	1		
2\64	1	2	

Used 1s 2s 3s

Used 1s 2s 3s

1\64		1	
1\64		1	

Overall agency satisfaction:

1s	2s	3s
3		1

1s	2s	3s
		1

1s	2s	3s

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**Anchorage
AFDOR**

Used	1s	2s	3s
1\64	1		
1\64	1		
2\64	2		
2\64	2		
1\64		1	

**Anch. Convention
and Visitors Bur.**

Used	1s	2s	3s

**Foreign trade
agency**

Used	1s	2s	3s
2\64	1		1
3\64	2		1
3\64	2		1
1\64	2		
1\64	1		

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Used	1s	2s	3s
2\64	1	1	
2\64	1	1	
1\64		1	
1\64		1	
1\64	1		
1\64		1	
2\64	1	1	
1\64		1	

Used	1s	2s	3s
			1

Used	1s	2s	3s
1\64	1		
2\64	1		1
2\64	1		1
2\64	1		1
2\64			2
2\64		1	1
2\64	1		1
1\64	2		

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Used	1s	2s	3s

Used	1s	2s	3s

Used	1s	2s	3s
2\64	1		1
2\64	1		1
2\64	1		1
2\64	1		1
2\64	1		1
2\64	1		1

Overall agency satisfaction:

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2		
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Survey results VII, continued (results Part III)

Government agency use / service rating (potential exporters)

Table VII-D

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

**World Trade Center
Alaska**
Used 1s 2s 3s

3\182		1	
1\182			1
1\182		1	
1\182			1

**Alaska Center for
Int'l Business**
Used 1s 2s 3s

2\182			2
1\182		1	
1\182		1	

**American Russian
Center**
Used 1s 2s 3s

1\182			
2\182	1		
1\182	1		

1\182			1
1\182		2	
2\182		1	1
3\182		2	1
3\182		2	1
2\182		1	1
2\182			2
2\182		1	1

2\182		1	1
1\182	1		
2\182	1		1
1\182		1	
1\182	1		

1\182	1		
2\182	1		
1\182			

1\182			1
1\182			1
1\182			1
1\182			1
1\182			1

1\182			1
1\182		1	

1\182	1		

Overall agency satisfaction:

	1	
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	1	
--	---	--

2		
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Agencies not marked: UAF School of Management, UAF Arctic Research, UAA School of Business, Circumpolar Health Studies, Kenai College, Division of Tourism, Division of Investments, Division of Banking, Anchorage, Kenai Peninsula Borough, Fairbanks North Star Borough, Fairbanks Int'l Airport, Anchorage Int'l Airport, Fairbanks ARDOR, Anchorage ARDOR, Southwest ARDOR, Southeast ARDOR, Kenai ARDOR, Prince William Sound ARDOR, Bering Straits ARDOR, Arctic ARDOR

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**Small Business
Development Cntr.**
Used 1s 2s 3s

1\182			1
1\182			1
1\182		1	

**Alaska Science and
Tech. Foundation**
Used 1s 2s 3s

1\182			1
1\182		1	

**Alaska Industrial
and Export Auth.**
Used 1s 2s 3s

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

1\182		1	
1\182		1	
1\182		1	
1\182		1	
1\182		1	

1\182		1	
1\182		1	

1\182		1	
1\182	1		

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

1\182			1

Overall agency satisfaction:

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General Information (Including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**Alaska State
Legislature**
Used 1s 2s 3s

1\182			1
1\182			1
1\182		1	
1\182			1

**Alaska Seafood
Marketing Institute**
Used 1s 2s 3s

1\182	1		
1\182		1	
1\182	1		
1\182	1		

**(AK) Dept. of
Commerce**
Used 1s 2s 3s

2\182	1		1
2\182	1		1
1\182	1		
1\182	1		

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

1\182			1
1\182		1	
1\182		1	
1\182			1
1\182		1	
1\182			1
1\182			1
1\182			1

1\182	1		
1\182	1		
1\182	1		
1\182		1	
1\182		1	
1\182		1	
1\182	1		
1\182		1	

1\182	1		
1\182	1		
1\182	1		
1\182		1	
1\182		1	
1\182			1
1\182			1
1\182		1	

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:

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General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

Office of Int'l
Trade
Used 1s 2s 3s

3\182		1	1
5\182	1	2	2
4\182	1	2	1
3\182	2	1	
1\182	2	1	

Northern Forum
Used 1s 2s 3s

1\182	1		
1\182	1		
1\182	1		
1\182	1		

(AK) Div. of
Natural Resources
Used 1s 2s 3s

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

4\182	1	2	1
4\182	2	1	1
3\182	2		1
3\182	1	1	1
2\182		1	1
3\182	1		2
3\182	1		2
4\182	1	2	1

1\182	1		
1\182			

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

1\182	1		

1\182	1		

Overall agency satisfaction:

3

2

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**U.S. Commercial
Service (US & FCS)**
 Used 1s 2s 3s

1\182	1	3	
5\182	1	2	3
4\182	1	3	
3\182	1	2	
1\182		1	

**National Marine
Fisheries Service**
 Used 1s 2s 3s

1\182		2	
1\182	1		
1\182	1		

**Small Business
Administration**
 Used 1s 2s 3s

2\182		1	1
2\182		1	1
3\182		1	2
2\182			3
1\182			1

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

3\182		1	2
2\182	1	1	
1\182		1	
1\182		1	1
1\182		1	1
1\182			1
1\182			1
1\182			1

			1
1\182	1		1

2\182		1	1
2\182			3
2\182			3
2\182		1	1
2\182		1	1
2\182			2
2\182			2
1\182		1	1

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

1\182	1		
1\182	1		

1\182		1	
1\182			1
1\182			1
1\182			1
1\182			1

Overall agency satisfaction:

	1	
--	---	--

	1	
--	---	--

	1	
--	---	--

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**U.S. Congressional
Delegation**

Used 1s 2s 3s

1\182	1		
2\182	1	1	
1\182	1		
1\182	1		

**Anchorage Convention
and Visitors Bur.**

Used 1s 2s 3s

**AK Fisheries Dev.
Foundation**

Used 1s 2s 3s

1\182	1		
1\182	1		
1\182	1		

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

1\182	1		
1\182	1		
1\182		1	

1\182			1

1\182	1		
1\182	1		
1\182	1		
1\182	1		

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:

☐ ☐ ☐
☐ ☐ ☐
☐ ☐ ☐

**Foreign trade
agency**
Used 1s 2s 3s

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

2\182		1	1
2\182		1	1
1\182			1
1\182			1

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

2\182			2
2\182			2
1\182			1
1\182			1
2\182	1		1
1\182			1
2\182	1		1
1\182			1

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:

	1	
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Survey results VIII (results to Part I. question 12 and Part II. question 6)

Suggestions Alaskan businesses have for enhancing international business activity in the state.

Exporters

Improve export assistance

- Cease lime lighting publicity relations with Far East and get into the export support business - i.e., drop the hype and get down to work - very disappointed with state effort (s)
- Work with real companies to facilitate real deals, not just get acquainted trips (s)
- Simplify! We are bewildered and confused by which state agencies are doing what (s)
- By supplementing group business development plans (s)
- Get the resources available to help people more visible. The international community in Anchorage is very small and the same people attend meetings, etc. Maybe somehow, you need to expand communication of resources (s)
- De-politicize trade issues and appointments and recognize the vital role (and complexity) of international markets in Alaska's future (s)
- Advertising directories distributed in Russia which advertise ALL companies (s)
- Maintain a database on Alaskan firms interested in international work - assist foreign inquiries to find compatible Alaskan businesses - encourage business exchanges in specific activities (forums) (s)
- Provide up-to-date information on customs (Russian) laws, provide sources of export finance (s)
- Continue to supply manufacturers / exporters with the names and addresses of people inquiring about Alaskan products. Help exporters obtain credit information regarding potential customers (o)
- A place where Alaskan businesses can publicize their want and need to other countries - a sort of classified ad system sold for subscription to other countries (s)
- Perhaps bring in foreign delegations of business and introduce suppliers for their needs (o)
- Support trade fairs, exhibitions, maintain trade office with major partners (s)
- Put together a professional services directory (s)
- Support more international trade mission to and from Alaska (s)
- Provide greater assistance to Alaskan business owners obtaining state / federal granted programs for the development of international markets (s)
- Set up an export / import service person at each port of entry who is familiar with dealing with the locals. Should be a local person who works with customs as well (s)
- Open communications and transportation connections direct to key foreign cities (s)

Address trade law issues

- Need assistance with EU restrictions to export (s)
- Get involved with:
 1. Airport fees, facilities and operating rules in the major Russian Far East cities. Obtain a workable agreement and insist that it be adhered to with no special changes or ad hoc rules.
 2. With our congressional delegation, work to remove restrictive new Russian tariffs (i.e., the 30 % tariff on food) (s)
- Due to regulatory restriction, all of the mines have closed. By sampling and assaying mineral commodities here, and thereby certifying content and value, advance partial payments (usually 70 %) could be made locally rather than at destinations weeks or months away (s)
- Eliminate EPA. Alaska is seen as an unstable, high risk place to invest (n)
- Provide steady, reliable supply of raw material such as timber (n)

Export finance

- Offer Alaskan companies a good line of purchasing ability so we can export consistently (lack of inventory) (o)
- 1. Financial support. 2. Generally, the state needs to act more interested (n)
- Financing (s)
- Canada has a program where the federal government will finance large projects (such as dams) in other countries. They require the country to use Canadian engineers and revenue from the project pays back the loan. Why couldn't we do this with permanent fund money? (s)
- Provide bona fide grants such as ASTF. Create a board who have a working knowledge and what exports are realistic. Cut out the frivolous waste of time and money (s)
- Convince local banks of state's viable export loan programs. Banks don't know or trust them now - prefer conventional or SBA (s)

Promote Alaska abroad

- Market Alaska as a good place to do business (s)
- Foreign advertising of Alaskan mystique / knowledge of Arctic (s)
- Present a positive image abroad (n)
- Domestic and international advertising and subsidies (s)

Other

- The largest perceived and / or actual barrier to both domestic and international business development is Alaska's high costs of shipping and travel. Any program that could defray these costs, at least during business start-up, might be helpful (s)

- There is not enough space in this section! (o)
- Continue to provide a low tax environment. Get fiscal house in order (s)
- This survey does not appear to consider the importance of Alaskan tourism destinations as an "export service". Foreign generated tourism dollars should be considered - they are an important way of easing the foreign trade deficit. Information on the fundamentals of marketing as well) (o)

Potential exporters

Foreign investment promotion

- Seek to develop markets for metals and minerals which are already being mined. Make Alaska's mineralogical potential known to foreign investors (s)
- Aggressive marketing of Alaska as a good place to invest (s)
- Promotion (n)

Improve export assistance

- Ask small businesses to participate more - so far, only big firms are involved (s)
- Help Alaskan businesses (not companies doing business in Alaska) with knowledge and advice on foreign markets. More substance and less networking (s)
- Sponsorship / attraction of international trade fairs (s)
- Provide introductions, open doors (s)
 1. Identify contacts
 2. Conduct workshops
 3. Provide financial incentives (s)
- "How to" help (s)
- Foster more dialogue between foreign governments and foreign industries with those of us in Alaska who have services or products needed in those foreign markets) (s)
- Perform a service for all comers (s)
 1. Raise the public's awareness of business opportunities and potential benefits statewide from increased import / export activities. Example: the many entrepreneurial opportunities - especially in retailing and manufacturing that are attractive to the sole proprietor / small business person
 2. Encourage the statewide media to increase coverage of business in Alaska.
 3. Rather than concentrate on the few largest products being shipped from Alaska (primarily oil and fish) develop incentive / information / assistance programs for individuals wishing to start an import / export business (n)
- Provide a central clearing house which answers questions and assists businesses to identify markets (s)
- Provide needs assessments in international countries. Provide a central document in which international bids / needs can be published for prospective service providers (s)
- Market research into foreign economies (s)
- Businesses need to know clearly whether it is feasible to export services to Russia, Japan, China. There are too many requirements for making initial investments in trips, travel, marketing, etc. (s)
- Encourage businesses to use a buddy system to move new organizations into the export market. For example, a timber exporter gets a tax credit for getting an Alaska engineering firm involved in exporting service to Russia (s)
- Publish the Alaskans willing to provide products and services to foreign countries (s)
- Interpreter services, databases with information specific to industry, contacts, newsletter updating current demands or the international marketplace (s)
- Guarantee foreign payment (s)
- Legitimate small business loans - also, legitimate exploration loans for geological and geophysical prospecting on state mineral land for the small miners (n)
- Listing of markets needing granite armor stone, rip rap, and other materials (n)
- By looking to other markets for our salmon products. India is an especially good candidate (n)
- Investigate and identify the resources / services available in Alaska. Publish the information for businesses (n)
 1. Research into business opportunities in remote locations
 2. Further trade based trips to make contacts (s)
- Give companies, with products which utilize resources unique to Alaska, special assistance to move product (n)
- Provide a comprehensive list of those services which are needed and a program on how to proceed with the marketing of those services (s)
- Interpreters, company names, import laws, finance info (n)

Support and / or develop the local economy / infrastructure

- Support international business that will require more local support (buildings, jobs, etc.) (s)
- Encourage the growth of local enterprise by not buying outside the state (s)
- Wood product value added business support (milling, composite, creations, etc.). Quit selling raw materials to the Japanese. consider possibly utilizing native wood for construction purposes (yellow cedar, red cedar, spruce) (s)
- Establish a freeport (s)
- Possible free trade zone in Anchorage (s)
 1. Open free trade zone

- It may not be possible to do a credible job given the diversity and far flung nature and language problems involved. We once had a very frustrating experience attempting to locate manufacturers of certain equipment in Japan (s)
- Do we really desire increased activity regardless of cost to us? We provide professional services and do not need more competition (s)

Survey results IX (results Part I, question 7)
International market activity

Table IX-A, natural resource sector exporters

	<u>Last fiscal year</u>				<u>5 year projection</u>			
	1-15%	16-50%	51-100%	Region total	1-15%	16-50%	51-100%	Region total
ASIA								
Japan	3	3	3	9	2	2	3	7
Korea	1	1	1	3	2	2	1	7
P.R.C.	2	0	0	2	1	2	0	3
R.O.C.	1	0	0	1	2	0	0	2
	7	4	4	15	7	6	4	19
NORTH AMERICA								
Canada	0	2	0	2	0	2	0	2
	0	2	0	2	0	2	0	2
EUROPE								
Germany	0	2	1	3	0	1	1	2
	0	2	1	3	0	1	1	2
NIS								
Russia	0	0	1	1	0	0	1	1
	0	0	1	1	0	0	1	1

Survey results IX, continued (results Part I, question 7)

International market activity

Table IX-C, service sector exporters

	Last fiscal year				5 year projection			
	1-15%	16-50%	51-100%	Region total	1-15%	16-50%	51-100%	Region total
ASIA								
P.R.C.	5	0	0	5	7	0	0	7
Japan	3	1	2	6	1	2	1	4
R.O.C.	1	0	1	2	4	0	0	4
Korea	2	0	0	2	3	0	0	3
India	0	0	0	0	2	0	0	2
Malaysia	0	0	1	1	0	1	0	1
Philippines	1	0	0	1	1	0	0	1
Thailand	0	0	0	0	0	1	0	1
Vietnam	0	0	0	0	0	1	0	1
ASEAN	0	0	0	0	1	0	0	1
Southeast Asia	0	0	1	1	0	0	0	0
	12	1	5	18	17	6	1	25
NIS								
Russia	7	1	7	15	9	4	6	19
Uzbekistan	1	0	0	1	1	0	0	1
	8	1	7	16	10	4	6	20
EUROPE								
Germany	1	0	1	2	2	0	1	3
Europe	2	0	0	2	2	0	0	2
Switzerland	1	0	0	1	2	0	0	2
Austria	0	0	0	0	1	0	0	1
U.K.	1	0	0	1	1	0	0	1
France	2	0	0	2	1	0	0	1
Portugal	0	0	0	0	1	0	0	1
Belgium	1	0	0	1	0	0	0	0
Holland	1	0	0	1	0	0	0	0
Iceland	1	0	1	2	0	0	0	0
	10	0	2	12	10	0	1	11
NORTH AMERICA								
Canada	4	1	0	5	4	0	0	4
United States	0	1	0	1	0	1	0	1
North America	1	0	0	1	0	0	0	0
	5	2	0	7	4	1	0	5
CENTRAL / SOUTH AMERICA								
South America	1	0	0	1	1	1	0	2
Central America	1	1	0	2	0	1	0	1
Chile	1	0	0	1	1	0	0	1
Panama	1	0	0	1	1	0	0	1
	4	1	0	5	3	2	0	5
MIDDLE EAST / AFRICA								
Middle East	1	0	0	1	2	0	0	2
West Africa	1	0	0	1	1	0	0	1
Africa	0	0	0	0	1	0	0	1
Israel	1	0	0	1	0	0	0	0
	3	0	0	3	4	0	0	4
AUSTRALIA / PACIFIC								
Australia	0	0	0	0	1	0	0	1

Survey results IX-B (results Part I, question 7)
International market activity

Table IX-A, retail / light mfg. sector exporters

	<u>Last fiscal year</u>				<u>5 year projection</u>			
	1-15%	16-50%	51-100%	Region total	1-15%	16-50%	51-100%	Region total
ASIA								
Japan	2	1	3	6	1	2	2	5
Korea	1	0	0	1	1	0	0	1
P.R.C.	0	0	0	0	1	0	0	1
India / Pakistan	0	1	0	1	1	0	0	1
Southeast Asia	1	0	0	1	0	1	0	1
	4	2	3	9	4	3	2	9
EUROPE								
Germany	3	0	0	3	2	1	0	3
Belgium	1	0	0	1	1	0	0	1
Norway	1	0	0	1	1	0	0	1
Italy	1	1	0	2	1	0	0	1
Denmark	1	0	0	1	1	0	0	1
Holland	0	0	0	0	1	0	0	1
Switzerland	1	0	0	1	0	0	0	0
	8	1	0	9	7	1	0	8
NORTH AMERICA								
Canada	2	0	1	3	1	3	0	4
	2	0	1	3	1	3	0	4
NIS								
Russia	3	0	0	3	2	1	0	3
	3	0	0	3	2	1	0	3
SOUTH AMERICA								
South America	0	1	0	1	0	0	1	1
	0	1	0	1	0	0	1	1
AFRICA								
Africa	0	1	0	1	0	1	0	1
	0	1	0	1	0	1	0	1

Survey results IX, continued (results Part I, question 7)

International market activity

Table IX-D, all sectors

	Last fiscal year				5 year projection			
	N. Resources	Retail/Mfg.	Services	Total	N. Resources	Retail/Mfg.	Services	Total
ASIA								
Japan	9	6	6	21	7	5	4	16
Korea	3	1	2	6	7	1	3	11
P.R.C.	2	0	5	7	3	1	7	11
R.O.C.	1	0	2	3	2	0	4	6
India	0	0	0	0	0	0	2	2
India / Pakistan	0	1	0	1	0	1	0	1
Malaysia	0	0	1	1	0	0	1	1
Philippines	0	0	1	1	0	0	1	1
Thailand	0	0	0	0	0	0	1	1
Vietnam	0	0	0	0	0	0	1	1
ASEAN	0	0	0	0	0	0	1	1
Southeast Asia	0	1	1	2	0	1	0	1
	15	9	18	42	19	9	25	52
NIS								
Russia	1	3	15	19	1	3	19	23
Uzbekistan	0	0	1	1	0	0	1	1
	1	3	16	20	1	3	20	24
EUROPE								
Germany	3	3	2	8	2	3	3	8
Switzerland	0	1	1	2	0	0	2	2
Europe	0	0	2	2	0	0	2	2
Belgium	0	1	1	2	0	1	0	1
Norway	0	1	0	1	0	1	0	1
Italy	0	2	0	2	0	1	0	1
Denmark	0	1	0	1	0	1	0	1
Holland	0	0	1	1	0	1	0	1
France	0	0	2	2	0	0	1	1
Austria	0	0	0	0	0	0	1	1
U.K.	0	0	1	1	0	0	1	1
Iceland	0	0	2	2	0	0	0	0
Portugal	0	0	0	0	0	0	1	1
	3	9	12	24	2	8	11	21
NORTH AMERICA								
Canada	2	3	5	10	2	4	4	10
United States	0	0	1	1	0	0	1	1
North America	0	0	1	1	0	0	0	0
	2	3	7	12	2	4	5	11
CENTRAL / SOUTH AMERICA								
South America	0	1	1	2	0	1	2	3
Central America	0	0	2	2	0	0	1	1
Chile	0	0	1	1	0	0	1	1
Panama	0	0	1	1	0	0	1	1
	0	1	5	6	0	1	5	6
MIDDLE EAST / AFRICA								
Middle East	0	0	1	1	0	0	2	2
Africa	0	1	1	2	0	1	1	2
West Africa	0	0	0	0	0	0	1	1
Israel	0	0	1	1	0	0	0	0
	0	1	3	4	0	1	4	5
AUSTRALIA / PACIFIC								
Australia	0	0	0	0	0	0	1	1
	0	0	0	0	0	0	1	1

Survey results X (results Part I, questions 6 and 2, and Part II, question 5)
Respondent profile statistics - respondent gross sales / export sales last fiscal year

Table X-A, exporters

	NATURAL RESOURCES	SERVICES	RETAIL/MFG.	ALL GROUPS	
<i>Sales range</i>	Total citing response	Total citing response	Total citing response	Total citing response	Percent of response total
a. \$0 - \$250,000	6	10	3	19	34%
b. \$250,001 - \$ 5,000,000	2	10	5	17	30%
c. \$ 5,000,001+	3	14	3	20	36%
Total (all groups)				56	

Table X-B, percent exports of total sales (exporters only)

	NATURAL RESOURCES		SERVICES		RETAIL/MFG.		ALL GROUPS	
<i>Percent Sales</i>	Total citing sales level	Percent of sector total	Total citing sales level	Percent of sector total	Total citing sales level	Percent of sector total	Total citing sales level	Percent of sector total
<i>International</i>								
a. 1-15 %	1	10%	28	74%	8	62%	37	61%
b. 16-50 %	2	20%	3	8%	4	11%	9	15%
c. 51+ %	7	70%	7	18%	1	8%	15	25%
Total by industry	10		38		13		61	

Table X-C, potential exporters

	NATURAL RESOURCES	SERVICES	RETAIL/MFG.	ALL GROUPS	
<i>Sales range</i>	Total citing response	Total citing response	Total citing response	Total citing response	Percent of response total
a. \$0 - \$250,000	23	74	7	104	60%
b. \$250,001 - \$ 5,000,000	5	42	2	49	28%
c. \$ 5,000,001+	2	19	0	21	12%
Total (all groups)				174	

Part C
Appendix

Appendix A
Project Oversight Committee

Joe Beedle
Juneau Small Business Development Center

Sherry Biggs
Kenai Economic Development District / Chamber

Steve Borrell
Alaska Miners Association

Chris Gates
Alaska Forestry Association

David Haugen
The Alliance

Carol Heyman
Anchorage Chamber of Commerce

Tom Jensen
Alaska State Chamber of Commerce

Jim Martin
Alaska Business Monthly

Chris Mitchell
Alaska Fisheries Development Foundation

Kevin Krauklis
Fairbanks Economic Corporation and Chamber of Commerce

Dale Wade
Alaska Air Cargo Association

July 10, 1995

(Oversight Committee Member)

We are pleased that you have chosen to become an active part of our state's international business future. As a member of the oversight committee for Alaska's first ever comprehensive private sector international needs assessment, you will be contributing to the long-term future of international business development in Alaska.

The private sector needs assessment is part of a larger plan to enhance Alaska's ability to assist Alaskan businesses looking to succeed in foreign markets. By assessing the real needs of Alaskan private sector businesses in terms of the services offered by state international trade assistance agencies (ITAAs), we can begin to substantially improve on Alaska's course of action for reaching customers around the world.

As an oversight committee member, you will be asked to do the following:

- Provide advice and comments on the assessment process in general;**
- Provide advice and comments of the private sector survey;**
- Validate our efforts in enhancing the state's capability for responding to the international trade needs of Alaskan businesses.**

You will be asked to attend one full-quorum meeting on Monday, July 17 from 3:00 to 5:00 p.m. at the World Trade Center Alaska to discuss the process in general. You will also receive a final draft copy of the private sector survey (tentatively on August 1) to review and edit before it is distributed. Finally, you will be asked to review and comment on our final analysis information (tentatively on September 15). The analysis information will be shared with a special legislative task force whose members will make formal recommendations based on the results.

Your efforts are greatly appreciated and will certainly contribute to Alaska's international future. Thank you for your time and consideration.

(TL)

APPENDIX B
Government Agency Service Providers Listed in Part III of the Survey

UNIVERSITY OF ALASKA

UAF. School of Management: The primary business education unit of the University of Alaska Fairbanks.

UAF. Office of Arctic Research: The primary coordination office for Arctic research at the University of Alaska Fairbanks.

UAA. School of Business: The primary business education unit of the University of Alaska Anchorage.

World Trade Center Alaska & TROIKA Alaska: World Trade Center Alaska is a membership supported organization which provides international business services to its members. TROIKA Alaska is an University of Alaska program operating on a grant from the Commerce Department CABNIS program. The purpose of the program is to increase U.S. exports to the Russian Far East.

Alaska Center for International Business: An international business research and education organization located at the University of Alaska Anchorage.

American Russian Center: A Commerce Department funded program designed to train Russian business people in American management practices. Located at the University of Alaska Anchorage.

(UAA) Small Business Development Centers: Provides a range of small business assistance to Alaskan companies. Offices are located in Anchorage, Juneau, Fairbanks, and Mat-Su (a Rural Outreach Director provides services throughout rural Alaska).

Kenai Peninsula College: Provides various international activities in the Kenai Peninsula area.

Institute for Circumpolar Health Studies: An Arctic research branch of the University of Alaska Anchorage.

STATE OF ALASKA

Alaska Science and Technology Foundation: Makes public funds available for long-term investment in economic development and technological innovation within the state. Awards grants for basic and applied research.

Alaska Industrial Development and Export Authority: (AIDEA) Provides export finance assistance to Alaskan companies.

Alaska State Legislature: The Senate and House branches of the Alaska State Legislature.

Alaska Seafood Marketing Institute: (ASMI) Promotes the sale of Alaskan seafood in domestic and international markets.

Alaska Department of Commerce and Economic Development: (Alaska Division of Economic Development) Seeks to strengthen Alaska's economy through the development of the private sector.

(Governor's) Office of International Trade: Serves as a commercial liaison for the state and for private sector businesses which trade in international markets.

Northern Forum: An international organization of leaders from northern and Arctic regions of the world.

Division of Natural Resources: The branch of the Alaska Department of Commerce concerned with natural resources in the state.

Division of Tourism: The branch of the Alaska Department of Commerce concerned with tourism in the state.

Division of Investments: The branch of the Alaska Department of Commerce concerned with investments in the state.

Division of Banking: The branch of the Alaska Department of Commerce concerned with banking in the state.

UNITED STATES FEDERAL GOVERNMENT

U.S. Foreign Commercial Service: (U.S. Commercial Service) An unit of the International Trade Administration of the Department of Commerce. Provides numerous services to companies preparing to export to virtually any market in the world.

U.S. National Marine Fisheries Service: Conducts trade research and supports the development of marine life including fish.

U.S. Small Business Administration: A small business support organization which offers export assistance services.

Alaska Congressional Delegation: The Alaskan representatives to the federal legislature.

LOCAL GOVERNMENTS

Municipality of Anchorage Office of International Affairs: The international affairs office for the Municipality of Anchorage.

Kenai Peninsula Borough: The local government of the Kenai Peninsula. The Kenai Peninsula Borough has a particular interest in international commerce (particularly Russia).

Anchorage International Airport: The airport authority of the Anchorage International Airport.

Fairbanks International Airport: The airport authority of the Fairbanks International Airport.

ALASKA REGIONAL DEVELOPMENT ORGANIZATIONS (ARDORS)

ARDORS: Organizations throughout the state which promote regional economic development programs. ARDORS include:

Fairbanks Industrial Development Corporation, Anchorage Economic Development Corporation, Southwest Alaska Municipal Conference, Southeast Alaska Conference, Kenai Peninsula Economic Development District, Prince William Sound Economic Development District, Bering Strait Economic Council, and the Arctic Development Council.

OTHER ORGANIZATIONS

Anchorage Convention and Visitors Bureau: Promotes and coordinates conventions and tourism activity in Anchorage.

Alaska Fisheries Development Foundation: Established to develop new seafood related products and new markets for Alaskan seafood (e.g., surimi)

Foreign Trade Agency: Refers to any foreign government trade agency (e.g., JETRO, KOTRA, CETRA, etc.).

APPENDIX C
Total Respondents by SIC Code

Current exporter respondents (respondents to Part I of the survey)

Natural resource sector

<u>SIC Codes</u>	<u>Industry description</u>	<u>Number of responses</u>
811	Timber tracts	1
911	Commercial fishing	1
1030	Lead and zinc ore metal mining	1
1099	Miscellaneous metal ores NEC	1
1440	Sand and gravel	1
2411	Logging	3
Natural resource related total:		8

Service sector

<u>SIC Codes</u>	<u>Industry description</u>	<u>Number of responses</u>
723	Crop preparation services for market except cotton ginning	1
851	Forestry services	2
1382	Oil and gas field exploration services	1
1389	Oil and Gas Field Services NEC	1
1500	Building construction - general contractors and operative builders	1
4210	Trucking and courier services except air	1
4212	Local trucking without storage	1
4469	Water transportation of freight NEC	1
4491	Marine cargo handling	1
4512	Air transportation, scheduled	2
4581	Airports, flying fields, and airport terminal services	1
4725	Tour operators	1
4730	Arrangement of transportation of freight and cargo	1
4899	Communications services NEC	1
4920	Gas production and distribution	1
5080-5999	Wholesale trade	4
5999	Miscellaneous retail trade	2
6512	Operators of non-residential buildings	1
7311	Advertising agencies	1
7335	Commercial photography	1
7349	Building cleaning and maintenance services NEC	1
7370	Computer programming, data processing, and other computer related services	1
7381	Detective, guard, and armored car services	2
7389	Business services NEC	4
8711	Engineering services	12
8732	Commercial economic, sociological, and educational research	1
Service sector total:		47

Other sectors

<u>SIC Codes</u>	<u>Industry description</u>	<u>Number of responses</u>
2082	Malt beverages	1
2087	Flavoring extracts and flavoring syrups NEC	1
2399	Women's misses', and juniors' outerwear NEC	1
2731	Books: publishing, or publishing and printing	1
2740	Miscellaneous publishing	1
2890	Miscellaneous chemical products	1
2910-2911	Petroleum refining	2
3533	Oil and gas field machinery and equipment	1
3692	Primary batteries, dry and wet	1
3990	Miscellaneous manufacturing industries	1
5199	Nondurable goods NEC	1
5999	Miscellaneous retail stores NEC	1
<u>Other categories total</u>		13
Total current exporter respondents:		68

Potential Exporter Respondents (respondents to Part II of the survey)

Natural resource sector

<u>SIC Codes</u>	<u>Industry description</u>	<u>Number of responses</u>
811	Timber tracts	1
910-911	Commercial fishing	5
1040-1041	Gold ore mining	5
1099	Miscellaneous metal ores mining NEC	2
1300	Oil and gas extraction	2
1420	Crushed and broken stone	1
1440	Sand and gravel	7
1499	Miscellaneous nonmetallic minerals NEC	3
2411	Logging	9
Natural resource related total		35

Service sector

<u>SIC Codes</u>	<u>Industry description</u>	<u>Number of responses</u>
851	Forestry services	6
1081	Metal mining services	2
1381	Drilling oil and gas wells	2
1382	Oil and gas field exploration services	2
1389	Oil and gas services NEC	2
1500-1574	Building contraction - general contractors and operative builders	23
1629	Heavy construction NEC	1
1799	Special trade contractors NEC	1
4512	Air transportation, scheduled	1
4581	Airports, flying fields, and airport terminal services	1
4789	Transportation services NEC	1
4899	Communications services NEC	3
4920	Gas production and distribution	1
4941	Water supply	2
5080-5199	Wholesale trade	5
6512	Operators of non-residential buildings	1
6519	Lessors of real property NEC	2
7311	Advertising agencies	1
7335	Commercial photography	1
7379	Computer related services NEC	3
7389	Business services NEC	1
8711	Engineering services	61
8712	Architectural services	16
8713	Surveying services	2
8721	Accounting, auditing, and bookkeeping services	1
8732	Commercial economic, sociological, and educational research	2
8734	Testing laboratories	1
8741	Management services	2
Service sector total		147

Other sectors

<u>SIC Codes</u>	<u>Industry description</u>	<u>Number of responses</u>
2740	Miscellaneous publishing	4
3400	Fabricated metal products	1
3910	Jewelry, silverware, and plated ware	1
5399-5999	Miscellaneous retail trade	3
<u>Other categories total:</u>		<u>9</u>

Total potential exporter respondent total: 191

Survey totals

Total exporter respondents:	68
Total potential exporter respondents:	191
Total tabulated surveys:	259
Response rate percentage*	13%

NEC = Not elsewhere classified

*** Based on initial mass mailing of 1,998 surveys. Does not include considerations for possible subsidiary duplicates, undeliverable surveys, and companies which have gone out of business.**

APPENDIX D
Total number of registered Alaskan companies within targeted industries
(by SIC Code) -- service sector

<u>SIC Codes</u>	<u>Industry description</u>	<u>Number of companies</u>
0710-0723	Crop and soil preparation services	3
0850-0851	Forestry services	78
1080-1081	Metal mining services	43
1241	Coal mining services	1
1380-1381	Drilling oil and gas wells	24
1382	Oil and gas field exploration services	23
1389	Oil and gas field services not elsewhere classified	47
1500-1542	Building construction - general contractors and operative builders	1,855
1610-1629	Heavy construction other than building construction - contractors	90
1731	Electrical work (including telecommunication equipment installation)	139
1799	Special trade contractors not elsewhere classified	510
3730-3731	Ship building and repair	201
4210-4214	Local trucking without storage	1,272
4400-4412, 4449-4479	Water transportation	194
4491	Marine cargo handling	26
4500-4512	Air transportation, scheduled	100
4513	Air Courier services	18
4580-4581	Airports, flying fields, and airport terminal services	296
4725	Tour operators	266
4730-4731	Arrangement of transportation of freight	

	and cargo	43
4789	Transportation services not elsewhere classified	4
4899	Communication services, not elsewhere classified	132
4920-4925	Gas production and distribution	14
4940-4941	Water supply	29
4953	Refuse systems	70
5000-5145, 5147-5199	Miscellaneous wholesale trade	2,053
6020-6029	Commercial banks	8
6512	Operators of nonresidential buildings	599
6519	Lessors of real property not elsewhere classified	449
7300-7399	Business services (except computer services)	8,397
7371-7379	Computer related services	326
8711	Engineering	495
8712	Architectural services	106
8713	Surveying services	184
8731	Commercial, physical and, biological research	1
8732	Commercial economic, sociological, and educational research	37
8734	Testing labs	3
8740-8799	Management consulting and public relations services	2,209

APPENDIX E

**Total number of registered Alaskan companies within targeted industries
(by SIC Code) -- retail / manufacturing**

<u>SIC Codes</u>	<u>Industry description</u>	<u>Number of companies</u>
2082-2399, 2431-3999	Manufacturing	3,443
5200-5999	Retail Trade	14,038

APPENDIX F
Total number of registered Alaskan companies within targeted industries
(by SIC Code) -- natural resource sector

<u>SIC Codes</u>	<u>Industry description</u>	<u>Number of companies</u>
0800-0831	Forestry	48
0900-0921	Commercial fishing	301
0970-0971	Hunting and trapping, and game propagation	35
1000-1061, 1094-1099	Metal mining	104
1220-1231	Coal mining	2
1300-1321	Oil and gas extraction	15
1400-1479	Non-metallic mineral mining and quarrying (except fuels)	56
1490-1499	Miscellaneous nonmetallic minerals, except fuels	6
2400-2411	Logging	246
2421-2429	Sawmills	115
2077	Animal and marine fats / oils	4
2091-2092	Canned and cured fish seafoods, Prepared fresh or frozen fish seafoods	34
5146	Wholesale fish and seafood trade	5

APPENDIX G

Notes on survey questions

Question 1

The motivation question was inspired by a number of sources including:

1. Copy of E-mail letter from Christina Ravekes, Commercial Service of the USA, Santa Clara (forwarded July 7, 1995).
2. *Discovering Export Opportunities*, Southwestern Pennsylvania Regional Economic Development Council, p. 48-49.
3. Czinkota R. Michael and Tesar, George. *Export Management, an International Context*, Praeger: 1982, p. 6, 92.
4. Dulat, Karin B. and Wells, Fargo L. *Exporting from Start to Finance*, Liberty Hall Press: 1991, p. 4-5.

Question 2

The international sales choices were staggered to reflect three basic levels of export activity:

- 1 - 15 %, a small percentage of total sales are exports
- 16 - 50 %, a moderate percentage of total sales are exports
- 51 % +, the majority of total sales are exports

Question 3

Question three was primarily structured after a survey question included in the Kenan Institute's 1995 Report Card on Trade:

1. *Report Card on Trade - Evaluating Support Services for American Exporters*. International Business Education Center, Kenan Institute of Private Enterprise: 1995. p. A3-2.

Question 5

Question five was partially structured after a survey question in the Kenan Institute's 1995 Report Card on Trade:

1. *Report Card on Trade - Evaluating Support Services for American Exporters*. International Business Education Center, Kenan Institute of Private Enterprise: 1995. p. A3-5 (question F 31).

Question 6

As there are numerous definitions for "small business", the following sales ranges from question six were generalized - none of the sales ranges are based on Small Business Administration definitions for small business in any particular industry.

- \$ 0 - \$ 250,000, an infant business
- \$ 250,001 - \$ 5,000,000, a small business
- \$ 5,000,001 +, medium to large businesses

Question 7

In reporting the industry-specific results to question seven, international sales were categorized according to the criteria listed in question two.

Question 8

Question eight (8a) was partially structured after a survey question in the Southwestern Pennsylvania Regional Development Council's *Discovering Export Opportunities* study. Question (8b) was inspired by Mr. Steve Smirnoff, Special Assistant to the Mayor for International Affairs, Municipality of Anchorage.

Response choices to the hypothetical situation were staggered to reflect three levels of exporting interest (and / or aversions to international business risk):

- Part (a), companies which might treat an international trade lead with the same priority as a domestic trade lead (i.e., companies which recognize the immediate benefits associated with international trade.)
- Part (b), companies which recognize the benefits associated with international trade, but would prefer dealing domestically.
- Part (c), companies with little or no interest in new international trade leads. The sub-choices tried to determine why an Alaskan company would have no interest in an international trade lead.
- Part (c2), economies of scale can reduce the costs associated with marginal production increases. Do Alaskan companies have adequate access to resources (especially financial) which would allow for business expansion and the development of economies of scale?
- Part (c3), international business risk: company concerns over international business risk need to be met with information.
- Part (c4), generally a poor reason for not considering international trade - few companies are immune from international competition.

1. *Discovering Export Opportunities*, Southwestern Pennsylvania Regional Economic Development Council, p. 45 (question A-13).

Question 9

The list of export considerations came from a number of sources including:

1. *Discovering Export Opportunities*, Southwestern Pennsylvania Regional Economic Development Council, p. 54 (question D-2).

2. *Report Card on Trade - Evaluating Support Services for American Exporters*. International Business Education Center, Kenan Institute of Private Enterprise: 1995. p. A3-3 (section D).

3. Czinkota R. Michael and Tesar, George. *Export Management, an International Context*, Praeger: 1982, p. 61.

4. Dulat, Karin B. and Wells, Fargo L. *Exporting from Start to Finish*, Liberty Hall Press: 1991, p. 8-9.

5. Renner, Sandra L. and Winget, Gary W. *Fast Track Exporting - How Your Company Can Succeed in the Global Market*, American Management Association: 1991, p. 49-52.

Question 10

Question ten was copied from a survey question in the Southwestern Pennsylvania Regional Development Council's *Discovering Export Opportunities* study.

1. *Discovering Export Opportunities*, Southwestern Pennsylvania Regional Economic Development Council, p. 50 (question B-12).

PART II

Question 1

It was assumed that companies which had never considered international trade would have comparatively little to say about exporting. Consequently, "no" respondents were asked to skip the majority of Part II.

Question 2

(Please see Part I, question one)

Question 3

Question three was modeled after Part I, question nine.

Question 4

(Please see Part I, question eight)

Question 5

(Please see Part I, question six)

PART III

Part 3

Part three was heavily structured around a number of other sources. Descriptions of the listed agencies can be found in Appendix C.

1. *Discovering Export Opportunities*, Southwestern Pennsylvania Regional Economic Development Council, p. 54 (question D-2).

2. *Report Card on Trade - Evaluating Support Services for American Exporters*. International Business Education Center, Kenan Institute of Private Enterprise: 1995. p. A3-3 (section D).

3. Renner, Sandra L. and Winget, Gary W. *Fast Track Exporting - How Your Company Can Succeed in the Global Market*, American Management Association: 1991, p. 24.

Appendix H
Participating Companies -
Potential Exporters

Adams, Morgenthaller, and Company
 AE Rogers Architects
 Al-Can Adventure Marketing
 Alaska Central Express
 Alaska Datatronics
 Alaska Environmental Control
 Alaska Extinguisher Company
 Alaska Fish Factor
 Alaska Lands and Resources
 Alaska Minerals
 Alaska National Corporation
 Alaska Native Arts and Crafts
 Alaska Pacific Powder Company
 Alaska Paper Company
 Alaska Post Cards
 Alaska Standard Mining Company
 Alaska Village Environmental
 Alcan Builders, Inc.
 Alexander Ace
 Ambler Exploration
 Anchorage Sand and Gravel
 Arctic Contractors
 Arctic Minerals Company
 Arctic Outfitters, Ltd.
 Bear Garden Fisheries
 Ben A. Thomas Incorporation
 Besse, Epps & Potts
 Bezek Durst Seiser
 Bishop and Associates
 Boehne Resource Development
 Bonanza Log and Salvage
 Brooks and Associates
 Bruce H. Mattson Electrical
 Bush Cons't Surveys Inc. / AK Rim
 C T I Alaska
 Calais Company, Inc.
 Caribou Enterprises
 Carl E. Grundberg Architect
 Carroll-Vondra
 CET Engineering Support Service
 Charles Bettisworth and Company
 Chugach Engineering
 Chugach Rock Corporation
 Circumpolar Research Associates
 Coal Water Fuel Services
 Concrete Cutters / De Loraine
 Consultec
 Contracting Ventures, Inc.
 Cooper Consulting Engineer
 Copper River Telecom

Crowley All Terrain Corp.
 Crowther Associates
 D and E Ventures
 D L B Wellsite
 David M. Bear, R.L.S.
 David P. Williams, P.E.
 Davis Constructors and Engineers
 De Lapp Consulting
 Deborah Holmes, CPA
 Denali Drilling
 Denali Mechanical, Inc.
 Dent, Donald R. - P.E. and LS
 Dick Lowman, P.E.
 Digital Stock, Inc.
 Dollerhide Engineering
 Doyon Drilling, Inc.
 DRven Corporation
 E and R Mining Company
 E H S Alaska, Inc.
 Eagle River Engineering Services
 Earl Fullingim, AIA Architect
 Earthscape
 East Road Fish Products
 Ed's Electric, Inc.
 Edwin Stryker, P.E.
 EMCON Alaska, Inc.
 Engineering Consultants of Alaska
 Equipment Engineering
 Ernst Siemoneit, P.E.
 Ester Drilling Company
 Fairbanks Excavating and Trucking
 Fairweather Prints
 Financial Services, Inc.
 Flappin Fresh Fillets
 F M C Logging, Inc.
 Fritz Creek Fish
 Ghemm Company, Inc.
 G N McDonald and Associates
 Goentzel Builders, Inc.
 Gold Coast Builders
 Gorman Engineers
 Green Engineering
 Hall Industries
 Hansen Engineering
 Hawkinson Construction
 Herndon and Thompson, Inc.
 Humphrey Computer Graphics
 Hunz and Hunz Enterprises
 Industrial Electronics
 Interlocken Design Company
 International Aviation Service, Inc.
 Interpac Forest Corporation
 J H C
 Jeanne M. Funatake, Architect

Jensen / Douglas Architects, Inc.	Rosemary E. Lebowitz, Architect
John Earl Simpson, P.E.	Rozak Engineering
Joseph A. Durrenberger	S K Tech
Ke Mell Architects	Sandra Ramsey Associates
Kenneth L. Larson	Salcha Sand and Gravel
Koskovich Custom Goldsmith	Scott Johnson and Associates
L and M Douglas Company	Sivuqaq, Inc.
Lake and Boswell Consulting	Sound Quarry, Inc.
Lawrence E. Wilkinson	Southeast Alaska Resources
Loftus and Dailey	Spring Alaska
Long Shot Mining Company	Steven R. Rowland, P.E.
Longstaff Engineers and Construction	Stewart Petroleum
Lowell LP and Associates	Strand Hunt Corporation
Mangus, Marvin D.	Superior Engineering
MBA Consulting Engineers, Inc.	Systech
Mendenhall Aerial Surveys	Technical Field Services
Mills Construction and Supply	Ted J. Forsi - Consulting Engineer
Minch Ritter Voelckers	Tesch Logging
Morrison Communications	The G. Eddy Company
Mountain Engineering	Udelhoven Oilfield Systems
Murphy and Associates	Ukpeagvik Arctic Slope (UAS)
Nana Test, Inc.	Unitec Construction
Natural Resources Conslt.	Vining and Associates
Nelson Electrical Engineering	W J R, Ltd.
Nistler Enterprises	Walsh A / C Services
Northern Services	Wellenstein Architect Consultant
Nugget Nevada, Inc.	Whaletree
Offshore Systems - Kenai	White Construction Limited
P and HR Processing and Refine	Wild Rose Timber
Pacific General, Inc.	William M. Sackinger Electrical Engineer
Parsons and Associates, Inc.	Wintec Construction, Inc.
Paul Davis Systems of Alaska	Yukon Construction
Peavey Salvage	
Pegasus Engineering	
Petro Star, Inc.	
Philip M. Dillon, P.E.	
Phillips Bolt Manufacturing	
Phoenix Logging Company	
Piquini Management Corporation	
Power and Control Engineering	
Pralle Aviation Services	
Quick Draw H2O Service	
R S H Company	
Rader Econometrics and Engineering	
Raj Bhargava Associates	
Regional Architects	
Remy G. Williams, P.E.	
Resource Technical Services	
RG Williams	
Robert Dawson	
Robert W. Retherford, Electrical Engineer	
Rodney P. Kinney Associates, Inc.	
Rooney Engineers	

**Appendix I
Participating Companies -
Exporters**

Aeromap U.S., Inc.
 Alaska Battery Manufacturing
 Alaska Incentive and Expedition
 Alaska Mountaintop Spirits
 Alaska Pacific Transport, Inc.
 Alaska Russia Company
 Alaska Sausage Company, Inc.
 Alaska Water Exports
 Alaska Wholesale
 Ander; Bjorn; Kane; Jac, Inc.
 Anson L. Renshaw, Jr., P.E.
 Apocalypse Design, Inc.
 Avtech-Alaska
 Bird Creek Brewery
 Brogen Services
 Cameron Company
 Cold Sea International, Inc.
 Cominco Alaska, Inc.
 D S Fuelwood and House Logs, Inc.
 David C. Lanning, P.E.
 DHL Airways
 Dowland Bach Corporation
 ERA Aviation
 Erwin L. Long, P.E.
 F.R.B., Inc.
 F/V Alexandra, Inc.
 FPE Roen Engineers
 Golder Associates, Inc.
 H.C. Price Co.
 Hasz Consulting Co.
 Husky Wood and Forestry Services
 Imlach Consulting Engineer
 Interior Timber Tramp
 Kachemak Bay Seafoods
 Lukes Mining Company
 Mapco Alaska Petroleum, Inc.
 McDonald Industries of Alaska
 Microcom Communications, Inc.
 Nip and Tuck Logging
 Nixon Fork Mining, Inc.
 Northern Air Cargo
 Northern Hemisphere, Inc.
 Oilfield Transport, Inc.
 On-Line Exploration Services
 Pacific Rim Enterprises Singapore
 Pelican Seafoods
 Prince William Sounds BK
 Purcell Services, Ltd.
 RLM, Inc.

Salvage Ocean Log
 Seeds of Alaska
 Seischk
 Software North
 Southern Air Transport
 Superior Log Products
 The Surveyor's Exchange
 Taku Smokeries
 Tesoro Alaska Petroleum
 The Mapmakers
 Timber Too, Inc.
 Turbo North Aviation
 The Ulu Factory, Inc.
 Veco, Inc.
 West Coast Stevedoring Corp.
 Western Alaska Fisheries
 Woodward-Clyde Consultants
 Yukon Pacific Company Limited

Part D
Exhibits

Alaska State Legislature:

My letter concerns the state's involvement in foreign trade and specifically trade missions.

I feel that trade missions, which seem to be ongoing, are totally worthless. The majority of these trips are vacations at the state's expense for people who don't have the knowledge required to make a business venture viable. We have followed a lot of this activity over the past years and have a good chuckle whenever we hear who is going.

The first questionable trip which I noted was back in the days of the Cowper administration. A group of state employees traveled to Finland to observe the manufacture of birch plywood. Note that someone had informed that Alaska has large quantities of birch forests which normally mature, rot, and become windfalls or fuel for fires. Nevertheless, the state group traveled to Scandinavia to look at mills. Note that included in the trip were several side trips to Norway, Sweden, and Denmark. Of course, the press specified that the state trips would be personally financed. However, we all know how that really worked. Anyway, Cowper, his wife, and a **LARGE** group made the trip.

What never did never did come out was the fact that various domestic locations manufacture plywood from numerous types of wood. I personally have been involved with plywood manufacture in the Upper Peninsula of Michigan. Wood types include maple, oak, spruce, and birch. One mill was making plywood in the 1930s when plywood was used for PT boats, LCM landing craft, minesweepers, and a great deal of spruce and plywood was sent to Canada where it was used in the manufacture of DeHavilland Mosquitoes.

Naturally, these same mills have been updated to state of the art, computerized, electro-hydraulic machinery. The first motor upgrade was in the 1950s with the subsequent changes taking place even today. The difference between the mills in the Upper Peninsula of Michigan and the mills in Finland -- who wants to make a trip to the Upper Peninsula of Michigan?

I hope that example is worthwhile -- I could go on about the low value of these missions. The participants are not the correct choices, but usually friends on vacation. Another example is the recent Magadan trip. There are a multitude of Alaskans who have already financed such a trip on their own and have shared their knowledge. The political trip is more individuals becoming educated at government's expense to better their own interests. I defy any one of them to convince the public that they have no intention of trying to better themselves or a relative (i.e., set their wife up as an importer, make a relative a liaison person (government expense) or some other betterment.)

In conclusion, the majority of these state or local government trips are of little or no value for the following:

1. Participants are usually not informed or inexperienced in what the mission is.
2. Usually not beneficial to **ALASKANS** -- results are more beneficial to other states or the mission location.
3. Participants are usually being educated in activities that others have already done.
4. Expenses are on the Alaskan people -- the value is questionable and the politicians should be more focused on home.
5. Most of the participants are seeking personal gain at state expense (or for their company.)
6. Many of the missions are for reasons other than benefiting the Alaska economy -- i.e., vacations, business trips, etc.
7. Most of the participants have no idea as to how their trip will create jobs here -- i.e., extol birch plywood manufacturing but vote against logging issues.

Thank you for your time and consideration.

Roger Mechon

Memo

To: Alaska State Legislature President Drue Pearce & Speaker Gail Phillips
From: Northern Hemisphere Incorporated Hilmer Johnson
Date: SEPTEMBER 28, 1985 Phone 907-258-1869
Re: International Trade (Why we lost in Alaska)

Dear Legislatures

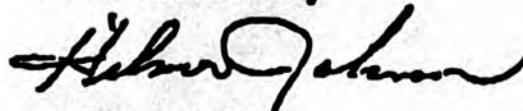
In my previous Memo I forgot to tell you one important subject that no one has notice the Russians have only used Americans Businessmen to get to America and now there are a lot of Russians in Alaska and they are the ones that have replace the American Businessman and there is no way that is going to change for Russians like doing business with Russians and trade will grow for the time being but only between Russians in Alaska and Russians in Russia not Americans and Russians

Did you ever notice that Russians are very good listeners just like the Japanese do you think that is telling you something about the future with Russia ?

Alaska Businessmen complained about money stolen from us with Russians and the felonies they committed and the laws they broken; theres was over 50 complains filed, all we wanted was the Government to just enforce the law that was all we ask nothing else, and federal Government and State did nothing there was millions of dollars lost by Alaskans but thanks to Frank Murkowski our Senator he did not care about the Alaskan Businessmen he was concern about the Russians rights in Alaska not the laws they broke, it was devastating to the Alaska businessmen and one by one we all quite for it was ridiculous and preposterous to go on but now the Russians are in Alaska now and they are in charge of all the Business in Alaska with Russia , and the out come, we have lost but we must go on and say we have learn from this, there is nothing we can do now it over with now.

It is extremely important that we cut our spending for all states not only Alaska and have a balance budget is the only way we will come out in world trade for Russia is getting there budget balance and there is talk of Russia Germany France Italy China and North Korea all going back to the Gold standard in the World and if this happens America will be a third class country if the budget is not balance in America

Thank You Sincerely


Hilmer Johnson

Memo

To: Alaska State Legislature President Drue Pearce & Speaker Gail Phillips
From: Northern Hemisphere Incorporated Hilmer Johnson
Date: September 21, 1995 Phone 907-258-1963
Re: International Trade (Why it turn in to a BUST in Alaska)

Dear Legislatures

This is the first time in my life time that I have sent a letter to the Legislatures and the woman are in charge and it makes me nervous as hell, as a man born in Juneau in 1937 I have a lot of intrust in Alaska but I will tell you the way it is from my point of view and I hope it will not offend you.

I first went to Russia in 1991 and with 40 years of bad talk about Russia I did not have a lot of intrust in Russia and on this tour there was Americans criticizing the Russians the way they was doing things and had the attitude that they know all and this was a mistake on the Americans part and it give the Russians a bad attitude of Americans but the longer I was in Russia the more intrusting it was to me when I got to go to there homes and find that the Russians Government did take care of the people and it was not as bad as the US Government told us it was.

As the Owner of Northern Hemisphere Trucking and intrusted in shipping I made a joint venture with Aeroflot Airlines and start Northern Hemisphere Express shipping from Anchorage to Russia I also had to make a joint venture with Aero services in Russia to deliver in Russia so I had all the expenses and had to divided the money in 3 ways so there was little profit at times. and the Russians made the most money and no expense I had 55 Offices in Russia

With owing a express company I got to know a lot of Alaska's and persons from the lower 48 from Florida California and Washington Canada shipping to Russia and there was about 60 from Alaska most of them from Anchorage and they told me a lot about there problems they had. The most common complaint they all had THE RUSSIANS WORD IS LESS THEN TRUTHFUL that is the only problem there is working in Russia and I agree.

American Businessman and the FEDERAL Government

There was a lot of small American Businessman that did not have a lot of money and went to Russia and they Also sponsored Russian to Alaska with the understanding this person would help them build there business and only to find out they just wanted to come to America and when reported to immigrations they did nothing and Frank H. Murkowski say what about the Russians Rights in America word got back to Russia saying if American Businessman tell you they will ship you back to Russia if you misrepresent your self to them it is a lye, it makes Americans Businessman word no good in Russia, if the Federal Government will not back you up, The American Businessman can not and will not do Business in Russia it is that simple.

Local Government

In Russia they work with Cash only and if you are going to the Airport and you are STOP by the police and you have \$5,000.00 Dollars cash on you, the police will have 3 police Officers on you and a 200 pound man with his knee on your head grinding it in the blacktop it dont make a man happy to go to Russia and you can not tell a policeman you are not a drug dealer for every Policoeman will say you are a drug dealer it is not worth the hassle to do Business in Russia. I am much safer in Russia then America

when it comes to Cash Money, In Yuzhno Sakhalinsk about the size of Anchorage there was 3 Killings in 1991 and in Anchorage we have 3 Month something to think about but one Russian told me we will catch up to you Americans in killings I promise you just give us time.

State of Alaska and International Business

I find that Alaska is spending to much money on International trade and a lot of it is nothing but waste money the only thing we need is the World Trade Center, All the Rest can go

Take a good look at Northern Form or American Russian Center or Office of International Trade is a joke and if you look at Alaska Center for International Business they are all a waste of tax payers money remember Alaska we have no Factories in Alaska and the small Anchorage Businessman are in trouble now with all the big stores coming in to Anchorage the small Businessman are going under and they can not compete with the big stores in Anchorage and the last thing on there mind is doing business in Russia and remember there are about 80 Businessman in Anchorage that went BUST in Russia that is allot for Anchorage and the word is out wait tell the Government will back you up and your word is good on tell that time do nothing for now , you will not find Businessman willing to invest in Russia today we drop the ball the first time around.

The State of Alaska should only Back the World Trade Center and the UAA should have a place for Alaskans to learn Russian and Japanese and Korean Language and this is the best way to go keep it on a low profile but I think this is good for now.

I think I have a good understanding of Russia and I like the country allot I have a friend that been to Russia 34 times and we have grate intrust in Russia and we plan to retire in Russia.

The World Trade Center is the most honest and they understand the Businessman most of all.

What Americans do not like in Russia

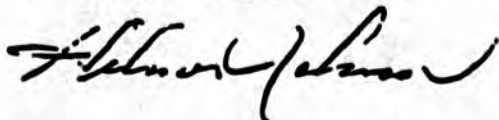
It is upsetting to Americans when Russians will not keep a Agreement also when you go to a restaurants and they charge Russians \$1.50 for a meal and charge Americans \$10.00 for the same meal it dont cost more to feed a American to charge Americans 70.00 Dollars for a Hotel and a Russian \$7.00 for the same room tell the Russians treat the Americans the same as Russians there will not be much trade with Russia

What Russians do not like about Americans and free enterprise

The Russians think money is the root of all evil and to think money is more important then your comrade is wrong to see a homeless person in Russia is devastating to them when they tell you about the senior citizens with no money food or a place to live, with tears coming down there face it can be upsetting to a American and I think this is why they charge a American so much they will tell you we let the Berlin wall come down and now Germany is all one country but you have not united Korea like you told us and never put it in writing your word is no good ether so you can not complain about the Russian word and Remember that also WW2 we won the war more then you did you only fight little boys 11 12 years old and old men over 55 years old, we made mistakes sure but we was fighting the real Germany Army if you had to fight them you would have lost you know that dont you ?

The Russians do not like Americans but remember they had 40 years of the cold war also they complained about Americans just like we complained about Russians 40 years, I do Thank you and I hope you out lot of programs and I hope my letter is not upsetting to you.

Scenically Hilmer Johnson



TERRY BRADY

NORTH AMERICAN FOREST LANDS AT LATITUDES NORTH OF 60 DEGREES

Proceedings of a Symposium
Held at the University of Alaska, Fairbanks
September 19, 20, 21 and 22, 1977

Thank you for the opportunity to comment - attached is an eighteen year old speech I made in Fairbanks. Nothing has changed - please change it.





NORTHERN FOREST RESOURCES: CHALLENGE AND OPPORTUNITY

by

**Terry T. Brady, Forester
Forests North, Ltd., Anchorage, Alaska**

Northern latitude forests offer mankind both a challenge and an opportunity. The opportunity is to use forest resources for the social and economic benefits of northern peoples, and for making up expected deficits in future world needs of wood, water, open space, and certain wildlife habitats. The challenge is to develop and manage these forests without destroying the base from which they originate.

I have worked with and about forest and other natural resources in the Pacific Northwest and Alaska for more than 25 years, and all my instincts and intellect tell me this challenge can be met--and the opportunity changed into assets.

However, this can only happen if we go about the work at hand with a positive attitude. The challenge is not one for fainthearted individuals, corporations, or governments. Negative thinking has no place in this endeavor--and neither do preconceived notions about economic or other values of northern forest resources. I refer particularly to those notions that assign low economic values to forest resources based on little understood biologic site production ratings for forests that either have not been managed or have been mismanaged by man in the past.

Any forester knows that the site productivity of forest lands in Alaska, much of Canada, and eastern Siberia is going to be less than that of the best sites in the Pacific Northwest or California. But determining that northern forests are uneconomic to manage, based on site productivity alone, overlooks other advantages that may accrue to the northern forest manager. Species, quality, market location, lack of other competing uses of land, and many other considerations must be weighed.

Northern forest values are, and will continue to be, subject partly to the effort we in the North put into enhancing these forest resources and partly to economic demand pressures imposed by other areas of the world.

For example, using the northern forest wood resources, whether coniferous or deciduous, to make up expected shortfalls in the world supply, in both the short and long-term future, will benefit both the market and the producing regions. Softwood framing lumber from Alaska could aid in meeting the demand for single and multi-family housing units in Japan, Korea, Taiwan, or conceivably even China. Trade funds generated by such transactions would in turn aid Alaskans and Canadians in their quest for a higher standard of living.

Drue Pearce & Gail Phillips
September 6, 1995
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standing around next to a piece of "yellow iron", a gun on our hip and a drink in their hands. In the background we can see thousands of acres of clear cut, while in the foreground we see a big pool of oil. Right next to us is a beat up pick-up truck with the bumper sticker: "I don't give a damn how they do it outside"!

Now picture in your mind's eye the Swedish Engineer, the people who manufacture the SABB and Volvo automobiles.

Develop a program, paid for by Alaskans who export, that would develop positive images of Alaskans, their services and their products.

Question #12: *Please suggest ways the State could enhance international business activities within Alaska:*

As suggested earlier:

- **A business loan program. Not a subsidized program: only a program where loan maintenance is partially insured by public funds (like the Federal SBA program of past years).**
- **An Alaskan image building program. Not a subsidized program: a program paid for by those who export goods or services from Alaska (like the Alaska Seafood Marketing Institute Program).**
- **A "continuing education" program offered in seminar and evening short course format. The program should be offered by the University of Alaska to insure it would contain materials of real value (as contrasted with the get-rich-quick-by-exporting scams offered by flight-by-night hustlers). Not a subsidized program: rather the people who take the offerings pay for the service through tuition fees.**
- **Assist businesses by organizing trade fairs both in Alaska and in foreign countries. These activities need not be subsidized with public money. Rather, Alaskan exporters could pay for the service. The government's role would be to focus and organize the activity and provide an "official" element to the event.**
- **Assist businesses by organizing trade missions to foreign marketplaces. These activities need not be subsidized with public money. Rather, Alaskan travelers could pay for the service. The government's role would be to focus and organized the activity and provide an "official" element to the event.**

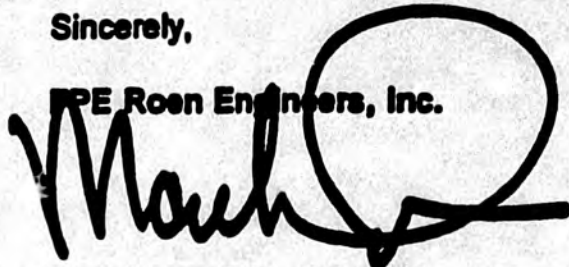
Drue Pearce & Gail Phillips
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Page 4

- *Develop rules in the legislature, and policies within the Administrative branch, that would require "Officials" of the State to plan and conduct "Official" visits to foreign places in ways that recognize basic rules of protocol (i.e. Alaskan's are "professionals").*
- *Organize, through Administrative policy, University policy and funding criteria, a requirement for the elements of government (Federal and State) to cooperate, coordinate and/or combine program elements with private trade groups (i.e. the World Trade Center, Sea Food Marketing Institute, etc.).*

I hope the foregoing, as well as the attached, will be of assistance to you. If you have questions regarding information contained herein, please do not hesitate to give me a call.

Sincerely,

P.E. Roen Engineers, Inc.

A handwritten signature in black ink, appearing to read 'Mark Fryer', with a large, stylized circular flourish at the end.

Mark Fryer, P.E., Principal

FPE Roen
Civil Electrical Environmental Mechanical Survey
E N G I N E E R S
560 E. 34th Ave., Suite 300, Anchorage, AK 99503

Anchorage
Fairbanks

September 6, 1995

Alaska State Legislature
Suite 500
716 West 4th Avenue
Anchorage, Alaska 99501-2133

Reference: *International Business Needs Assessment*

Attention: Ms. Drue Pearce, President of the Senate
Ms. Gail Phillips, Speaker of the House

I had a little difficulty answering the attached questionnaire. As is the case with most questionnaires, the document does not quite fit all circumstances. Let me explain:

- We have had foreign work in the past: 1981 through 1982 and 1986 through 1993;
- our work abroad during 1990 through 1993 was minor;
- we have not had contracts to work abroad over the past three years, and;
- all of our work abroad has been for U.S. clients.

While reviewing our response to the survey questions please bear in mind that, although we are one of the larger home grown engineering firms (we employ about 50 Alaskans), we are a relatively small firm. My perspective is therefore, that of "small business".

Question #1: *Please suggest any programs or services the State could provide which would motivate more Alaskan companies to export.*

Typically, Alaskan businesses are comparatively small. The owners of these businesses are focused on the day-to-day problems of running a company in a vigorously competitive environment they are familiar with. Exporting offers new risks; risks that have not typically confronted by the small Alaskan business. Unlike European business people who have a tradition of international trade, such trade is not "in our blood".

- The typical Alaskan businessman needs a lot of education before he or she could feel comfortable making the investment required of participation in international trade.

The University of Alaska's programs in this area could be of a lot of help. Particularly if such programs were structured in evening short course and seminar format.

- If the Alaska businessman sees others successfully participating in international trade, they will feel assured that they can also compete; they know something about their competition's talents. If they see their competition successfully exporting goods or services they are more likely to give it a try themselves.

An image building program would help Alaskans feel more confident in taking the time and effort required to tailor their product to the foreign marketplace (i.e. the Alaska Seafood Marketing Institute program of the quality of Alaskan fish).

- Capital is always a problem for the small business. If the State could insure a portion of an export market development loan, money might be made available.

Not a give-a-way. Rather, a program similar to the old SBA loans where the government insured 60%, 70% or 80% of the loan amount, thus reducing the bank's risk. The borrower still remains responsible for paying the debt, however, the lender's risk is mitigated.

Question #2: *Approximately what percentage of your company's annual gross sales are derived from exports or other international business activities?*

During the last fiscal year we had no export business.

Question #9: *Please rate the relative difficulty your company had with each of the following export considerations while starting its export operation. Also, please rate the operational difficulties your company is currently having.*

The problem I have answering this question is that we do not have any current export business. Thus, we are more like a start-up company than an established company. Our basic problem is finding work in the foreign marketplace.

Question #11: *Please suggest any programs or services which would ease operational export complications for Alaskan Companies:*

Our reputation as "the last frontier", peopled with rough tough simpletons, may be great for the tourist business, but its not good for exporting brains. Our potential clients harbor a stereotype of Alaskans which creates the greatest barrier to marketing cerebral services overseas. Our stereotype is that of big dumb guys



SOCIOECONOMIC ASPECTS OF HIGH-LATITUDE FORESTRY

Yet such trade may not occur, at least on a large enough scale, in a short enough time frame, to benefit this generation of Alaskans. It will not occur until some very basic attitudes and policies emanating from some persons and agencies of our state and federal government and "citizen experts," some far removed from the actual Alaskan social and economic scene, are changed.

To be specific, I know of a 10-year effort by a major Far Eastern construction consortium to purchase, at prevailing market prices, 250 million feet board measure, per year, of rough sawn, air dried, Alaskan spruce lumber. They have received nothing from Alaska, except a governmental "run around," some private discouragement, and a few samples of 4-by-4s for testing purposes.

This buyer's problem does not stem from lack of resource. The resource is here, and research has shown it is here in volumes required to meet this market and more. With modern harvesting equipment, state-of-the-art milling techniques, imaginative transportation systems, and the seller taking advantage of marketing organizational structure and exporter tax breaks sanctioned by the U.S. Government, the project could be profitable.

However, because of land ownership and control controversies, lack of basic forestry policies, poor and monopolistic transportation systems, and most of all, negative reactions from state and federal authorities, some corporate leaders, and a vocal minority of the American public bent on keeping an interior Alaska forest products industry from becoming established, this project so far has been discouraged.

To those who state there are not markets for high-latitude Alaskan timber products, I ask: What is a market if it is not a buyer able and willing to pay the going price?

Put yourself in the buyer's position when visiting Alaska, funds in hand, to begin what he feels is a simple "buy-sell" transaction. He sees forests where natural mortality exceeds growth. He views coastal beaches and river bars piled high with deteriorating logs. He witnesses poor, wasteful harvesting operations, and antiquated sawmilling methods. He asks to discuss forest management policies for public and private land, and finds there is nothing to discuss because there are few, if any, policies.

His confusion is compounded by viewing feverish nonrenewable resource exploitation--a proliferation of new government buildings, and banks and office buildings under construction. And then he witnesses people living in village and urban hovels, people faced with the highest cost of living and the highest unemployment rate in the United States.



It is incomprehensible to the buyer to find waste, extravagance and poverty all operating side by side in Alaska. Common sense tells him that the renewable resource he wishes to purchase, on a long-term basis, could be the basis for an economic endeavor that could solve some of the problems he has witnessed.

I personally share the buyer's confusion, especially when I am aware of some of the factors that make it impossible for him to purchase the resource he seeks. These factors include the tardiness of Alaskan Native and State of Alaska land conveyances from the federal government, as provided by the Alaska Statehood Act and the Alaska Native Claims Settlement Act, and the total asininity and excessiveness of the potential of having 100 to 150 million acres, much of it forested, removed from multiple use classification. This is federal land that belongs to all the people of the nation, including the people of Alaska, who must depend on this land for their livelihood. The use of this land could aid Alaskans in "paying their own way" and lessening dependence on the federal government and other U.S. citizens.

I have described one project with which I am familiar. I would like to continue discussing the Alaskan situation a bit longer before venturing into the broader realm of world demand for wood.

In describing the potential project, I stated the buyer wished to purchase 250 million feet board measure of lumber per year. By applying conversion factors, rules of thumb, and assuming 50% of logs harvested for the project would be converted to lumber, I have determined approximately 41 million cubic feet of logs would be harvested for the project each year.

This would mean only taking approximately 12% of interior Alaska's preliminarily determined annual allowable cut of 358 million cubic feet (10.1 million cubic meters), as reported yesterday by Professor Zivnaska in his remarks opening this symposium.

This means that at least eight such projects, or others harvesting similar timber volumes, could be absorbed in Alaska's high-latitude forests before the preliminary and, in my view, conservative preliminarily determined sustained yield harvest is reached.

Allowing for realistic classification of some land as wilderness, national parks, wild and scenic rivers, and ecological study areas, it seems reasonable to expect six such projects could be in operation. At today's values, and assuming lumber was the major product, 1.5 billion feet board measure lumber could be sold, with a value exceeding \$300 million per year. Other forest products would also be involved, increasing this value.

Such income, from a now unused and by some definitions "wasted" resource, would go a long way in mellowing interior Alaska's cyclical



SOCIOECONOMIC ASPECTS OF HIGH-LATITUDE FORESTRY

"boom and bust" economy. Other product potentials from Alaska's interior forests are veneer from softwoods and hardwoods, chips and flakes for pulp and composition board, fuel, and chemicals.

I would now like to comment on future world wood needs, and this demand in relationship to high-latitude forests.

J. L. Keays of the Department of the Environment, Canadian Forestry Service, in a 1975 paper, "Projection of World Demand and Supply for Wood Fiber to the Year 2000," noted that the conservative total world demand for wood by the year 2000 will be 4,000 million cubic meters per year, compared with a total cut of 2,400 million cubic meters in 1972. (This can be further compared to Alaska's projected annual sustained cut from high-latitude forests of 10.1 million cubic meters, or .25% of the world demand projected for 2000.)

Keays further stated that of the increased requirement of 1,600 million cubic meters, some 650 million cubic meters of wood per year could come from the use of unexploited coniferous forests. It should not take a trained forester or economic geographer to determine that the only large unexploited coniferous forests in the world are predominately in mid-high and high latitudes of Siberia, Alaska, and Canada.

Keays adds nine other categories from which the increased wood yield could come. These include: closer utilization of the world's forests; additional conversion of mill wastes; increased plantations; shorter rotation cycle; improved silvicultural practices; increased use of hardwoods (which would come heavily from northern forests); development of stronger pulps; increased yields across the digester; and reduction in loss through fire, decay, alienation of forest lands, and other miscellaneous causes. The ten category sources of increased wood production, all bearing on northern forests to one degree or another, would result in a total increased harvest of 1,400 million cubic meters by the year 2000, according to Keays.

This, predicts Keays, would result in a shortfall of 200 million cubic meters of wood per year by 2000 A.D. Keays further states, "To place this [shortfall] value in perspective, it is approximately equal to Canada's present cut of industrial wood." (To put it in further perspective, it would be 1,900% of interior Alaska's projected annual sustained yield.) Keays points out in his paper that his demand estimates, taken heavily from reports of the Food and Agriculture Organization of the United Nations, are conservative.

Keays is not alone in predicting increased wood fiber demand. The study, "The Pulp, Paper and Paperboard Industry: Its Profits, Future Development and Investment Risk," compiled by Euro-Data Analysts of England and completed September 1976, made similar findings. The study concludes



that world demand for paper and board will rise by 30.6 million tons between 1975 and 1985 followed by an additional 104 million tons demand beyond 1985 to 1995.

Another key finding, quoted in the "Proceedings of the World Consultation on Wood Based Panels," held in New Delhi, India, February 1975, came up with future world demand figures similar to those published in Keays' report. This report states the world total consumption of roundwood in 1973 was 2,500 million cubic meters. This included about 1,200 million cubic meters of fuel wood and 1,300 million cubic meters of industrial roundwood, the latter being made up of 800 million cubic meters of saw and veneer logs, 300 million cubic meters of pulpwood and 200 million cubic meters of other roundwood. The growth in total wood consumption over the past 10 years (prior to 1975) was at the rate of 1.5% per annum. The report concludes, "It is estimated that total world consumption will continue to increase by 1.5% to 3,060 million cubic meters by 1985."

Another publication, "European Timber Trends and Prospects, 1950 to 2000" available from the Food and Agriculture Organization, makes an important comment concerning future prices of forest products. Though the comment is addressed to Europe, it seems appropriate to apply it to other regions, as the world forest products industry is becoming more and more intertwined. The publication states, "The evidence suggests that in the next quarter century prices for forest products, relative to prices in general, may tend to rise, marking a change from the more or less stable trend during the two decades before the violent cyclical movements in 1973-75."

Yesterday Professor Zivnuska said he and a group of associates take the view that Food and Agriculture Organization (and other) predictions of world wood demand are high. Assuming this is correct, and further assuming that demand only rises 1,000 million cubic meters per year, as opposed to Keays' prediction of 1,600 million cubic meters, it would seem logical that Alaskan and other high-latitude suppliers need not be worried about marketing products. Most of this lesser rise would still come from undeveloped coniferous forests and hardwoods, both of which are found in high latitudes.

High-latitude woods are unique. Northern slow grown softwoods, with tight annual ring structure, make superior building materials, easily worked by machines, with high nail-holding ability and excellent weight-to-strength ratios. Northern hardwoods make excellent veneers and are prized for their light colors.

Scandinavians do not domestically consume all the wood they produce. They export, because they can sell a good product. There is a lesson in this for Alaska and Canada.



SOCIOECONOMIC ASPECTS OF HIGH-LATITUDE FORESTRY

It would seem Alaska, with its favorable Pacific Rim geographic location and with a comparatively small annual cut potential, will be asked to contribute its fair share to the needs of other parts of the world that have even less forest resource.

Will Alaska be able to meet the challenge? Or will it still be wallowing in the present atmosphere of conflict over land use, whether the conflict is real or imagined? I suspect, after watching the preservationist versus developers antics of the last year, which have peaked in testimony before Congress on classification of the so-called 17(d)(2) lands, that a rational land use policy, allowing management for the sake of increasing economic return from land resources, will not be formulated without further conflict.

The great, and oftentimes righteous, public demand for protection of natural resources is nowhere felt stronger than in forested areas. To many persons forests, with green trees, fresh water, fish, and animals, epitomize all that is right with nature and all that is wrong with man and his works. This is a simplified and dangerous view of the role of forests in the scheme of things, that if carried to extremes, as it now is from some elements of society, can result in harm to both forests and mankind.

True understanding and concern for forests will result in use of the forest systems for many varied needs and desires of man, while still providing needed food and shelter for the creatures with which we share this planet.

A great deal of the conflict now springing from attempts to classify Alaskan land for various uses, many of them considered single purpose, comes from ignorance. Our Scandinavian neighbors have demonstrated at this symposium that recreation and harvesting, and basic land resource husbandry, do not have to be mutually exclusive on the same tracts of land. The principle of multiple use is still valid.

We need more education and less ignorant confrontation if we, as professional land managers and interested citizens, are to aid our northern forests in meeting our demands and expectations.

We have room for dedicated wilderness, in areas that have true wilderness values. But believe me, a small amount of wilderness can go a long way when one must really live with it. We must be careful we do not confuse desires for legitimate wilderness experiences with overreaction to real or imagined past exploitation, and use the excuse for the former to punish ourselves for the latter.

We have room for dedicated ecological study areas, as suggested today by Dr. Viereck. Such areas, in representative places, will give us baseline data material to measure our success and failures in managing forests. We have room in Alaska, and a need, for dedicated wildlife



habitat, where the wildlife needs of the area are truly unique and necessary for the survival or betterment of the species.

And we certainly have room, and the need, for more land under various stages of management, where we can utilize resources in a continuing manner.

What a challenge. And if we meet it, what an opportunity.

X-E

Alaska State Legislature

Senator Drue Pearce
President of the Senate

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since 1907: 254-8144
fax 1907: 254-0224

during session
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Representative Gail Phillips
Speaker of the House

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since 1907: 254-8144
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August 22, 1995

**Dear Distinguished Member of Alaska's International
Business Community:**

Your company has been selected to participate in Alaska's first private sector International Business Needs Assessment. We are promoting this initiative in conjunction with a strategic legislative plan to formulate a coordinated international trade policy for Alaska. State international trade support programs are funded with general fund dollars. Consequently, your response to this needs assessment is critical to the successful formulation of this strategy.

This assessment is being conducted in an effort to obtain the most accurate picture of the current and future needs of your business and industry in the international marketplace. Additionally, we are accessing the role where general fund dollars are or should be allocated to enhance our international business efforts.

We would appreciate your serious attention to the enclosed questionnaire. All responses gathered will remain absolutely confidential. Companies and/or individuals responding (approximately 600) will be listed as response participants in the final report.

This project will be presented to the Legislature, Administration and Congressional Delegation in an effort to provide a unified, effective, and comprehensive international trade initiative. Your input is essential.

We thank you, in advance, for your time and consideration.

Sincerely,

A stylized, cursive signature of Drue Pearce.
Drue Pearce
President of the Senate

Sincerely,

A stylized, cursive signature of Gail Phillips.
Gail Phillips
Speaker of the House

INSTRUCTIONS

Please identify either Part I or Part II of this questionnaire that applies to your business. Only one of these two sections will apply to your company.

Part I. Your company *has exported or is preparing to export.*

or

Part II. Your company *has never initiated an export operation..*

Complete the relevant section. It should take an estimated 10 minutes.

All companies, please complete **PART III** as well. It should take an estimated 5 minutes.

WHEN YOU ARE FINISHED

You may either *Fax* or *Mail* your completed questionnaire back to us.

- *To Mail:* Fold the questionnaire in half, secure, and mail -- all return postage is pre-paid.

- *To Fax:* (907) 278-2982

Start-up difficulties / Maximizing your current potential

9. Please rate the relative difficulty your company had with each of the following export considerations while **starting** its export operation. Also, please rate the operational difficulties your company is **currently** having.

Rating scale key:

1 = A Minor / No Difficulty

2 = A Moderate Difficulty

3 = A Major Difficulty

i = We use / used a private export management company for this

x = does not apply to our company's situation

Difficulty Getting Started	Operational (current) Level of Difficulty	
a. _____	_____	Finding foreign customers
b. _____	_____	Obtaining background information on foreign companies (e.g., for joint ventures, distributors, etc.)
c. _____	_____	Obtaining background information on foreign markets (cultural, language, etc.)
d. _____	_____	Finding information on the market for your company's particular product or service
e. _____	_____	Foreign relations complications
f. _____	_____	Finding companies to form joint partnerships with
g. _____	_____	Shipping, coordinating, or distributing the product or service
h. _____	_____	Finding and / or utilizing government trade assistance
i. _____	_____	Obtaining adequate financing (e.g., export loans)
j. _____	_____	Establishing payment / credit terms with foreign customers
k. _____	_____	Handling foreign import laws, customs, or export documentation
l. _____	_____	Lack of in-house expertise

10. Please briefly describe your company's single greatest export burden.

11. Please suggest any programs or services which would ease operational export complications for Alaskan companies.

12. Please suggest any ways the state could enhance international business activity within Alaska.

13. Please briefly list any regulatory restrictions in the state which hinder your company's export success.

Please go on to **PART III.**

Part II: Your company has *never initiated an export operation.*

1. Has your company ever considered exporting its goods or services?

- a. ☐ Yes
b. ☐ No (please skip to question number 5)

Motivations for considering exporting

2. Please choose your company's single greatest motivation for considering exporting.

- a. ☐ Unsolicited trade leads
b. ☐ Unsolicited foreign orders
c. ☐ Declining domestic sales or excess inventories
d. ☐ Part of a long-term business development plan
e. ☐ Special knowledge of a foreign market opportunity
f. ☐ Other, please specify:

Please suggest any programs or services which would motivate more Alaskan companies to export.

3. Please mark the three biggest obstacles which have kept your company from actually exporting.

- a. ☐ Finding foreign customers
b. ☐ Obtaining background information on foreign companies (e.g., for joint ventures, distributors, etc.)
c. ☐ Obtaining background information on foreign markets (cultural, language, etc.)
d. ☐ Finding information on the market for your company's particular product or service
e. ☐ Foreign relations complications
f. ☐ Finding companies to form joint partnerships with
g. ☐ Shipping, coordinating, or distributing the product or service
h. ☐ Finding and / or utilizing government trade assistance
i. ☐ Obtaining adequate financing (e.g., export loans)
j. ☐ Establishing payment / credit terms with foreign customers
k. ☐ Handling foreign import laws, customs, or export documentation
l. ☐ Lack of in-house expertise
m. ☐ Other significant obstacles (please specify):

n. ☐ Other significant obstacles (please specify):

o. ☐ Other significant obstacles (please specify):

Please suggest any programs or services which would ease the complications associated with starting an export operation.

PART I: Your company *has exported or is preparing to export.*

Motivations for exporting

1. What was your company's single greatest motivation for its decision to export?

- a. ☐ Unsolicited trade leads
- b. ☐ Unsolicited foreign orders
- c. ☐ Declining domestic sales or excess inventories
- d. ☐ Part of a long-term business development plan
- e. ☐ Special knowledge of a foreign market opportunity
- f. ☐ Other, please specify:

Please suggest any programs or services the state could provide which would motivate more Alaskan companies to export.

2. Approximately what percentage of your company's annual gross sales are derived from exports or other international business activities?

- a. ☐ 1 - 15 % b. ☐ 16 - 50 % c. ☐ 51 % +

3. Do you use a private export management company or consultant to export your product or service?

- a. ☐ Yes b. ☐ No

If yes, is the private export management company or consultant based in Alaska or elsewhere?

- a. ☐ Alaskan b. ☐ non-Alaskan c. ☐ Both

What is the primary reason your company prefers to use a private export management company or consultant?

- a. ☐ Not able to divert resources to managing export operation (too busy, don't have staff, etc.)
- b. ☐ No specialized knowledge for exporting
- c. ☐ Less expensive than doing it ourselves
- d. ☐ Exporting is not a major priority, so we don't want the hassle
- e. ☐ Export company / consultant is better able to procure contracts
- f. ☐ Other, please specify:

4. Has your company ever engaged in a joint venture partnership for an international project?

- a. ☐ Yes b. ☐ No

5. Please mark if your company has used any of the following sources of external financing and / or funding for international business operations.

- a. ☐ Bank line of credit (Alaskan bank ☐ non-Alaskan bank ☐)
- b. ☐ Special export bank loan (Alaskan bank ☐ non-Alaskan bank ☐)
- c. ☐ State export finance program (Which program)
- d. ☐ Federal government export finance program (Which program)

6. Please estimate your company's gross sales last fiscal year.

- a. ☐ \$ 0 - \$ 250,000 b. ☐ \$ 250,001 - \$ 5,000,000 c. ☐ \$ 5,000,001+

Alaskan Foreign Market Activity

7. Please estimate the following. Column A: Percentage of your company's international sales last fiscal year. Column B: Percentage of your company's projected international sales for the year 2000.

ALASKA'S TOP TRADING PARTNERS:

	Last Fiscal Year (A)	5 yr. Projection (B)
Japan		
Korea		
Taiwan (R.O.C.)		
People's Republic of China		
Belgium		
Norway		
Portugal		
Russia		
Germany		
Canada		

OTHER MARKETS:

Hypothetical situation

8. Your company hears that there is a high demand in a foreign market for a product or service similar to what you provide. You also learn that no companies are currently supplying the product or service in demand.

8a. What priority would your company give to investigating the international sales opportunity?

- a. ☐ The same priority as domestic business leads
- b. ☐ Secondary priority to any domestic leads
- c. ☐ Would probably ignore the international trade lead because:
 - c1. ☐ Our intermediary handles exports
 - c2. ☐ We already have all the business we can handle
 - c3. ☐ We are concerned about international business risk
 - c4. ☐ Product or service does not lend itself to exporting
 - c5. ☐ Other (please specify):
- d. ☐ Does not apply (we only do international)

8b. Your company decides to investigate the foreign sales opportunity.

Based upon your company's current knowledge of international information providers in Alaska, where would your company go to obtain more information?

Part III, Continued

If you have used any of the following services from a government agency, rate the service provided, by agency as follows:

- 1 = very beneficial, a major contributor to export sales success
2 = moderately beneficial, a moderate contributor to export sales
3 = not beneficial, did little to contribute to export sales

GENERAL INFORMATION (includes seminars, publications, etc.)

EXAMPLE

1. Information on exporting fundamentals
2. Background information on a foreign market (economy, culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

BUSINESS CONTACTS

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance / product promotion
12. Customized trade missions
13. Background information on foreign businesses

RUNNING THE EXPORT OPERATION (LOGISTICS HELP)

14. Assistance with export documentation, customs, or foreign laws
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services (please specify) _____
20. Please rate your overall satisfaction with each of the agencies.
(Leave blank those you have not used.)

[illegible]

Hypothetical situation

4. Your company hears that there is a high demand in a foreign market for a product or service similar to what you provide. You also learn that no companies are currently supplying the product or service in demand.

4a. What priority would your company give to investigating the international sales opportunity?

- a. ☐ The same priority as domestic business leads
- b. ☐ Secondary priority to any domestic leads
- c. ☐ Would probably ignore the international trade lead because:
 - c1. ☐ Our intermediary handles exports
 - c2. ☐ We already have all the business we can handle
 - c3. ☐ We are concerned about international business risk
 - c4. ☐ Product or service does not lend itself to exporting
 - c5. ☐ Other (please specify):
- d. ☐ Does not apply (we only do international)

4b. Your company decides to investigate the foreign sales opportunity.

Based upon your company's current knowledge of international information providers in Alaska, where would your company go to obtain more information?

5. Please estimate your company's total gross sales for the last completed fiscal year.

- a. ☐ \$ 0 - \$ 250,000 b. ☐ \$ 250,001 - \$ 5,000,000 c. ☐ \$ 5,000,001+

6. Please suggest any ways the state could enhance international business activity within Alaska.

If your company answered No to question number 1. (has your company ever considered exporting?), STOP. You are done. Please return your questionnaire by fax or mail to us today! Otherwise, please go on to **PART III.**

Part III

Has your company ever received any type of government service assistance for international trade? Yes _____ If yes, please complete this section No _____ If no, complete #21

If you have used any of the following services from a government agency, rate the service provided, by agency as follows:

- 1 = very beneficial, a major contributor to export sales success
2 = moderately beneficial, a moderate contributor to export sales
3 = not beneficial, did little to contribute to export sales

GENERAL INFORMATION (includes seminars, publications, etc.)

EXAMPLE

1. Information on exporting fundamentals
2. Background information on a foreign market (economy, culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
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17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services (please specify) _____
20. Please rate your overall satisfaction with each agency.
(Leave blank those you have not used.)
21. If you have not used any of the services listed above, please explain why.

[illegible]

III A

State of Alaska

Private Sector International Business Needs Assessment Overview

Key Findings and Resulting Conclusions

Commissioned by:

**Alaska State Legislature
July - October 1995**

Prepared by:

World Trade Center Alaska

How to do more responsibly with less.

Key Findings

Resulting Conclusion

1) Global Perspective

•Respondents stated clearly that international business is part of their long-term business development plan.

•Respondents are doing or seeking to do business throughout the entire world. Identified countries and regions were surprisingly varied. Here are only a few of those countries/regions mentioned: Ireland, Israel, Ukraine, Indonesia, India, Vietnam, Chile, Austria, Middle East, China (PRC) and, of course Russia.

•Respondents are projecting to do business to even a greater extent and a broader variety of countries during the next 5 years.

•Financial resources should be redirected to regions/areas where Alaskan businesses are conducting international business.

How to do more responsibly with less.

Key Findings

Resulting Conclusion

2) Obstacles To Trade

The survey shows that potential exporters as well as experienced exporters identify that locating market information and foreign customers are major obstacles to trade.

The survey respondents familiar U.S. Commercial Service rate highly their ad-hoc services in locating market information

Respondents recognized the importance of trade missions and trade shows to finding foreign customers.

Foreign market information is available (free) through the U.S. Commercial Service. Governmental agencies/organizations, trade facilitation and economic development organizations should refer individuals inquiring or soliciting information to this service that was highly rated by respondents as being effective.

The State of Alaska should better support through referrals the availability of information at US Commercial Service.

Alaskans could be better supported to overcome these obstacles by providing a centralized contact point.

The State should establish a policy that trade mission and trade show destinations will be driven by the private sector (see key finding 1).

•This policy should include that funds allocated for any travel overseas by state officials should be considered as a trade mission with private sector participation.

•Lastly that trade missions and/or trade shows should be contracted to an organization and/or entity that can provide a consistent, professional and apolitical service.

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Key Findings

3) Finance

•Use of regular bank lines of credit to conduct international business was documented as a standard.

•Federal program usage was negligible and State programs were non-existent.

•Respondents, especially those who were experienced exporters documented their high priority need for "access to money".

Resulting Conclusion

•To redirect funds from an existing trade promotion, assistance or financing entity to establish an export finance assistance unit.

•Review and correct legislation and administration to respond with an effective program.

•Contract this export finance unit to a private or private/public entity regularly working with international business and Alaska's private sector.

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Key Findings

Resulting Conclusion

4) Where Alaskan's go for assistance.

•The private sector is using the private sector for international business assistance -- not government for assistance. They are using friends, family, associates, customers, suppliers or private consultants.

•A large percentage of respondents were "unaware" that the agencies indicated in the survey had services.

•Respondents consistently rated the US Commercial Service the highest for its effective, ad-hoc services. World Trade Center rated the highest from exporters and the Department of Trade and Development (Formerly, OIT) was rated the highest by potential exporters. Other programs/services received negligible responses.

•Respondents were frustrated with the number of programs and services

•Alaska's private sector is creating a private sector of international expertise.

•General fund dollars have been used ineffectively in communicating or providing services to Alaskan businesses.

•General fund dollars supporting trade policy, finance, assistance and education should be streamlined. A user friendly, program that is flexible and responsive to the changing private sector is the service "most wanted" by Alaskan firms.

•A centralized contact point that has credibility with the private sector has the best chances of serving the private sector effectively.

ALASKA STATE LEGISLATURE

News

State Capitol
Juneau, AK 99801-1182
(907) 465-3804
Actuality line: 1-800-478-6540

Legislative Trade Survey Recommends Changes to State Trade Policy

For Immediate Release:
January 18, 1996

Contact:
Wendy Lindskoog (907)465-4582
Ken Freeman (907)465-3804

JUNEAU — A special task force commissioned by the Legislative Leadership Thursday unveiled recommendations for formulating a more effective and efficient international trade policy for the State of Alaska.

"The goal of the task force is to propose a coordinated International Trade Program that will save the state money, create jobs, and strengthen Alaska's position in the global marketplace," said Senate President Drue Pearce. "Many government programs were built like an Alaskan homestead. You add a new piece whenever you can afford it. At some point, someone had to pull it all together and that's what the task force is all about."

Speaker Gail Phillips noted the private sector is dissatisfied with the services provided to enhance international trade opportunities, primarily because of changes in global marketing strategies.

"As a former small business owner I know that customer service is the most important commodity a business can offer. In order for Alaska's international trade to expand, we need to eliminate confusion by giving businesses one place to go for information and export assistance services. It's time to listen to the customer," said Speaker Phillips.

Senator Steve Rieger, co-chair of the task force believes international trade and exports from Alaska can be very positive forces for our economy.

"The purpose of the committee hearing was to hear which state efforts in this area are appropriate and effective," said Senator Steve Rieger.

Representative Beverly Masek, co-chair of the task force, noted Alaska companies are doing business in all parts of the world, from Ireland to Russia.

"The public expects us to bring accountability for the dollars we appropriate into the World Trade Network. This review is a part of that accountability effort," said Masek. "The recommendations give us a starting point for developing a comprehensive and productive international trade policy for the State of Alaska."

Some of the recommendations from the task force report include:

- Create one centralized contact point
- Create international trade policy driven by private sector needs
- Assist businesses in finding foreign customers
- Privatize the export finance unit
- Create a user friendly program that is flexible and responsive to the changing private sector
- State supported trade missions

"Our trade policy should be more like a rifle than a shotgun." Speaker Phillips said. "With six public organizations in the state offering export assistance services and five conducting foreign investment activities, Alaska's international service network is a hot-bed of service duplication, obsolete market assumptions, intense inter-organizational competition and governmental waste. Clearly, our state can do better."

The task force heard from both the private and public sectors Thursday.

For copies of the recommendations please call Rhonda Thompson at (907) 258-8185.

Broadcast Note: An audio actuality is available from Sen. Rieger and Rep's Masek and Austerman by calling 1-800-478-6540.

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Fax 465-3872

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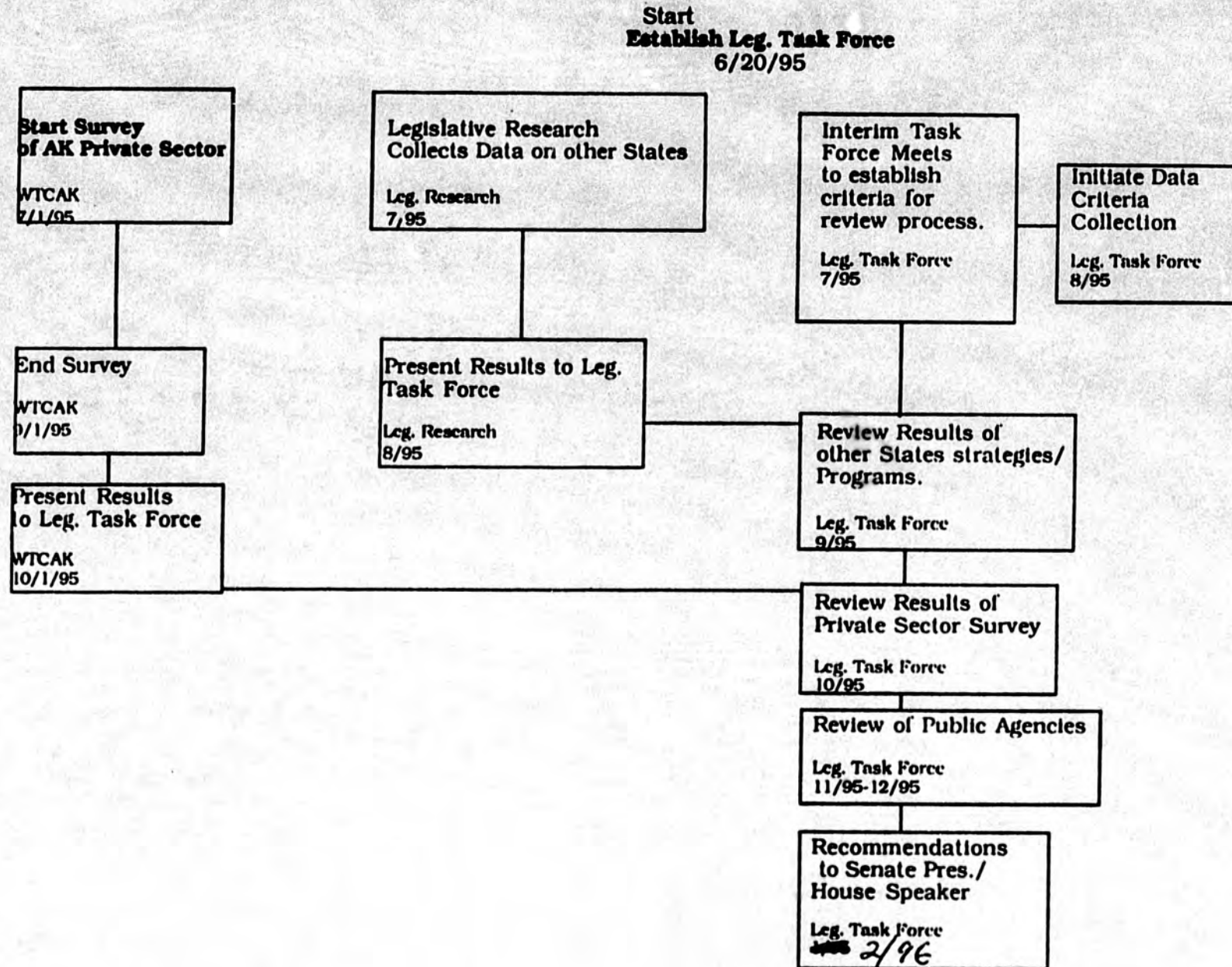
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###

Comprehensive Evaluation Process/Objectives:

Sen. Pearce
Room Cap. 111



By: Ronda Thompson

APPENDIX B

STATE OF ALASKA

Agency Evaluation Recommendations
to
Interim Task Force on International Trade Policy
Co-Chairs Senator Steve Rieger
and
Representative Beverly Masek

Commissioned by:
Alaska State Legislature

Prepared By:
Timothy C.F. Lane

December 10, 1995

The following report is intended to complement the executive summary in presentation to the legislature. The information contained in this report is supplementary only and is in no way intended to reflect all elements of a comprehensive state international policy. Instead, the issues discussed are intended to be used as theoretical evidence for policy restructuring recommendations.

I. INTRODUCTION

The question of whether or not the continued internationalization of Alaska is critical to the state's prosperity is no longer equivocal. For those who are unaware of the importance of global preparedness, consider this one fact: no Alaskan company is immune from global competition - the United States is such a strong node of import activity that Alaskan companies must either adjust to the dynamics of the global marketplace or face imminent losses in market share.

This international marketplace which now begirds the Alaskan economy has changed substantially since the state's entry into the theater of global competition. Thirty years ago, Alaskans weren't exporting much of anything - in 1994, Alaskan exports exceeded five billion dollars - the overwhelming majority of which were natural resources heading for the Asian Pacific Rim. While natural resources have formed the mainstay of Alaskan export activity since the state's entry into the international marketplace, new industry sectors are testing the waters of global competition. Service sector and light manufacturing companies are quickly discovering that Asian Pacific Rim market cultivation works for natural resources - but lacks the flexibility required to effectively promote other product and service niches.

In addition to changes in export assistance requirements among Alaskan businesses, deviations in socioeconomic development throughout the world have expanded the scope of issues which now must be monitored by state leadership.

Twenty years ago, state protocol efforts were primarily aimed at developing relationships with Asian Pacific Rim markets to promote the sale of Alaskan natural resources. Today, the export of natural resources is largely controlled by outside intermediaries operating in well developed trading channels. Service sector firms and manufacturers of specialized equipment winding down from operations on the North Slope are now attempting to penetrate new markets in Russia, Africa, and South America. The need for expanding the focus of state protocol activity is more critical than ever.

In response to such challenges, other states began to strategically reassess their role as international service providers. Throughout the 1980s, state and federal expenditures on international activities skyrocketed. However, it was quickly discovered that public international service networks which lacked close links with the private sector, in-house capabilities for responding to changes in the global marketplace, and benchmark performance standards were inadequate. Economic development strategists responded by developing highly streamlined and responsive international service networks built around three tools of internationalization: international education, export assistance, and protocol / foreign investment promotion activities.

The breadth of activities currently being conducted by the various international support organizations in Alaska has fimbriated into fields which deviate substantially from primary mandates or missions - much like organizations in other states prior to the development of comprehensive international plans. In Alaska, the situation has led to considerable confusion (and in some cases, resentment) among private sector companies seeking to penetrate foreign markets or benefit from state-led protocol initiatives. For instance, throughout the private sector needs assessment survey, numerous Alaskan businesses - across industry lines - commented that they simply did not know where to turn to

procure state provided export assistance. The private sector's confusion is understandable - six public organizations in the state offer export assistance services while five conduct foreign investment promotion activities. Alaska's international service network is a hotbed of service duplication, obsolete market assumptions, intense interorganizational competition, and governmental waste. Clearly, our state can do better.

A. The 1995 Interim Task Force on International Trade

In March of 1995, the Alaska State Legislature commissioned a special interim task force to examine Alaska's international trade support network. The goal of the task force was to assess Alaska's international policy in terms of the following areas:

- **Policy:** What is the appropriate role of state government in international trade and affairs?
- **Structure:** What is the most effective and efficient way to structure Alaska's international trade support network?
- **Budget:** The development of a comprehensive budget plan for Alaska's international support network.

The international policy assessment included four primary elements:

1. A private sector international business needs assessment survey was conducted to assess the demand for and utility of international trade support services in Alaska. (Responsibility for conducting the survey was contracted out to the World Trade Center Alaska).
2. Public international trade support organizations in Alaska were surveyed to identify areas of activity duplication and obsolescence.
3. International trade support network models in other states were reviewed within the context of the following areas: export assistance, foreign investment

promotion / protocol, and international education.

4. A final hearings session was held to complement the legislature's overall review Alaska's international policy and trade strategy.

B. Methodology Comments

In order to simplify the scope of issues associated with the general globalization of Alaska for use in a policy review, organizations comprising the state's international support network were evaluated according to activity in three areas:

- Export assistance
- Foreign investment promotion / protocol activity
- International education

Organizations were specifically examined to identify areas of activity duplication and obsolescence, service specialization, interorganizational cooperation, and the overall extent to which activities were relevant within the context of the changing global marketplace. In effect, the task force took a step back and considered how the state's international service network might look if redesigned from scratch (utilizing integrated models developed in other states). Existing international support organizations were then carefully examined to identify how each group could most effectively benefit the state within the context of the private sector international business needs assessment and Marketing Alaska. Recommendations made regarding adjustments to Alaska's international support network are the exclusive result of the above-mentioned process.

III. EXPORT ASSISTANCE

A. Introduction

Alaska's public export assistance service "network" spans seven organizations - five of which are recipients of general fund dollars. While each organization brings a different measure of expertise to the state's trade system, no group is charged with primary responsibility for balancing interorganizational export assistance services. Consequently, it was not surprising to discover that export assistance coordination in Alaska is virtually nonexistent. What was surprising (and disappointing) to discover was the very weak understanding these organizations had of the Alaskan private sector's true international needs. Examples include:

- Small businesses represent one of the greatest sources of potential exporter growth in the Alaska. However, the promotion of export growth among small and medium sized businesses in Alaska is virtually non-existent.
- While natural resources comprise the overwhelming majority of Alaskan exports, it is estimated that over three-fourths of natural resource companies utilize either specialized in-house exporting techniques or intermediaries to execute international transactions. In other words, natural resource companies have the among the fewest export assistance needs in the state.
- No state supported organization in Alaska has developed an effective capability for providing export assistance to service sector companies.
- With the exception of natural resources, market prospects for Alaskan goods and services are no better in Japan and Korea than for any other developed country in the world.
- No international support organization in Alaska has ever conducted a "community sweep" to determine actual and potential clientele for international services.
- Several international organizations in the state do not clearly divide between

activities aimed at assisting exporters and activities aimed at promoting foreign investment. (As a result, establishing interorganizational benchmarks for measuring export assistance success is nearly impossible.)

- Export finance is a major obstacle to Alaskan exporters. However, no international support organization in Alaska has facilities in place for assisting companies with the technical elements of export finance.

B. Critical Overview of Alaska's Export Assistance Network

Alaska Center for International Business

The self-described mission of the Alaska Center for International Business is "to facilitate the development of business relations with Alaska and other nations of the world". How ACIB goes about fulfilling this goal is as abstract as the rationale the Center uses for offering export assistance services. According to ACIB's survey and testimony, the Center's export assistance activities are focused on specialized market research. However, aside from academic activities, the Center's ad-hoc (company requested) research activity is an overt duplicate of information available through the NTDB. ACIB's claim that international market information available through the NTBD has limited utility because it lacks an "Alaskan perspective" is entirely unfounded.

In fact, ACIB's broad research scope, dissemination of primarily generic international market material, and intense focus on natural resource based industries drastically reduces the Center's potential usefulness as a provider of export assistance services in Alaska. Because ACIB is not by design primarily linked to the private sector, it simply cannot successfully take a leadership role as an advocate of Alaskan businesses in the international marketplace.

Commercial Service of the U.S.A.

CSUSA's mission is to support American companies which seek to export their products and services to foreign markets. In support of this mission, the CSUSA (in conjunction with the federal Department of Commerce) maintains one of the most comprehensive trade networks in the world. Services include:

- 170 offices;
- Distributor / joint venture partner search services available for nearly every international market;
- Federal advocacy support;
- The National Trade Data Bank - the ultimate clearinghouse of international market information in the United States.

The CSUSA is important to Alaska's international support network for several reasons:

1. CSUSA provides Alaskan companies access to the most comprehensive range of trade support services in the United States (at no cost to the state of Alaska). CSUSA's services are so complete that every state supported export assistance organization in Alaska essentially duplicates CSUSA services in one way or another.
2. The National Trade Data Bank provides Alaskan companies with comprehensive market research and export information on virtually every country in the world.
3. The CSUSA Gold Key Service provides Alaskan companies with joint venture partner / distributor search services in virtually every market in the world.
4. CSUSA's expertise on export related issues is unparalleled in Alaska. Mr. Chuck Becker, Director of the CSUSA Alaska was the only representative of an international trade support organization mentioned by name as a trade resource in the private sector needs assessment survey (he was mentioned three times).

While the CSUSA is an extremely high profile trade organization in Alaska, it appears that state supported trade groups have not effectively coordinated their activities with the Commercial Service.

For instance, CSUSA offices in Japan and Korea are fully capable of providing specialized export assistance to virtually any Alaskan company - including natural resource sector firms. However, the state of Alaska still pours hundreds of thousands of dollars into the maintenance export assistance services aimed at servicing companies interested in Asian Pacific Rim trade. Substantially enhancing activity coordination with the CSUSA is a critical first step towards the development of a streamlined and efficient state export assistance network - especially considering that CSUSA's services provide a highly effective (and essentially free) alternative to numerous state supported export assistance activities.

Division of Trade and Development

Since its inception, DTD has been the flagship state supported international trade organization in Alaska. The organization's enabling legislation requires DTD to engage in a wide range of international activities which span export assistance, foreign investment promotion, and international education. While DTD's high profile presence in Alaska is an asset, its diversified activity base is a detriment. Like the CSUSA prior to its recent reorganization, DTD represents an excessively diversified agency which lacks any measure of interorganizational specialization. This condition is not necessarily DTD's fault - the legislation which enacted the (then) Office of International Trade required the organization to lead the state on a number of international issues. Addressing this condition is an important first step in enhancing DTD's overall effectiveness.

While export assistance is among DTD's strongest preoccupations, it is clearly the organization's weakest activity point. This appears to be primarily due to DTD's self-imposed limitations on export assistance activities rather than any deficiency in funding or support. For instance, DTD's incessant Asian Pacific Rim market focus is not only obsolete,

but also represents a potential barrier to companies seeking assistance with the development of flexible export marketing strategies (particularly in the case of service sector companies). Over sixty percent of Alaska's exports are headed for the Asian Pacific Rim - however, over ninety percent of these exports are natural resources - and it is estimated that over ninety-five percent of natural resource export transactions take place in well established trading channels or via specialized intermediaries (i.e., Alaskan natural resource exporters have comparatively few export assistance requirements). For nearly all other Alaskan products and services, market opportunities in the Asian Pacific Rim are generally no better than for any other developed country.

Where DTD does represent a critical element in Alaska's export assistance network is in the area of advocacy. Because DTD reports directly to the state administration, the organization is well suited to "go to bat" for Alaskan companies facing the wrath of unfair international trading practices. DTD's continued leadership on company and industry-wide advocacy matters should grow in importance as more Alaskan companies enter the licentious theater of international commerce.

World Trade Center Alaska

As the only public international trade organization in Alaska which actively generates revenue, the World Trade Center has an unique role in facilitating trade in the state. The simple presence of over 200 fee paying members indicates that a demand for WTCAL services exists. However, these export assistance services are certainly not suitable for all companies in Alaska. A quick look at the World Trade Center membership list reveals that a number of members are larger companies with in-house trade resources in place or smaller companies with a dedicated international focus. For companies lacking export experience or in-house trade capabilities, the \$ 300 - \$

2,500 annual membership fee probably represents an excessive addition to aggregate international business risk. Consequently, the World Trade Center's role as an international service provider is Alaska is clearly limited. However, utilizing the World Trade Center Alaska as a leader in providing export assistance to larger companies and experienced exporters would be an effective complement to the state's international policy.

Because the World Trade Center Alaska is membership based, its revenue generating activities can offset operational expenses and ensure that services are consistent with member needs. Supporting the establishment of the World Trade Center Alaska as an entirely autonomous unit would further enhance the Center's ability to provide flexible, client oriented services.

C. Issues

1. Export Assistance and the Global Approach

Ask any economic development watcher in Alaska about international trade, and their answer is likely to include something about the Asian Pacific Rim. The common-sense justification for this emphasis is clear - over sixty percent of Alaskan commodity exports (nearly all of which are natural resources) are destined for the Asian Pacific Rim marketplace. In addition, Alaska's strategic location within the Pacific Rim has facilitated the noticeable growth of trans-Pacific air cargo activity in Anchorage and Fairbanks. Despite these factors, the correlation between Alaskan export activity and the perceived need to focus export assistance services on the Asian Pacific Rim (e.g., state funded trade offices in Japan and Korea) is very weak. The results of the private sector needs assessment revealed that most Alaskan companies maintain a comparatively "global" trade focus. That is, private sector international marketing plans

consistently transcended the state's string of protocol efforts.

This suggests that one of two fundamental changes have taken place within the Alaska private sector - either companies have fully recognized that the advent of advanced telecommunications, rapid air travel, and global economic integration has substantially reduced an American company's need to limit their international horizons to trading nations of historical political favor or close geographic proximity - or the state's protocol and export marketing efforts are plainly inconsistent with changing realities in the international marketplace. Either way, the fact that Alaskan companies are willing and able to undertake business ventures in any corner of the world suggests that the state's intense focus on Asian Pacific Rim markets is obsolete. (This assertion assumes that the majority of Alaskan natural resource export transactions are handled via established trading channels.)

While the private sector's comments on export marketing strategies were in direct contrast to prevailing ideas on international trade requirements in Alaska, they were hardly surprising. Advances in the delivery of international market research have substantially reduced a state's need to focus export assistance on a handful of foreign markets. Unlike a manufacturing intensive state (in which intensive foreign marketing efforts can contribute towards export growth), an Alaskan trade delegation cannot simply land in foreign country and say, "This is what we make, what do you want to buy?" The Alaskan private sector is built around a number of unique small and medium sized businesses - most of which require a customized export assistance approach. Japan and Korea are tremendous natural resource and tourism targets - in fact, their strategic importance to these industries is nearly unparalleled. However, for nearly all other industries in the state, Japanese and Korean market potential is no better than for any other

developed country in the world (consider the market for oil field services, specialty jams, or Arctic engineering expertise in Japan and Korea).

This is not intended to suggest that reducing Alaska's *diplomatic* ties with Japan and Korea would in any way be beneficial. Economic growth in Asia remains very strong and Alaskans should never lose sight of the tremendous business, cultural, and educational exchange opportunities available within the region. However, the absolute benchmark for evaluating *export assistance* services should be export sales - and, as the private sector needs assessment revealed, sales opportunities for Alaskan goods and services have emerged all around the world. As technology and service companies wind down from activity on the North Slope (and infrastructure development requirements expand in developing countries), the state has an excellent opportunity to capitalize on demand for Alaskan expertise in emerging markets. Facilitating access to these opportunities requires the adoption of a fundamentally new approach to export assistance.

2. The Global Approach and the Service Sector (in an export assistance context)

A long-term managerial commitment to international trade is clearly a prerequisite to success in global marketplace. However, because the Alaskan economy is structured differently than most (i.e., the overwhelming majority of Alaskan exports are natural resources), international trade support organizations must be receptive to the relative lack of global "sophistication" which might exist within the managerial structure of Alaskan service companies. Consequently, simply prepossessing export interested service sector firms to a standardized marketing plan is an inadequate approach to export assistance.

In particular, primary export assistance for service companies (i.e., joint venture

partner / distributor searches) should be globally focused at every level. For instance, the maintenance of a region specific export assistance network is useless to a terminal-contract service exporter (i.e., construction, engineering, etc.) unless the bulk of global toxic waste spills, oil field discoveries, and infrastructure development projects are consistently concentrated in the same countries. Thus, an effective service sector export assistance program must be as globally flexible as a service company itself.

Similarly, utilizing protocol as a market penetration tool on behalf of service companies must be a strategically targeted venture. Even if Alaska negotiates a spectacular bilateral trading agreement, the effort is useless if it is driven by the private sector.

(The widespread inability of Alaskan companies to utilize state protocol efforts as a tool for penetrating the Sakhalin market illustrates this point. While Alaskan trade groups were pondering how to "enter" and "partner" with the Sakhalin market, Korean and Chinese companies (and a handful of motivated Alaskan firms) were making deals. Alaskan businesses which expected to simply follow the state's lead into the Russian Far East were left to discover that numerous opportunities had already been grabbed by foreign firms. The time and effort associated with the state's "Sakhalin effort" might have been better utilized by individually working with service companies, isolating their strengths and weaknesses as firms, and identifying a handful of projects around the world where their expertise could be specifically applied - companies identified as having potential in the Sakhalin market could then perhaps initiate a joint venture partner search.)

As an alternative to such activities, several surveyed companies recommended conducting short-term missions in developing regions where infrastructure and natural resource development project opportunities were emerging (e.g., the Middle East, Africa,

Vietnam, Sakhalin, etc.) Japan and Korea - as nations possessing an abundance of advanced service technology, few natural resources to extract, and comparatively well developed infrastructures - do not represent significant market prospects for Alaskan service companies. In fact, with the exception of a notable interest in the Russian market, surveyed service exporters reported engaging in international activities throughout the world. Export assistance services and protocol efforts aimed at benefiting Alaskan service sector firms should reflect this reality.

3. The Global Approach and Foreign Offices (in an export assistance context)

According to the Division of Trade and Development, maintaining Alaska's offices in Japan and Korea costs the state over half a million dollars a year - nearly one-half of DTD's total budget and over four times the World Trade Center Alaska's annual general fund allocation. Closing these offices would free up a substantial portion of international trade dollars without adversely affecting Alaskan export activity. However, such a move would also require the development of an alternative foreign market penetration / assistance (and subsequent distributor / joint venture search) strategy. In response, the following model was developed to reorganize state export assistance / market penetration efforts.

- Vertically refocus state supported export assistance (i.e., assist with the development of customized export marketing strategies only). The following scenario illustrates how Alaska's export assistance network might approach customized trade support.

1. Conduct a community sweep of the Alaskan private sector (across industry lines) to determine actual and potential clientele for export assistance services and state sponsored trade missions.
2. Follow-up with specialized market research to identify every market in the

world where a measure of demand might exist for Alaskan products or services (e.g., a list of nations where oil field development projects are taking place). Such information can be readily accessed via the NTDB.

3. Provide company specific / industry specific export assistance. (That is, assist companies with the development of customized export marketing strategies rather than randomly penetrating foreign markets with the assumption that Alaskan companies will follow.)

- Follow-up by organizing customized trade missions to target markets after lengthy interaction with companies in the host foreign country (potential joint venture partners / distributors) and the Alaskan private sector OR facilitate joint venture partner / distributor searchers via the CSUSA Gold Key Service OR establish short-term trade liaison offices in strategic markets.

2. Utilize the foreign offices of other trade support organizations in lieu of Alaskan offices. Alternatives include:

- CSUSA operates over 170 liaison offices (including offices in Seoul, Tokyo, Taipei, and the Russian Far East). Each of these offices offer a full range of market research and distributor / joint venture search services to any American company (most services are either free or available at a comparatively low-cost). In addition, the National Trade Data Bank maintained by the CSUSA offers Alaskan companies free access to up-to-date trade leads and market information on nearly every region in the world.

- The World Trade Center Alaska has associate offices in over 250 locations worldwide (including Seoul, Tokyo, Taipei, and the Russian Far East). Companies which are members of the World Trade Center can post and access trade leads and a range of international market information available through the World Trade Center network.

- Various international services and contacts are available through the United Nations, domestic and foreign universities, foreign embassies, etc.

4. Small Business

Small and medium sized businesses represent one of the greatest sources of potential exporter growth in Alaska. Unfortunately, few international support organizations in the state provide export assistance services targeted at expanding small business export activity. Expanding the scope of public export assistance services for small and medium sized enterprises should be an integral element in Alaska's export assistance network.

Export assistance services for small companies can be approached in essentially the same manner as for service sector firms (i.e., customized, globally focused export assistance). The only significant difference in approach is the need to determine "export readiness" among small or new-to-export companies. Generally, export readiness can be gauged according to managerial commitment (a long-term managerial commitment is a definite prerequisite to success in international markets). However, other factors such as product suitability, company development, and the ability to divert sufficient resources to international activities must also be considered. Consequently, it is recommended that export assistance servers begin to develop objective criteria for quickly evaluating export potential.

In order to encourage the growth of export activity among small and medium sized businesses in Alaska, it is suggested that export assistance servers expand their efforts to enhance the perception of exporting as a feasible venture. It is understood that working with small and medium sized businesses is not the shortest route towards increasing Alaskan export activity. However, it is a necessary part of Alaska's export assistance network. In addition to Marketing Alaska, the following international support network-wide suggestions were developed to enhance small and medium sized business export activity:

- Rural Alaska is home to a variety of specialized products and services. However, most rural communities do not have access to export assistance services or international market information. Installing National Trade Data Bank software (or subsidizing internet subscription to the NTDB) and coordinating outreach export assistance services (e.g., an 1-800 number to the Export Assistance Center) via ARDORs and SBDCs would alleviate part of this burden.

- While there are few dedicated private export management companies in Alaska, there is an abundance of other exporting expertise - particularly among seasoned international traders. Establishing an "export mentoring program" (possibly modeled after the Ohio Export Assistance Network) could assist in the expansion of export activity among small and medium sized businesses.

5. Export Finance

A number of respondents to the private sector needs assessment survey reported that export finance was a major obstacle in their quest to export. Export finance should not be a distant element in the export marketing strategy - rather, companies should begin thinking about how to finance their ventures at the same time they conduct preliminary market research. Similarly, export assistance organizations in the state should maintain export finance assistance services as an integral element in their outreach strategies.

Establishing a new export finance assistance arrangement in Alaska does not necessarily mean that establishing a new export finance assistance organization is necessary. A number of export finance tools (i.e., EXIM, SBA, OPIC, World Bank, TDA, etc.) are already available. Unfortunately, there is no clearinghouse of expertise on export finance in Alaska. Supporting the hire of an export finance specialist to work in conjunction with the primary sources of export assistance

services in Alaska would alleviate this deficiency.

6. Trade Missions (Measuring Value and Horizontal vs. Vertical)

In the age of the information superhighway, sending state trade representatives to foreign markets to "look around for potential export opportunities" or "to get a sense of the market environment" is increasingly unnecessary. Up to date market research and hundreds of trade leads are available to companies on a daily basis. In response to complaints by the private sector that state funded trade missions are often poorly directed or unfocused, the following criteria were developed to measure the value of foreign travel by state officials:

1. The trip was paid for by private sector businesses; and / or
2. The government delegation is accompanied by businesses which are close to initiating actual deals ; and / or
3. The trip is in response to a special invitation by a foreign government of strategic significance (i.e., a protocol mission); and / or
4. Private sector companies place a request to open diplomatic ties with a certain region and demonstrate their interest by funding the diplomatic effort (with the exception of truly new markets (e.g., the former Soviet Union shortly after its disintegration.), detailed market research, business contacts, socio-political information, and culture notes are available in the National Trade Data Bank, World Trade Center Network, or even the local community. Technology has made it quite possible to structure trade missions around sales -- not "fact finding."); and / or
5. Private sector industry representatives request a diplomatic escort for a trade mission and demonstrate their interest in the mission by covering a part of the government delegation's expenses.

Recall that the job of a state trade assistance program is to promote and respond to the ambitions and needs of private sector businesses in the international marketplace. Going beyond the predetermined needs and requests of private sector companies on export assistance related issues is inappropriate - no one knows the international needs of private sector companies better than businesses themselves (consider that managerial philosophy can affect the propensity to export as much as profit potential).

In addition to measuring private sector content, trade missions should also be evaluated according to structure (in particular, industry concentrations). While the Alaskan economy is comparatively undiversified, the breadth of companies which might benefit from a trade mission covers a range of highly specialized industries. As the cost associated with executing a horizontal "bombshell effect" trade mission can only be recovered if representatives from a range of foreign industries are present to make deals, it is strongly recommended that Alaskan export assistance servers vertically organize all trade missions.

IV. FOREIGN INVESTMENT

A. Introduction

The Division of Trade and Development is the only state supported organization charged with responsibility for coordinating Alaska's foreign investment promotion and protocol activities. The Alaska Center for International Business claims that part of its mission is to expand Alaska's relations with other nations of the world (however, ACIB's approach to foreign relations building is not worthy of extensive consideration on the matter). No organization in Alaska is charged with developing a strategic framework for promoting the general internationalization of Alaska - a task which necessarily focuses foreign investment promotion activities on a common goal. Unlike the export assistance arrangement in the state,

there appears to be a deficiency of interest in building Alaska's "subtle" relationships with other regions of the world. Thus, Alaska's foreign investment promotion / protocol efforts can only be delivered in sporadic and unconcentrated batteries. The need for further promoting external investment in the state (foreign investment represents a significant source of potential economic development interest) and enhancing Alaska's reputation as a player in the global marketplace is obvious. However, fulfilling this goal requires a dedicated intensification, refocusing, and overall expansion of Alaska's reverse investment efforts.

B. Critical Overview of Alaskan Foreign Investment Promotion / Protocol Activity Efforts

Division of Trade and Development

As mentioned, the Division of Trade and Development is the only state supported organization in Alaska charged with responsibility for building Alaska's relations with other nations of the world. As an adviser to the governor, DTD is well-suited to continue its role as the lead protocol intermediary in Alaska. However, several factors limit DTD's ability to effectively deliver foreign investment promotion / protocol activities:

1. DTD is vulnerable to structural disintegration every time a new governor is elected (i.e. DTD trade specialists are PX employees).
2. Alaska has no strategic international plan for DTD to structure its protocol activities around. (DTD's self-described "Asian Pacific Rim" emphasis is far from adequate.) Consequently, protocol activity in Alaska is primarily conducted on an "as the opportunity arises" basis.
3. DTD has among the highest activity diversity levels of any international organization in the state. Alleviating part of DTD's responsibility load would undoubtedly enhance the organization's ability to conduct targeted and effective protocol activities.

4. DTD is not globally focused (i.e., DTD's self described emphasis is nearly exclusive to Canada, the Circumpolar North, and the Asian Pacific Rim).

DTD's inability to effectively address these issues is understandable - the legislation which enacted the (then) Office of International Trade required the organization to lead the state on virtually every international trade related matter. The elimination of export assistance services as a responsibility of DTD should provide the organization greater flexibility in its efforts to draw investment to Alaska.

Alaska Center for International Business

Because ACIB receives general fund dollars for "expanding Alaska's relations with other nations of the world", it was necessary to evaluate the organization in such a context. Doing so was not an easy task. As a research unit of UAA, ACIB's approach to foreign relations building is so abstract that it was difficult to evaluate in any context. According to ACIB, the center primarily fulfills its mission by conducting specialized international market research relevant to Alaska's main trading partners (i.e., the Asian Pacific Rim). However, aside from specialized research and instruction, the only evidence of ACIB protocol activity is found via the American Russian Center (including the University of Alaska Fairbanks' ties with ARC).

Evaluating ACIB's potential capability as an international relations liaison can be quickly simplified:

If a high ranking official from a foreign country traveled to Alaska, would they rather visit with the governor or the staff of the local university?

APPENDIX C

Alaska State Legislature



State Capitol
Juneau AK
99801-1132

Official Business

BE IT RESOLVED BY THE SENATE/HOUSE INTERIM TASK FORCE ON INTERNATIONAL TRADE:

WHEREAS the task force recognizes that government participation in trade missions is a significant help to the state's exporters in countries where there is a high expectation of governmental involvement; and

WHEREAS the state's international trade efforts should focus on availability of information on international trade and providing a government "presence" on trade missions to countries which expect to see such governmental presence; and

WHEREAS the state's present international trade promotion efforts are spread among a wide number of agencies, including the Division Of Trade And Development in the Department Of Commerce, the Alaska Center For International Business in the University Of Alaska, the World Trade Center supported in part by money from the Alaska Center For International Business, the Alaska Seafood Marketing Institute and the Division Of Tourism in addition to maintaining overseas offices or a contractor for trade promotion efforts in Japan, Korea, and Germany; and

WHEREAS the cost of maintaining overseas trade offices is very high;

BE IT RESOLVED that the task force recommends to the House and Senate Finance Committees that the committees should appropriate moneys for a more consolidated international trade information source and that the provision of information on international trade should be consolidated; and be it

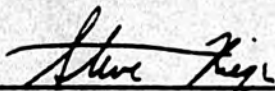
FURTHER RESOLVED that the information services provided should include specialized export finance information, which probably will need to be provided through an experienced specialist; and be it

FURTHER RESOLVED that the location should be proximate to or integrated with the information provided by the U.S. Commercial Service and should be integrated as much as possible with any privately-supported networks to make research as efficient as possible for private business, avoid duplication, and save costs. The combination of efficiencies through

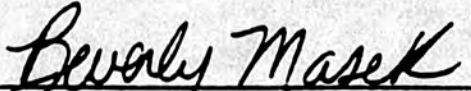
consolidation and transfers to user fee support should result in savings of at least \$500,000 in 1997, and another \$500,000 in 1998; and be it

FURTHER RESOLVED that the task force recommends the state move toward a continued reduction of general fund support for the fixed costs of overseas locations, in part because of budget pressures and in part because the fixed office locations are not necessarily responsive to changing trade patterns and might rob from efforts in countries in which the state does not have an office. This trade mission component should have significant user support with offices needing to be either cut back or transferred to user support. The task force recognizes that to the extent that the actual physical presence reduces, it would benefit from a graduated transition period to mitigate any negative perceptions in the host country.

Copies of this resolution shall be sent to the President of the Alaska State Senate, the Speaker of the Alaska State House, and members of the Alaska State Senate and House Committees on Finance.



Senator Steve Rieger, Co-Chair



Representative Beverly Masek, Co-Chair

Senate/House Interim Task Force on International Trade

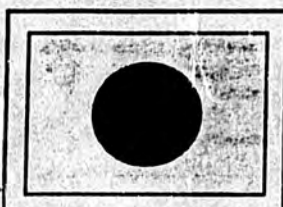
APPENDIX D

Alaska

Alaska's Top Ten
Export Markets 1993

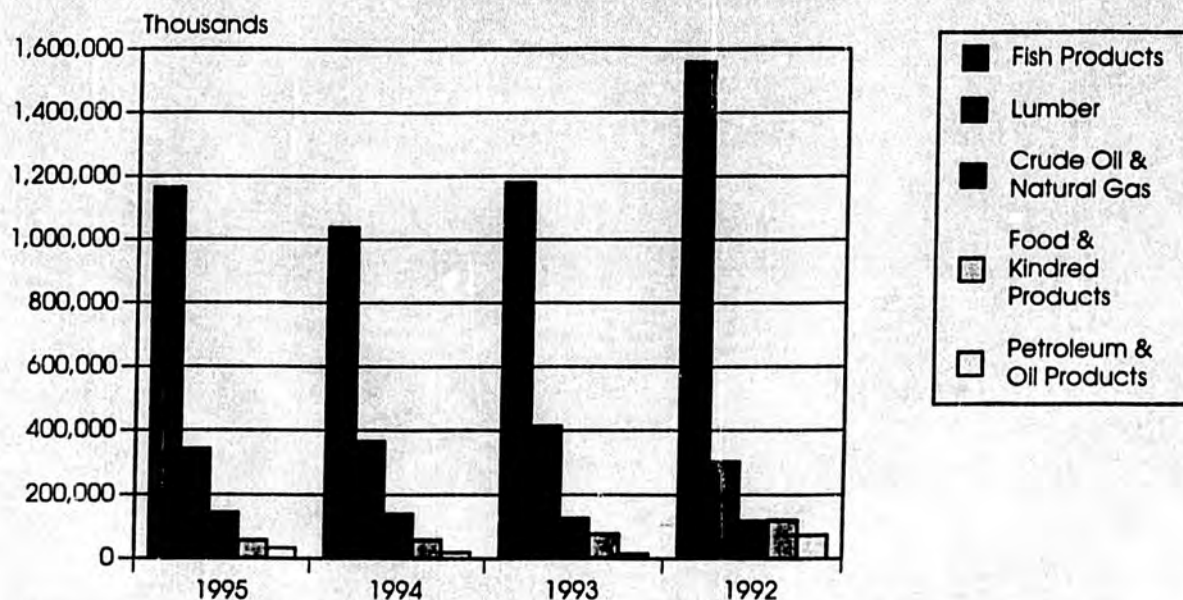
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JAPAN

ALASKA'S TOP FIVE EXPORTS TO JAPAN (1992-1995) U.S. Dollars



EXPORTS FROM ALASKA TO JAPAN (U.S. Dollars)

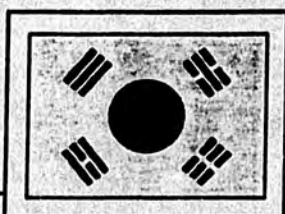
Description	1995	1994	1993	1992
Fish Products	1,163,640,916	1,039,603,608	1,180,563,877	1,560,751,063
Lumber	341,477,823	366,155,907	414,515,313	302,578,916
Crude Oil & Natural Gas	144,710,183	139,953,737	126,224,600	118,042,502
Food & Kindred Products	58,020,405	59,023,965	78,555,692	120,893,685
Petroleum & Oil Products	33,530,190	19,937,722	15,168,560	74,680,674
Metal Mining	27,004,032	17,632,218	37,838,176	90,036,332
Pulp	20,629,168	14,335,802	57,688,145	57,127,676
Chemicals & Allied Products	17,840,072	4,508,456	686,362	5,274,409
Instruments Medical Cont.	2,294,005	2,178,261	3,307,415	5,109,251
Transportation Equipment	1,264,163	2,134,331	29,576,699	6,090,999
Rubber	1,250,302	1,530,916	8,056	73,766
Livestock	955,205	392,700	329,696	157,500
Non-Electric Machinery	521,281	136,758	224,704	223,645
Misc. Manufactured Goods	315,807	211,805	176,808	320,722
Fabricated Metal Products	255,792	346,772	105,911	749,244
Misc. Mfg. Products	221,881	53,226	48,113	27,176
Agriculture Products	179,613	629,013	343,423	0
Electronic/Elec. Products	175,188	263,467	381,118	684,071
Apparel	106,313	650,844	53,048	15,726
Textiles	106,313	57,879	260,367	0
Primary Metal Products	64,593	7,974	16,016	5,280
Furniture	35,583	0	20,688	44,503
Misc. Commodities, NSPF	6,534	20,611	0	0
Used/Rebuilt Merchandise	9,500	5,200	39,700	36,000
Stone/Clay/Glass	6,104	61,381	57,569	75,673
Printing	3,000	25,008	5,900	23,451
Waste & Scraps	0	2,456,076	16,597	37,991
Leather	0	0	3,850	4,000
Total Exports	1,814,629,264	1,672,313,637	1,946,216,403	2,343,064,255

Source: U.S. Department of Commerce, State Export "Origin" Data Base.

**1st
LARGEST
EXPORT MARKET**

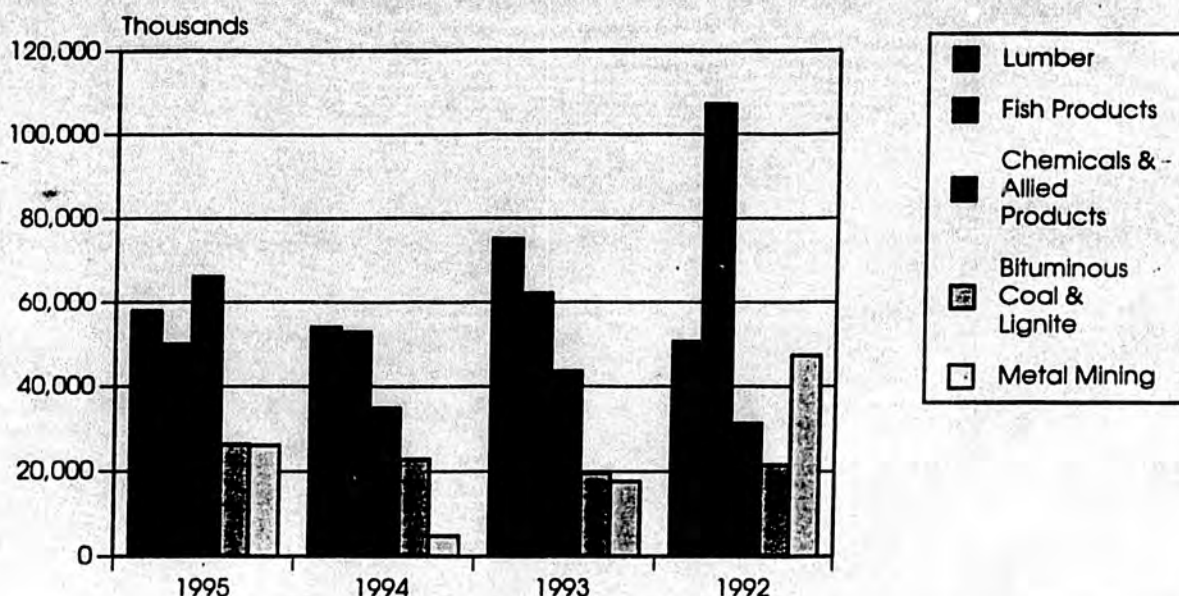
Alaska Total Exports to Country	1,815 million
Alaska Top Five Exports to Country	Fish Products (1,164M), Lumber (341M), Crude Oil & Natural Gas (145M), Food & Kindred Products (58M), Petroleum & Oil Products (34M)
Capital	Tokyo
Other Major Cities	Yokohama, Sapporo, Osaka, and Nagoya
Population	125 million (1994)
Land Size	Consists of four main islands: Honshu, Hokkaido, Shikoku and Kyushu; covers 145,882 sq. miles
Languages	Japanese. English is often used in business. Translators are often necessary and recommended
Time Difference	Add 18 hours to Alaska time
Visa	Not required for stays up to 90 days. A valid passport is needed.
Climate	Hot in summer. Dry and snowy on the Pacific side in winter. Rainy season (June to mid July), typhoon season (late August to September)
Currency	Yen. US\$1=106.73 Yen (May 16, 1996)
U.S. Banks in Country	American Express Bank, Chase Manhattan Bank, Bank of America Trust & Savings Association, Chemical Bank and Citibank
Japanese Representatives in the U.S.	Embassy of Japan (Washington, DC) 2520 Massachusetts Ave., NW, Washington, DC 20008 Tel: 202-939-6700 Fax: 202-328-2187 Consulate General (Anchorage, AK) 550 W. 7th Ave., Suite 701, Anchorage, AK 99501 Tel: 279-8428 Fax: 279-9271
U.S. Representatives in Japan	U.S. Embassy (Tokyo) 10-5, Akasaka 1-chome Minato-ku (107) or Unit 45004, Box 258, APO AP 96337-0001 Tel: 81-3-3224-5000 Fax: 81-3-3505-1862 Fisheries Specialist (Tokyo) Mr. Tom Asakawa Tel: 81-3-3224-5077 Fax: 81-3-3589-4235 Consulate General (Sapporo) Kita 1-Jo Nishi 28-chome, Chuo-Ku, Sapporo 064 or Unit 45004, Box 276, APO AP 96337-0003 Tel: 81-11-641-1115/7 Fax: 81-11-643-1283 Consulate General (Osaka-Kobe) 11-5, Nishitenma 2-chome, Kita-ku, Osaka 530 or Unit 45004, Box 239, APO AP 96337-0002 Tel: 81-6-315-5900 Telex: 52 33 037 AMCONJ Fax: 361-5397 COM Fax: 361-5978 CON Fax: 315-5930
Major Japanese Organizations in the U.S.	Japan External Trade Organization (JETRO) (San Francisco, CA) 235 Pine Street, Suite, 1700 San Francisco, CA 94104 Tel: 415-392-1333 Fax: 415-788-6927 Japan External Trade Organization (JETRO) (Los Angeles) 777 S. Figueroa St., Suite 4900, Los Angeles, CA 90017 Tel: (213) 624-8855 Fax: (213) 629-8127
Major Business Organizations in Japan	Tokyo Chamber of Commerce & Industry 2-2, Marunouchi, 3-chome, Chiyoda-ku, Tokyo 100 Tel: 81-3-3283-7580 Fax: 81-3-3201-6265 American Chamber of Commerce of Japan Bridgeston Toranomon Bldg., 5F, 25-2, Toranomon, 3-chome, Minato-ku, Tokyo 105 Tel: 81-3-3433-5381 Fax: 81-3-3436-1446 Tokyo Foreign Trade Association Tokyo-foritsu Sangyo Boeki Center 2F, 7-8, Kaigan, 1-chome, Minato-ku, Tokyo 105 Tel: 81-3-3434-4241 Fax: 81-3-3433-7164 Kobe Chamber of Commerce & Industry 1, Minatojima-Nakamachi, 6-chome, Chuo-ku, Kobe, 650 Tel: 81-78-303-5806 Fax: 81-78-303-2312 Nagoya Chamber of Commerce & Industry 10-19, Sakae, 2-chome, Naka-ku, Nagoya 460 Tel: 81-52-221-7211 Fax: 81-52-232-5751 Osaka Chamber of Commerce & Industry 2-8, Hommachi-bashi, Chuo-ku, Osaka 540 Tel: 81-6-944-6400 Fax: 81-6-944-6248

JAPAN



SOUTH KOREA

ALASKA'S TOP FIVE EXPORTS TO SOUTH KOREA (1992-1995) U.S. Dollars



EXPORTS FROM ALASKA TO SOUTH KOREA (U.S. Dollars)

Description	1995	1994	1993	1992
Lumber	58,040,585	54,056,032	75,218,037	50,675,757
Fish Products	50,068,053	52,929,517	62,297,715	107,329,404
Chemicals & Allied Products	66,174,339	34,917,996	43,639,589	31,314,928
Bituminous Coal & Lignite	26,382,097	22,886,832	19,714,353	21,532,446
Metal Mining	26,140,669	4,854,232	17,712,485	47,378,698
Waste & Scraps	2,973,152	45,000	45,019	63,650
Food & Kindred Products	712,726	487,122	2,467,507	983,609
Transportation Equipment	574,092	7,821,216	4,199,402	11,484,365
Non-Electric Machinery	318,620	8,866	36,544	614,347
Misc. Manufactured Goods	148,987	70,560	18,244	11,103
Electronic/Electric Products	99,364	97,125	159,237	96,664
Rubber	76,943	0	4,152	3,592
Misc. Mfg. Products	47,687	6,613	44,183	36,014
Fabricated Metal Products	3,892	0	13,689	232,492
Pulp	2,850	14,314	177,814	1,859,865
Petroleum & Oil Products	0	10,917,128	4,769,800	17,959,967
Stone/Clay/Glass	0	12,952	0	0
Primary Metal Products	0	6,046	0	0
Textiles	0	0	0	9,524
Agriculture Products	0	0	0	18,246
Misc. Commodities, NSPF	0	0	60,000	192,500
Furniture	0	0	0	17,857
Others	0	0	0	0
Total Exports	231,764,056	189,131,551	230,577,770	291,815,028

Source: U.S. Department of Commerce, State Export "Origin" Data Base.

2nd
LARGEST
EXPORT MARKET

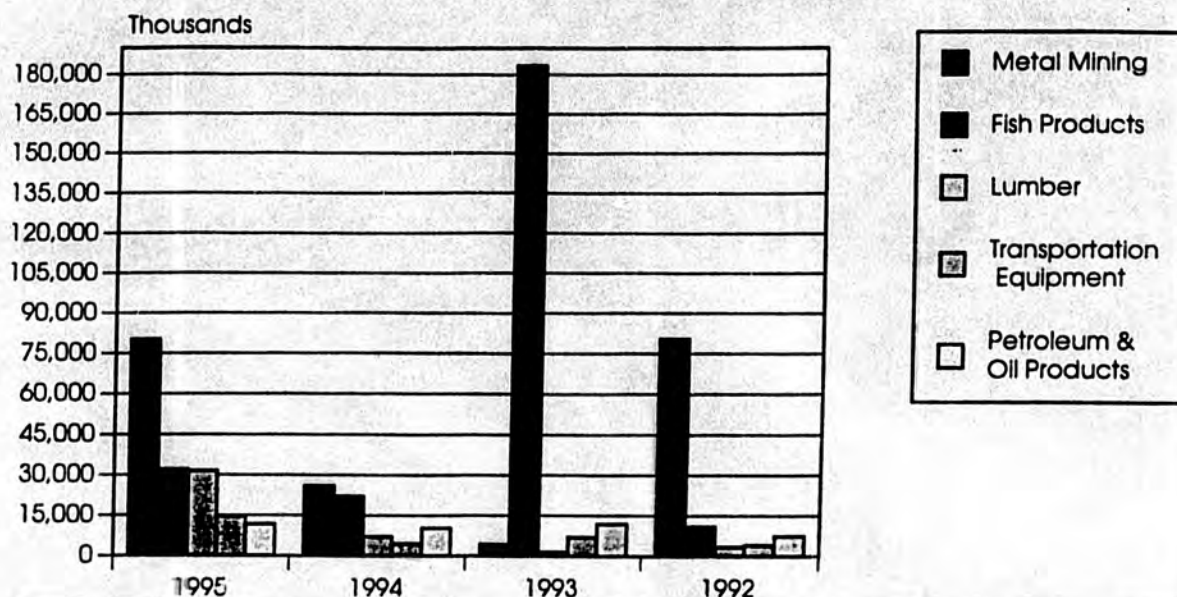
Alaska Total Exports to Country	232 million
Alaska Top Five Exports to Country	Chemicals & Allied Products (66M), Lumber (58M), Fish Products (50M), Bituminous Coal & Lignite (26M), Metal Mining (26M)
Capital	Seoul
Other Major Cities	Pusan and Taegu
Population	45 million (1994)
Land Size	98 thousand sq. kilometers
Languages	Korean. English is often used in business
Time Difference	Add 18 hours to Alaska time
Visa	Under 15 days, not required. Over 15 days, visa must be obtained. To apply a visa for a business purpose, you need to have (1) a valid passport, (2) a visa application form, (3) a letter from an organization indicating the purpose of your trip, the period of your trip and your financial responsibilities, (4) and a photo. Visas are available through Korean Consulate in Anchorage
Climate	Hot and humid in summer, dry and cold in winter. Rainy season (July to August)
Currency	Won. US\$1=779.00 Won (May 16, 1996) <i>900, 950, 1,000, 1,400</i>
U.S. Banks in Country	American Express Bank, Chase Manhattan Bank, Chemical Bank, Citibank, Bank of Boston, etc.
Korean Representatives in the U.S.	Embassy of Korea (Washington, DC) 2450 Massachusetts Ave., NW, Washington, DC 20008 Tel: (202) 939-5677 Fax: (202) 797-0597 Consulate General (Anchorage, AK) 101 W. Benson Blvd., Suite 304, Anchorage, AK 99503 Tel: (907) 561-5488 Fax: (907) 563-0313
U.S. Representatives in Korea	U.S. Embassy (Seoul) 82 Sejong-Ro, Chongro-Ku or American Embassy, Suite 15550, APO AP 96205-0001 Tel: 82-2-397-4114 Fax: 82-2-738-8845 U.S. Export Development Office/U.S. Commercial Center c/o U.S. Embassy Tel: 822-397-4212 Fax: 822-739-1628 Consulate General/U.S. Department of Commerce 24 2-KA, Daechung-Dong, Chung-Ku Tel: 82-51-246-7791 Fax: 82-51-246-8859
Major Korean Organizations in the U.S.	Korea Trade Center (KOTRA) 4801 Wilshire Blvd., Suite 104, Los Angeles, CA 90017 Tel: (213) 954-9500 Fax: (213) 954-1707
Major Business Organizations in Korea	Korean Chamber of Commerce & Industry 45, Namdaemunno, 4/ga, Chung-gu, Seoul, 100743, Korea Tel: 822-316-3114 Fax: 822-757-9475 American Chamber of Commerce in Korea Room 307, Chosun Hotel, Seoul, Korea Tel: 822-753-6471/6516 Fax: 822-755-6577

SOUTH KOREA



CANADA

ALASKA'S TOP FIVE EXPORTS TO CANADA (1992-1995) U.S. Dollars



EXPORTS FROM ALASKA TO CANADA (U.S. Dollars)

Description	1995	1994	1993	1992
Metal Mining	80,308,496	25,999,230	4,355,796	80,509,755
Fish Products	32,051,757	22,290,385	18,337,536	11,112,247
Lumber	31,461,302	7,179,078	1,518,707	3,579,460
Transportation Equipment	14,629,466	4,584,345	7,037,143	4,223,732
Petroleum & Oil Products	11,782,379	10,364,450	11,914,424	7,424,487
Food & Kindred Products	10,286,446	9,253,835	2,653,794	8,283,937
US Goods Return/Reimport	10,070,638	5,573,705	13,193,530	18,396,197
Non-Electric Machinery	4,032,607	4,735,065	5,850,022	4,754,431
Fabricated Metal Products	2,692,106	877,566	1,060,074	3,195,726
Electronic/Elec. Products	2,327,981	1,902,171	1,242,400	797,633
Instruments Medical Cont.	2,107,535	6,237,378	3,013,844	3,235,182
Primary Metal Products	1,774,136	1,855,072	652,682	2,215,852
Printing	1,325,487	99,720	138,672	130,395
Chemicals & Allied Products	1,309,891	521,004	328,829	362,227
Used/Rebuilt Merchandise	781,587	1,252,333	547,912	142,074
Misc. Mfg. Products	548,623	281,593	210,269	137,0
Livestock	472,883	1,244,088	322,908	1,265,647
Rubber	384,754	106,365	89,321	221,757
Misc. Manufactured Goods	363,338	592,889	473,244	243,936
Pulp	283,602	212,318	143,340	32,783
Furniture	180,611	445,968	211,220	36,078
Stone/Clay/Glass	118,250	24,269	44,490	393,013
Misc. Commodities, NSPF	104,850	28,105	414,126	23,839
Textiles	77,652	32,079	23,002	0
Leather	44,901	11,497	35,558	0
Waste & Scraps	39,462	28,176	8,855	11,495
Non-Metallic Minerals	3,013	0	13,145	3,192
Apparel	2,680	0	6,733	2,656
Agriculture Products	0	25,592	84,622	9,665
Total Exports	209,503,433	105,758,276	73,926,198	150,744,404

Source: U.S. Department of Commerce, State Export "Origin" Data Base.

3rd
LARGEST
EXPORT MARKET

Alaska Total Exports to Country

Alaska Top Five Exports to Country
Capital

Other Major Cities
Population

Land Size

Languages

Time Difference

Visa

Climate

Currency

U.S. Banks in Country

Canadian Representatives in the U.S.

U.S. Representatives in Canada

Major Canadian Organizations in the U.S.

Major Business Organizations in Canada

210 million

Metal mining (80 M), Fish Products (32 M), Lumber (31M), Transportation Equipment (15M), Petroleum & Oil Products (12M)
Ottawa

Montreal, Toronto, Vancouver, and Winnipeg

28 million (1994)

10 million sq. kilometers (the second largest country in the world)

English and French are official languages

Based on Alaskan time, add 5 hours to Newfoundland province, add 4 hours to Quebec and Ontario provinces, add 3 hours to Manitoba province, add 2 hours to Saskatchewan and Alberta provinces and add 1 hour to British Columbia province.

No visa required for stays up to 180 days. Proof of U.S. citizenship and photo identification required

Cold and snowy in winter, humid and warm in summer

Canadian Dollars. US\$=1.37 Canadian Dollars (May 16, 1996)

Chase Manhattan Bank, Chemical Bank and Manufacturers Hanover

Embassy of Canada (Washington, DC)

501 Pennsylvania Ave., NW, Washington, DC 20001

Tel: 202-682-1740 Fax: 202-682-7726

Consulate General & Trade Commissioner (Seattle, WA)

412 Plaza 600, Sixth & Stewart Sts., Seattle, WA 98101-1286

Tel: (206) 443-1777 Fax: (206) 443-9662

U.S. Embassy (Ottawa, Ontario)

100 Wellington St., Ottawa, K1P 5T1

Tel: 613-238-5335 or 613-238-4470 Fax: 613-238-5720

Consulate General (Montreal, Quebec)

P.O. Box 65, Postal Station, Des Jardins, H5B 1G1

Tel: 514-398-9695 Fax: 514-398-0973 or 514-398-0711

Consulate General (Vancouver, British Columbia)

1095 West Pender St., Vancouver, V6E 2M6

Tel: 604-685-4311 Fax: 604-685-5285

Consulate General (Toronto, Ontario)

360 University Ave., Toronto, Ontario M5G 1E4

Tel: 416-595-1700 Fax: 416-595-0051

Canadian Government Trade Office

50 Fremont Street, Suite 1825, San Francisco, CA 94105

Tel: (415) 543-2550 Fax: (415) 512-7671

Canadian Government Trade Office

333 West San Carlos Street, Suite 945, San Jose, CA 95110

Tel: (408) 289-1157 Fax: (408) 289-1168

Canadian Chamber of Commerce

55 Metcalfe St., Suite 1160, Ottawa, Ontario, Canada, K1P 6N4

Tel: 613-238-4000 Fax: 613-238-7643

Canadian International Trade Centers

Quebec

Montreal International Trade Centre, Industry Canada

5 Place Ville-Marie, 7th Floor, Montreal, H3B 2G2

Tel: 514-283-6796 Fax: 514-283-8794

Ontario

Toronto International Trade Centre, Industry Canada

Dominion Public Bldg.,

1 Front Street West, 4th Floor, Toronto, M5J 1A4

Tel: 416-973-5053 Fax: 416-973-8161

Manitoba

Winnipeg International Trade Centre, Industry Canada

8th Floor, Newport Centre, 330 Portage Ave.,

P.O. Box 981, Winnipeg R3C 2V2

Tel: 204-983-4540 Fax: 204-983-2187

Alberta

Edmonton International Trade Centre, Industry Canada

Canada Place, 9700 Jasper Ave., Suite 540,

Edmonton, T5J 4C3

Tel: 403-495-2944 Fax: 403-495-4507

British Columbia

Vancouver International Trade Centre, Industry Canada

300 West Georgia St., Suite 2000, Vancouver, V6B 6E1

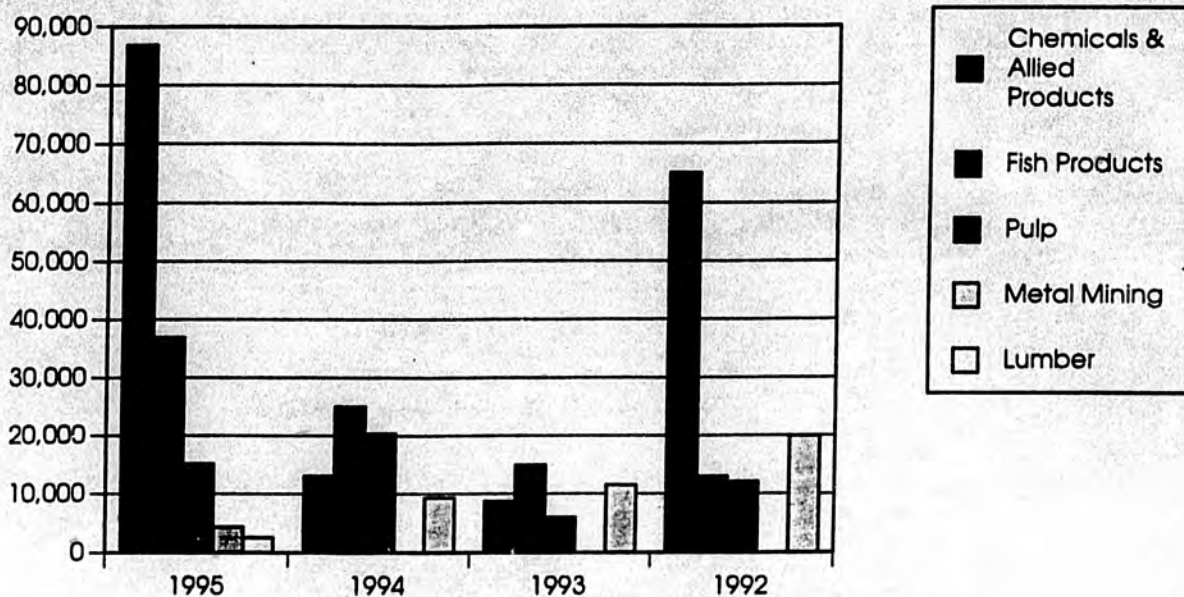
Tel: 604-666-0434 Fax: 604-666-8330

CANADA



CHINA

ALASKA'S TOP FIVE EXPORTS TO CHINA (1992-1995) U.S. Dollars



EXPORTS FROM ALASKA TO CHINA (U.S. Dollars)

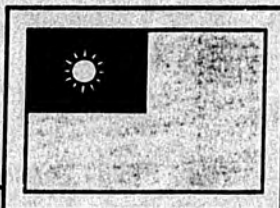
Description	1995	1994	1993	1992
Chemicals & Allied Products	86,850,537	13,057,192	8,746,580	65,028,676
Fish Products	36,893,021	24,990,693	14,932,205	13,041,145
Pulp	15,134,624	20,391,480	5,987,616	12,096,639
Metal Mining	4,419,588	0	0	0
Lumber	2,589,000	9,399,470	11,563,441	19,951,854
Petroleum & Oil Products	1,822,125	4,083,660	14,741,253	11,144,724
Food & Kindred Products	1,642,798	691,437	1,068,508	88,600
Non-Electric Machinery	177,116	706,156	0	150,000
Waste & Scraps	139,650	25,880	7,484	0
Electronic/Electric Products	84,520	1,204,630	0	0
Primary Metal Products	76,238	0	0	0
Fabricated Metal Products	25,450	41,574	0	215,752
Instruments Medical Cont.	4,587	138,227	0	6,914
Printing	0	10,505	0	0
Rubber	0	31,532	0	0
Transportation Equipment	0	7,333,483	929,402	64,315
Misc. Manufactured Goods	0	5,000	0	0
Misc. Mfg. Products	0	0	5,945	0
Total Exports	149,859,254	82,110,919	57,982,434	121,788,619

Source: U.S. Department of Commerce, State Export "Origin" Data Base.

4th
LARGEST
EXPORT MARKET

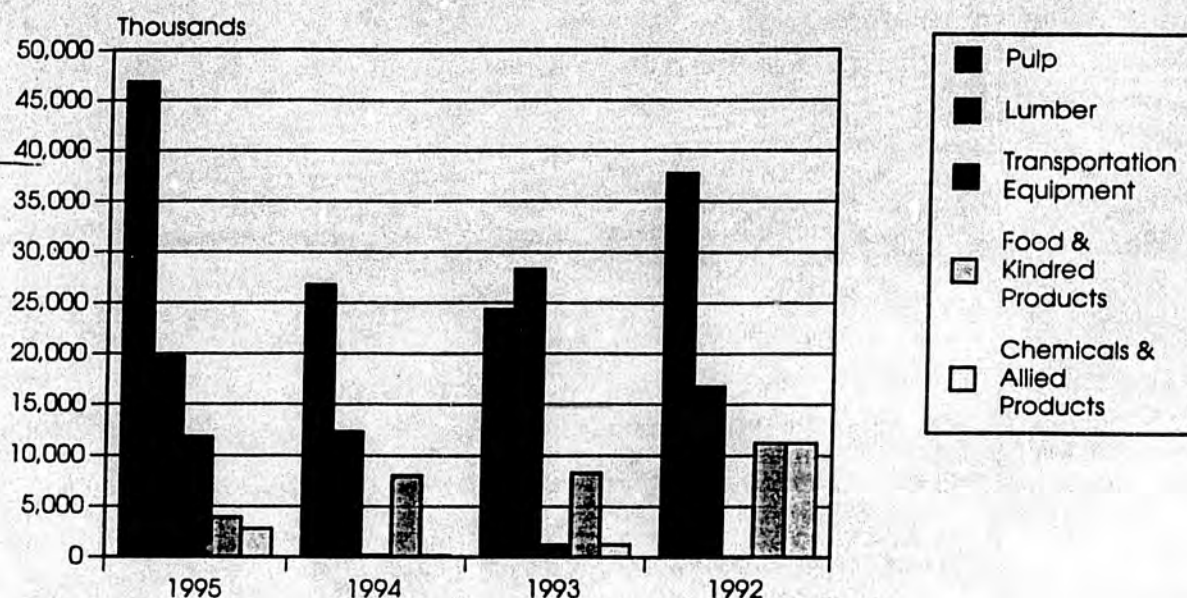
Alaska Total Exports to Country	150 million
Alaska Top Five Exports to Country	Chemicals & Allied Products (87M), Fish Products (37M), Pulp (15M), Metal Mining (4M), Lumber (3M)
Capital	Beijing
Other Major Cities	Shanghai, Tianjin, Shenyang, Wuhan, Guangzhou, Chungking, and Harbin
Population	1.19 billion (1994)
Land Size	Slightly larger than the U.S.
Languages	Mandarin, Cantonese, and Shanghaiese. English is used in business
Time Difference	Add 17 hours to Alaska time
Visa	Required. For a tourist visa, a person must show a "letter of confirmation" from the China International Travel Services (CITS) or a confirmed hotel reservation. For a business visa, a person must have a "letter of invitation" from the host before obtaining a visa. Visa applications are available at the PRC Embassy (see address below).
Climate	Varies as it is in the U.S. Monsoons cause flooding in the summer.
Currency	Renminbi. US\$1=407.56 (May 16, 1996)
U.S. Banks in Country	Citibank, Manufacturers Hanover Trust Company
Chinese Representatives in the U.S.	Embassy of the PRC (Washington, DC) 2300 Connecticut Ave., NW, Washington, DC 20008 Tel: (202) 328-2500, Ext. 480 Fax: (202) 328-2582 Consulate General (San Francisco, CA) 1450 Laguna St., San Francisco, CA 94115 Oversees Affairs Information, Tel: (415) 563-4528 Visa Information, Tel: (415) 563-5440 Commercial Information, Tel: (415) 563-4858 Fax: (415) 563-0494
U.S. Representatives in the China	U.S. Embassy (Beijing) Xiu Shui Bei Jie 3, Beijing, or 100600, PSC 461, Box 50, FPO AP 96521-0002 Tel: 86-10-532-3831 Fax: 86-10-532-6422 Consulate General (Guangzhou) No. 1 South Shamian St., or PSC 461, Box 100, FPO AP 96521-0002 Tel: 86-20-888-8911 Fax: 86-20-886-2341 Consulate General (Shanghai) 1469 Huai Hai Middle Road, or PSC 461, Box 200, FPO AP 96521-0002 Tel: 86-21-6933-6880 Fax: 86-21-6933-4122 Consulate General (Shenyang) 52, 14th Wei Road, Heping District, 110003 or PSC 461, Box 45, FPO AP 965231-00023 Tel: 86-24-282-0068 Fax: 86-24-282-0074
Major Chinese Organizations in the U.S.	China United Trading Corp., Ltd. One World Trade Center, Ste. 3333, New York, NY 10048 Tel: 212-775-0048 Fax: 212-775-7176 China Council for Promotion of International Trade (CCPIT) Chamber of International Commerce 4301 Connecticut Ave., Suite 136, NW, Washington, DC 20008 Tel: 202-244-3244 Fax: 202-244-0478
Major Business Organizations in China	American Chamber of Commerce in the PRC Room 444, Great Wall Sheraton Hotel, North Dongsanhuan Ave., Beijing 100036, PRC Tel: 86-1-6500-5566, ext. 2271 Fax: 86-1-6501-8273 China Council for Promotion of International Trade (CCPIT) Fuxingmenwai St., Beijing 100860, PRC Tel: 86-1-6801-3344 Fax: 86-1-6801-1370

CHINA



TAIWAN

ALASKA'S TOP FIVE EXPORTS TO TAIWAN (1992-1995) U.S. Dollars



EXPORTS FROM ALASKA TO TAIWAN (U.S. Dollars)

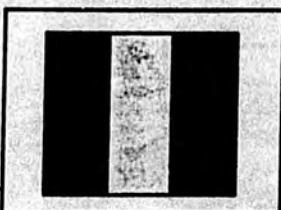
Description	1995	1994	1993	1992
Pulp	46,818,420	26,790,634	24,337,674	37,737,902
Lumber	19,678,666	12,323,535	28,304,441	16,764,090
Transportation Equipment	11,807,728	196,412	1,229,337	55,489
Food & Kindred Products	3,925,014	8,029,410	8,288,675	11,233,417
Chemicals & Allied Products	2,805,269	135,958	1,257,404	1,015,638
Fish Products	2,532,079	2,279,563	1,580,694	538,207
Waste & Scraps	768,441	0	61,618	0
Non-Electric Machinery	120,153	226,150	20,860	90,800
Electronic/Electric Products	119,655	516,928	43,958	641,522
Primary Metal Products	90,604	74,437	0	0
Rubber	40,634	116,352	21,272	28,500
Instruments Medical Cont.	22,094	187,713	148,440	0
Livestock	12,905	65,772	0	0
Fabricated Metal Products	9,132	6,404	4,800	0
Used/Rebuilt Merchandise	2,535	0	22,800	0
Misc. Mfg. Products	0	131,660	11,992	0
Non-Metallic Minerals	0	48,795	0	0
Printing	0	20,000	0	0
Stone/Clay/Glass	0	10,706	0	67,419
Petroleum & Oil Products	0	2,821	0	0
Misc. Commodities, NSPF	0	0	0	24,600
Total Exports	88,758,329	65,333,965	68,197,584	

Source: U.S. Department of Commerce, State Export "Origin" Data Base.

5th
LARGEST
EXPORT MARKET

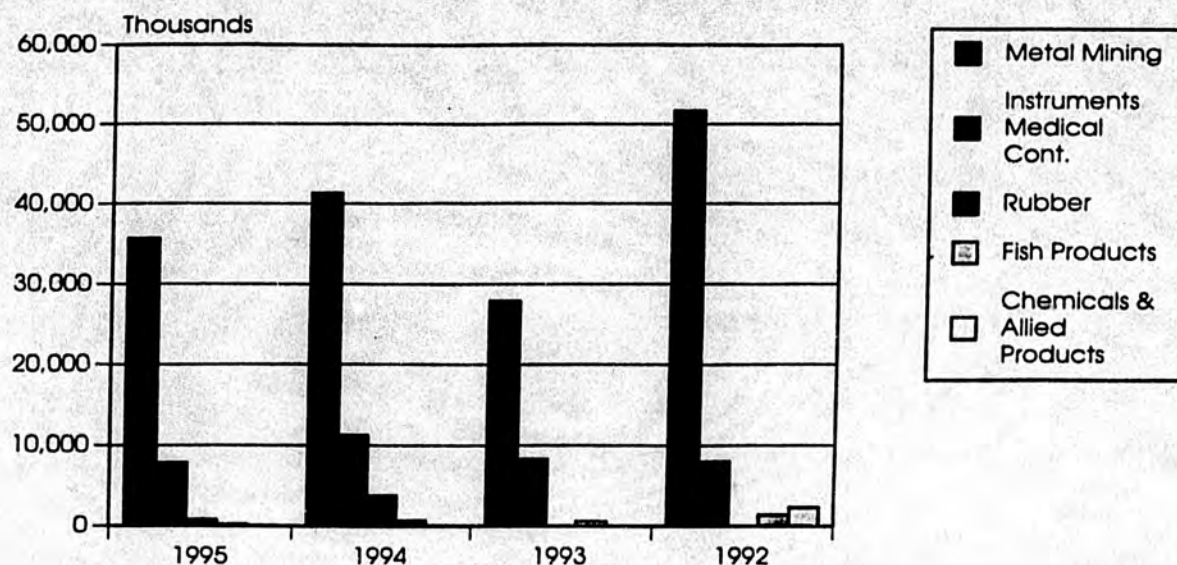
Alaska Total Exports to Country	89 million
Alaska Top Five Exports to Country	Pulp (47M), Lumber (20M), Transportation Equipment (12M), Food & Kindred products (4M), Chemicals & Allied Products (3M)
Capital	Taipei
Other Major Cities	Kaohsiung, Taichung, and Tainan
Population	21 million (1994)
Land Size	36 thousand sq. kilometers (about the total size of Massachusetts and Connecticut)
Languages	Mandarin. English is used in business
Time Difference	Add 17 hours to Alaska time
Visa	Required for visits longer than five (5) days. To apply for a visitor visa, you need to have (1) a passport with at least six months validity beyond the visa issuance date, (2) a visa application form V-1, (3) and two photos. Visas are available through the Seattle CCNAA office.
Climate	Hot and humid and rainy in summer (May to October). Snowy at higher elevations in the northern part in winter.
Currency	New Taiwan Dollar. US\$1=27.21 New Taiwan Dollar (May 16, 1996)
U.S. Banks in Country	American Express Bank, Chemical Bank, Citibank, First Interstate Bank and Manufacturers Hanover.
Taiwanese Representatives in the U.S.	Taipei Economic and Cultural Office in Seattle 2001-6th Avenue, 2410 Westin Bldg., Seattle, WA 98121 Tel: 206-441-4586 Fax: 206-441-4320
U.S. Representatives in Taiwan	American Institute in Taiwan 7 Lane 134, Hsin Yi Road, Section 3, Taipei, Taiwan Tel: 886-2-709-2000 Fax: 886-2-702-7675 Branch Office (Kaohsiung) 3/F, 2 Chung Cheng 3rd Road, Kaohsiung, Taiwan Tel: 886-7-251-2444 Fax: 886-7-223-8237
Major Taiwanese Organizations in the U.S.	China External Trade Development Council (CETRA) 3660 Wilshire Blvd., Suite 918, Los Angeles, CA 90010 Tel: 213-380-3644 Fax: 213-380-3407 Far East Trade Service Inc. 555 Montgomery St., Suite 603, San Francisco, CA 94111 Tel: (415) 788-4304 Fax: (415) 788-0468 U.S.A-ROC Economic Council 1726 M. Street, Suite 601, NW, Washington, DC 20036 Tel: (202) 331-8966 Fax: (202) 331-8985
Major Business Organizations in Taiwan	American Chamber of Commerce in Taipei Suite 1012, Chia Hsin Bldg., Annex 96 Chung Shan N. Road, Sec. 2, Taipei Tel: 886-02-581-7089 Fax: 886-02-542-3376 Taiwan Importers and Exporters' Association 14/F, 2 Fu Hsing N. Road, Taipei Tel: 886-02-773-1155 Fax: 886-02-773-1159 International Trade Association of the ROC 8/F, 148 Chung Hsiao E. Road, Sec. 4, Taipei Tel: 886-02-772-6252 Fax: 886-02-752-2411 Taiwan Chamber of Commerce 4/F, 158 Sung Khlang Road, Taipei Tel: 886-02-536-5455 Fax: 886-02-521-1980

TAIWAN



BELGIUM

ALASKA'S TOP FIVE EXPORTS TO BELGIUM (1992-1995) U.S. Dollars



EXPORTS FROM ALASKA TO BELGIUM (U.S. Dollars)

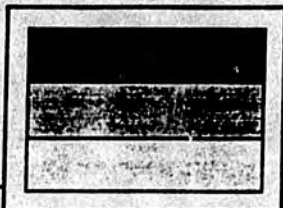
Description	1995	1994	1993	1992
Metal Mining	35,693,099	41,297,351	27,902,371	51,672,199
Instruments Medical Cont.	7,838,378	11,209,408	8,298,164	8,013,820
Rubber	790,982	384,703	0	0
Fish Products	226,906	701,773	612,428	1,446,159
Chemicals & Allied Products	57,308	72,076	12,174	2,326,580
Food & Kindred Products	50,225	130,392	413,848	167,216
Fabricated Metal Products	34,090	6,388	0	0
Misc. Mfg. Products	8,753	0	0	110,000
Stone/Clay/Glass	3,029	0	0	0
Apparel	2,854	0	0	0
Pulp	0	1,731,046	2,094,083	3,404,879
Electronic/Electric Products	0	44,295	151,741	41,516
Non-Electric Machinery	0	0	970,304	10,840
Used/Rebuilt Merchandise	0	0	0	2,930
Other	0	0	0	0
Total Exports	44,705,624	55,577,432	40,455,113	67,196,141

Source: U.S. Department of Commerce, State Export "Origin" Data Base.

6th
LARGEST
EXPORT MARKET

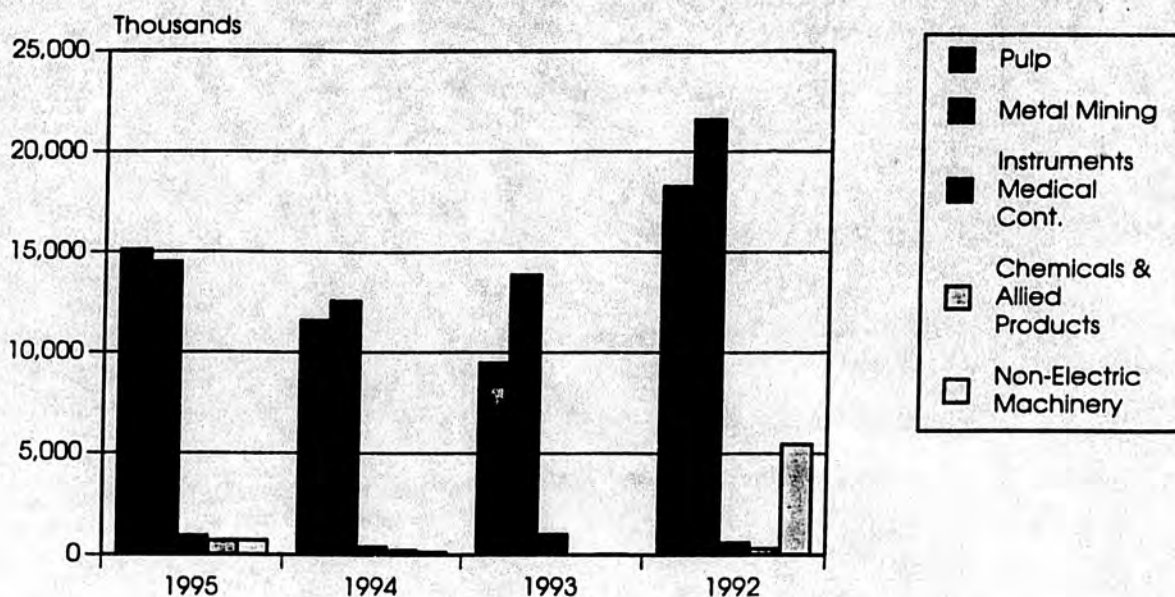
Alaska Total Exports to Country	45 million
Alaska Top Five Exports to Country	Metal Mining (36M), Instruments Medical Cont. (8M), Rubber (0.8M), Fish Products (0.2M), Chemicals & Allied Products (0.06M)
Capital	Brussels
Other Major Cities	Antwerp and Ghent
Population	10 million (1994)
Land Size	11,780 sq. miles (slightly larger than Maryland)
Languages	Flemish, French, Dutch, and German. French and Flemish are official languages. English is used in business
Time Difference	Add 10 hours to Alaska time
Visa	Not required for stays of less than 90 days. A valid passport is required.
Climate	Ranges from 54°F to 72°F in summer, seldom falls below 32°F in winter, foggy and rainy in winter
Currency	Franc. US\$1=31.51 Franc (May 16, 1996)
U.S. Banks in Country	Chase Manhattan Bank, Chemical Bank and Citibank
Belgium Representatives in the U.S.	Embassy of Belgium (Washington, DC) 3330 Garfield Street, NW, Washington, DC 20008 Tel: 202-333-6900 Fax: 202-625-7567 Consulate General of Belgium (Los Angeles, CA) 6100 Whillshire Blvd., Suite 1200, Los Angeles, CA 90048 Tel: 213-857-1244 Fax: 213-936-2564
U.S. Representatives in Belgium	U.S. Embassy (Brussels) 27 Boulevard du Regent, B-1000 Brussels, or APO AE 09724, PSC 82, Box 002 Tel: 32-2-513-3830 Fax: 32-2-511-2725
Major Belgian Organizations in the U.S.	Belgian-American Chamber of Commerce in the United States 350 Fifth Avenue, Suite 1322, New York, NY 10118 Tel: 212-967-9898 Fax: 212-629-0349.
Major U.S. Organizations in Belgium	Belgian-American Chamber of Commerce in Belgium rue Emile Claus 17, Bte 3, B-1050, Brussels Tel: 32-2-647-58-01 Fax: 32-2-647-58-01

BELGIUM



GERMANY

ALASKA'S TOP FIVE EXPORTS TO GERMANY (1992-1995) U.S. Dollars



EXPORTS FROM ALASKA TO GERMANY (U.S. Dollars)

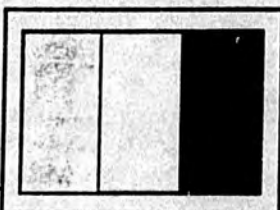
Description	1995	1994	1993	1992
Pulp	15,105,054	11,591,307	9,476,546	18,259,418
Metal Mining	14,496,358	12,571,049	13,852,316	21,595,021
Instruments Medical Cont.	948,877	394,246	1,009,796	595,998
Chemicals & Allied Products	712,525	234,345	5,850	313,208
Non-Electric Machinery	707,720	129,129	41,174	546,798
Food & Kindred Products	409,862	492,262	211,287	219,097
Fish Products	308,653	5,562,474	3,152,120	2,399,287
Transportation Equipment	155,768	318,883	46,249	196,185
Lumber	135,463	53,018	18,995	11,658
Electronic/Elec. Products	84,910	463,283	269,780	140,834
Fabricated Metal Products	64,759	43,354	7,299	18,010
Apparel	22,533	13,794	22,533	0
Agriculture Products	20,240	33,792	77,616	7,347
Used/Rebuilt Merchandise	20,255	16,100	7,890	45,828
Leather	7,800	0	0	2,552
Printing	3,000	48,573	72,754	0
Misc. Commodities, NSPF	0	77,400	0	0
Misc. Manufactured Goods	0	9,800	50,691	30,260
Primary Metal Products	0	5,000	28,247	0
Stone/Clay/Glass	0	4,496	13,568	6,140
Furniture	0	3,193	17,945	18,345
Livestock	0	3,000	0	0
Misc. Mfg. Products	0	0	12,040	9,650
Textiles	0	0	3,067	0
Total Exports	33,212,244	32,068,498	28,397,763	44,447,391

Source: U.S. Department of Commerce, State Export "Origin" Data Base.

**7th
LARGEST
EXPORT MARKET**

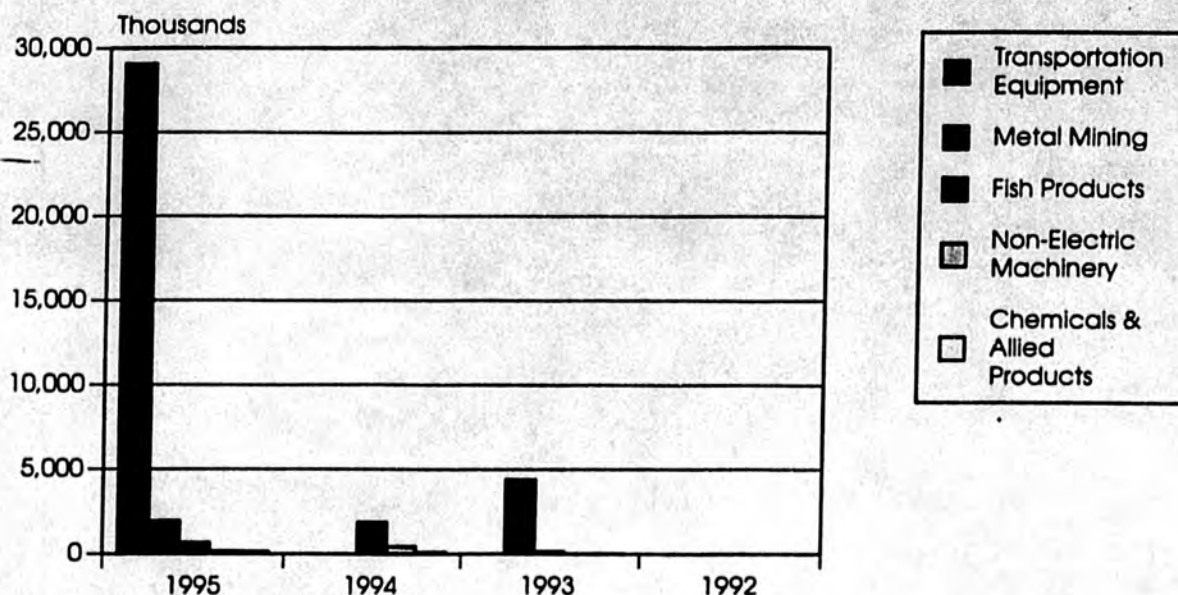
Alaska Total Exports to Country	33 million
Alaska Top Five Exports to Country	Pulp (15M), Metal Mining (15M), Instruments Medical Cont. (0.9M), Chemicals & Allied Products (0.7M), Non-Electric Machinery (0.7M)
Capital	Berlin
Other Major Cities	Hamburg, Cologne, Munich, and Leipzig
Population	81 million (1994)
Land Size	Consists of five states—Mecklenburg-Vorpommern, Saxony-Anhalt, Thuringia, Saxony and Brandenburg (slightly smaller than Montana)
Language	German. English is widely understood by the Germans
Time Difference	Add 10 hours to Alaska time
Visa	Not required for U.S. citizens for stays of less than 90 days. A valid U.S. passport is required.
Climate	Cold, snowy and humid in winter; warm in summer
Currency	Deutsche Mark. US\$1=1.53 Deutsche Mark (May 16, 1996)
U.S. Banks in Country	American Express Bank, Chase Manhattan, Chemical Bank, First Interstate Bank and Manufacturers Hanover Bank
German Representatives in the U.S.	Embassy of Germany (Washington, DC) 4645 Reservoir Rd., NW, Washington, DC 20007-1998 Tel: 202-298-4000 Fax: 202-298-4249 Consulate General (Seattle, WA) One Union Square, Suite 2500, 600 University Street, Seattle WA 98101 Tel: (206) 682-4312 Fax: (206) 682-3724
U.S. Representatives in Germany	U.S. Embassy/U.S. Department of Commerce (Bonn) Deichmanns Avenue 29, 53170 Bonn or PSC 117, APO AE 09080 Tel: 49-228-3391 Fax: 49-228-339-2663 The U.S. Berlin Office/U.S. Department of Commerce Neustaedtische Kirchstrasse 4-5, 10117 Berlin or PSC 120, Box 1000, APO AE 09265 Tel: 49-30-238-5174 Fax: 49-30-238-6290 Consulate General/U.S. Department of Commerce (Frankfurt am Main) Siesmayerstrasse 21, 60323 Frankfurt or PSC 115, APO AE 09213-0115 Tel: 49-69-7535-0 Fax: 49-69-748-938 COM Fax: 49-69-748-204 Consulate General/U.S. Department of Commerce (Hamburg) Alsterufer 27/28, 20354 Hamburg Tel: 49-40-41171-351 Afterhours: 49-171-3511-269 FBU Fax: 49-40-41171-222 Consulate General/U.S. Department of Commerce (Dusseldorf) Kennedydamm 15-17, 40476 Dusseldorf Tel: 49-211-47061-0 Afterhours: 49-0172-970-2455 Fax: 49-211-43-14-48 Consulate General/U.S. Department of Commerce (Stuttgart) Urbanstrasse 7, 70182 Stuttgart, or Unit 30607, APO AE 09154-0001 Tel: 49-711-2-10-08-0 Afterhours: 49-69-7535-3700 Fax: 49-711-21008-20 Consulate General/U.S. Department of Commerce (Leipzig) Wilhelm-Seyfferth Strasse 4, 04107 Leipzig, or PSC 120, Box 1000, APO AE 09265 Tel: 49-341-213-840 Fax: 49-341-213-8417
Major German Organizations in the U.S.	German-American Chamber of Commerce (San Francisco) 465 California Street, San Francisco, CA 94104 Tel: 415-392-2262 Fax: 415-392-1314

GERMANY



ITALY

ALASKA'S TOP FIVE EXPORTS TO ITALY (1992-1995) U.S. Dollars



EXPORTS FROM ALASKA TO ITALY (U.S. Dollars)

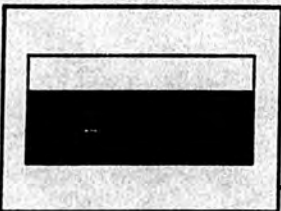
Description	1995	1994	1993	1992
Transportation Equipment	29,079,843	0	0	2,755
Metal Mining	1,943,900	0	4,407,810	24,680,988
Fish Products	661,364	1,868,231	156,874	438,623
Non-Electric Machinery	164,103	450,134	11,445	22,539
Chemicals & Allied Products	142,623	118,286	25,000	18,720
Lumber	41,659	6,110	0	23,848
Apparel	31,661	0	0	0
Fabricated Metal Products	11,490	129,975	0	5,600
Food & Kindred Products	0	0	72,383	291,066
Pulp	0	259,568	0	0
Stone/Clay/Glass	0	20,520	0	0
Instruments Medical Cont.	0	0	4,839	0
Misc. Manufactured Goods	0	0	4,181	206,834
Electronic/Electric Products	0	41,058	0	3,460
Rubber	0	0	52,761	0
Waste and Scraps	0	96,770	0	0
Total Exports		31,882,736	11,003,581	37,436,298

Source: U.S. Department of Commerce, State Export "Origin" Data Base.

8th
LARGEST
EXPORT MARKET

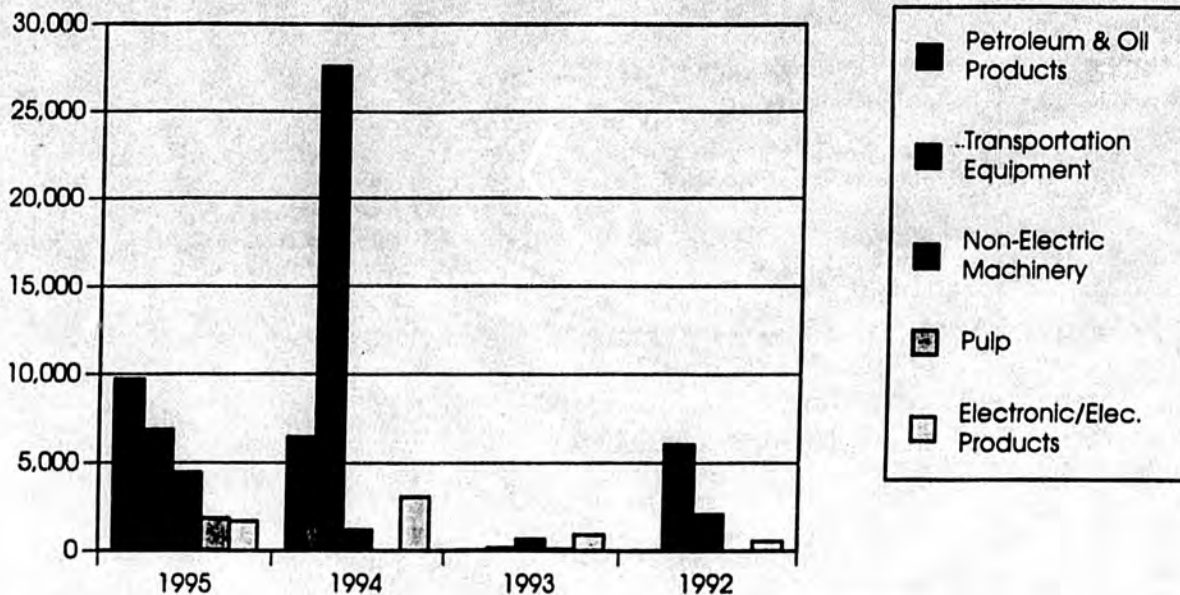
Alaska Total Exports to Country	32 million
Alaska Top Five Exports to Country	Transportation Equipment (29M), Metal Mining (2M) Fish Products (0.7 M) Non-Electric Machinery (0.2 M), Chemicals & Allied Products (0.1M)
Capital	Rome
Other Major Cities	Milan, Naples, Turin, Palermo, Genoa, Bologna, Florence, Ban Catania
Population	58.1 million (1994)
Land Size	300 thousand sq. kilometers
Languages	Italian. German, French, and Slovene are also spoken.
Time Difference	Add 11 hours to Alaska time
Visa	U.S. citizens traveling as tourists, in possession of a valid U.S. passport, do not need a visa to enter Italy for a stay not exceeding 90 days. For any other reason or for a tourist stay longer than three days, a visa is necessary. All persons or entities engaging in business in Italy in any capacity must be registered with the local Chamber of Commerce, Industry and Agriculture.
Climate	Varies from temperate in the north to tropical in parts of the south. Predominantly Mediterranean.
Currency	Lira. US\$1=1555.00 Lira (May 16, 1996)
Italian Representatives in the U.S.	Embassy of Italy (Washington, DC) 1601 Fuller St., NW, Washington, DC 20016 Tel: (202) 328-5500 Fax (Embassy): 328-5538 Fax (Commercial Office): (202) 483-2187 Consulate General of Italy (Los Angeles, CA) 12400 Wilshire Blvd., Suite 300, Los Angeles, CA 90025 Tel: (310) 320-0662 Fax: (310) 320-0727 Italian Trade Commissioner 1801 Avenue of the Stars, Suite 700, Los Angeles, CA 90067 Tel: (213) 879-0950 Fax: (310) 203-8335
U.S. Representatives in Italy	U.S. Department of Commerce (Rome) Via Veneto 119/A, 00187 - Rome, or PSC 59, Box 100, APO AE 09624 Tel: (39) (6) 46741 Telex: 622322 AMBRMA Fax: 488-2672 U.S. Department of Commerce (Naples) Piazza della Repubblica, 80122 Naples, or Box 18, PSC 810, FPO AE 09619-0002 Tel: (39) (81) 583-8111 Fax: (39) (81) 761-1869 U.S. Department of Commerce (Milan) Via Principe Amedeo, 2, 20121, Milano, or PSC 59, Box 60 (M), APO AE 09624 Tel: (011) (39) (2) 29001165 Fax: (011) (39) (2) 659-6561
Major Italian Organizations in the U.S.	Italian Chamber of Commerce of Chicago 30 S. Michigan Ave., Suite 502, Chicago, IL 60603 (312) 553-9137 Fax: (312) 553-9142 Italy-America Chamber of Commerce, Inc. 730 Fifth Ave., 3600, New York, NY 10019 Tel: (212) 459-0044 Fax: (212) 459-0090
Major U.S. Organizations in Italy	The American Chamber of Commerce Via Cantu 1, 20123, Milano Tel: (39) (2) 869-0661 Fax: (39) (2) 805-7737 Telex: 352128 AMCHAM I Export Development Office, c/o United States International Marketing Center Piazzale Giulio Cesare, 20145, Milano Tel: (39) (2) 998-2241 Telex: 330208 USIMC I U.S. Information Service Via Bigli 11/A, 20121, Milano Tel: (39) (2) 795-051 through 795-055 USIS Fax: (39) (2) 781-736

ITALY



RUSSIA

ALASKA'S TOP FIVE EXPORTS TO RUSSIA (1992-1995) U.S. Dollars



EXPORTS FROM ALASKA TO RUSSIA (U.S. Dollars)

Description	1995	1994	1993	1992
Petroleum & Oil Products	9,732,355	6,459,683	35,942	18,000
Transportation Equipment	6,895,666	27,589,343	177,176	6,040,180
Non-Electric Machinery	4,454,390	1,196,506	656,035	2,070,519
Pulp	1,853,970	9,848	103,983	8,150
Electronic/Elec. Products	1,696,151	3,080,088	918,552	555,772
Instruments Medical Cont.	908,151	702,893	485,408	342,913
Food & Kindred Products	572,651	4,315,240	2,579,996	31,445
Fabricated Metal Products	401,391	369,067	108,916	161,005
Rubber	361,786	72,751	29,495	78,465
Fish Products	336,645	10,672	0	284,456
Misc. Mfg. Products	202,279	53,729	19,799	0
Textiles	201,454	29,740	14,870	80,525
Used/Rebuilt Merchandise	135,000	0	0	252,590
Misc. Manufactured Goods	96,322	1,125,487	25,591	26,713
Primary Metal Products	78,470	51,411	39,867	25,261
Apparel	72,765	284,378	365,443	0
Chemicals & Allied Products	66,968	104,903	220,363	13,020
Agriculture Products	60,603	325,260	7,801	20,201
Printing	56,600	14,030	0	16,746
Furniture	50,166	53,776	0	0
Stone/Clay/Glass	46,566	36,870	0	20,800
Livestock	10,735	22,229	0	3,294
Lumber	48,865	22,000	18,489	0
Leather	28,728	2,790	25,870	38,024
Tobacco	16,021	0	0	0
Misc. Commodities, NSPF	0	42,143	0	43,613
Non-Metallic Minerals	0	4,160	0	0
Waste & Scraps	0	3,402	0	0
Total Exports	28,384,998	45,982,399	5,833,596	10,131,692

Source: U.S. Department of Commerce, State Export "Origin" Data Base.

9th
LARGEST
EXPORT MARKET

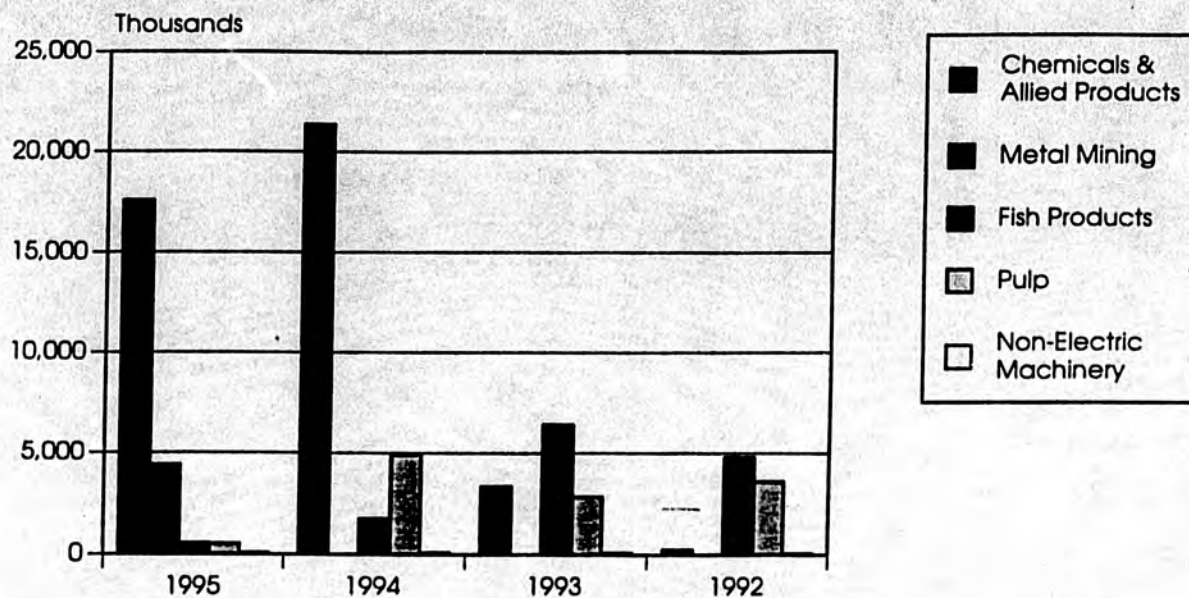
Alaska Total Exports to Country	28 million
Alaska Top Five Exports to Country	Petroleum & Oil Products (10M), Transportation Equipment (7M), Non-Electric Machinery (4M), Paper (2M), Electronic/Elec. Products (2M)
Capital	Moscow
Population	149 million (1994)
Land Size	More than 22.4 million sq. kilometers (the largest country in the world)
Languages	Russian. English, German, French, and Spanish are used in business
Time Difference	Add 21 hours to Alaska time for Anadyr, Petropavlovsk-Kamchatski, and Provodeniya. Add 12 hours to Alaska time for Moscow
Visa	A valid US passport is required. Visas are available through the Russian Embassy in Washington, DC (see address below). Call 202-647-5225 for current travel information
Climate	It varies as much as that in the U.S. Public buildings, hotels and homes are well heated. Warm clothes, boots, and hats are needed in winter. In Moscow, the temperature is around 90°F from June to August
Currency	Ruble. US\$1= 4984.00 Ruble (May 16, 1996)
U.S. Banks in Country	Chase Manhattan Bank, Bank of America National Trust & Savings Association
Russian Representatives in the U.S.	Embassy of Russia (Washington, DC) 2650 Wisconsin Avenue, N.W., Washington, DC 20007 Tel: 202-298-5701 Fax: 202-298-5735 Consulate General (Seattle, WA) 2323 Westin Building, 2001 Sixth Avenue, Seattle, WA 98121 Tel: 206-728-1910 Fax: 206-728-1871
U.S. Representatives in Russia	U.S. Embassy (Moscow) APO AE 09721 In country mail: Novinskiy Bul'var 1923 Tel: 7-095-252-2451 Fax: 7-095-956-4261 U.S. Consulate General (Vladivostok) 32 Pushkin Street, Vladivostok, Russia, 690000 Tel: 7-4232-268-458 Fax: 7-4232-300-072
Major Russian Organizations in the U.S.	Russian Trade and Cultural Center One World Trade Center, 35/F, West, New York, NY 10048 Tel: 212-432-2989 Fax: 212-432-2814 Embassy of the Russian Federation, The Information Department 1706 18th Street, NW, Washington, DC 20009 Tel: (202) 232-6020 Fax: (202) 328-0137 The Trade Representative of the Russian Federation in the United States 2001 Connecticut Avenue, N.W., Washington, DC 20008 Tel: 202-232-5988 Fax: 202-232-2917
Major Business Organizations in Russia	Russian Chamber of Commerce and Industry Ulitsa Ina 6, Moscow K-5 103684 Tel: 7-095-921-6315 Fax: 230-24-55 The American Chamber of Commerce in Russia (Moscow) Kosmodamianskaya Nab. 52, Building 1, 8th Floor, Moscow Tel: 7 (095) 961-2141 Fax: 7 (095) 961-2142

RUSSIA



THAILAND

ALASKA'S TOP FIVE EXPORTS TO THAILAND (1992-1995) U.S. Dollars



EXPORTS FROM ALASKA TO THAILAND (U.S. Dollars)

Description	1995	1994	1993	1992
Chemicals & Allied Prod.	17,569,913	21,370,747	3,351,505	246,225
Metal Mining	4,420,392	0	0	0
Fish Products	563,873	1,764,677	6,440,966	4,821,779
Pulp	530,382	4,902,601	2,848,141	3,606,948
Non-Electric Machinery	80,000	95,217	88,775	62,905
Agriculture Products	13,724	0	0	0
Misc. Commodities, NSPF	6,000	0	0	0
Fabricated Metal Products	3,202	0	21,630	0
Electronic/Electric Products	0	378,195	0	37,128
Food & Kindred Products	0	330,989	185,895	125,190
Transportation Equipment	0	71,750	758,223	0
Textiles	0	14,007	0	0
Misc. Mfg. Products	0	7,160	11,410	0
Instruments Medical Cont.	0	3,220	3,876	33,481
Misc. Manufactured Goods	0	0	4,440	0
Total Exports		28,938,563	13,714,861	11,138,948

Source: U.S. Department of Commerce, State Export "Origin" Data Base.

10th
LARGEST
EXPORT MARKET

**Alaska Total Exports
to Country**

23 million

**Alaska Top Five
Exports to Country**

Chemicals & Allied Products (18M), Metal Mining (4M),
Fish Products (0.6M), Paper (0.5M),
Non-Electric Machinery (0.08M)

Capital

Bangkok

Other Major Cities

Chiang Mai, Hat Yai, Nakon Ratchasima

Population

58.7 million (1994)

Land Size

198,455 sq. miles (about the size of Texas)

Languages

Central Thai and regional dialects. English is the secondary language of
the elite

Time Difference

Add 16 hours to Alaska time

Visa

Not required for stays of less than 15 days. A valid US passport and
onward/return tickets are required

Climate

Mostly tropical. Cooler temperatures prevail between November and
February, but the rest of the year is fairly hot. Rain fall mostly from June to
October.

Currency

Baht. US\$1=25.23 Baht (May 16, 1996)

**Thai
Representatives
in the U.S.**

Royal Embassy of Thailand, Chancery
1024 Wisconsin Avenue N.W., Suite 101, Washington, DC 20007
Tel: 202-944-3600 Fax: 202-944-3611
Royal Thai Consulate General (Los Angeles)
801 North La Brea Avenue, Los Angeles, CA 99038
Tel: (213) 937-1894 Fax: (213) 937-5987

**U.S. Representatives
in Thailand**

U.S. Embassy in Thailand
120/22 Wireless Road, Bangkok, Thailand
Tel: 66-2-205-4000 Fax: 66-2-254-2990
U.S. Consulate General (Chiang Mai)
Vidhyanond Road Box C, APO AP 96546
Tel: 66-53-252-629 Fax: 66-53-252-633

**Major Thai
Organizations in
the U.S.**

Thai Trade Center
3660 Wilshire Blvd., Suite 230, Los Angeles, CA 90010
Tel: 213-380-5943 Fax: 213-380-6476

**Major U.S.
Organizations
in Thailand**

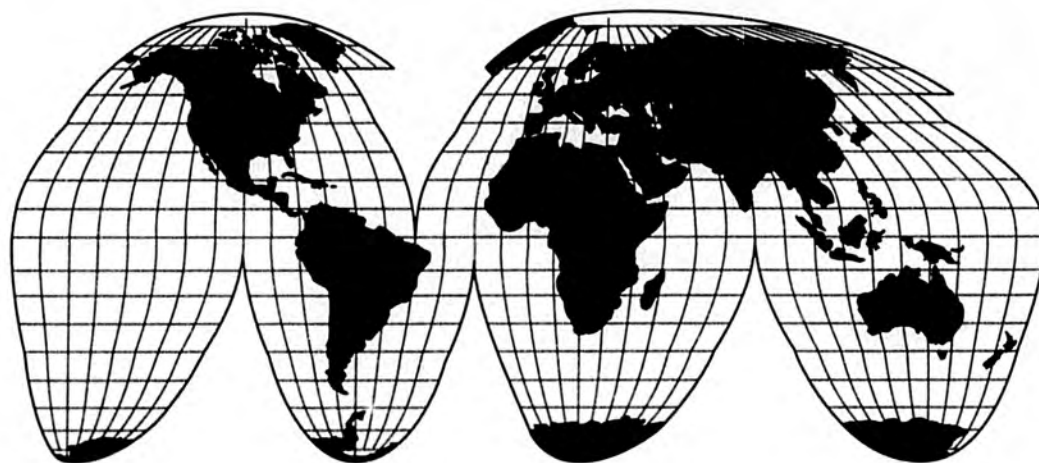
American Chamber of Commerce
7th Fl., Klan Gwan Bldg., 140 Wireless Road, Bangkok 10500, Thailand
Tel: 66-2-251-92667 Fax: 662-253-7388

THAILAND

APPENDIX E

Alaska

Guide to Export Assistance



Prepared by the
Division of Trade and Development



1996

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INTRODUCTION

The *Alaska Guide to Export Assistance* is designed to assist your company in gaining ready access to the services and sources of export information within Alaska.

The *Guide* will help you determine the different steps you must take to sell your product and will guide you through the maze of organizations and their programs that can provide the proper assistance to your company at each step of your export business development. Remember—the process of exporting is an ongoing learning experience. The world market is ever changing and there is always something new to learn about exporting and your market.

The *Guide* is divided into two sections. Section One outlines the export process, detailing your company's process through the export transaction and where special assistance is available for your company along the way. Section Two briefly describes each assistance agency and the programs they provide to assist the Alaskan exporter.

The staff of the Alaska Division of Trade and Development and all agencies listed hope this *Guide* will become a valuable tool for those already involved in exporting and those about to embark in this exciting business arena.

State Private Resources Available for Alaska Exporters

LEGEND

ACIB	Alaska Center for International Business	EB	EXIM Bank
ADTD	Alaska Division of Trade and Development	ECA	Export Council of Alaska
AIDEA	Alaska Industrial Development and Export Authority	FF	Freight Forwarder
ARC	American Russian Center	INS	Insurance
ASCC	Alaska State Chamber of Commerce	OPIC	Overseas Private Investment Corporation
ATTY	Attorney	SBA	Small Business Administration
BANK	Banks	SBDC	Small Business Development Center
CSUSA	Commercial Service of the U.S.A.	TACC	Troika Alaska Commercial Center
		WTCAL	World Trade Center Alaska

Step One: Study the Export Process

	Study How to Export	Attend Seminar	Training	Trade Club	Meet Exporters
ACIB	✓	✓	✓		✓
ADTD		✓	✓		
AIDEA					
ARC		✓	✓		
ASCC					✓
ATTY					
BANK					
CSUSA	✓				
EB					
ECA		✓			✓
FF					
INS					
OPIC					
SBA					
SBDC		✓			
TACC			✓		✓
WTCAL		✓	✓	✓	✓

Step Two: Identify Market Location

	Meet Exporters	Export Statistics	Market Research
ACIB	✓	✓	✓
ADTD		✓	✓
AIDEA			
ARC			✓
ASCC	✓		
ATTY			
BANK			
CSUSA		✓	✓
EB			
ECA	✓		
FF			
INS			
OPIC			
SBA		✓	✓
SBDC			✓
TACC	✓		✓
WTCAL	✓		✓

Step Three: Establish Feasibility of Selling

	Establish Profitability	Standards Compliance	Export/Import Restrictions
ACIB			
ADTD		✓	✓
AIDEA			
ARC			✓
ASCC			
ATTY			
BANK			
CSUSA	✓	✓	✓
EB			
ECA			
FF			✓
INS			
OPIC			
SBA			
SBDC	✓		
TACC			
WTCAL			

Step Four: Identify a Specific Buyer

	Trade Leads	Finding Local Reps	Trade Shows & Missions	Trade Catalogs
ACIB				✓
ADTD	✓	✓	✓	
AIDEA				
ARC				
ASCC				
ATTY				
BANK				
CSUSA	✓	✓	✓	✓
EB			✓	
ECA				
FF				
INS				
OPIC				
SBA				
SBDC				
TACC	✓	✓	✓	
WTCAK	✓		✓	

Step Five: Make a Sale

	Payment Terms	Sales Calls	Export Insurance	Pre-export Financing	Current Exchange	Contract Law	Distributors
ACIB							
ADTD		✓					✓
AIDEA	✓			✓			
ARC							
ASCC							
ATTY						✓	
BANK	✓		✓	✓	✓		✓
CSUSA		✓					✓
EB	✓		✓	✓			
ECA							
FF							
INS							
OPIC							
SBA				✓		✓	
SBDC							
TACC							✓
WTCAK							

Six: Ship the Product

	Proper Packaging	Export Documentation	Method of Shipping	Arrange Transportation	Insure Merchandise
ACIB					
ADTD					
AIDEA					
ARC					
ASCC					
ATTY					
BANK		✓			
CSUSA					
EB					
ECA					
FF	✓	✓	✓	✓	✓
INS					✓
OPIC					
SBA					
SBDC					
TACC					
WTCAK					

Seven: Receive Payment

	Foreign Depositories	Export Terms of Cond. of Sale	Gov't Guarantee of Payment
ACIB			
ADTD			
AIDEA			✓
ARC			
ASCC			
ATTY		✓	
BANK	✓	✓	✓
CSUSA			
EB			✓
ECA			
FF			
INS			
OPIC			
SBA			
SBDC			
TACC			
WTCAK			

Section One

The Export Process



? Is there a private alternative.

Step One

STUDY THE EXPORT PROCESS

For Alaska business considering entering the foreign marketplace, it can be difficult to know where to begin. Your local library is always a good place to start. Yet, in both the private and public sectors, there are organizations and publications that can help you get started and familiarize you with the steps involved in the export process.

Action to Take

- Study "How to Export" publications
- Attend an export seminar/workshop
- Get some export and business training and information
- Join a trade club
- Talk with successful exporters

Who Can Help

- Alaska Center for International Business
Commercial Service U.S.A.
Small Business Administration
- Alaska Center for International Business
American Russian Center
Alaska Division of Trade and Development
Export Council of Alaska
Small Business Development Center
World Trade Center Alaska
- Alaska Center for International Business
American Russian Center
Alaska Division of Trade and Development
Small Business Development Center
Troika Alaska Commercial Center
World Trade Center Alaska
- World Trade Center Alaska
- Alaska Center for International Business
Chambers of Commerce
Export Council of Alaska
Troika Alaska Commercial Center
World Trade Center Alaska

Step Two

IDENTIFY MARKET LOCATION

Once you have made the decision that you are ready to export, your next step is to search out potential markets. You must consider language and cultural differences, local competition, economic conditions and other factors; all will have an impact on the success of your export operation. When choosing your market, you must take into account the size of your firm, your capacity to export, the nature of your product or service, previous export experience and expertise, and business conditions in the selected overseas market.

Action to Take

- Talk with successful exporters
- Find export statistics matching products to foreign markets
- Examine the market that your research has pinpointed
- Consider hiring the services of a company specializing in overseas market research and exporting

Who Can Help

- Alaska Center for International Business
Chambers of Commerce
Export Council of Alaska
Troika Alaska Commercial Center
World Trade Center Alaska
- Alaska Center for International Business
Alaska Division of Trade and Development
Commercial Service U.S.A.
Small Business Administration
- Alaska Center for International Business
Alaska Division of Trade and Development
(Japan, Korea, Taiwan, Russia)
American Russian Center
Commercial Service U.S.A.
Small Business Administration
Small Business Development Center
Troika Alaska Commercial Center
World Trade Center Alaska
- Export Trading Company/Consultant

Step Three

ESTABLISH THE FEASIBILITY OF SELLING

Once you have narrowed down your potential markets to one or two, you should examine the pertinent facts of each market carefully, assess your competition, consider your cost of exporting and determine if you can be price and quality competitive in the international marketplace.

Action To Take

- Establish profitability
- Establish compliance with local standards (metric, voltage, etc.)
- Consider export restrictions or import restrictions

Who Can Help

- Commercial Service U.S.A.
Small Business Administration
Small Business Development Center
- Alaska Division of Trade and Development
Commercial Service U.S.A.
- Alaska Division of Trade and Development
American Russian Center
Commercial Service U.S.A.
Freight Forwarder

Step Four

IDENTIFY A SPECIFIC BUYER

You have targeted specific markets for your product. Now you must search out the purchaser.

Action to Take

- Investigate trade leads
- Select local representatives in market
- Attend a trade show/trade mission
- Advertise in trade catalog

Who Can Help

- Alaska Division of Trade and Development
Commercial Service U.S.A.
Export Trading Company/Consultant
Troika Alaska Commercial Center
World Trade Center Alaska
- Alaska Division of Trade and Development
Commercial Service U.S.A.
Troika Alaska Commercial Center
- Alaska Division of Trade and Development
Chambers of Commerce
Commercial Service U.S.A.
EXIM Bank
Small Business Administration
Troika Alaska Commercial Center
World Trade Center Alaska
- Alaska Center for International Business
Commercial Service U.S.A.

Step Five

MAKE A SALE

At this point, you are entering some of the more technical and mechanical aspects of the export process. You should consider the terms of payment you will offer the customer. You should explore the possibilities of obtaining export financing and insurance that will enable you to offer attractive terms to your customer.

Action to Take

- Provide attractive payment terms to the customer
- Make visits to customers
- Inquire about export insurance programs which protect you against commercial defaults
- Obtain pre-export financing to produce the product
- Determine in what currency the sale will be made
- Determine laws governing the contract
- Consider selecting foreign representatives/distributors

Who Can Help

- Bank/Alaska Industrial Development and Export Authority
Bank/EXIM Bank
- Alaska Division of Trade and Development
Commercial Service U.S.A.
- Bank
Bank/EXIM Bank
- Bank/Alaska Industrial Development and Export Authority
Banks
Bank/EXIM Bank
Bank/Small Business Administration
- Bank
- Attorney
Small Business Administration
- Alaska Division of Trade and Development
Bank
Commercial Service U.S.A.
Troika Alaska Commercial Center

Step Six

SHIP THE PRODUCT

When your customer places the first order, it is important that you act promptly. If this is your first time to ship overseas, it is probably to your advantage to hire the services of a freight forwarder. There are many technical aspects to consider: the mode of transportation, export documentation, export licensing and regulations, insurance and so on.

Action to Take

- Arrange for proper packing of the product
- Fill out export documents
- Select the best method of shipping
- Arrange for transport from seller to buyer
- Insure merchandise

Who Can Help

- Container Company
Freight Forwarder
- Bank
Freight Forwarder
- Freight Forwarder
- Export Trading Company/Consultant
Freight Forwarder
Transport Companies (air, sea, surface)
- Freight Forwarder
Insurance Company

Step Seven

RECEIVE PAYMENT

The terms of the payment are established at the point of sale. At this point, you are concerned with insuring that the payment terms are met.

Action to Take

- Use foreign depositories
- Adhere to the export terms and conditions of sale
- Obtain government-guaranteed financing

Who Can Help

- Bank
- Attorney
Bank
- Bank/Alaska Industrial Development and Export Authority
Bank/EXIM Bank
Small Business Administration

Section Two

Resources Available to the Exporter



ALASKA CENTER FOR INTERNATIONAL BUSINESS (ACIB)

University of Alaska Anchorage
3211 Providence Drive, Suite 203
Business Education Building
Anchorage, Alaska 99508
Tel: (907) 786-4300
Fax: (907) 786-4319
Web: <http://www.scob.alaska.edu>
(under research and professional centers)
e-mail: autrade@uaa.alaska.edu

Program Mission:

The mission of the Alaska Center for International Business (ACIB) is to conduct research, provide information and offer services to the public that will increase exports and assist Alaska businesses become more competitive in the global economy.

Services Offered:

- ACIB conducts applied economic and business research on Alaska's international trade flows and international markets. This research emphasizes Alaska's resource exports and its international markets but does include information on services and consumer goods. In addition to regular analysis of Alaska's export industries, contract research is conducted for government agencies, nonprofit associations, and individual firms.
- ACIB built and maintains a trade database on all U.S. exports/imports and select country markets. The information system contains trade flow data from the U.S. Census, International Monetary Fund, FAO, Eurostat, and Japan Tariff Association. Together with industry and government contacts, ACIB provides information on conditions and trends for select markets, trade barriers, competitive position of suppliers, in-country contacts, and general market intelligence and analysis.
- ACIB maintains a library of international business periodicals, business directories and market reports. In addition, ACIB publishes *Alaska Export Profile*, *Pacific Rim Fisheries Update*, *Russian Far East News*, *Directory of Russian Far East Fishing Companies*, other publications on the Russian Far East fishing industry, and market studies.
- ACIB sponsors workshop through the World Trade Center Alaska, ranging from introductory information about exporting products and services to more advanced topics on trade financing and international fisheries policy.

Comments:

ACIB is located in the Business Education Building at the University of Alaska Anchorage.

ALASKA DIVISION OF TRADE AND DEVELOPMENT (DTD)

Anchorage:

Frontier Building
3601 C Street, Suite 700
Anchorage, AK 99503-5986
Tel: (907) 269-8110
Fax: (907) 269-8125
Web: <http://www.state.ak.us/>

Juneau:

State Office Building, 9th Floor
PO Box 110804
Juneau, AK 99811-0804
Tel: (907) 465-2017
Fax: (907) 465-3767

Fairbanks:

7501 Old Richardson Hwy.
Suite 205
Fairbanks, AK 99701
Tel: (907) 452-7464
Fax: (907) 456-8173

Program Mission:

The mission of the Division of Trade and Development (DTD) is to encourage investment and sound economic development throughout Alaska. DTD works closely with the private sector to achieve the following goals:

- Increase and enhance demand for Alaska's products and services, both domestically and internationally.
- Ensure a supportive business climate in Alaska.
- Promote economic growth statewide to increase private sector employment and economic opportunity for Alaskans.

Services Offered:

- Information — In the international arena, DTD offices collect and share the latest information on market trends and government policies that may affect Alaska exports. These reports are in the process of becoming available on our Home Page on the World Wide Web at <http://www.state.ak.us/>. Additional market information and contacts may be found in DTD's international trade library located in the Anchorage office. The library is open to the public during regular business hours.
- Trade mission assistance and product showcasing — DTD leads business missions to targeted countries, and promotes Alaska products in carefully selected trade and catalog shows. DTD trade specialists can find the best arena for potential exporters to give their product the widest exposure to international buyers, and for export-ready companies traveling overseas the Division can help arrange individual meetings.
- Overseas representation — DTD has overseas offices located in Tokyo, Japan and Seoul, Korea, and a representative on contract in Taipei, Taiwan. The Division also participates in the operation of two federally funded offices located in Khabarovsk and Yuzhno-Sakhalinsk, Russia. These overseas representatives locate up-to-date contacts and targeted information on their particular markets. DTD can also act as the Alaska business person's liaison and advocate with foreign and domestic governments, finding information on policies and procedures and working toward resolution of trade and development barriers.
- Promotion of resource development — Development specialists for the seafood, mining and timber industries work to promote Alaska as a desirable location for resource investment. The Division provides assistance in test marketing of resource products.
- Promotion of Alaska products — DTD supports the development and sale of Alaska products and services through the Alaska Product Preference, Made in Alaska, and Silver Hand (Alaska Native handicraft) programs.

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY (AIDEA)

**480 West Tudor Road
Anchorage, AK 99503
Tel: (907) 561-8050
Fax: (907) 561-8998**

Program Mission:

The mission of AIDEA is to promote the general welfare of all the people of the state by increasing job opportunities and by encouraging the economic growth of the state through the establishment and expansion of manufacturing, industrial, export, small business and other business enterprises. AIDEA accomplishes its mission by providing financing assistance programs and using its ability to own and operate basic sector infrastructure projects.

Export Program:

AIDEA guarantees loans secured from a financial institution to provide working capital for an eligible export transaction up to \$1 million.

An Alaska business requiring pre- or post-export shipment working capital applies to a financial institution (bank) for a loan. The bank applies to AIDEA for a guarantee on the loan. Up to 90 percent of the transaction plus interest, up to \$1 million; for 180 and 270 days, with extensions allowed.

A \$100 application fee, 1 percent fee on guaranteed amount of loan, .25 percent guarantee fee for export insurance, and a .25 percent guarantee fee for extensions are charged.

Comments:

No funding is available directly from AIDEA. Loan applicants must first meet criteria required by their commercial lending institution, and that institution may apply to AIDEA for financing assistance.

AIDEA also represents the U.S. Export-Import Bank through the City/State Program, providing Alaska exporters with local access to EXIM Bank programs.

ALASKA STATE CHAMBER OF COMMERCE

Headquarters:

**217 Second Street, Suite 201
Juneau, AK 99801
Tel: (907) 586-2323
Fax: (907) 463-5515**

Anchorage:

**P.O. Box 91896
Anchorage, AK 99503
Tel: (907) 278-2722
Fax: (907) 278-6643**

Program Mission:

The mission of the Alaska State Chamber of Commerce is to create a climate conducive to a strong private sector economy by providing statewide leadership on issues affecting business and by promoting Alaska business. All local chambers of commerce are members of the Alaska State Chamber of Commerce.

Services Offered:

Alaska State Chamber of Commerce and local chambers of commerce offer many services and opportunities to their members in the business community. From time to time, many chambers of commerce offer programs for exporters and potential exporters, and can serve as excellent sources of information and contacts for export-related activities in your area.

To contact your local chamber of commerce, consult your local yellow pages or the Alaska State Chamber of Commerce.

THE AMERICAN RUSSIAN CENTER (ARC)

University of Alaska Anchorage
3211 Providence Drive, Suite 203
Business Education Building
Anchorage, Alaska 99508
Tel: (907) 786-4300
Fax: (907) 786-4319
Web: <http://www.scob.alaska.edu>
(under research and professional centers)
e-mail: autrade@uaa.alaska.edu

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only *US AID*
US IFB

Program Mission:

The American Russian Center promotes the development of Russian small business activities in selected regions of the Russian Far East (RFE) and facilitates the transition of the region to a market economy. A key component of ARC's mission is to improve systems for collection, analysis and dissemination of business information concerning business activity and conditions in the RFE and the promotion of business linkages between U.S. and Russian companies.

Services Offered:

- ARC has centers in Khabarovsk, Sakhalin, Yakutsk, and Magadan which offer business training programs. These centers have a limited capability to support U.S. business people on site on a cost-reimbursement basis. Support includes assistance in finding contacts, arranging for translators, transportation, and communications (fax and telephone).
- ARC provides a small RFE business library which is available to business people during normal working hours. The library contains city information on Vladivostok, Khabarovsk, Yuzhno-Sakhalinsk, Yakutsk, Nakhodka, Magadan, and Komsomolsk. The library holdings also include over 24 English-language business journals and publications related to business in Russia and the RFE. They include *Russian Far East News*, *Russian Far East Update*, *Foreign Broadcast Information Service NIS Bulletins*, *East West Executive Guide*, *Commerzant*, the *Business Directory of the NIS*, *Interfax Bulletins*, and many other business journals, newspapers, and directories.
- ARC can also provide specific business information to U.S. and Russian businesses upon request.
- ARC also can develop and conduct specialized business training programs for Russian employees of U.S. and Russian companies in a variety of areas.

Comments:

ARC is located in the Business Education Building at the University of Alaska Anchorage along with the Alaska Center for International Business (ACIB). It is operated by the University of Alaska Anchorage.

ATTORNEY

An export may require the expertise of law firms specializing in international legal services. Attorneys familiar with the laws governing your transaction and with other affairs relating to international business assist you in a number of ways.

An attorney can advise and assist you in the following areas:

- General corporate and business structuring
- International banking
- International licensing agreements
- Patent and trade registration
- Contract negotiations
- Introduction to foreign contacts
- Immigration regulations
- International taxes
- Reporting requirements when involved in foreign boycotts
- International labor relations

For a list of international attorneys in your area, consult your local yellow pages.

BANK

Banks that maintain international departments offer a variety of services to the exporter. The financial side of an export sale may first seem difficult; therefore, it is important that you consider the services of your international banker. The international division of your bank can offer you some or all of the following services:

- Credit information on your potential customer or agent
- Advice on the proper method of payment, and assistance in ensuring collections and payment
- Arranging for EXIM Bank guaranteed loans where appropriate. These services will offer protection for exporters against nonpayment of your export invoices
- Buying and selling foreign exchange and currency funds transfer
- If you should travel abroad, providing you with letters of introduction, foreign currency and information on the country you will be visiting
- Arranging commercial letters of credit
- Arranging performance or bid bond letters of credit and
- Financing of exports

For a list of banks in your area, consult your local yellow pages.

COMMERCIAL SERVICE U.S.A. (CSUSA)

Alaska Export Assistance Center

421 West First Avenue, Suite 300

Anchorage, AK 99501-1635

Tel: (907) 271-6237

Fax: (907) 271-6242

e-mail: cbecker@usdoc.gov or abcb@alaska.net

Web: <http://pacificcoasthwy.com/westregion/anchorage/>

Program Mission:

For companies ready to export or prepared to tap new markets abroad, the Commercial Service U.S.A. (CSUSA), a unit of the International Trade Administration of the U.S. Department of Commerce, operates a network of 70 domestic and 135 foreign offices that provide complete and comprehensive export marketing services. Backed up by country desk officers and industry specialists in Washington, D.C., the CSUSA is a key player in Alaska's export development team.

Services Offered:

Publications

- *A Basic Guide to Exporting*
- *Business America*
- *Commercial News USA*
- *U.S. & Multilateral Development Financing Institutions: A Guide for Exporters and Investors*

Overseas Activities

- **Trade Fairs and Exhibition** — About 80 international worldwide events are selected annually for recruitment. Exhibitors receive pre- and post-event logistical and transportation support, design and management of the USA Pavilion, and extensive overseas market promotional campaigns to attract appropriate business audiences.
- **Trade Missions** — Focusing on one industry or service sector, trade missions provide participants with detailed marketing information, advance planning and publicity, logistical support, and prearranged appointments with potential buyers, governmental officials and others. Cost: varies \$2,000 to \$5,000.
- **Matchmaker Trade Delegations** — These missions are designed to introduce new-to-export or new-to-market businesses to prospective representatives and distributors overseas. This is followed by an intensive trip filled with meetings with prospective clients and in-depth briefings on the economic and business climate of the countries visited. Trade specialists from the U.S. Department of Commerce evaluate the potential of a firm's product in the target markets, find and screen contacts, and handle logistics.
- **Catalog Exhibitions** — Whether the company is looking for sales or representation overseas, the catalog exhibitions provide a low-cost, low-risk vehicle to generate leads. Using the resources of U.S. embassies worldwide, product catalogs and videos are shown by Commerce commercial officers to potential agents, distributors or buyers in selected world markets.

Market Information and Trade Leads

- **International Market Research** — Industry Sector Analyses, International Market Insights and Country Commercial Guides are available on the National Trade Data Bank (NTDB). Also included in the NTDB is valuable, unclassified commercial information from eighteen agencies of the federal government and the multilateral development banks.
- **Agent/Distributor Service** — This customized search helps companies to find agents, distributors, representatives and joint venture partners in targeted markets. Cost: \$250.
- **Customized Market Analysis** — This custom-tailored research service provides firms with specific information on marketing and foreign representation for their individual products in selected countries. Cost: \$500-\$4,000/country.
- **International Company Profiles** — This service checks the reputation, reliability, and financial status of a prospective trading partner. Commercial officers at the U.S. Embassy will also provide a recommendation as to the suitability of the company as a trading partner. Cost: \$100.
- **Gold Key Service** — Offered by many CSUSA overseas posts, this is a custom-tailored service for U.S. firms planning to visit a country. It combines market research, assistance in developing a sound market strategy, orientation briefings, introductions to potential partners, interpreter for meetings, and effective follow-up planning. Cost: varies.
- **Trade Opportunities Program (TOP)** — TOP provides companies with current sales leads from international firms seeking to buy or represent their products or services. TOP leads are printed daily in leading commercial newspapers and are accessible through the Electronic Bulletin Board of the Commerce Department and the CSUSA District Office in Anchorage.
- **Export Contact List Service** — This database retrieval service provides U.S. exporters with names, addresses, products, sizes, and other relevant information on foreign firms interested in importing U.S. goods and services.
- **Office of International Major Projects (OIMP)** — OIMP (1) coordinates government assistance and helps U.S. firms to compete for major infrastructure and industrial projects overseas; (2) identifies upcoming projects and develops specific information about them; (3) monitors developments in specific industrial sectors; (4) provides one-on-one business counseling; and (5) offers guidance on appropriate market business contacts, contract bidding procedures, and strategies.

EXPORT COUNCIL OF ALASKA (ECA)

421 West First Avenue, Suite 300

Anchorage, AK 99501-1635

Tel: (907) 271-6237

Fax: (907) 271-6242

e-mail: cchecker@usdoc.gov

Web: ref: <http://pacificcoasthwy.com/westregion/anchorage/>

Program Mission:

The mission of the Export Council of Alaska (ECA) is to foster and support the export of goods and services from Alaska to markets abroad, to serve as advisors to the U.S. Department of Commerce on issues associated with international trade, and to support the mission of the US Commercial Service in Alaska.

Services Offered:

The Council accomplishes its mission through:

- Business counseling
- Scholarships for students specializing in international trade
- Programs that create greater awareness of export opportunities
- Cosponsorship of seminars and conferences on exporting
- Building public/private export assistance partnerships
- Export policy and issues analysis and development
- Hosting Governor's Annual Exporter of the Year event

Comments:

Incorporated in Alaska as a nonprofit organization, members of the Council are appointed by the Secretary of the U.S. Department of Commerce and represent a cross-section of businesses, trade development organizations, academia and state and local governments in Alaska.

EXPORT-IMPORT BANK OF THE U.S. (EXIM BANK)

Headquarters:

**811 Vermont Ave., NW
Washington, DC 20571
Tel: (202) 565-3946
(800) 565-3946
Fax: (202) 565-3380**

Regional Office:

**1 World Trade Center, Suite 1670
Long Beach, CA 90831
Tel: (310) 980-4550
Fax: (310) 980-4561**

Program Mission:

To facilitate the export financing of U.S. goods and services. EXIM Bank provides loans, guarantees and insurance to supplement and encourage commercial financing.

Export Finance Programs:

- **Working Capital Guarantee Program** — The program helps small businesses obtain critical pre-export financing from commercial lenders. EXIM Bank will guarantee 90 percent of the principal and a limited amount of interest on loans or revolving lines of credit that are extended to eligible exporters. The funds may be used for such pre-export activities as buying raw materials or inventory and supporting performance bonds.
- **Guarantee Program** — The program provides repayment protection for private sector loans to credit worthy buyers of U.S. capital equipment and services exports. Coverage is available for loans of up to 85 percent of the U.S. export value, with repayment terms of one year or more. Most guarantees provide comprehensive coverage of both political and commercial risks, but political risk only coverage is also available. EXIM Bank's guarantee is available for fixed or floating rate export loans in dollars or convertible foreign currencies.
- **Loan Program** — The program provides competitive, fixed interest rate financing for U.S. export sales facing foreign competition backed by subsidized financing. EXIM Bank extends direct loans to foreign buyers of U.S. exports. The loan value is up to 85 percent of the U.S. export value. The interest rates are the official minimum matrix rates agreed on by members of the Organization for Economic Cooperation and Development (OECD) and depend on the repayment period and the classification of the buyer's country.
- **Lease Guarantees** — EXIM Bank offers lease guarantees and insurance for finance and operating leases to foreign entities covering U.S. manufactured goods.
- **Engineering Multiplier Program** — The program stimulates exports of U.S. architectural, industrial design and engineering services. EXIM Bank will extend loans or guarantees for up to 85 percent of the U.S. export value of services involving projects with the potential of generating U.S. export orders of \$10 million or double the original export contract, whichever is greater. It also will guarantee commercial financing for approved project-related costs in the host country of up to 15 percent of the U.S. export value.

- **Operational and Maintenance Contracts Programs** — The program helps U.S. firms competing for overseas contracts to operate and maintain new or established projects. EXIM Bank will provide loans or guarantees up to 85 percent of the U.S. export value of operations and maintenance transactions with repayment terms of up to five years. The contract must provide long-term benefit to the owner, such as training local personnel to take over operation or establishing permanent procedures to assure good operation of the project.

Export Credit Insurance:

EXIM Bank offers insurance that covers political and commercial risks on export receivables.

- The Small Business Policy is available to firms just beginning to export or with average annual export credit sales of less than \$3,000,000 during each of the past two years. The policy offers enhanced coverage and a lower premium than usually found in regular insurance policies.
- The Umbrella Policy is available to commercial lenders, state agencies, export trading companies and similar organizations to insure export receivables of their small and mid-sized clients.
- The Bank Letter of Credit Policy insures commercial banks against loss on irrevocable letters of credit issued by foreign banks for U.S. exporters.
- The Multi-Buyer Policy insures all or a reasonable spread of an exporter's short-term export credit sales.
- The Financial Institution Buyer Credit Policy insures individual short-term export credits extended by financial institutions to foreign buyers.
- The Short-Term Single-Buyer Policy and the Medium-Term Single-Buyer Policy allow exporters to insure their receivables against loss due to commercial and specified political risks on a selective basis.
- Lease Insurance Policies offer a lessor the opportunity to expand its overseas leasing program by providing comprehensive insurance for both the stream of lease payment and the fair market value of the leased products.

Additional Services:

- "Hotline" Service — This toll-free telephone counseling service is designed to answer questions that you may have concerning your expense in financing goods and/or services for sale to foreign countries. The toll-free number is (800) 565-3946.
- Fax Retrieval Hotline — This toll-free service allows you to receive information by fax at any time. The toll-free number is (800) 565-3946, press 1 and then press 2.
- Internet — Ex-Im Bank's home page can be found at <http://www.EXIM.gov>

FREIGHT FORWARDER

An international freight forwarder is licensed by the Federal Maritime Administration and acts as an agent of the exporter to provide expertise needed to move cargo from inland points to foreign destinations. The freight forwarder is familiar with the import rules and regulations of foreign countries, U.S. export regulations, and the techniques of transportation, and can provide you with the most efficient and cost-saving method of transportation. The freight forwarder can assist the exporter from the time he targets the customer to delivering the product to the customer. There are several service categories that are generally provided by a freight forwarder:

- Advising exporters on the best mode of transportation. The freight forwarder can act as your agent in either mode of transportation since the procedures and documents involved are quite similar;
- Advising exporters on freight costs, port charges, counselor fees, documentation costs, and insurance costs—all of which help in preparing your price quotation to your customer;
- Booking cargo space for your goods and insuring proper handling of your goods at port of departure;
- Advising you on the best method of packaging and labeling or arranging for your shipment to be packaged by a professional export packing/container company;
- Obtaining export licenses when required;
- Preparing all export shipping documents and reviewing letters of credit, packing lists, etc.; and
- Arranging for transportation insurance.

Some freight forwarders specialize in the handling of certain categories of products. Check with several freight forwarders before selecting one. Also, the freight forwarder can advise you on selecting a mode of inland transportation.

For a list of freight forwarders in your area, consult your local yellow pages.

INSURANCE (CARGO)

Cargo insurance should be of major interest to every exporter. While your carrier is usually liable for loss or damages due to their negligence, it is not liable for acts of God, war, strikes, or other matters over which the carrier has no control.

Be sure to determine at what point title to the goods passes from you to the buyer. If the terms of sale make you responsible for insurance, you may obtain your own policy or insure cargo under your freight forwarder's policy. However, even if the terms of sale dictate that you are not responsible for the entire span of transportation of your cargo to the buyer, you should consider purchasing Contingency Insurance. This coverage is a way to safeguard yourself against the risk of your buyer's failure to properly insure the cargo.

OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC)

1100 New York Avenue, NW
Washington, D.C. 20527
Tel: (202) 336-8400
OPIC Factsline: (202) 336-8700
Fax: (202) 408-9859
OPIC Automated Infoline: (202) 336-8799

Program Mission:

The Overseas Private Investment Corporation (OPIC) is a profit-making agency of the federal government. It supplies insurance against expropriation of foreign assets and also provides potential financing for joint ventures as well as insurance against unauthorized drawdown of performance/bid bonds. Currently, OPIC programs are available for new business enterprises or expansions in more than 140 countries around the world. OPIC supports, finances and insures projects that have a positive impact on U.S. employment and the host country economy and environment, are financially sound, and promise significant benefits to the social and economic development of the host country.

Programs and Services Offered:

OPIC assists American investors through three principal programs:

- **Investment Finance** — American investors planning to share significantly in the equity and management of an overseas venture can often use OPIC's finance programs for medium- to long-term financing, available through loan guarantees and/or direct loans. OPIC's all-risk loan guarantees, issued to U.S. lending institutions on behalf of eligible U.S. investors, typically range from \$10 million to \$200 million. OPIC's direct loans, reserved for overseas investment projects involving small and medium-sized companies, typically range from \$2 million to \$30 million. OPIC will participate in up to 50 percent of the total project cost for a new venture, and up to 75 percent of the total cost of an expansion.
- **Investment Insurance** — While private investors may have the capability to assess the commercial aspects of doing business overseas, they may be hesitant to undertake long-term investments abroad, particularly if they perceive the political situation to be uncertain, or are unfamiliar with conditions in various countries. To overcome this hesitation, OPIC insures U.S. investments in developing countries against three political risks: political violence (war, revolution, insurrection and civil strife) affecting assets and/or business income; expropriation; and the inconvertibility of currency. In addition to insuring parent company

equity and debt investments, OPIC also provides coverage for institutional loans, leases, and technical assistance rights and property, as well as contractors' exposure in connection with bid and performance bonds, custom bonds, equipment and other risks. Coverage is available for new investments and for expansions and modernization of existing plant and equipment. In order to be eligible for insurance, an investor must apply for and receive an OPIC Registration Letter before the investment is made or irrevocably committed. Packages including all three coverages are available to small and medium-sized investors at reduced rates.

- **Investor Services** — OPIC Investor Services are designed to assist small and medium-sized business in successfully planning and implementing overseas investment projects. OPIC sponsors, cosponsors and participates in numerous seminars and conferences throughout the U.S. and overseas to inform the U.S. business community of investment opportunities in the developing world.

SMALL BUSINESS ADMINISTRATION (SBA)

222 W. 8th Ave., Room A-36
Anchorage, AK 99513
Tel: (907) 271-4022
Fax: (907) 271-4545
e-mail: ron@anc.sba.gov
Web: <http://www.sbaonline.sba.gov>

Program Mission:

The SBA is an independent federal agency whose mission is to help people get into business and to stay in business. This mission is implemented through financial assistance, procurement assistance, and business development.

Funding Programs Available:

- **Export Working Capital Program (EWCP)** — The program can support single transactions or multiple export sales. Under this program, SBA guarantees 80 percent (up to \$100,000) or 75 percent (up to \$750,000) of a private sector loan. Loan maturities are generally for 12 months, with two options to renew, for a total of 36 months.

Guarantees can be extended for:

- Preshipment working capital.
- Postshipment exposure coverage, or
- A combination of preshipment and postshipment financing.

You can use EWCP proceeds: 1) to finance labor and materials for manufacturing goods for export; 2) to purchase goods or services for export; or 3) to finance accounts receivable generated from export sales. Proceeds may not be used to establish operations overseas, acquire fixed assets or pay existing debt.

Interest rates are negotiable between the applicant and the lender. SBA charges the lender a guarantee fee of one-quarter of one percent (.25 percent) for loans of 12 months or less. The guarantee fee for loans with terms of greater than 12 months is 2 percent.

- **International Trade Loan Guarantee Program** — The program offers loan guarantees up to \$1 million for U.S. based facilities and equipment and up to \$250,000 for working capital (1) to small businesses that can significantly expand existing export markets or develop new export markets or (2) to those adversely affected by import competition. Maturities of loans may extend up to 25 years.

- **7(a) Business Loan Guarantee Program** — Financing for fixed-asset acquisition or general working capital purposes may be obtained; the program encourages private lenders to make loans of up to \$750,000 to borrowers who cannot borrow on reasonable terms without government help.

Funding Criteria:

Export Working Capital Program:

- Must be in business at least one year
- Must meet SBA size standard
- Letter of Credit from foreign buyer's bank
- Foreign credit insurance, or export license, if applicable

International Trade Loans:

- The loan proceeds will significantly expand existing export markets or develop new export markets. You must submit a business plan, including sufficient information to reasonably support the likelihood of expanded export sales. The plan must include both a profit and loss projection and a narrative rationale.
- You are adversely affected by import competition. Injury attributable to increased competition with foreign firms must be demonstrated. A narrative explanation and financial statements must show that imported products that are directly competitive have made an important contribution to a decline in your firm's competitive position.

Additional Services Available:

- **Office of International Trade (OIT)** — OIT works in cooperation with other federal agencies and public and private sector groups to encourage small business exports and to assist small businesses seeking to export.
- **Service Corps of Retired Executives Program (SCORE)** — One-on-one assistance is provided by members of SCORE, many with years of practical experience in business. Specialists assist small firms in strengthening domestic operations by identifying financial, managerial or technical problems.
- **U.S. Export Assistance Centers (USEACs)** — Located in major U.S. cities, USEAC's are a cooperative program of SBA, U.S. Department of Commerce and EXIM Bank. A full range of export services, from markets to finance, is available at these one-stop centers. The USEAC in Seattle, Washington (206-553-5615) serves Alaska.

SMALL BUSINESS DEVELOPMENT CENTER (SBDC)

Headquarters:

**430 W. 7th Ave., Suite 110
Anchorage, AK 99501
Tel: (907) 274-7232 • (800) 478-7232
Fax: (907) 274-9524**

Fairbanks:

**510 Second Ave., Suite 101
Fairbanks, AK 99701
Tel: (907) 474-6700 • (800) 478-1701
Fax: (907) 456-1873**

Juneau:

**400 Willoughby St.
Suite 211
Juneau, AK 99801
Tel: (907) 463-3789
Fax: (907) 463-3929**

Mat-Su:

**1801 Parks Hwy.
Suite C18
Wasilla, AK 99654
Tel: (907) 373-7232
Fax: (907) 373-2560**

Kenai:

**4896 Kenai Spur Hwy., Mile 14.5
PO Box 3029
Kenai, AK 99611-3029
Tel: (907) 283-3335
Fax: (907) 283-3913**

In addition to these five offices, the SBDC has a Rural Outreach Director, in Anchorage, who provides confidential business consulting to small businesses and conducts training seminars in various rural Alaskan locations.

Program Mission:

The SBDC is committed to promoting a strong Alaskan economy through growth and stability in small business. This program was designed to provide small businesses with practical assistance they need to survive, grow and prosper. The program is affiliated with the University of Alaska and is financially supported by the Small Business Administration, the University of Alaska and the Alaska Department of Commerce and Economic Development.

Services Offered:

- Individual business assistance through one-on-one business counseling to meet your business needs.
- Business training services through workshops, seminars and conferences on marketing, loan proposals, record keeping, business plans, technical assistance and other business related areas.
- Business Resource Center provides books, periodicals, videotapes, microcomputers and business software for use by clients. The material provides statistics on the Alaska economy, models for a successful business, and training on business subjects.

- The Procurement Technical Assistance Center (PTAC) provides workshops, seminars and one-on-one counseling to assist small businesses in obtaining government contracts. PTAC also provides information on the Federal Acquisition Computer Network (FACNET), the federal government's new paperless mode of purchasing goods and services valued between \$2501 and \$100,000.
- The BUY ALASKA program provides assistance to Alaska businesses, government entities and organizations in finding competitive, local sources for goods and services that otherwise may be purchased outside of Alaska. Assistance is provided in the form of the BUYER/SELLER NETWORK matching service.
- The Alaska Technology Transfer Assistance Center (ATTAC) provides assistance to small business in applying technology to commercial opportunities in Alaska.

Eligibility:

Business consulting is free, confidential and available to all Alaskans. A nominal fee may be charged for workshops, seminars and conferences.

Comments:

A recent study shows that SBDC clients perform better than the general business population in both sales and profits.

TROIKA ALASKA COMMERCIAL CENTER

UAA-World Trade Center Alaska
421 West First Avenue, Suite 300
Anchorage, AK 99501
Tel: (907) 278-7233
Fax: (907) 278-2982
e-Mail: 75362.1020@compuserve.com

Program Mission:

Troika Alaska Commercial Center is a University of Alaska program operating on a grant from the U.S. Department of Commerce CABNIS program (Consortium of American Businesses in the Newly Independent States). The purpose of the program is to increase U.S. exports to the Russian Far East. Troika Alaska concentrates its mission and services on five main industries.

- Oil and Gas/Environmental Services
- Food and Food Processing Equipment
- Construction and Engineering
- Telecommunications
- Transportation

Services Offered:

Troika Alaska is designed to assist small- and medium-sized U.S. companies in exporting their products and services to the Russian Far East. A variety of services are performed in pursuit of this goal, including:

- Assistance in finding qualified Russian importers/partners.
- A weekly report is compiled and distributed containing trade leads from Khabarovsk and other regions in the Russian Far East, information relevant to the five main industry sectors, and other economic and governmental information as available.
- Compiling and disseminating trade leads and other industry-specific resources and information.
- Facilitating transactions by providing technical support.
- Organizing U.S. participation in Russian trade shows and trade missions.
- Acting as a communications liaison between U.S. and Russian organizations.
- Providing logistical support for business travel to Russia.
- Additional reports on banking, food markets, and lists of Russian importers are also available.

Comments:

Troika Alaska works in cooperation with the World Trade Center Alaska, the Alaska Division of Trade and Development, and the Municipality of Anchorage.

WORLD TRADE CENTER ALASKA (WTCAL)

421 West First Avenue, Suite 300
Anchorage, AK 99501
Tel: (907) 278-7233
Fax: (907) 278-2982
e-mail: 102761.2127@compuserve.com

Program Mission:

The WTCAL is a membership-supported organization. The mission of the WTCAL is to provide a quality service in an efficient manner to members so that trade is facilitated for Alaskan businesses in the international marketplace. Annual membership dues are charged. WTCAL is part of the University of Alaska Anchorage.

Services Offered by WTCAL:

Networking

- Networking with other Alaskan businesses in international trade
- Access to visiting business leaders and foreign delegations
- Weekly trade leads and calendar of events
- Reciprocal services at WTCs around the world
- Listing in local and worldwide member business directories

Training Services and Programs

- Courses on import/export issues, i.e., licensing, transportation and taxes
- Networking breakfasts/luncheons with WTC members
- Industry-specific seminars
- Classes available at WTC or company site and instructed by local experts

Worldwide Communications

- Sending and receiving correspondence via fax or e-mail
- Conference room with seating for 10, VCR/TV, flip chart, overhead and whiteboard

World Trade Center Network

- Daily trade leads allow direct and immediate world sales interaction
- Electronic messaging provides direct, inexpensive communication with all WTCs and their members
- Worldwide database of business profiles
- Global database. A database of on-line information systems directly selected for international business use

NOTES

NOTES

Alaska

DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT

DIVISION OF TRADE AND DEVELOPMENT

This publication was released by the Department of Commerce and Economic Development. It outlines the service delivery system for export trade assistance. The document was printed in Anchorage, Alaska at a cost of \$2.54 per copy.

APPENDIX F

**International Trade
Private Sector Needs Assessment and Public Sector Audit**

Oversight Committee

Tom Jensen

Alaska State Chamber of Commerce

~~Paul Richards~~

~~c/o Alyeska Pipeline Service
Company~~

1835 South Bragaw Street

Anchorage, AK 99512

Phone: 265-8891 Fax: 265-8240

Alaska Fisheries Development
Foundation

Chris Mitchell

508 West 2nd Avenue, Suite 212

Anchorage, AK 99501

Phone 276-7315 Fax 271-3450

Fairbanks Economic Corporation
and Chamber of Commerce

Kevin Krauklis

1881 Livengood

Fairbanks, AK 99701

Phone 456-4911 Fax 456-1194

Alaska Miners Association

Steve Borrell

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Anchorage, AK 99503

Phone 276-0347 Fax 278-7997

The Alliance

David Haugen

c/o Lynden

1029 W. 3rd Avenue, Suite 150

Anchorage, AK 99501

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Kenai Economic Development
District/Chamber

Sherry Biggs

110 South Willow, Suite 106

Kenai, AK 99611-7744

Phone 283-3335 Fax 283-3913

Alaska Air Cargo Association

Dale Wade

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Anchorage, AK 99502

Phone: 249-1311 Fax: 248-4175

Joe Beedle

Juneau Alaska SBDC

c/o Goldbelt

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Juneau, AK 99801

Phone 790-4990 Fax 790-4999

Alaska Forestry Association

Chris Gates

111 Steadman #200

Ketchikan, AK 99901

Phone: 225-6114 Fax 225-5920

Anchorage Chamber of Commerce

441 W. 5th Avenue

Anchorage, AK 99501

Carol Heyman

Phone: 272-2401 Fax 272-4117

Alaska Business Monthly

Jim Martin

501 W. Northern Lights Blvd.

Suite 100

Anchorage, AK 99503

Phone: 276-4373 Fax: 279-2900

**Interim Task Force on International Trade
International Support Network Restructuring Recommendations**

DIVISION OF TRADE AND DEVELOPMENT

Recommendations:

1. Dedicate the Division of Trade and Development as the state leader in foreign investment promotion, protocol activity, and advocacy on behalf of Alaskan companies in the international marketplace.
2. Assign responsibility for the development of a dynamic, comprehensive international economic development strategy for Alaska to DTD.
3. Direct DTD to discontinue all export assistance services (including export counseling, export related publications, etc.)
4. Eliminate funding for DTD office in Seoul, Korea.
5. Eliminate funding for DTD office in Tokyo, Japan.
6. Direct DTD to reclassify all employees as classified.
7. Direct DTD to strategically reassess staff qualifications based on the elimination of export assistance services.
8. Provide funding for the maintenance of one protocol officer stationed in Japan to coordinate and manage Asian Pacific Rim affairs.
9. Provide an enhancement to DTD for expanding the context and focus of Alaskan protocol activities.

Suggested cuts:

- Korea office: \$ 218,000
- Japan office: \$ 324,000
- Export assistance services: \$ 100,000 (Recommend that remaining funding targeted for export assistance activities be internally reallocated.)

Total suggested cuts: \$ 642,000

Suggested enhancements:

- Asian Pacific Rim protocol officer (stationed in Japan): \$ 125,000
- Funding for the expansion of Alaskan protocol and foreign investment promotion activities: \$ 75,000

Total suggested enhancements:

\$ 200,000

NORTHERN FORUM

Recommendations:

1. Transfer funding responsibility for the Northern Forum to the Governor's budget.

ALASKA CENTER FOR INTERNATIONAL BUSINESS

Recommendations:

1. Transfer budget oversight for ACIB from the University of Alaska endowment to the Department of Revenue.
2. Eliminate ACIB funding being diverted to World Trade Center Alaska.
3. Eliminate funding for ad-hoc export assistance services (market research) at ACIB.
4. Eliminate funding for ACIB's international trade data base.
5. Eliminate funding for ACIB's efforts to "coordinate the efforts of state sponsored organizations involved in assisting and promoting the development of trade in international markets for Alaskan products."
6. Provide ACIB an enhancement for expanding its academic research links with University of Alaska campuses in Fairbanks and Juneau.

Suggested cuts:

- Funding redirected to World Trade Center Alaska: \$ 128,000
- Export assistance services: \$ 125,000
- Other auxiliary activities: \$ 225,000

Total suggested cuts:

\$ 478,000

Suggested enhancements:

- Funding for expanding ACIB's research links with University of Alaska campuses in Fairbanks and Juneau: \$ 100,000

Total suggested enhancements:

\$ 100,000

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

Recommendations:

1. Direct AIDEA to contribute \$ 600,000 (\$200,000 over each of the next three years) towards the maintenance of an export finance specialist co-located with the World Trade Center Alaska and Commercial Service of the U.S.A.

WORLD TRADE CENTER ALASKA

Recommendations:

1. Support the establishment of the World Trade Center Alaska as a quasi-autonomous export assistance server in Alaska.
2. Direct World Trade Center Alaska to target larger businesses, experienced exporters, and companies with a dedicated international focus for its primary recruitment efforts.

EXPORT ASSISTANCE SPECIALIST

Recommendations:

1. Provide funding for the hire of one qualified export assistance specialist (in addition to the export finance specialist) to be co-located within the organizational structure of the World Trade Center Alaska. The individual should have the following responsibilities:

- Providing customized export assistance services to Alaskan companies. (Note: the export assistance specialist is intended to operate autonomously from the World Trade Center Alaska).
- Engage in revenue generating activities (possibly similar to Minority / Disadvantaged Business fee for service arrangements).
- Expanding the number of Alaskan small and medium businesses involved in exporting.
- Developing and maintaining different export marketing strategy "blueprints" for major industry groups in the state (e.g., natural resources, services, light manufacturing / retail, small businesses etc.) This should be done in conjunction with Marketing Alaska whenever appropriate.
- Providing referrals to private sector sources of export assistance whenever appropriate.
- Maintaining and updating a comprehensive list of all current and potential exporters in Alaska (i.e., conduct regular "community sweeps" to determine actual and potential clientele for export assistance services in Alaska).
- Coordinating interorganizational activities among export assistance service providers in Alaska - especially CSUSA, SBDC, WTCAL, DTD (on protocol matters), and private sector sources of export assistance.
- Assist in the coordination of export promotion related trade missions (in conjunction with CSUSA, WTCAL, and DTD).
- Maintaining outreach capabilities for providing export assistance services throughout the state (e.g., 1-800 number, coordination with ARDORs and SBDCs, installation of NTDB software or NTDB internet subscriptions in rural communities, etc.).

Suggested general fund contribution:

- Suggested annual general fund contribution: \$ 75,000

**Alaska International Support Network
Budget Recommendations, 1995**

	1995 GF Support	Suggested 1996 GF Support
Alaska Center for International Business:	\$545,373	\$167,373
Division of Trade and Development:	\$1,145,000	\$703,000
The Northern Forum:	\$100,000	\$100,000
World Trade Center Alaska:	\$0*	\$200,000
Alaska Seafood Marketing Institute:	\$550,000	\$550,000
Division of Tourism:	\$949,900	\$949,900
Total:	\$3,290,273	\$2,670,273

* World Trade Center Alaska funding was passed through ACIB in 1995.

ALASKA CENTER FOR INTERNATIONAL BUSINESS

Enhancements:

<u>Expanding ACIB research links with UAE, UAS:</u>	\$100,000
Total Enhancements:	\$100,000

Cuts:

World Trade Center Alaska funding:	\$128,000
Export assistance services:	\$125,000
<u>Other auxiliary activities:</u>	\$225,000
Total Cuts:	\$478,000

Suggested 1995 general fund support:	\$167,373
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DIVISION OF TRADE AND DEVELOPMENT

Enhancements:

Asian Pacific Rim protocol officer stationed in Japan:	\$125,000
<u>Expansion of protocol / foreign investment promotion efforts:</u>	\$75,000
Total Enhancements:	\$200,000

Cuts:

Korea office:	\$218,000
Japan office:	\$324,000
<u>Export assistance services:</u>	\$100,000
Total Cuts:	\$642,000

Suggested 1996 general fund support:	\$703,000
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WORLD TRADE CENTER ALASKA

Enhancements:

Funding formerly directed via ACIB:

\$128,000

Export assistance specialist:

\$72,000

Total Enhancements:

\$200,000

Suggested 1996 general fund support:

\$200,000

APPENDIX G

STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF TRADE AND DEVELOPMENT

February 7, 1996

1/More - FYI

TONYKNOWLES, GOVERNOR

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JUNEAU, AK 99811-0804
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□ 751 OLD RICHARDSON HWY., #205
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The Honorable Steve Rieger
Alaska State Senate
State Capitol
Juneau, AK 99801-1182

The Honorable Beverly Masek
House of Representatives
State Capitol
Juneau, AK 99801-1182

FEB 7 1996

Dear Senator Rieger and Representative Masek:

International trade is big business in Alaska. Last year Alaska companies exported goods and services worth \$5.1 billion. These exports translate into tens of thousands of jobs each year creating opportunities throughout the state.

The legislature is right to look at such an important area of our economy. As I mentioned in my comments during the Interim Task Force hearing, we welcome the chance to work together to ensure we and others are offering the best services possible to Alaska's international trade community. Competition is intense, and we must make sure we are doing whatever we can to help our companies succeed in the international marketplace.

The survey offered some important insights and suggestions including:

1. The need for a more coordinated effort with one point of contact.
2. The need for the state to take the lead in setting a strategic trade policy and vision.
3. The need for the state to create a more business-friendly climate.

We already are taking some of these actions. The Governor's *Marketing Alaska* initiative, for example, contains dozens of important recommendations to improve the business climate here. Commissioner Hensley's Russia Agency Working Group is an effort to coordinate the state's efforts in developing ties to the Russian Far East, but there clearly is more we can do. I look forward to working with others to tailor our efforts to address the needs cited in the survey.

I am deeply troubled, however, by some of the recommendations developed by staff. Not only do they pit agency-against-agency, but they reflect neither the needs cited in the business survey nor the reality of Alaska's trade picture. A few specific concerns:

The Honorable Steve Rieger
The Honorable Beverly Masek

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February 7, 1996

1. **Eliminate funding for the Japan and Korea offices.** Alaska's most vital trade links are in Asia and the markets of Japan and Korea. Together, these two markets absorb more than 80 percent of all our resource exports and our rapidly expanding technical services.

The State's Tokyo and Seoul offices offer important links to Japanese and Korean buyers and investors providing trade contacts and market information—two of the needs most often identified by survey respondents. Shutting these offices would damage our efforts to keep strong trade ties in markets where competition is intense. It is important to note that no survey respondents suggested shutting the State's overseas offices. On the contrary, the only comments made called for maintaining or expanding the offices. (I am enclosing documents that further document the importance of these offices.)

We do, however, recognize the need to cut costs tied to these offices and continue to take steps to do so. In the past two years, we have cut the Japan office budget by 37 percent; an additional 18 percent cut is planned for FY97. In Korea, we have reduced operating costs 10 percent over the past two years; plans to share space with private sector partners next year should reduce costs still further.

2. **Shift export assistance away from the Division of Trade and Development (DTD).** To be most effective in Asia and elsewhere, industry needs government leadership for trade missions, participation in trade shows, and other trade promotion efforts. Such involvement helps raise the profile of Alaska goods and services, and it provides important government-to-government connections for resolving trade disputes that may develop later.

DTD has experience and expertise in this area. We work with bottled water sellers and seafood exporters, environmental service companies, and firms looking to export energy resources. We have a statewide mandate, and our efforts are driven by private sector demands.

Our division will continue honing efforts in this area to reflect our increasingly limited resources. (Two examples: DTD routinely refers companies seeking business counseling to Small Business Development Center and others. We also work with the World Trade Center to handle trade mission logistics.) The state trade team must stay involved in leading efforts to develop new export markets.

3. **Station protocol officer in Japan.** Strategic protocol is vital; entering trade agreements with leaders in emerging markets, for example, or developing ties to Russian governments are ways to increase opportunities for our firms. Efforts such as these should be supported and expanded, and they should be based in Alaska where our government is located.

Overseas, as trade survey respondents noted numerous times, companies need solid market information. They need lists of buyers. They need advice on where best to sell their products. They need trade information on their competitors. Alaska's exporters need trade experts overseas, not protocol

The Honorable Steve Rieger
The Honorable Beverly Masek

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[February 7, 1996]

officers. A protocol officer is an expensive option that will only replicate services already available through the U.S. government.

There are many committed, qualified people working to build Alaska's markets overseas. I have spent a good deal of time since September meeting with these people, learning about their efforts, and assimilating their recommendations into our work plans for the coming year. I look forward to working together with you, the Administration, and Alaska's international trade community to further strengthen our position abroad.

Sincerely,

Deborah B. Sedwick - SG.

Deborah B. Sedwick
Assistant Commissioner

DBS/BB/cw074.ed

020796a

Enclosures

cc: Alaska State Legislature

Pat Pourchot, Office of the Governor

David Ramseur, Office of the Governor

Commissioner William L. Hensley, Department of Commerce and Economic
Development

**STATE OF ALASKA
DIVISION OF TRADE AND DEVELOPMENT
DISCUSSION PAPER
Section A: Impact of Closing Overseas Offices**

The legislature is currently considering draft recommendations that include closing the state's Tokyo and Korea offices. The division strongly recommends against taking this action. Slashing these operations—without careful planning—would seriously undermine the decades of work spent securing Alaska's position in our most important Asian markets. Most notably, such a cut would:

Jeopardize key Asian markets. *We have \$3.1 billion at stake in the Japanese and Korean markets.* Eliminating our overseas operations will send the message to our most important trading partners—Japan and Korea—that we are not committed. This would be a critical mistake at a time when Alaska is facing fierce competition in virtually every market and sector. Our competition—there are now 56 American and 105 foreign trade offices in Japan, 34 American and 77 foreign trade offices in Korea—will move quickly to secure our market share should we retreat in these vital markets. Players such as Chile and Norway, through aggressive promotions, already are eroding our seafood sales in Japan and other markets. Alaska will disappear.

Ignore private sector demand. In the Legislature's recently conducted survey of private sector companies, no respondents suggested shutting the overseas offices. To the contrary, the only comments regarding the state's overseas operations included recommendations to maintain or expand Alaska's presence in these key markets. These offices are vital links between Alaskan exporters and Japanese and Korean buyers and market information.

Cut off vital trade and government contacts. Staff in our Tokyo and Korea offices are extremely well-connected, having developed extraordinarily valuable contacts over many years. (Korea staff has worked for the state for 10 years; Japan staff for 15 years.) Shutting offices precipitously would cut us off from important trade contacts in markets where connections are the key to doing business.

Undercut efforts to refocus overseas trade program. The division is already taking steps to reduce costs overseas. In the past two years, we have cut the Japan office budget by 37 percent; an additional 18 percent cut is planned for FY97. In Korea, we have reduced operating costs 10 percent; plans to share space with private sector partners next year should reduce costs still further.

Undermine Alaska's Trade Initiatives. Deep cuts in our overseas trade program run counter to the Governor's explicit message since taking office: "We are open for business. We will market Alaska." Additionally, these cuts will be made in key markets at a time when the state is pushing projects such as North Slope gas sales, the repealed oil export ban, and increased seafood exports—projects that demand Japan and Korea to be our key buyers.

We intend to continue cutting costs in Japan and Korea, giving us more funds to explore emerging markets. The key is to make these moves carefully. It is essential that fundamental changes in our presence overseas be made over time. Immediate "fixes" will cost us markets and money now and for many years. For further information, please contact Assistant Commissioner Debby Sedwick, (907) 269-8110.

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**STATE OF ALASKA
DIVISION OF TRADE AND DEVELOPMENT
DISCUSSION PAPER
Section B: Overseas Offices' Recent Projects**

The Division of Trade and Development's overseas offices play a critical role in building markets and visibility for State of Alaska businesses and communities pursuing trade and investment ties. The offices—located in Japan and Korea—serve four main roles:

1. **Provide access.** Overseas staff make trade contacts and provide access for Alaskans seeking buyers or investment from abroad. The offices find potential business partners and arrange meetings for dozens of missions—individual companies, trade groups and local communities—traveling overseas each year. This matchmaking is invaluable in developing networks in Asia. Office staff also identifies specific trade opportunities for Alaskan companies, which are then publicized by the Anchorage office. Some examples:
 - Korea Office staff helped Kachemak Seafoods of Homer and Dutch Harbor find buyers for fresh cod. According to owner Bill Sullivan, these contacts allow him today to employ four to five people year-round and ship nearly \$800,000 worth of cod annually.
 - Apocalypse Design of Fairbanks developed a market for cold weather clothing and gear in Japan, using the state's Tokyo Office staff to find potential buyers and serve as an intermediary to resolve trade snags. The company now sells \$40,000 worth of products into Japan each year with plans to double that amount in 1996.
2. **Provide intelligence.** Overseas staff develop market intelligence in several key areas. Most notably, overseas staff provide marketing information (trends, forecasts, alerts) in seafood, LNG, coal, and other areas that offer the best trade and investment opportunities for Alaskans. Some examples:
 - Sealaska Corporation, looking to develop its calcium carbonate (limestone) reserves in Southeast Alaska, used Japan office staff to learn the potential for exports to Japan. As a result of market information gathered and meetings arranged, Sealaska was able to undertake feasibility studies. The company is now sending commercial samples to potential Japanese importers.
 - Korea office staff produce an annual market report providing vital information on Korea's seafood industry: demand for Alaska species, import trends, pricing, and key buyers. The report is widely disseminated among Alaska seafood exporters.
3. **Provide visibility.** Overseas staff provide visibility in our most important markets, helping Alaska to battle fierce global competition. Department of Commerce and Economic Development staff participate in trade shows, meet regularly with key government and business contacts, and provide information on Alaska. Some examples:
 - Korea office staff arranged high-level government and industry-specific meetings for a fall 1995 trade delegation headed by Anchorage Mayor Rick Mystrom. The office provides similar service at least twice a year for the Anchorage Economic Development Corporation in their investment-attraction activities.

- Japanese trading companies and the Ministry of International Trade and Industry use the Japan office as a conduit for exploring potential energy deals with Alaska. Efforts—focused on North Slope oil and gas, ANWR updates and expansion of Kenai energy industry—include providing information, assisting trade missions, and making business contacts.
4. **Provide advocacy.** Overseas staff advocate on behalf of Alaska businesses facing unfair trade practices abroad. Staff work with in-country officials to resolve trade disputes and help Alaskan companies hindered by trade barriers or misunderstandings. Some examples:
- Japan office staff—working with Japanese and Alaskan government officials—helped convince Japan to lift an import ban on Alaskan dungeness crab. Crab imports had been banned due to PSP toxins.
 - Korea office staff are working with the Korean government, U.S. officials, and numerous offices in the United States to convince American officials to permit Koreans to visit Alaska visa-free. A similar move in Guam increase visits by Korean approximately 150 percent per year.

The Division would be more than happy to provide contact names and numbers of companies and communities using the services of the Japan and Korea offices. For further information, please contact Assistant Commissioner Debby Sedwick, (907) 269-8110.

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APPENDIX H

HOUSE STANDING COMMITTEE ON INTERNATIONAL TRADE
AND TOURISM

January 28, 1997

10:21 a.m.

MEMBERS PRESENT

Representative John Cowdery, Chairman
Representative Eldon Mulder
Representative Pete Kott
Representative Gail Phillips
Representative Kim Elton

MEMBERS ABSENT

Representative Ramona Barnes
Representative Reggie Joule

COMMITTEE CALENDAR

OVERSIGHT HEARING ON STATE FUNDED INTERNATIONAL TRADE ACTIVITIES

PREVIOUS ACTION

No previous action

WITNESS REGISTER

MARCO PIGNALBERI, Legislative Aide
to Representative Cowdery

Alaska State Legislature
Capitol Building, Room 416
Juneau, Alaska 99801
Telephone: (907) 465-3879

POSITION STATEMENT: Provided oversight on the committee's
history

CHARLES NEFF, Director
University of Alaska-Anchorage Alaska Center for International
Business (ACIB)
Director, American Russian Center

ADDRESS NOT PROVIDED

Telephone: (907)

POSITION STATEMENT: Provided oversight on state funded
international activities

JAMES McMILLAN, Deputy Director of Credit
Alaska Industrial Development and Export Authority

ADDRESS NOT PROVIDED

Telephone: (907)

POSITION STATEMENT: Provided oversight on state funded

international activities

JOSEPH L. PERKINS, Commissioner
Department of Transportation and Public Facilities
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Juneau, Alaska 99801-7898
Telephone: (907) 465-3900
POSITION STATEMENT: Provided oversight on state funded
international trade activities

KURT PARKAN, Deputy Commissioner
Office of the Commissioner
Department of Transportation and Public Facilities
3132 Channel Drive
Juneau, Alaska 99801-7898
Telephone: (907) 465-3900
POSITION STATEMENT: Provided oversight on state funded
international trade activities

MORTON PLUMB, Director
Anchorage International Airport
Department of Transportation and Public Facilities
P.O. Box 196990
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POSITION STATEMENT: Provided oversight on state funded
international trade activities

DOYLE RUFF, Manager
Fairbanks International Airport
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Fairbanks, Alaska 99706-0369
Telephone: (907) 474-2500
POSITION STATEMENT: Provided oversight on state funded
international trade activities

ACTION NARRATIVE

TAPE 97-1, SIDE A
Number 0001

CHAIRMAN JOHN COWDERY called the meeting of the House Special Committee on International Trade and Tourism to order at 10:21 a.m. Members present at the call to order were Representatives Cowdery, Kott, Phillips, and Elton. Representative Mulder arrived at 11:00 a.m. Members absent were Representatives Barnes and Joule. This meeting was teleconferenced to Seward and Anchorage.

CHAIRMAN COWDERY said this meeting would continue the oversight hearings began in the last legislature. He said Marco Pignalberi, his legislative aide would provide some historical background to show where the committee is at today.

Number 0095

MARCO PIGNALBERI, Legislative Aide to Representative Cowdery, said that preliminary to this hearing we gathered historical files from the past chairperson, Legislative Research, House Records, and the House/Senate Majority staff. He added that Speaker Phillips was gracious enough to loan the committee her personal files which were very helpful.

MR. PIGNALBERI said the retro-view was still incomplete, but it would be filled in by the witnesses over the next two days of hearings. He said a patched together chronological history would be given to provide a context to today's oversight hearing.

MR. PIGNALBERI said in the 19th Legislature, March 1995, the Senate President and the House Speaker wrote to Governor Knowles urging him to convene a strategic planning group to formulate a coordinated international trade policy. They recommended that the Governor's Office of Management and Budget (OMB) take charge of this effort. They laid out the goals and participants for a coordinated plan.

MR. PIGNALBERI said, later in March, the Director of the United States Department of Commerce, International Trade Administration wrote to Governor Knowles endorsing the legislative suggestion, saying, "A strategic assessment of...Alaska's trade policies is overdue."

MR. PIGNALBERI said in April of 1995, Governor Knowles replied to President Pearce and Speaker Phillips. He said his multi-agency group called Marketing Alaska, headed by Commissioner Hensley, would provide the strategy to coordinate the states activity in international trade. He suggested that he would work with the legislature during the 1995 interim. He said that, "Alaska's ability to promote our resources in international markets was compromised by the House Majority actions in the Finance committee."

MR. PIGNALBERI said, absent any concrete action by the Governor, the legislature in the 1995 interim, in the month of July, funded an "Evaluation of State Agencies Engaged in International Trade" and a "Needs Assessment of Private Agencies Involved in International Trade." The Needs Assessment was contracted to the World Trade Center. It was conducted as a widespread cooperative effort involving participants from Fairbanks, Anchorage, Kenai and Juneau. Both parts of the evaluation, that is the public and private sector, were carried out by use of an extensive survey questionnaire about international trade activities. The Governor was asked to support this effort.

Number 0299

MR. PIGNALBERI said in August of 1995, the Governor replied to the invitation by explaining that his Marketing Alaska program has 125 Alaskans participating in seven Task Forces to promote Alaskan products. He noted that neither Speaker Phillips nor President Pearce personally attended any Task Force meetings and urged their more active participation.

MR. PIGNALBERI said the record became clear at this point that the Governor's office confused or choose to confuse the legislature's initiative to analyze the effectiveness of state resources spent on international trade, with the doing of the activities that we wanted to have analyzed. The Governor noted budget cuts to the Office of International Trade (OIT) and said, "I am skeptical of funding additional studies of how we are doing."

Number 0363

MR. PIGNALBERI said the legislature and the World Trade Center completed their work during the interim of 1995. A summary report of the "Private Sector Business Needs Assessment" was published by the World Trade Center.

MR. PIGNALBERI said the files do not contain a summary report for the "Evaluation of State Agencies." He said it is believed that a copy has been located in Anchorage which is being forwarded to the committee. There are copies of the state agency responses for the committee to review.

MR. PIGNALBERI said that during the 1996 session, the legislature conducted hearings on the results of the needs assessment and the state agency evaluations. A resolution was proposed to implement the results, it was not formally submitted.

Number 0408

MR. PIGNALBERI said the next step is based on what this committee and the 20th Legislature shall decide.

Number 0419

REPRESENTATIVE GAIL PHILLIPS requested a copy of the historical analysis.

Number 0475

CHARLES NEFF, Director, the University of Alaska-Anchorage Alaska Center for International Business (ACIB) and Director, American Russian Center, was next to testify. He said he would try to explain the groups in a way that would elaborate on information he already submitted to the committee.

MR. NEFF said the ACIB is dedicated to practical work that is

responsive to business and industry. He said ACIB does not conduct academic, abstract research. He said there is a bit of a misunderstanding that because ACIB is at the university, it is like another university department. He said it is not.

MR. NEFF said ACIB is part of a state wide group of agencies that the committee will hear from today and Thursday. He said these groups are very much working together. He said there is a feeling that there is a lot of overlap, lack of coordination with groups that are essentially going their own way. He said that the contrary is true. He said the main groups working on international trade and international issues meet monthly as a round table group with the intent to inform each other of what they are doing and to use each other's resources in order to reinforce their own efforts. He said a kind of division of labor has been formed.

Number 0641

MR. NEFF said the university's goal, in all of its activities, is to get businesses and individuals ready to enter the international markets. He said this might begin with educational programs at the university, research on how to develop a business plan, direct services provided to member groups by the World Trade Center, or it might mean providing opportunities for Alaska businesses to get to Russia to check out possibilities for new business there. He said all of these things are preparatory. He said Assistant Commissioner Sedwick will discuss how the state is largely involved with a representative function and with developing Alaska's ability to enter specific markets. He said there is kind of a rough dividing line with a little healthy overlap. He said he wanted to emphasize the fact that we are basically talking about groups who are doing different things and supporting each other.

Number 0696

MR. NEFF said he would call to the committee's attention a brochure put out by the university that illustrates the activities of the ACIB, the World Trade Center and the American Russian Center. He said one is involved with practical research and information, one is primarily involved with training and one is primarily involved in providing direct business services. He said if we were to start out with nothing and were to talk about what we needed for a good support of international business, we would end up with just those things; research, information, training and direct services.

Number 0757

MR. NEFF said the ACIB was founded as a university activity in 1984 and officially sanctioned as a state of Alaska activity by the legislature in 1987. He said the legislation gave a mandate to ACIB; to promote Alaska's involvement in international trade, to do market research, to promote an understanding of other cultures, to

set up public service programs relating to international trade and international activities and gave it the right to charge fees. He said the mandate also established a seven person advisory board which continues to function today. He said the board members are approved by the Governor and by the Board of Regents at the University of Alaska. He said the legislation also established an endowment. He said ACIB currently operates its activities at approximately 50 percent draw from the endowment and 50 percent draw from state general funds.

Number 0845

MR. NEFF said, as director of ACIB, he coordinates all of these programs. He said the World Trade Center, the ACIB and the American Russian Center all report through him to the chancellor. So, from an administrative point of view there is coordination to make sure the resources of each of these organizations is spent wisely.

MR. NEFF said the ACIB like any dynamic organization, tried out just about everything that was allowed under the mandate; public conferences, quasi-academic programs which were non-credit, longer term programs dealing with international trade, as well as other things. He said the ACIB staff is smaller, focused in its activities. It includes nine and a half persons focused on four professionals with a strong emphasis on research and services in fisheries, forestry, coal, hard rock minerals and the flow of international trade itself. He said ACIB is probably the premier place, in Alaska now, for collecting and disseminating information on international trade.

MR. NEFF said ACIB has added other organizations under its umbrella. He said the World Trade Center originally started at Alaska Pacific University and came over to the University of Alaska-Anchorage (UAA) in 1988. He said World Trade Center receives about 50 percent of its general operating funds from the university under the ACIB budget. The rest of its budget comes from membership fees. He said when you see the total that goes to the ACIB, a portion of that, \$120,000 a year, goes over to the World Trade Center Alaska to support its basic operations.

Number 0957

MR. NEFF said resources have been concentrated on specific industry research, on public information and specific industry information. He said ACIB has provided information to its users through traditional means. He said people have called up, wanted a report, things were taken out a data base and faxed. He said this system has worked quite well, and they have always been responsive to individual requests. He said ACIB now has a means by which anyone in and out of the state of Alaska can get information in a customized form. He said ACIB is not completely finished in

putting all the data into their Web site. He said it is now possible to go into the internet and ask how many cans of red salmon went to Japan in 1994, or in what form did the salmon go there or how many tons of salmon went to Korea. He said you can ask the same questions of coal, timber and the flow of goods going through the Anchorage International Airport. He said a business can go in, get that data, download it into a spread sheet and create their own reports.

Number 1131

MR. NEFF said ACIB has also converted one of their positions from purely research to a public services manager, who handles all major request. He said that person is trained as to what is available at ACIB, but what ACIB is providing throughout the state of Alaska.

Number 1160

MR. NEFF said the ACIB is doing research that is largely industry driven. He said ACIB provided examples to the committee of reports that have been done for both the Taiwan and Chinese markets for Alaska Seafood. He said this is not just an economist report that says this is a possible market providing that so many people will eat this much salmon. The report says that if you want to sell salmon in China today these are the people who are importing it, this is how you get an import license, this is where you can find the freezer facilities. The report is practically developed to help that market develop.

Number 1205

MR. NEFF said a kind of a salmon summit was being held today in Juneau. He said when the ACIB heard about it, the first thing they did was to collect information about it dealing with those issues, send it to them and tell them not to forget that ACIB is an information resource which can be used as strategies for the future are developed.

Number 1225

MR. NEFF said all of these data sources are available somewhere else, in Russia, China or in the U.S. Department of Commerce. He said the ACIB effort is different because it takes the data into a form that is usable for Alaska, by Alaskan businesses and by businesses who want to do business in Alaska. He said the data is value added data because the way the form is displayed. He said when the U.S. Department of Commerce office reports back to Washington on many international trade activities, they use the data that ACIB has redone.

Number 1279

MR. NEFF said the ACIB is involved in a broad public information project. The ACIB puts out regular publications that have become sort of standards for the industry; the Pacific Rim Fisheries Report which has 200 subscribers, the Russian Far East News which is considered by some to be the premier source. It has only one real rival on what is going on, particularly the developments on Sakhalin Island which will be important for the Alaska oil and gas industry. The International Trade Directory the other publication is a combined effort between the ACIB and a private business.

Number 1325

MR. NEFF displayed a brochure for the North Pacific Rim Fisheries Conference and said he has never seen an activity started by a university that has become an international conference in such a short time. He said eight years ago ACIB brought together, for the first time, representatives of government, fishers and fish processing people and provided a chance for them to talk. The fourth conference was bid on heavily by Korea and Japan. He said when a planning conference was held in Seattle there were representatives from each of the six governments involved around the Pacific Rim. He said the conference will be attended by 250 people with ten different nations participating. The conference is now being sponsored by the government of Japan and the ACIB.

Number 1412

MR. NEFF said he would now talk about the American Russian Center which is funded entirely by federal monies. He said the American Russian Center received its fourth grant from the Agency for International Development. Through those grants the American Russian Center has; founded and operated four small business training centers in the Russian Far East in Khabarovsk, Magadan, Yakutsk and Yuzhno-Sakhalinsk which put them as the first people on Sakhalin Island and a valuable resource as that develops, provided small business training programs for Russians and brought some of the best graduates to Alaska for additional training, provided internships with Alaskan businesses, sent Alaskan businesses to the Russian Far East to provide training on airport management, banking, road rebuilding, single family home construction and hair dressing. He said the center has increasingly brought Russian delegations to Alaska to find out more about what Alaska has to offer the Russian Far East. He said it is important to note that the Russian contribution to those trips has gone up and up, with about \$400,000 a year being contributed now from the Russian side and growing each year.

Number 1475

MR. NEFF said about \$15 million in federal source grants have been received including two grants from the U.S. information agency which has sponsored 33 separate cultural exchange programs,

training about 10,000 Russians.

MR. NEFF said the center also had a program under the U.S. Agency for International Development called the partnership program that which linked universities together. He said this might be one of the most important contributions to Alaska. He said there have been direct linkages between Anchorage and Magadan in developing new business curricula. He said the UAA had the largest number of Russian students of any university in the United States. He said over the years the UAA will have an alumni association in the Russian Far East which will become the equivalent of those people who come through the Fullbright Program over the years.

MR. NEFF said the university in Khabarovsk asked to be a part of this exchange. He said eventually, 20 Russians a year will have two summers in Alaska, taught the first three years of their programs with their fourth year in Anchorage and will receive American business degrees with the entire cost of that program being paid for by the Russians. He said the center has enough funding to continue through the middle of 1998 and hopes, via contractual arrangements, to continue after that.

Number 1567

REPRESENTATIVE PHILLIPS asked if other states have business centers in the same communities that the Alaska Russian Center has.

Number 1573

MR. NEFF said they do not in Yakutsk, Magadan. He said there have been attempts off and on, both in Khabarovsk and Yuzhno-Sakhalinsk, particularly Portland State University. He said the University of Maryland is active in Vladivostok and in Irkutsk and the University of Washington in Krasnoyarsk. He said the American Russian Center is the strongest and, in many ways, the only real continuing presence in the Russian Far East.

Number 1599

REPRESENTATIVE PHILLIPS said people were bringing the Russian people to the Kenai Peninsula to do mine training and asked if this is done through the center.

Number 1608

MR. NEFF said he would have to check that specific program as there have been so many groups. The center acts both as a facilitator and as a sponsor. He said his guess was that it is probably associated with the center in some way and he could look into it. The center sent a number of groups to the Kenai working with people down there, particularly on oil and gas technical training. He said Alaska's main export to the Russian Far East is going to be

its expertise in oil and gas training and other areas. He said in the (indiscernible) training program which are being submitted to AIDEA, basic business training with infrastructure training focusing on oil and gas, transportation and communications to try to train Russian sectors to the point that they will be more capable of hiring Alaska businesses.

Number 1689

REPRESENTATIVE PHILLIPS said this training is all well and good if we're getting paid for doing the training, that we are not supplying the training. She said she appreciated his comment that the American Russian Center is funded totally by grants and that by 1998 the Russians will be paying most of the portion of the training.

Number 1679

MR. NEFF said that is the intent. He said infrastructure training is all based on the assumption that a high percentage of that cost will be paid for by Russian sources.

Number 1687

REPRESENTATIVE PHILLIPS asked if this was our assumption and whether or not it was their assumption as well.

Number 1689

MR. NEFF said it is their assumption because we are telling them that is the only basis on which we can operate.

Number 1693

REPRESENTATIVE PHILLIPS questioned that if we don't give them the training for free and other states do, whether we will we lose out.

Number 1699

MR. NEFF said this was not necessarily the case. He said the Russians are quite prepared to pay for the training, but want to be in on the planning of what it is. He said there are significant cultural negotiations that have to go on before you can have effective training. An example is that the Russians are still based on a full employment model. They would like to train lots and lots of workers, have five shifts instead of two. He said a compromise will have to be reached. It will not be as employment efficient as Prudhoe Bay right away, but the center will try to get them away from some of the inefficiencies that have characterized the previous system.

Number 1728

REPRESENTATIVE PHILLIPS asked if the Russians feel that they have a closer cultural connection to Alaska than they do to other states.

Number 1733

MR. NEFF said this is absolutely true. He said it is changing a bit, it is not the exclusive cache that Alaska used to have. He said when you introduce yourself as an American you get a different reaction than when you introduce yourself as an Alaskan because of the historic connections and because Alaska has had different experiences than they have had. He said he tells new Russians coming to Anchorage two things; it was founded the same year as the Russian Revolution and it was 70 percent destroyed in 1964. He said the Russians look around and see nothing comparable in the Russian Far East.

Number 1770

REPRESENTATIVE KIM ELTON requested the budget data that was referenced by Mr. Neff. He said if he has a question on freezer space in Taiwan why couldn't he call OIT, why would he call ACIB.

Number 1809

MR. NEFF said the two groups have different strengths and sometimes they will have more specific information on a few areas. He said ACIB works off what they already know, they get their information because they are asked by the industries to do a particular in-depth study. If ACIB has done it, then it is not necessary for OIT to do it. He said OIT will know of the existence of that report and it will become part of their information base. He said OIT is not set up to do the same kind of detailed analysis of market possibilities that ACIB does. He said ACIB is a research and information agency, whereas OIT is focused on developing market possibilities for particular businesses.

Number 1847

REPRESENTATIVE ELTON asked if it was the mission of ACIB to develop market possibilities for individual businesses and industries.

Number 1852

MR. NEFF said when ACIB works with a group such as a small niche market like reindeer sausage and antlers, where no one else was working with them, they become more deeply involved than they usually do. He said normally, aside from providing information about the possibilities, ACIB does not take the business and help them get into the market.

Number 1874

REPRESENTATIVE ELTON said he has always been intrigued by the idea that budgets can provide a kind of market test for policy makers because the more receipts you receive from fee programs tends to indicate the value of your program to those who are willing to pay the fees. He asked how much of the program is based upon fees that are charged to people who use the services, how much is received vis a vis the endowment and how much from the general fund.

Number 1903

MR. NEFF said he would not discuss how much is passed on to the World Trade Center, as that is separate. He said ACIB received approximately \$330,000 from the general fund, \$310,000 from the endowment and \$247,000 from grants and other sources. He said most of what ACIB calls grants are in fact contracts for particular kinds of research services. He said these contracts come from the Alaska Seafood Marketing Institute or from reindeer herders in Kugarak. Part of it is a contract with the Institute for Social and Economic Research to do the Salmon Market Survey. He said these are funds coming in from outside sources, essentially fee for service.

Number 1958

REPRESENTATIVE ELTON said he is more interested in how much Alaskan businesses and industries fund and pay for ACIB, not funded from other state or university organizations.

Number 1978

MR. NEFF said the bulk of it comes to ACIB through the medium of organizations like the Alaska Seafood Marketing Institute.

Number 1987

REPRESENTATIVE ELTON asked what groups are involved in the monthly round table discussions.

Number 2010

MR. NEFF said it is the Alaska Center for International Business, the World Trade Center, American Russian Center, Division of Trade and Development of the Department of Commerce, the representative from the U.S. Department of Commerce, and AIDEA. He said there were others, but those groups were the principal participants.

Number 2018

REPRESENTATIVE ELTON asked if there were any representative from coal and timber trade associations.

MR. NEFF said that currently no one represents those groups in the

discussions.

Number 2027

REPRESENTATIVE ELTON clarified that OIT is the Division of Trade.

Number 2033

CHAIRMAN COWDERY asked how many people work in the American Russian Center and if they are contract or state employees.

Number 2041

MR. NEFF said they are paid through the university on contracts that make it clear they don't get any money unless the grants continue. He said, currently, there are seven people in Anchorage, six Americans in the Russian Far East and approximately 16 Russians in the Russian Far East.

Number 2059

CHAIRMAN COWDERY referred to the recent contract and said, "Sakhalin that we have to represent that the Governor proposed to represent us -- what is -- our role or, or do you think that the background of this company is also representing other states maybe, would have been, in your opinion, better suited to have an Alaskan firm or company to represent us there."

MR. NEFF said there are several alternatives and a decision has been made for the short run, only a few months. He said he expressed concern, before the decision was made, that we need to look out for Alaska interests first. He said these might be well served under this arrangement, but since it is an organization that receives its funding from elsewhere and has other obligations it is important to keep a close eye on it.

Number 2107

CHAIRMAN COWDERY asked for the procedure to disperse funds to subcontract grants to the American Russian Center and others.

Number 2125

MR. NEFF said ACIB does not do much subcontracting. He said he could only think of one instance where the American Russian House subcontracted in 1993 with a bank in Oregon. He said now there are banks in Alaska that will work with them. By and large the center works through programs which are operated 80 percent by center staff. He said, otherwise, they will have the participation of Alaskan businesses or government officials in Alaska who are providing training for airport managers or in banking. He said banks, primarily the National Bank of Alaska, will participate, at

least to a certain extent, at their own expense.

Number 2181

CHAIRMAN COWDERY asked, at the height of the training and travel, how companies were selected between Russia and Alaska.

Number 2186

MR. NEFF said companies are not selected in the sense that the American Russian Center is not sponsoring a company for a business activity. He said the center will often have representatives from different companies go to a training situation. The center is almost exclusively involved with training. If the center is trying to help someone understand single family construction, companies who are involved with that type of activity are approached. He said the center typically calls different companies, tells them about the opportunity, ask them if they are interested and go with those companies interested enough to expend some money to do a training situation.

Number 2223

CHAIRMAN COWDERY asked what percentage of ACIB's total public service and market research activities were conducted by the World Trade Center Alaska.

Number 2231

MR. NEFF said the World Trade Center has had an agreement with ACIB to do some of its short term instructional activities such as; short term seminars, how to get an export license in Russia, obtaining a visa, or what opportunities for trade are available in Taiwan. He said this used to be a separate line item budget which is not the case anymore. The World Trade Center receives, from the general funds ACIB receives, approximately one-third of their money.

Number 2279

CHAIRMAN COWDERY referred to a booklet titled, "State of Alaska Private Sector International Business Needs Assessment, dated July-October 1995," and read that, "ninety percent of Alaska exporters don't need or want government assistance for their export programs." He said if this is the case, why is the state spending money on export assistance and who is ACIB actually helping in this.

Number 2290

MR. NEFF said he would have to reread that information.

CHAIRMAN COWDERY said that also in the booklet, that the exporters that would seek help; 33 percent would seek private sector help, 23 percent would use the World Trade Center, 16 percent would use U.S. Commercial Service, 10 percent would use ACIB, and 6 percent would use the University of Alaska. He asked why the OIT and UAA have such a low public reliance factor.

Number 2350

MR. NEFF said part of this might be due to confusion on the part of companies and individuals that their received information ultimate source is the university. He said a great deal of information ACIB generates is provided through the Alaska Seafood Marketing Institute. He said their data is the data that ACIB collects. He said there has not been enough of an attempt to allow the public, as a whole, to know everything that UAA has been doing. He said the World Wide Web site will do a lot to correct that. He said ACIB receives 1,600 inquiries a year which include walk-in people and telephone calls to which they provide direct assistance.

Number 2391

CHAIRMAN COWDERY said back in the 13th Legislature he was co-sponsor of the legislation that created trade offices in Seoul and Taiwan. He said he has been over there many times. When he worked for the municipality in Anchorage, he received several calls from people who were looking for small businesses in the Pacific Rim or find out about small businesses. He said he put them in touch with some. He said it appeared that a lot of people are unaware of where to ask. He asked what the states role should be in international trade.

Number 2444

MR. NEFF said the state needs a combination of interlocking services, similar to what it has now. He emphasized that he is not saying that it is the perfect mix or that the balance of support is the right one. He said the state does need some selective representation in certain markets. He said, because he has not studied it, he would not say whether what the state has now are right ones in the right proportion. He said Seoul and Taiwan, with their portions of the Alaska trade market, are places where Alaska ought to be represented. He said moving towards some type of representation in the Russian Far East makes sense because Sakhalin shows every indication of being a good market.

TAPE 97-1, SIDE B
Number 0000

MR. NEFF said it is important to help the connections between large scale sectors of Alaska business and their opportunities abroad. He said the university has a responsibility to bring people along

to be ready to participate in the international market, partly in indirect ways through information, research and directly through individuals. He said the World Trade Center is part of that. It is specifically involved in trying to bring a kind of micro training and services to its members which will help them in the final stages of getting into the markets. He said, beyond that, there is an importance for Alaska to harness its financial resources through AIDEA, a combination between AIDEA and banks to get some development capital that has an Alaskan name on it in these particular markets.

MR. NEFF said ACIB has tried, in the Russian Far East through a lending organization set at the national level by the United States government to get rather small amounts of money out on the street for those people to get into new entrepreneurial situations. He said this program is not going very well. He said there have been numerous conversations with various Alaska banks.

Number 0031

CHAIRMAN COWDERY said Alaska has very few people and lots of resources and the Pacific Rim area has just the opposite. He said it is logical that we are a natural trading partner with those countries. He said the companies involved with the bigger resources; oil and gas, hard rock minerals deal directly with companies abroad. He said there are just as many smaller businesses in the Pacific Rim and that this is an area to develop. He said businesses need and want business information.

Number 0079

MR. NEFF said he would call disseminating information a form of assistance. He said it is necessary to get the word out there about what information and resources are already available. He said when a business does come to the World Trade Center or to the Alaska Center for International Business they are helped to find that niche market which will allow them to sell those goods.

Number 0110

CHAIRMAN COWDERY asked approximately what percentage of ACIB is conducted in response to a companies request. He asked if ACIB maintained a staff specifically for these requests.

Number 0118

MR. NEFF said two and a half people are involved with research. One staff person is working almost exclusively in the fisheries area, another is a specialist in SouthEast Asia in timber and one is a kind of generalist. He said ACIB is close to 100 percent in responding to industry or government agency needs for research in these areas.

CHAIRMAN COWDERY asked if it was industry that makes these requests.

MR. NEFF said it is primarily industry.

Number 0162

REPRESENTATIVE PHILLIPS referred to Mr. Neff's testimony that ACIB does not conduct basic research and asked him about his comments that he has people involved in research.

Number 0170

MR. NEFF said the research they are doing is not academic research which identifies a broad problem.

Number 0181

CHAIRMAN COWDERY asked how many investment proposals were completed last year and what methods were used to track the success rate.

Number 0191

MR. NEFF said he would get the exact number to the committee. He said an informal system is used. Once a company gets talking with ACIB, they are asked if they have used the research and how its been helpful to them. He said ACIB uses this information in doing the next round of research.

Number 0221

JAMES McMILLAN, Deputy Director of Credit, Alaska Industrial Development and Export Authority (AIDEA), was next to testify. He said he has been with AIDEA since July of 1996. His primary responsibility is management an oversight of AIDEA's credit programs (indiscernible due to papers over the microphone) revenue bond program are tax exempt and taxable, umbrella bond program, business assistance program and export assistance program.

MR. McMILLAN said AIDEA has had an export assistance program in place since 1987. That program provides a guarantee to banks who extend both pre-export and post-export financing. To date it has not issued any guarantees under this program and to the best of his knowledge there have not been any requests to do so.

Number 0315

REPRESENTATIVE PHILLIPS clarified that he said there have been no requests or money given out since 1987.

Number 0324

MR. McMILLAN said AIDEA is well aware of the lack of success of this program and are attacking it on three different fronts in attempts to find solutions. Before he talked about these attempts, he discussed reasons why the program has not been successful. One reason is timing. While Alaska has been exporting for many years, AIDEA thinks the majority of those exports have been accomplished by large companies, sometimes national firms, who are experience exporters that either don't need financial assistance or have established relationships with outside banks that can meet that need. He said AIDEA also thinks, to some degree, that there has been a reluctance on the part of the banking community to get involved with export financing, although there is beginning to be a change in that area. The rising interest in the Russian Far East has in itself been a problem for the program. The lack of political and economic stability in Russia has led to a hesitancy to commit financial resources to that area. For example, the Export-Import Bank of the United States (Ex-Im Bank) publishes a Country Limitation Schedule indicating which countries and which sectors in those countries are open for business with Ex-Im Bank. This business of Ex-Im Bank includes export credit insurance which is a requirement of AIDEA's current export assistance program. Until November of last year, all business in the private sector was closed to the Ex-Im Bank. Businesses in the public sector was open only if the transaction had the full faith and credit of the Russian government behind it. Once again, that is beginning to change. He said AIDEA is now finding more of an interest on the part of the banking community to provide export assistance and the Ex-Im Bank is now open for business in the private sector in Russia.

MR. McMILLAN said as he mentioned earlier, AIDEA is taking steps to find solutions to their problem. First, AIDEA has met with the banking community to seek their input on what changes they think need to be made in order for the export assistance program to become more viable. Second, AIDEA has sought alternative programs which meet the financing need of exporters. Specifically, late last year AIDEA completed the necessary training to become a city/state partner of the Ex-Im Bank. As a city/state partner AIDEA provides local access to the Ex-Im Bank programs which include among others; export credit insurance and working capital guarantees. Finally, AIDEA is in the process of reviewing successful export finance programs already established in other states. By utilizing that information, along with the input AIDEA has received from the banking community, it will be prepared to recommend changes to our export assistance program in order to make it a more viable program. He said AIDEA is confident that this approach will be successful.

MR. McMILLAN said two personnel within AIDEA, including himself, dedicate a portion of their time to export assistance. The other individual, Katelyn Ohmer, is the Economic Development Specialist who dedicates a good portion of her time to the area of export

assistance. The remainder of her duties include marketing and public relations, responding to inquiries about AIDEA's mission and programs, legislative liaison and monitoring budgets for projects and assigned programs.

MR. McMILLAN said AIDEA is also pursuing other means to become a more visible player in the export arena. He said AIDEA fully realizes that visibility and education are important ingredients to their success. Along these lines, AIDEA is an active member of the International Business Round Table.

MR. McMILLAN said, through the assistance of the Department of Commerce and Economic Development (DCED) Deputy Commissioner, Debbie Sedwick, this group recently executed a "Memorandum of Understanding" which took place in October of 1996. He said this really sets the path for a cooperative and unified effort to provide export assistance and develop programs and projects which will help each member to achieve their goals. Currently, AIDEA is working on development of a series of seminars for the banking community and exporters which would outline the various financing programs available through the Ex-Im Bank. This program should get off the ground this spring.

MR. McMILLAN said he was invited to become a member of the Finance, Insurance and Taxation Subcommittee of the Alaska-Sakhalin Working Group and will be speaking at the groups next meeting on January 31, about the Ex-Im Bank programs.

MR. McMILLAN said that while AIDEA is confident that all these efforts will lead to a more successful and well rounded export assistance program, they are actively working with a couple of banks and exporters on projects to assist them in their exporting needs. One involves a business which exports goods to the Russian Far East and is in need of export credit insurance to finance their receivables. The other project involves a guarantee of a line of credit extended by a local bank to a bank in the Russian Far East. The line is used to confirm letters of credit issued by the Russian bank to their customers who would become buyers of goods and services exported from Alaska. The letter of credit has been the most used means of financing up to this point. In addition, AIDEA is working with a large company in the petroleum industry to assist them with export financing through the Ex-Im Bank.

MR. McMILLAN said in summary, AIDEA's short term goal was to emphasize the Ex-Im Bank programs for financing of Alaska's exporters. He said AIDEA believes these programs provide the means and flexibility to assist Alaskan Exporters. He said the long term goal is to review and revise AIDEA's program to better serve the needs of the banking community and Alaska's exporters. As part of this goal, AIDEA is looking to establish co-guarantee programs with the Small Business Administration and the Ex-Im Bank. A co-guarantee program would allow AIDEA to leverage their program and

reduce the risk. It would also provide better flexibility with their financing program.

Number 0661

REPRESENTATIVE PHILLIPS asked if any previous legislative body examined this program or has the management of AIDEA looked at this program. She asked why nothing had been done.

Number 0683

MR. McMILLAN said as far as the management of the authority is concerned they have examined it. They met with the banking community and with some of the organizations to try and find out why the program was not being used. He said there are some problems with the program structure.

Number 0702

REPRESENTATIVE PHILLIPS asked if any attempts were made to correct those problems so that it could be a program that people could use.

Number 0704

MR. McMILLAN said, looking back in the history of the files, it appears that this effort took place around the beginning of 1994. He said, to the best of his knowledge, other than some of the things mentioned such as forming alliances with other groups, there doesn't appear to have been any direct effort at changing the program yet.

Number 0731

REPRESENTATIVE PHILLIPS asked if a major oil industry company went to the Ex-Im Bank for financing if they were fitting under this program or were they fitting under a different authority guarantee are ...

Number 0740

MR. McMILLAN said, no, as a city/state partner AIDEA is somewhat like an agent of Ex-Im Bank and can provide local access. He said AIDEA will be working with the company to utilize the Ex-Im Bank programs. He said especially now that the Russian Far East is open for business in the private sector, he believes that Ex-Im Bank programs will serve the majority of the Alaskan exporter's needs, both small and large. He said the program, as it is currently structured, has a maximum guarantee of \$1 million.

Number 0783

REPRESENTATIVE PHILLIPS questioned whether a program that was in

place that nobody could, would, was required or is was going to utilize would it be his recommendation to just get rid of the program.

Number 0793

MR. McMILLAN said no he would not. He said AIDEA is in the process of conducting a survey to find out specifically what the financing needs are of Alaskan exporters.

REPRESENTATIVE PHILLIPS asked if this was identified in the report done last year.

MR. PIGNALBERI said it was addressed, but not comprehensively.

REPRESENTATIVE PHILLIPS asked if Mr. McMillan was involved in that report.

MR. McMILLAN said no he was not. He reiterated that he just began working for AIDEA in July of 1996. He said he has read through that report. He said it does address the area of financing, but he did not believe it provided some of the information that AIDEA was looking for in order to provide the education needed for exporters and the banking community.

MR. McMILLAN returned to the earlier question and said the bottom line should be that we give financing assistance to Alaskan exporters. He said if this can be done through utilization of the Ex-Im Bank and if it really serves all the needs of both the banking community and the exporters, then he would suggest that the state utilize that program. He said if AIDEA can create or revise their program so that it filled in some of the holes that are not being covered by the Ex-Im Bank program then he would suggest that AIDEA do that. He said a duplicate program should not be kept for the sake of having a program.

Number 0878

REPRESENTATIVE PHILLIPS asked when he anticipated having an answer to that question.

MR. McMILLAN said he hoped to come to a conclusion by the middle of this year. He said he is looking at programs in other states to try and find out what the differences are between their programs, our programs, how they are leveraging Ex-Im Bank, and what they find. He said he realized that the needs of exporters from other states are much different than those of Alaskans.

Number 0903

REPRESENTATIVE PHILLIPS recommended that sometime during the middle of the interim the committee follow-up on this issue by getting an

answer. She said if we have a state program in place that isn't workable, no one has used it in the past ten years, then let's look at getting rid of it.

Number 0921

CHAIRMAN COWDERY said that is the basic purpose of these committee meetings.

Number 0925

REPRESENTATIVE ELDON MULDER said he believed that Senator Kelly sponsored legislation changing the name of AIDEA to include the export authority. He said he would look into why the export program was needed in the first place. He said he believed Commissioner Tony Smith was advocating it. At that time Alaska was in a recessionary period and the commissioner might have been looking to stimulate exports. He said he did not feel that the export program is not such a big problem as not much time or resources have been spent on it. He said the bigger question is how can we revise it to actually make it workable.

REPRESENTATIVE PHILLIPS said if we have state employees identified in that program with their salaries being paid for by that program and the program is not doing anything.

MR. McMILLAN said he and one other staff person have a portion of their time dedicated to export assistance.

REPRESENTATIVE MULDER said the staff works in a multitude of areas, without an export specialist per se. He said a statute might need to be revised, to make it more applicable and user friendly if it is not possible to do this then at that point we should discard the program.

MR. McMILLAN said he did not want to diminish the fact that for whatever reason the program has not been successful. He said the program has not been utilized. He said, in his opinion, the program is directed towards small businesses and when the program was created there was not a lot of small businesses exporting. He said there might have been a lot of businesses that had an idea that they might want to get into business and export, but neither this program or the Ex-Im Bank program is for the total novice. He said there is a higher degree of risk when you start doing business in a foreign country as compared with doing business within the United States. He said this is part of the problem. He said timing is also an issue.

MR. McMILLAN said AIDEA has looked at the statutes, at the regulations and at this point, without making any commitment, if AIDEA feels it can create a program that will compliment Ex-Im Bank it will take some legislative change.

REPRESENTATIVE MULDER said at the time of implementation of the program, the banking industry was struggling with only two institutions on solid ground. Those two banks were not lending to anybody without 70 percent equity.

MR. McMILLAN referred to his 20 years experience in the Alaskan banking industry and said that when someone came in and said they wanted financing to export goods or services overseas you did everything you could to shift the subject. He said sometimes when banks did financing for businesses that were exporting, it was treated like it was a loan for business done in Alaska. He said some of it is just misunderstanding on the part of the banking community. He said this is why we need to educate the banking community and the exporter.

MR. McMILLAN said that when you look at the changes in the banking community, with kudos to the National Bank of Alaska because of their support for export assistance, some smaller banks were not geared up for export assistance, others have offices outside which provide assistance but refer the customer to their Seattle office.

Number 1205

REPRESENTATIVE PHILLIPS requested a copy of Mr. McMillan's comments.

Number 1208

CHAIRMAN COWDERY asked when the comparison with other state programs will be done.

Number 1218

MR. McMILLAN said he was in the process of drafting a letter that will go out to the different states that have some type of export authority or export assistance program. He said the timing involves getting the letter out and getting the responses back. He said the letter will be very specific in what AIDEA is requesting so that it could be a comparison of apples to apples. He said he would hope to complete this around the mid-year.

Number 1250

CHAIRMAN COWDERY referred to an example of when he worked for the municipality of Anchorage. He said a company asked for export assistance for some water products to Korea. He said the answer they received was to let a bank package their proposal and then AIDEA would see if they could help. He said this was a small company and would have liked to have had some assurance before they did the paperwork.

Number 1295

MR. McMILLAN said it is a fine line that the export authority walks. They try not to confuse the private sector, primarily the banking community. He said the last thing the program wants is to move in front of the banks and take away their customers. He said the authority is always receptive to questions and inquiries from perspective business people who need assistance from AIDEA. He said AIDEA always offers them the caveat that they are not in the business to do direct lending. The program can provide them assistance, help them along, make them feel like there is something there that they have got to work with and then ask them to contact their local bank.

MR. McMILLAN said as a certified city/state partner, the authority has the obligation to directly provide those services to the banking community and the exporters. He said hopefully you will not find an incident like the one mentioned in the future.

Number 1412

JOSEPH L. PERKINS, Commissioner, Department of Transportation and Public Facilities (DOT/PF), was next to testify. He said most trade matters require some type of transportation and his department provides and operates the infrastructure in the state of Alaska to make this possible. He said this is particularly true of the Alaska Marine Highway System which is delivering people to the state every day and with the international airports.

Number 1494

KURT PARKAN, Deputy Commissioner, Office of the Commissioner, Department of Transportation and Public Facilities, said he had some brief comments and provided handouts to the committee. He said part of the mission of the airports, which include both the Fairbanks and Anchorage airports, is to promote cargo, passenger air service and related activity to the economic benefit of the state of Alaska. He said the airport marketing strategy is to identify and promote air service development opportunities on both a carrier by carrier and on an industry wide basis. He said generating cargo related activity is aimed at capturing the trans-Pacific as well as the European business, a rapidly growing sector. The activity is also aimed at competing on a world wide basis.

Number 1578

MR. PARKAN said airport funding is through the International Airport Revenue Fund which is an enterprise fund of the state of Alaska, established in 1961. He said the airports are independently funded from the general funds, but the general fund does not contribute to the operations of the airport. He said all capital debt service costs are generated through the International Airport Revenue Fund in addition to what is received from the Federal Aviation Administration (FAA) in terms of capital

improvement projects.

Number 1610

MR. PARKAN said the marketing budgets, for the past several years and proposed for this year, are \$400,000 for Anchorage and \$100,000 for Fairbanks. He said approximately 50 percent of the Anchorage budget and 70 percent of the Fairbanks marketing budgets are for ongoing international projects. He said, in terms of personnel dealing with marketing, there are two positions at Anchorage under the development manager. One is currently filled and one is to be filled. Both of the efforts in Anchorage and Fairbanks are combined with the economic development corporations of those respective cities. He said, in Fairbanks, the full amount of the marketing money goes to the Fairbanks Industrial Development Corporation. In Anchorage a portion of the budget goes to the Anchorage Economic Development Corporation (AEDC) for specific projects, approximately \$100,000 to \$120,000. Projects that they are currently working on pertain to international markets.

Number 1705

MR. PARKAN said the state is seeing a growth in both international cargo and passenger trends at the airports. Anchorage is number two in the United States in terms of gross landed weight and Fairbanks is number seven. The state has received from the United States Department of Transportation (US DOT) expanded cargo transfer rights last fall for increased traffic rights for foreign carriers. He said this will generate a considerable amount of growth at the international airports. It will allow international cargo carriers to do more than just land and fuel, they will also be able to fuel, transfer cargo to other carriers, to hub, and to continue flying through to the lower 48 from the Asian markets. He said these traffic rights exclude Japan and United Kingdom carriers for now, but the state is hoping to get them included. He said those countries are currently excluded as there are bilateral negotiations going on that are much bigger and broader than what the state's specific request was for. He said these rights are for one year at a time, but the state will apply for an extension.

Number 1852

MR. PARKAN said this decision of the US DOT has created a considerable amount of interest in third party developments. He said there are people who are clamoring to come to the airport and set up warehousing operations and hubbing operations.

MR. PARKAN said DOT/PF is participating in the Governor's Pioneer Incentive Program which is attempting to get direct passenger flights from Japan to Anchorage or Fairbanks. He said this effort involves the Department of Commerce as well as AEDC, the Anchorage and Fairbanks Visitor and Convention Bureau, AIDEA is also involved

because of their financing view of the world. Hopefully they will package some type of an incentive to bring a carrier on at least a weekly basis to Alaska from Japan. He said the commissioner is chairing the committee with Debbie Sedwick from the Department of Commerce and Economic Development.

Number 1923

REPRESENTATIVE MULDER asked if any carriers have expressed interest.

Number 1937

MR. PARKAN said DOT/PF has identified a couple of carriers that have some potential. He said subcommittees are working to get that interest increased. He said hopefully within the next year there will be announcement from somebody to come here. He said right now the focus is on Nippon Airways and NorthWest. He said it is unclear which city out of Japan will be able to provide the direct flights, Tokyo is pretty tied up.

Number 2003

REPRESENTATIVE PHILLIPS repeated that the Pioneer Incentive is offering \$1 million to an airline company willing to come from the Orient and asked where that money was coming from.

Number 2033

COMMISSIONER PERKINS said the committee is looking at several sources of revenue, with at least half of the money coming from the private sector from such organizations as the Anchorage Visitors and Convention. He said another source that is being sought for the other half of the money. He said the committee might ask the state, but it has not been decided. The subcommittee will exhaust all other possibilities before doing so. He said AIDEA is on the committee and they are the financial people working to get the incentive money.

Number 2082

COMMISSIONER PERKINS said this incentive money is not cash payments. What is being discussed is a marketing effort for the airline to come to Alaska.

Number 2116

REPRESENTATIVE PHILLIPS clarified that it is not a direct cash payment and you are looking at marketing and asked if it would be price reductions on marketing efforts or what other kinds of things are they looking at.

Number 2138

COMMISSIONER PERKINS said the money would be directed to marketing that flight. Another thing being looked at is people who are beneficiaries of this service. For instance, the potential of Alyeska blocking off so many seats. He said there are several ways that these incentives can be formed.

Number 2195

MR. PARKAN said the subcommittee working on that feels that more than \$1 million could be generated, particularly in the private sector. He said \$1 million was not the magic number, it was the minimum.

Number 2229

CHAIRMAN COWDERY asked if there would be any ripple effects from other airlines that did not receive incentives to come to Alaska.

Number 2243

COMMISSIONER PERKINS said the committee has not received any comments as this is a special circumstance, it is for international flights and currently Alaska does not have any international flights.

Number 2266

REPRESENTATIVE PHILLIPS asked if there was a stipulation that the flight had to go to Anchorage, or if it could go to Fairbanks.

Number 2284

COMMISSIONER PERKINS said it could go to Fairbanks, but realistically it would probably go to Anchorage. He said Fairbanks is heavily involved with the task force because many of the passengers that come in from Japan go to Fairbanks, especially in winter to see the Northern Lights and visit the hot springs. He said there are benefits to Fairbanks even if the flight terminates in Anchorage.

Number 2372

CHAIRMAN COWDERY said the airport is proposing a 3 percent head tax on passengers to pay for a new terminal building and asked if this was correct.

MR. PARKAN said the airports had proposed to Legislative Budget and Audit (LB&A) the approval of a passenger facility charge. He said if it looks, feels and smells like a tax you can call it a tax, but Congress specifically said that it wasn't a tax but a user fee. He

said the passenger facility charge would be \$3.00 for deplaned passengers at Anchorage and Fairbanks. That money would be used to fund identified capital improvement projects.

TAPE 97-2, SIDE A
Number 0000

MR. PARKAN said there were very good discussion comments from the public with concerns expressed by people who felt that it would place a burden on them. He said the subcommittee would put out a report to the full committee with recommendations. He said they felt it would be more appropriate for this discussion to take place before the full legislature, so DOT/PF decided to withdraw the request for LB&A to do the fund source shift from FAA funds to Passenger Facility Charges (PFC) and wait for the report to come out from LB&A. At that point, take a look at what the report said and then decide at that point whether or not to go forward. He said no decision has been made to continue with PFCs. He said, when the report comes out, DOT/PF can discuss with the legislature what the mutual interest is in PFCs.

MR. PARKAN said PFCs are used throughout the country, they are charged every time you go through Seattle or through most of the major airports in the U.S. He said it is a fund source that helps diversify the revenue the airports receives to meet their capital needs. He said the capital needs, especially at the international airports when they are expanding, far exceed the ability to pay for them with revenues. He said the federal AIP program makes it difficult. He said DOT/PF has recently been notified that the Administration is proposing a \$1 billion AIP program for next year, currently it is \$1.46 billion. He said this would make a 30 percent reduction in funding for capital programs. He said right now almost all of the capital projects are funded through Airport Improvement Plan (AIP) with match and some smaller projects funded through the revenue source.

MR. PARKAN said the alternative to PFCs would be to not do the projects or finding some other revenue source such as bonds or increasing airport fees which could have a rippling effect on passengers.

Number 0251

COMMISSIONER PERKINS said any of us that fly out of state are paying this fee anyway. He said the additional charge would be for intra-state travel.

Number 0302

REPRESENTATIVE PHILLIPS said she would like to get back to the issue of airports and their role and in international business. She said she wanted to commend the Anchorage airport on the

briefing given to the legislators. She said it was good to see the growth that was occurring and the development plans.

Number 0347

REPRESENTATIVE PHILLIPS asked if there was a direct relationship with the World Trade Center, the Center for International Business, the American Russian Center or if the airports worked just with the DOT/PF. She asked how they were tying in international business expansion at the airports with what we see as international trade in Alaska.

Number 0396

MR. PARKAN thanked her for her comments.

Number 0437

MORTON PLUMB, Director, Anchorage International Airport, Department of Transportation and Public Facilities, was next to testify. He said the airport deals directly with the World Trade Center on trade information. He said, as far as the overall business picture in Anchorage is concerned, the airport works very closely with the municipality, AEDC, and AIDEA. He said the airport has formed sort of a troika with AIDEA and AEDC for their marketing effort. He said, in that regard, the airport works directly with other agencies that are promoting business.

MR. PLUMB said the Anchorage airport has what they call their personal shopper who assists perspective customers work their way through the bureaucratic process of trying to find out information in case they choose to develop there. He said, in addition, the municipality has committed themselves to a similar process and the airport tries to link up so that the airport is user friendly to the customer. He said the airport coordinates very well between the various organizations.

Number 0535

REPRESENTATIVE MULDER referred to a DOT/PF subcommittee which talked about re-evaluating the international concourse as it was not being utilized to its full capacity. He said it was felt there was growth at the national market and to adding the concourse to the domestic terminal. He asked what the future was for the international concourse.

Number 0594

MR. PLUMB said there was an effort a few years ago to convert some of the international terminal. He said once you spend capital to reduce capability you then limit what you can attract there. He said many people in Anchorage do not have the opportunity to see

how busy the international terminal is. He said at 1:00 a.m. there is no room to park any more airplanes. He said what is indicative of that is the duty free concession which provided somewhere between \$108 million and \$117 million gross which provided (indiscernible due to coughing) a year. He said this had a sharp decline bottoming out somewhere in the 1994 time frame to where the gross is \$7 million and probably less than \$1 million to the airport.

Number 0643

MR. PLUMB said last year the duty free grossed close to \$14 million, almost \$6 million greater than the initial bid came in. He said he believed the international traffic is on the upswing. He felt it would probably be a mistake to spend capital to change that. He said the airport might get a synergy as they see more cargo coming. He said 60 percent of cargo is carried in the belly of passenger airplanes. As the airport sees with EVA airlines, they are currently flying what they call 747 COMBIs with passengers in the front and the cargo in the back.

Number 0708

MR. PLUMB said this might become more lucrative as the hub concept is developed. He said as a result of the relief received from the U.S. DOT, not only was more cargo flexibility but the opportunity to do what they call change a gage and starburst. Effectively, what that will do is it has the potential to increase the yield and that is the bottom line. The airlines will be able to hub and sort internationally which is very similar to what UPS and FedEx does today on the domestic market.

MR. PLUMB said this might allow someone like Korean Airlines, to stop at Anchorage and then go over to Frankfurt on a large airplane such as a 747 which could hub smaller airplanes such as a 727 as long as they had traffic rights to go down to Seattle, Los Angeles, or San Francisco. While the larger aircraft heads over to Fairbanks with its cargo, takes the fee from the other three small airplanes that came up, loads up the 747 and goes back to Korea. As the airport sees it that area might become very attractive to other airlines such as KLM which also has COMBIs. They might start bringing cargo in and put some passengers in the front end. If passengers come, then there will need to be a place for them to disembark.

MR. PLUMB said Representative Mulder was correct but he hoped the airport would increase their traffic. He said they were up 20 percent which he said is easy to do when you have a very small number. He said the airport feels there is a better alternative then converting that space.

Number 0810

REPRESENTATIVE MULDER commented that the airport had sunk to a very low point on the international level. He asked at what point in time you pull the plug and say that the long range plans, the efficiencies and the routes are not going to produce a direct route between Japan and Alaska.

Number 0878

MR. PLUMB said the Anchorage airport has been working that effort for some time and said it appears that they are getting pretty close, it is a matter of the bottom line. He said the airport knows for a fact because they have done the studies, that the route analysis will show a positive in the black revenue. He said the issue is airframe availability. For example a company such as NorthWest with a DC 10 has a revenue flow between Los Angeles and Heathrow that is greater than it would be between Norito and Anchorage. Therefore, they have done the route analysis and that the Norito/Anchorage route would not make as much money. He said as the economy grows, as we get greater airframe availability then the airport will get them as customers. He said the airport watches to see what companies are buying large aircraft.

MR. PLUMB said he feels that NorthWest will start summer air traffic between May and September, 13 flights occurring once a week. He said the Pioneer Incentive would ask for a period of two years which would bring the amount offered \$500,000 a year and it would not be spent until someone commits to that route. He said the airport would not pull the plug on the effort because they are not paying any interest on the money and are receiving advertising as a result of it. He said the airport would continue offering the incentive for at least another three years before pulling the plug. He said this is just the airport's side of it and it would also depend on what DOT/PF and Fairbanks want to do.

Number 0997

CHAIRMAN COWDERY asked what the benefit dollars were of a jumbo jet landing.

Number 1011

DOYLE RUFF, Manager, Fairbanks International Airport, Department of Transportation and Public Facilities, was next to testify. He said a detailed analysis was done to determine economic impact. He said one 747 landing once a week for one year is just a hair under \$1 million direct spending in Fairbanks. He said the bulk of that is to the fuel supplier. The rest of it is in fees to the airports with the direct fee being \$1,400 per landing between the fuel flowage fee and the landing fee based on the gross weight of the aircraft. He said the other direct spending income is to the ground handlers, the food suppliers, hotels and the other dragon's tail of support services. He clarified that he is talking about

cargo traffic as there is no international passenger traffic that is occurring now.

Number 1084

REPRESENTATIVE PHILLIPS asked how many cargo flights on a weekly basis are landing in Fairbanks.

Number 1090

MR. RUFF said there are 23 to 25 flights on a scheduled basis.

Number 1098

REPRESENTATIVE PETE KOTT referred to the Pioneer Incentive Program and asked if any firm commitment had been given to the \$500,000 trying to be raised by the private sector.

Number 1121

COMMISSIONER PERKINS said there appeared to be a firm commitment with the Anchorage Convention and Visitors Bureau. He said others are close to being committed. He said that nothing will be committed until the deal is signed for two years.

Number 1169

MR. PARKAN said the folks that are going to be committing money will be sitting down at the table during negotiations with the carrier to decide what their commitment is going to be. He said it is hard to say how much until we sit down with the carriers.

Number 1185

REPRESENTATIVE KOTT asked if there were competing interests out there in some of the other Western states that offer the same type of incentive program.

Number 1195

MR. PLUMB said Memphis spent a considerable amount of money, as much as \$5 million to try to get KLM in there by putting up a couple of international gates. He said the Port of Seattle spent approximately \$10 million to buy some buildings from NorthWest, NorthWest in turn leased them back for around \$70,000 a year. He said eventually the port is going to need that. He said some large expenditures are spent just trying to attract carriers in there. He said, in Seattle, the deal was to start a Hong Kong twice weekly flight, going up to three times a week. He said there is a reasonable precedent to set up some sort of incentive.

Number 1253

MR. PLUMB said the airport is getting the byproduct of this as they have been in Aviation Week and other publications. He said it has just been marketed around the world and they haven't spent that much. He said this has not been the intent, but have gotten more out of this proposal then has been spent so far. He said, realistically, no one is going to make a deal for \$500,000 a year. Japan Airlines was bleeding to the tune of \$1 million a day and \$500,000 can be lost over two flights. He said no one is going to make a deal to fly here for two years for \$1 million, the economics do not work that way.

Number 1300

REPRESENTATIVE KOTT asked if the airlines were required to stop over in Alaska or if it was the final destination.

Number 1311

MR. PLUMB said if it is a domestic carrier that can come from Norito to Anchorage unload, pick up passengers and continue on to Minneapolis. He said this is the probable scenario as this is the closest deal right now. He said if Japan Airlines or ANA coming out of Norito, Osaka, Nagoya or Chitose and stopped at Anchorage and could not pick up passengers, there would not be much incentive because they would in fact be losing revenue as that seat would be vacant. He said for internationals it would have to be a turn around and for domestics it did not matter.

Number 1366

REPRESENTATIVE KOTT asked if there was an dialogue occurring with the state's federal delegation to perhaps open up the opportunity for those foreign carriers to pick up traffic here on their destination to wherever. He also asked if there was an ongoing dialogue that would offer some type of relief concerning visas. He said those passengers coming over could get off and spend four or five days benefitting the small mom and pop shops in the Anchorage or the Fairbanks area.

Number 1399

MR. PLUMB said there has been a considerable effort for the visa waiver program, especially with Korea. He said the Administration here in Alaska as well as the delegation in Washington has been supportive of this. He said there have been some strong opponents of this, people who are fearful of having people come over and stay longer than they should. He said there is not a great potential that this will happen in Alaska, but it would be a potential down in the Lower 48. He said, "with the other area, I'm not sure if the delegation's been contacted or not. I yield to Deputy Commissioner Parkan."

Number 1445

MR. PARKAN said in terms of contacts with the delegation concerning opening up rights for international carriers, he knows that there has been an expressed interest by the delegation regarding bilateral negotiations. He said a lot of this centers on the Department of State negotiating a deal with Japan. He said the state is interested in, but not at the table concerning, the negotiations of the bilaterals.

Number 1493

MR. PLUMB said this is a very technical area and right now they are seeing a lot of bilaterals. He predicted that it will go into a more multi-lateral and eventually open skies. He said if they go to open skies then they won't have to go through all of these negotiations. He said there is so much with regard to quid pro quo as we go through these bilateral negotiations. He said they start very close to those on a weekly basis. He was just talking yesterday with Ed Oppler, a chief negotiator with US DOT who just informed him that Singapore will probably have open skies in the near future.

MR. PLUMB said the airports make their intentions known to them through telephone contact and through the Airports Counsel International. He said everyone has the same objective, but the U.S. doesn't want to give away something that would reduce the negotiating position with regard to leverage with a country holding the U.S. hostage either by not permitting one of our carriers to operate freely there or by charging them what could be considered an exorbitant amount. He said this area of negotiation usually stays on the U.S. DOT and State Department side as opposed to getting tied in the legislative side.

Number 1564

REPRESENTATIVE MULDER asked how the state compares with other airports along the West Coast. He asked if the route decision was based on money or were other factors considered regarding both cargo and passenger service.

Number 1585

MR. RUFF asked if he was primarily speaking to what it costs a carrier, whether it was are passenger or cargo carrier, to operate in Alaskan airports as compared to airports on the West Coast.

Number 1604

REPRESENTATIVE MULDER asked how the state was competing, are we at an advantageous position.

Number 1612

MR. PARKAN said Alaska has an ideal location so the state competes very well, particularly in terms of cargo traffic but also international passengers to a certain extent. He said location is a considerable factor. He said the landing fees are comparable to other West Coast airports.

Number 1641

MR. PLUMB said location is important, but not everything and pointed to the fact where passenger traffic technology can change. He said it is imperative that the state take this opportunity to capitalize on the globalization of the aviation industry. He said there is an emerging market in the Pacific. As we see that grow there is going to be a great thirst to go ahead, locate, build infrastructure and do things. He said it is like water seeking a level, if the state does not exercise the opportunity at this time or take advantage then other markets will be found such as Petropavlovsk, Khabarovsk, Vancouver or Edmonton. He said while the economics might not be exactly right, the state must take advantage of it at this time. Certainly we must do this in the cargo area.

MR. PLUMB said the reason for the advantageous position is because of location. He said the cargo carriers work on very, very small margins. He said you have the next day products such as overnight mail which yield \$16 to \$17 a pound. He said when you start to get to what is considered the "bottom feeders" you might be getting down to .60 cents, .70 cents or even \$1 a pound which creates margins that are very close. He said if you can stop in Anchorage with 68,000 pounds and save 68,000 pounds of fuel, that means you can upload 68,000 pounds of cargo. He said, done on a daily basis, this adds up to millions of millions of dollars in the long run.

Number 1729

MR. PLUMB said the passenger side is different because the load is not as important. He said when we travel we like to get from Point A to Point B with very little interruptions. He said it is going to be very tough to get into the passenger market. He said if it can be tied into the cargo side, Alaska will become more attractive.

Number 1777

MR. RUFF said the rates and charges to the air carriers are very favorable, be they passenger or cargo, be they international or domestic, compared to other major airports such as Vancouver or airports on the West Coast. He said for all cargo the Anchorage airport ranks number one and Fairbanks then moves down to number 37. He said those positions tell us how we are doing in those

areas. He said during the heyday of the duty free concession the state was guaranteed an income of \$14 million. He said the international traffic went to zero, but it is now slowly building back up.

MR. RUFF said, on the domestic passenger side, Alaskans enjoy being a heavily targeted tourist destination with steadily climbing passenger traffic. He said the state must cover every base to the time that Russia might be a competitor with Alaska. He said that is why the runway extension projects at both airports are so important, to keep this international business. He said we must continue to pursue these areas to continue to do well into the future.

Number 1900

MR. RUFF said everything about servicing in Russia, from the tarmacks to the quality of the fuel, is not there and a will be a long time in coming. He said, by that time, Alaska wants to be so solidified that this is the Text-Stop hub.

Number 1926

MR. RUFF referred to the incentive program and said it is important that we know what the role of the airport is, that we don't misidentify ourselves. He said this happened in Portland when they attempted to compete with Sea-Tac. He said when they shifted gears and focused more on cargo development they did well. He said the role for both airports in Alaska is clearly defined.

Number 1982

ADJOURNMENT

There being no further business to conduct, CHAIRMAN COWDERY adjourned the meeting of the House Special Committee on International Trade and Tourism at 12:30 p.m.

APPENDIX

I

**MISCELLA-
NEOUS
BACK-UP**

Alaska

INTERNATIONAL TRADE PROFILE

Global demand for resources complements Alaska's great wealth of fish, timber, oil and gas, minerals, and coal. The rapid growth of Alaska's export sector reflects an increase in global demand. Over the last ten years, Alaska's exports have grown 137 percent reaching \$2.48 billion in 1994.

However, given the commodity make-up of Alaska's exports, the total value of Alaska's exports for 1994 was significantly affected by low world commodity prices for the seafood, oil and gas, and mineral sectors. Yet, the volume of exports remained relatively stable.

Fish and seafood is Alaska's top export commodity. In 1994, the seafood industry generated \$1.2 billion of exports from Alaska. These exports comprised 41.7 percent of total U.S. fish and seafood exports.

Timber exports amounted to \$450 million (1994). The Japanese market made up 81 percent of total timber exports. South Korea, Taiwan, China, and Canada accounted for most of the remaining exports.

Much of Alaska's crude oil is federally mandated for domestic use, yet crude petroleum and natural gas can be exported from the Cook Inlet fields. In 1994, these exports were valued at \$140 million. Petrochemical by-product exports—urea and ammonia—make up 5.9 percent of Alaska's total exports valued at \$125 million.

Red Dog Mine metallic ore and concentrates export sales totaled \$102 million for 1994. Belgium, Canada, Japan, Germany, and South Korea made up the top five markets for mineral exports.

Usibelli Coal mine at Healy is the state's only active coal mining operation. In 1994, the mine exported half of its production at a value of \$23 million to South Korea.

In 1994, Japan continued to be Alaska's top export client with sales totaling \$1.67 billion, 67 percent of total Alaska exports. The South Korean and Canadian export markets ranked second (7.6 percent of total exports) and third (4.3 percent of total exports), respectively. China, Belgium, Taiwan, Russia, Germany, Spain, and Thailand fill out the rank of Alaska's list of top ten export markets.



Foreign Trade Zones (FTZs)

There are currently four FTZs in Alaska: St. Paul, Valdez, Anchorage, and Fairbanks. Goods imported into these areas and subsequently reexported are subject to neither local inventory taxes nor U.S. import duties.

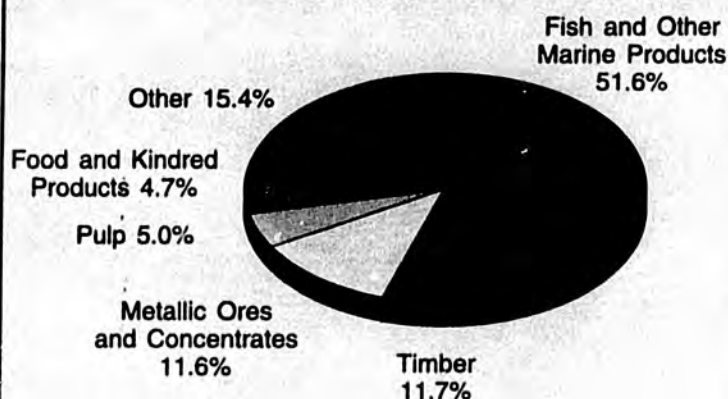
Alaska Cargo & Warehousing

Located equidistant from Northeast Asia, North America, and Europe, Alaska sits at the crossroads of the three dominant economic regions of the world. By virtue of this geographical position, Alaska has become an ideal technical stop and international distribution point for carriers flying between those markets. More all-cargo, wide-body aircraft move through Anchorage International Airport than any other airport in the United States. Approximately 75 percent of all scheduled cargo flights on Europe/Asia and North America/Asia routings come through Alaska.

Top Commodities Exported from Alaska

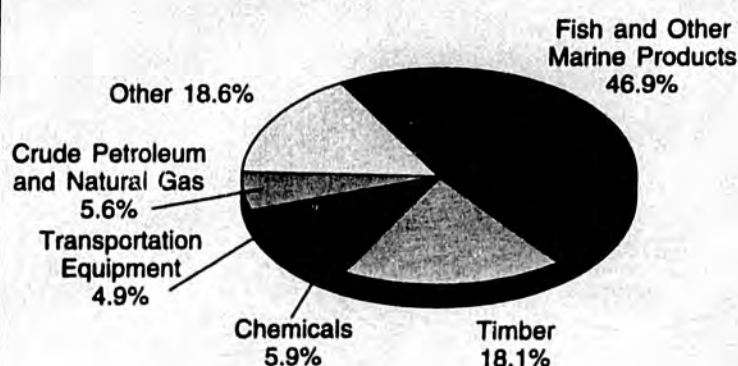
1992

Total = \$3,392,638,722



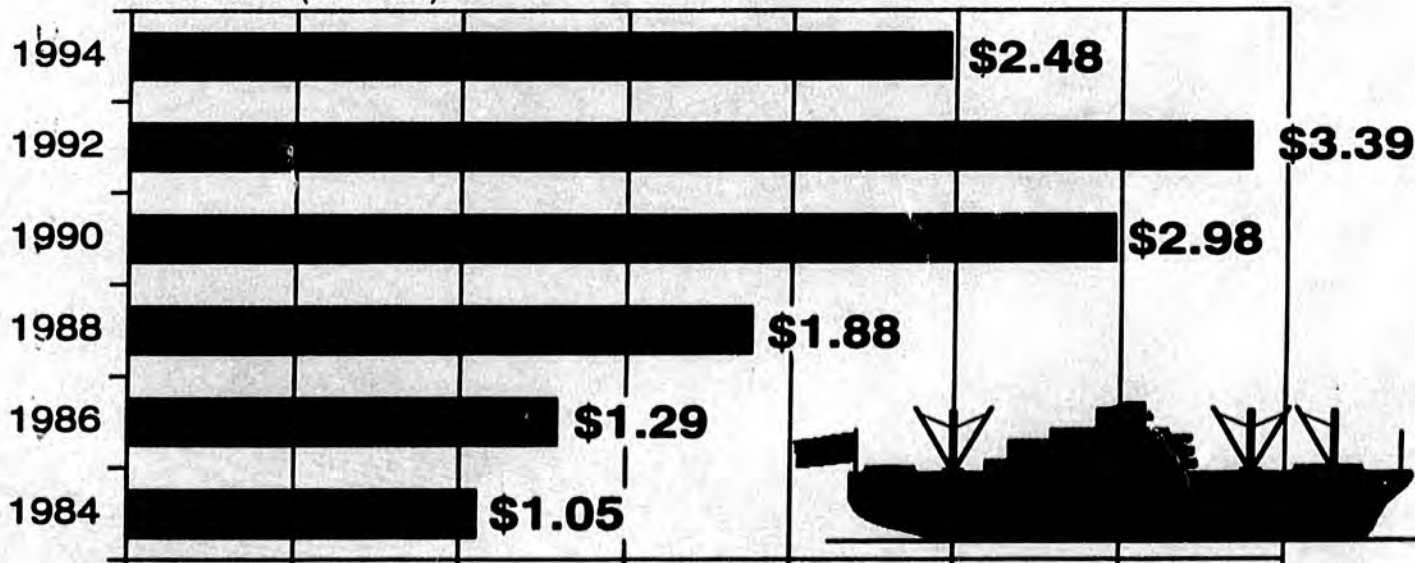
1994

Total = \$2,479,755,952



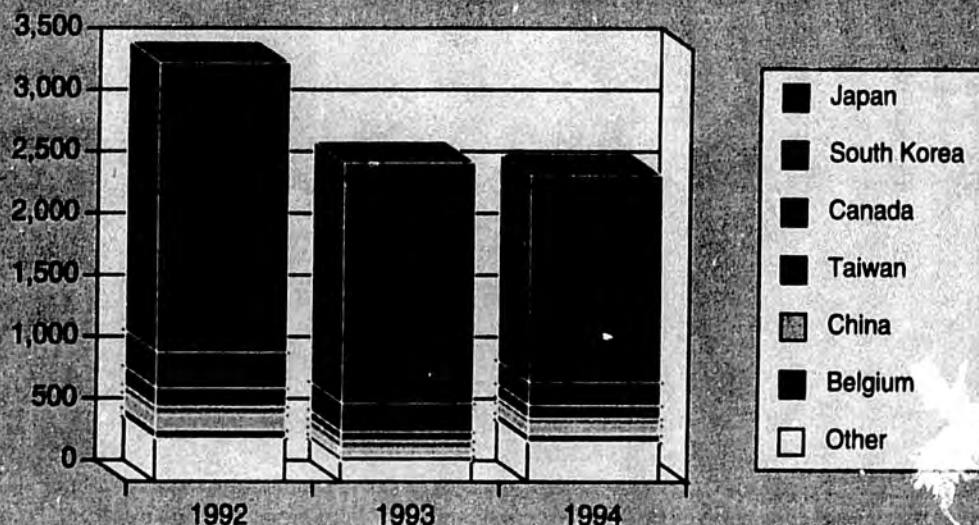
Total Value of Exports Originating in Alaska

U.S. Dollars (In billions)



Total Value of Exports by Destination

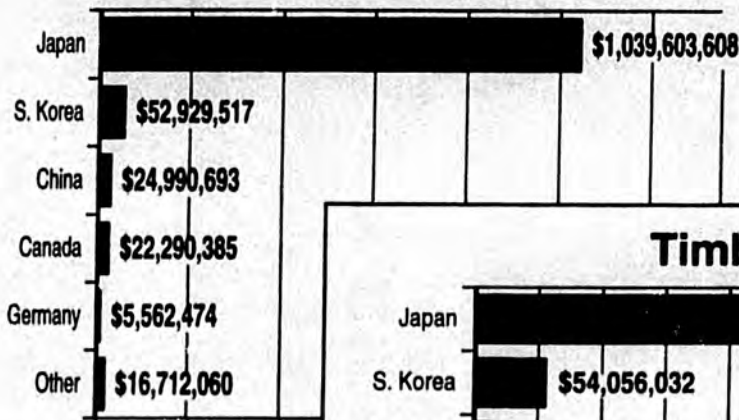
U.S. dollars in millions



Exports Originating in Alaska by Country of Destination

Ranked by Value of Exports for 1994 • U.S. Dollars

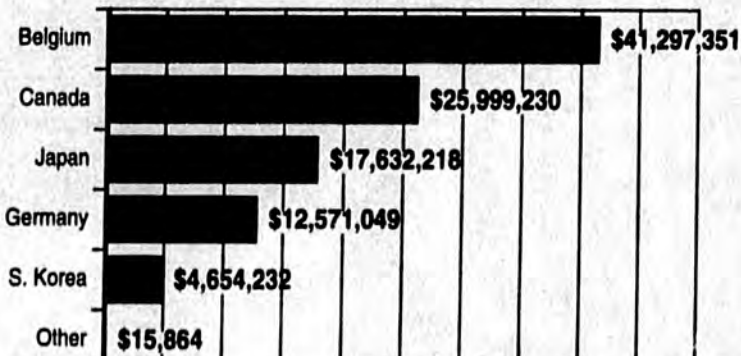
Fish and Other Marine Products



Timber



Metallic Ores and Concentrates



Alaska's Top Three Markets

Japan



The relationship between Alaska and Japan has been long-standing. In 1965, Alaska was the first U.S. state to open an office in Tokyo. In 1971, Japan established a Consulate General in Anchorage.

Japan is the largest market for Alaska seafood, accounting for 90 percent—or \$1.04 billion—of all seafood exports in 1994. Salmon and ground fish are the leading species.

In 1994, the Japanese market comprised 81 percent of Alaska's lumber export. Alaska's light-colored, tightly-grained Sitka Spruce is highly valued by the Japanese consumer.

South Korea



As the economic strength of South Korea has grown, so has its relationship with Alaska. South Korea opened its Consulate General in Anchorage in 1982. In 1985, Alaska opened a trade office in Seoul.

South Korea has become Alaska's second largest export market, accounting for \$189 million of exports in 1994. Timber, seafood, chemicals, coal, and petroleum and oil products account for over 87 percent of Alaska's exports to South Korea.

The growth of Alaska timber exports to South Korea is steady. Timber exports totaled \$54 million in 1994.

In 1994, 28 percent (\$53 million) of Alaska seafood products and 19 percent (\$35 million) of Alaska chemical exports were destined for the South Korean market. South Korea will continue to be an important market for Alaska coal.

Canada



A common border and a long history of cooperation have contributed to making Canada Alaska's third largest trading partner. In 1994, the Canadian market accounted for \$106 million of exports. The composition of Alaskan exports to Canada is quite diversified, but the majority of exports comprise metallic ores and concentrates, seafood, petroleum and oil products, food products, and lumber.

Canadian heavy investment and involvement in Alaska's mining industry accounts for a large amount of mineral exports destined for the Canadian market.

Emerging Markets

China

As China's economy continues to grow at a dramatic rate, its need for natural resources increases. In 1994, Alaska exported \$82 million to China, making it Alaska's fourth largest trading partner. Exports of seafood, pulp, chemicals, timber, and transportation equipment rounded out the top five export products.

Taiwan

Taiwan represents one of the most powerful future Asian partners for Alaska. The country ranks as Alaska's sixth largest export market (1994 exports of \$51 million). Pulp, timber, food and kindred products, and seafood comprise 97 percent of Alaska's export commodities to Taiwan.

Russian Far East

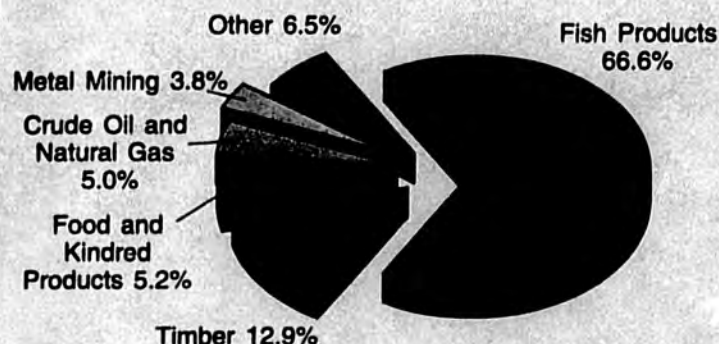
Historical links and proximity have encouraged the rapid evolution of Alaska's trade relationship with Russia. In 1994, Russia rose to Alaska's number seven trading partner accounting for \$46 million in exports. Existing trade ventures include a satellite communications system linking the Russian Far East and Alaska, mining development, wood construction, oil and gas services, heavy machinery, and horticulture.

Direct passenger and cargo air service exists between Alaska and the Russian cities of Anadyr, Providenya, Magadan, Khabarovsk, Vladivostok, Yakutsk, Petropavlosk-Kamchatsky and Moscow.

Exports from Alaska to Japan

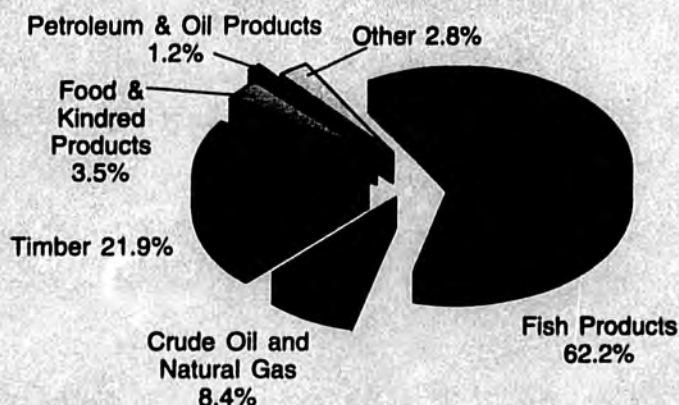
1992

Total = \$2,343,064,255



1994

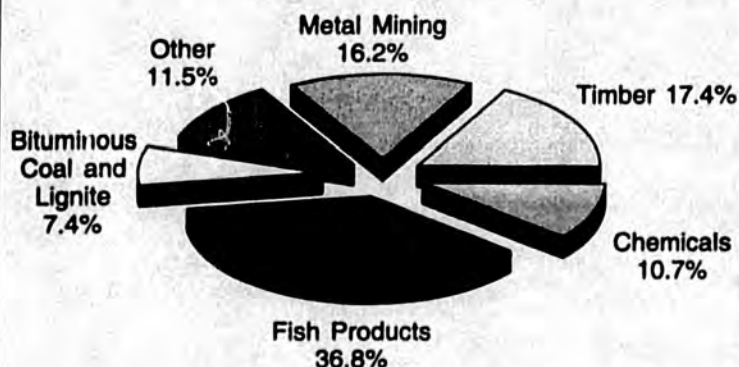
Total = \$1,672,313,637



Exports from Alaska to South Korea

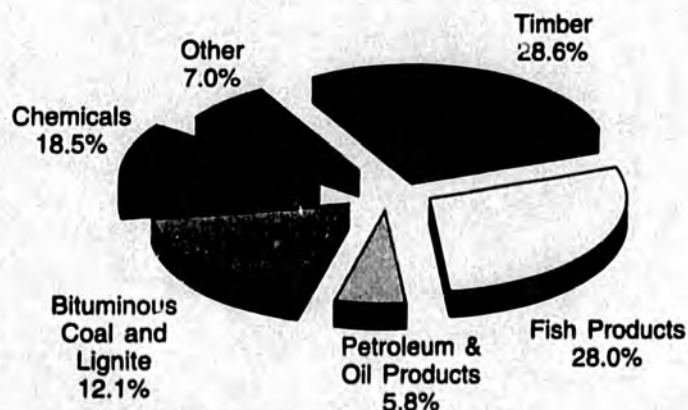
1992

Total = \$291,815,028



1994

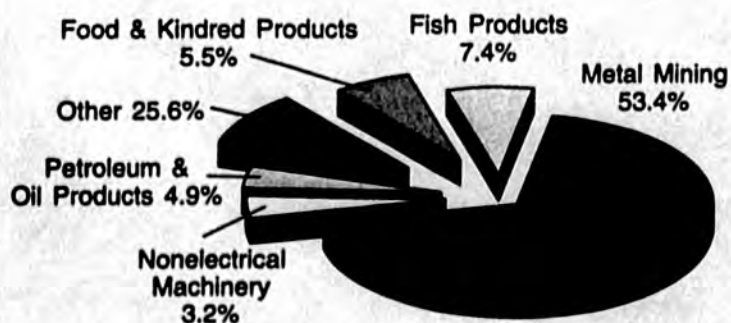
Total = \$189,131,551



Exports from Alaska to Canada

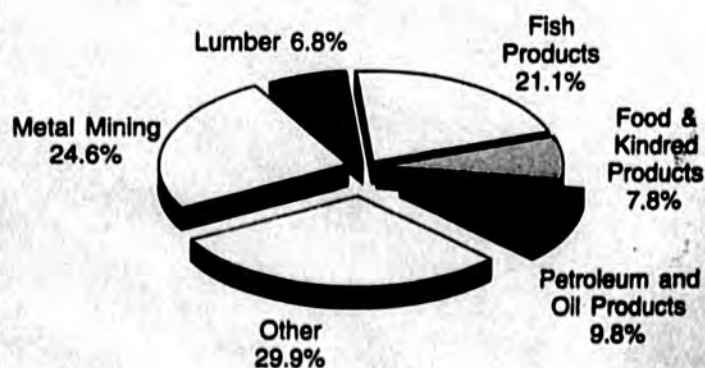
1992

Total = \$150,744,404



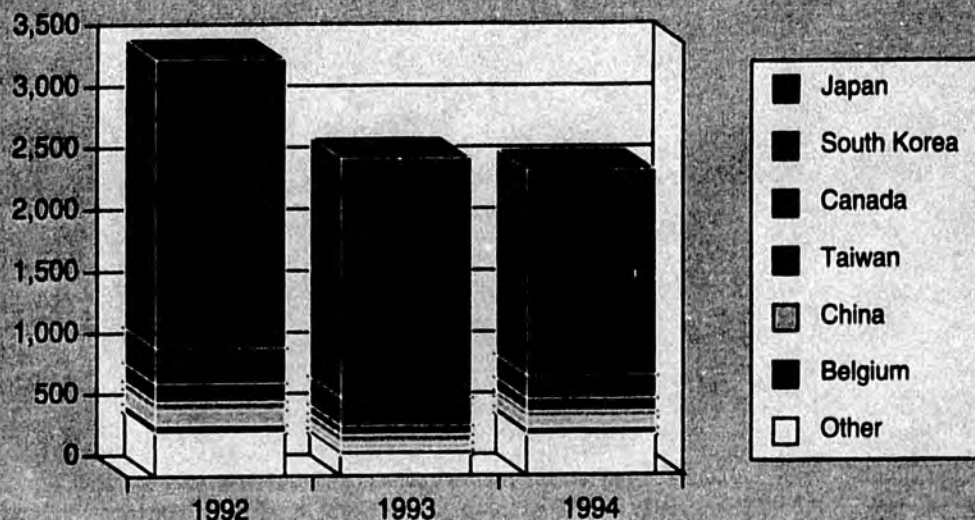
1994

Total = \$105,758,276



Total Value of Exports by Destination

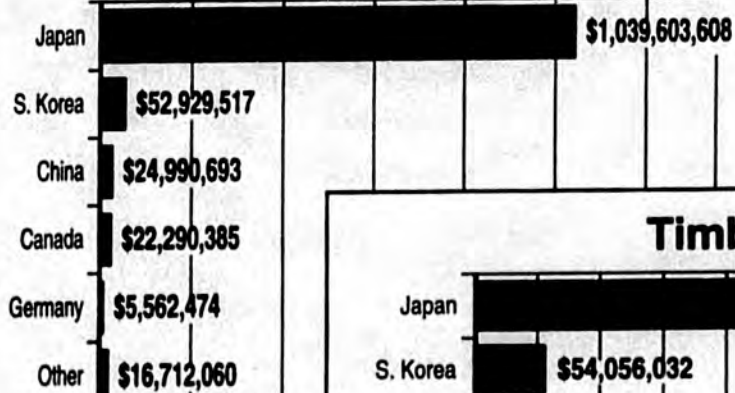
U.S. dollars in millions



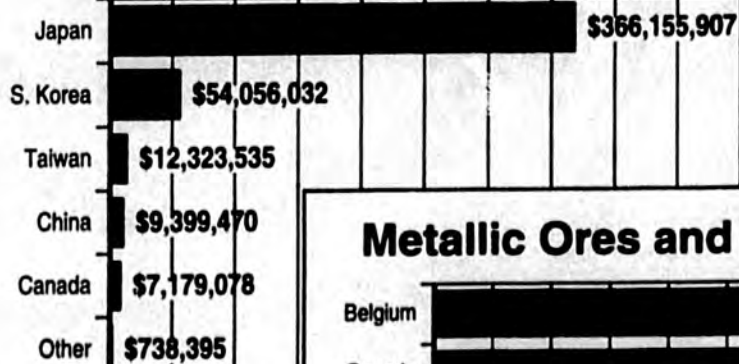
Exports Originating in Alaska by Country of Destination

Ranked by Value of Exports for 1994 • U.S. Dollars

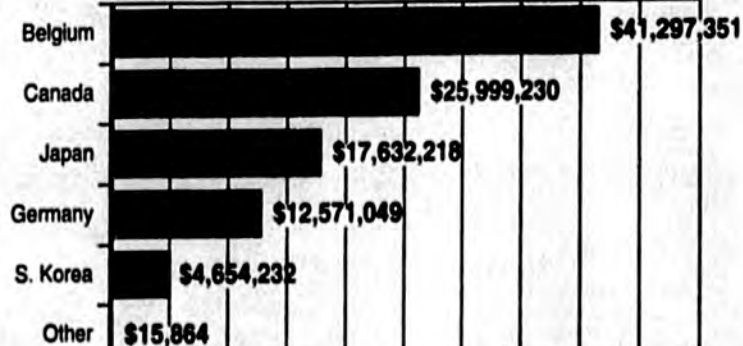
Fish and Other Marine Products



Timber



Metallic Ores and Concentrates





**DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT**

**Office of International Trade
(OIT) Alaska**

3601 C Street, Suite 798
Anchorage, Alaska 99503
Phone: (907) 561-5585
Fax: (907) 561-4577

*OIT also has trade offices located
in Tokyo, Japan; Seoul, South
Korea; and an Honorary Trade
Representative in Taipei, Taiwan.*

*For: Marketing and export
information in Japan, Canada,
Russia, Korea, Taiwan and other
countries.*

**UNITED STATES DEPARTMENT
OF COMMERCE**

**Commercial Service of U.S.A.
International Trade Administration
U.S. Department of Commerce
Anchorage District**

421 West First Avenue, Suite 300
Anchorage, Alaska 99501-1635
Phone: (907) 271-6237
Fax: (907) 271-6242

*For: International marketing plan
development assistance*

**UNIVERSITY OF ALASKA
ANCHORAGE**

**Alaska Center for International
Business & American Russian
Center**

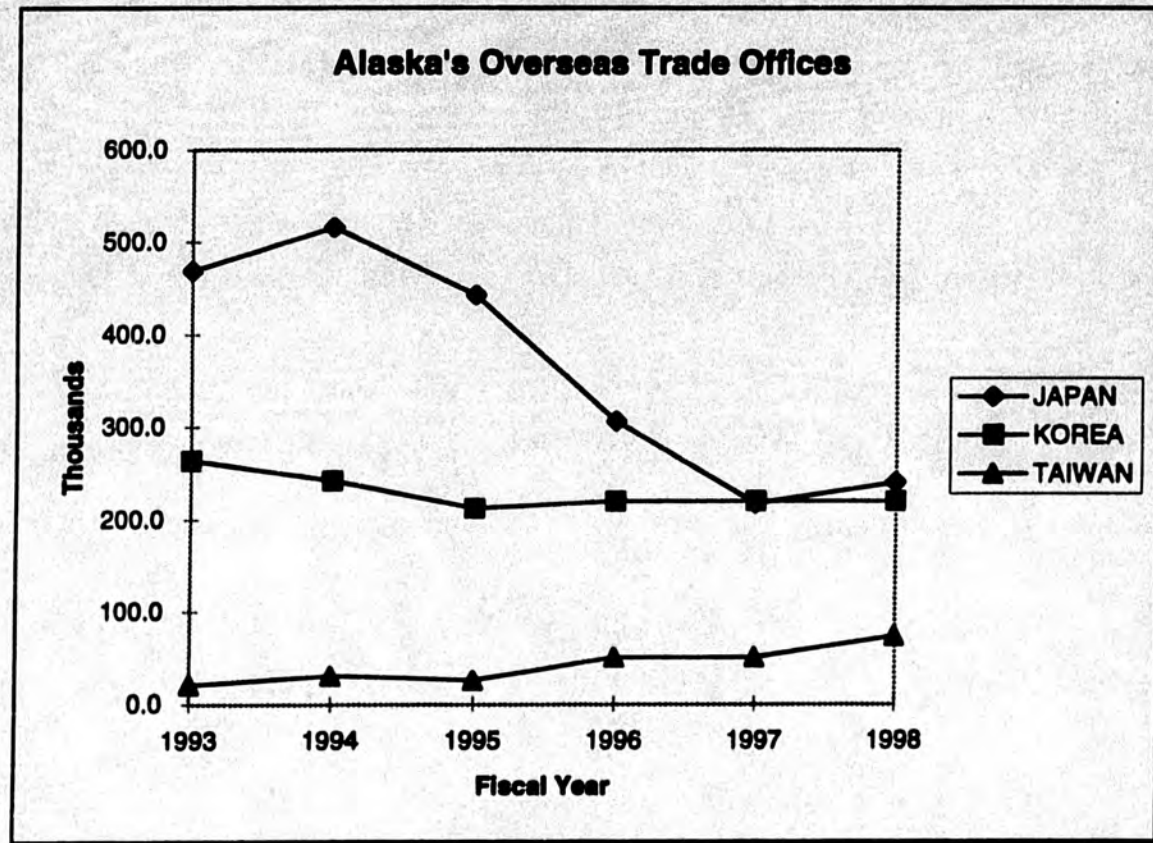
Business Education Bldg.
3211 Providence Drive, Room 203
Anchorage, Alaska 99508
Phone: (907) 786-4300
Fax: (907) 786-4319

*For: Market research, statistics,
and assistance to entrepreneurs
wanting to establish a business in
Russia*

World Trade Center Alaska
421 West First Avenue, Suite 300
Anchorage, Alaska 99501-1635
Phone: (907) 278-7233
Fax: (907) 278-2982

*For: Trade leads, World Trade
Center Network*

**ALASKA'S OVERSEAS TRADE OFFICES
HISTORICAL BUDGET INFORMATION**



Fiscal Year	JAPAN	KOREA	TAIWAN
1993	468.9	263.4	20.0
1994	516.0	242.0	30.0
1995	442.0	212.0	25.0
1996	306.0	220.0	50.0
1997	217.3	220.0	50.0
1998	240.0	220.0	73.1

authorized, all funding sources

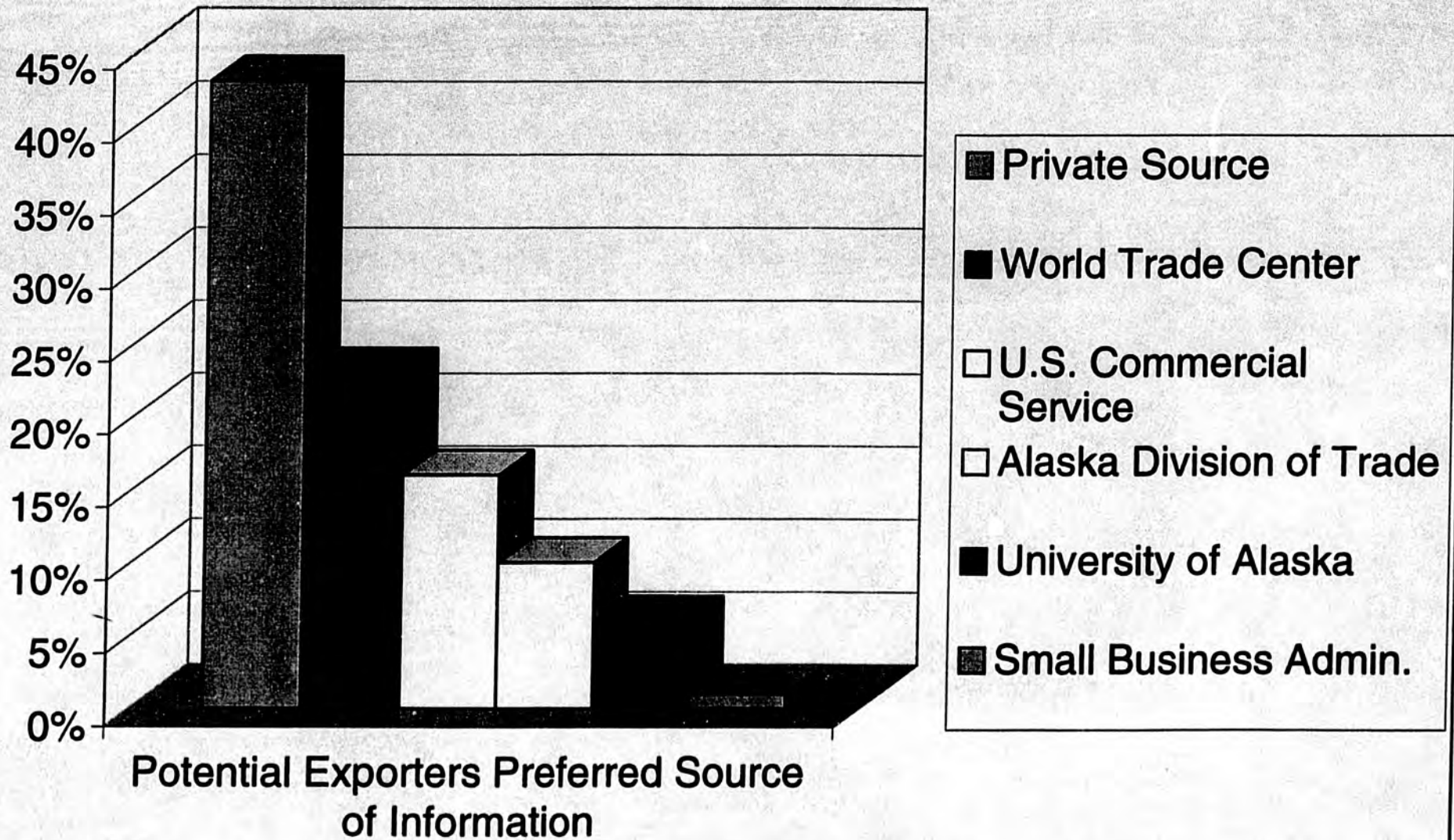
MEMORANDUM

To: Representative Mark Hanley, Co-Chair House Finance
From: Senator Drue Pearce, President of the Senate
Representative Gail Phillips, Speaker of the House
Date: April 23, 1996
Subject: Budget Reductions/Reallocations on International Trade

Pursuant to the attached resolution recently passed by the Senate/House Interim Task force on International Trade, I wish to request your assistance in following through with specific budget recommendations supported by private industry testimony at the Task Force Hearings. Specific recommendations are as follows:

- \$500,000 - transferred from UAA's Alaska Center for International Business (ACIB) to the General Fund or the Department of Revenue. Public record supports these funds can more effectively be utilized as outlined in the following manner.
- + \$128,000 - transferred from the General Fund/Dept. of Revenue to the World Trade Center Alaska to provide a more consolidated International Trade information source;
- + \$100,000 - transferred from the General Fund/Dept. of Revenue to the University of Alaska Fairbanks to further support the international business degree program.
- + \$200,000 - transferred from the General fund thru AIDEA to support the establishment of a Finance Export Assistance Specialist to be collocated in the World Trade Center Alaska and U.S. Foreign Commercial Service offices.

Potential Exporters Would Turn To:



Author: Priscilla_Wohl@commerce.state.ak.us at CC2MHS1

Date: 1/12/98 11:15 AM

Priority: Normal

TO: Peter Torkelson at LAA_TRANS

Subject: Establishing a Business in Alaska

Peter - following is the information you requested regarding number of copies of the Establishing a Business in Alaska brochure. These numbers represent number of copies distributed in 1997. The cost for these is \$11.50 via the mail and \$8.00 in person. We encourage folks to use the web

site and save money. We have a handout at the counter with the web site address on it that we give out. Most requests come from folks who have just turned in their business license application!

Let me know if you need additional information. Priscilla

Forward Header

Subject: Establishing a Business in Alaska

Author: Robin Boysen at DCED_FRONT

Date: 1/12/98 10:23 AM

153 copies over the counter

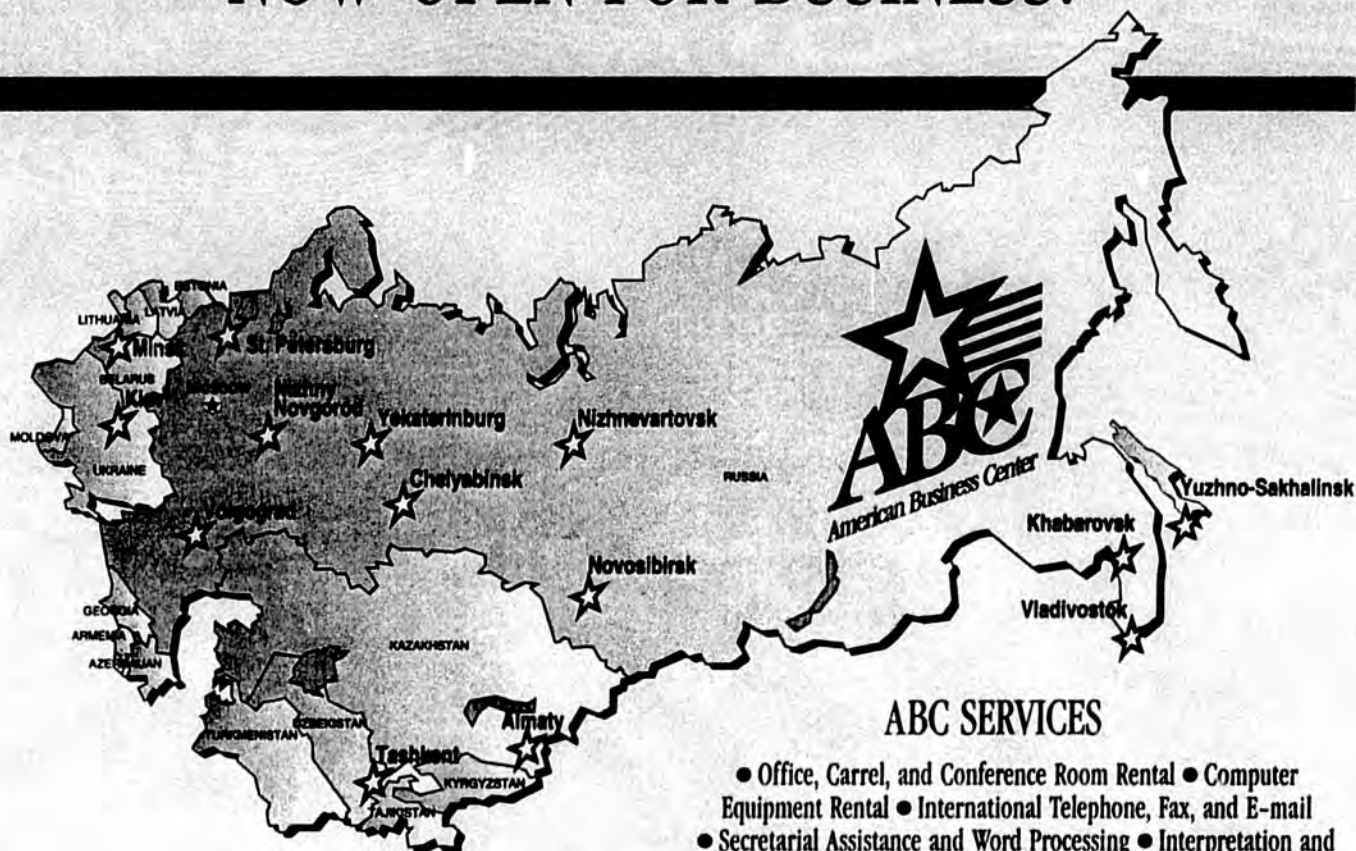
14 ordered by mail

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Flashfax: (202) 482-3145, document #7022

or

look us up on the Internet at:

<http://www.itaiep.doc.gov/bisnis/abc/abc.html>



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THANK YOU FOR YOUR BUSINESS!

Author: liz.hasbrouck@aspeninst.org (Liz Hasbrouck) at CC2MHS1
Date: 2/10/98 2:03 PM
Priority: Normal
TO: Peter Torkelson at LAA_TRANS
Subject: Re: FWD>>International Trade

Mr. Toreklson:

"The International State: Crafting a Statewide Trade Development System" was published in 1996 by the Aspen Institute's Rural Economic Policy Program (REPP). It is available for \$15.00 (postage paid) through the Institute's Publications Office, PO Box 222, Queenstown, MD 21658. Orders must be prepaid with a check or money order; faxed credit card orders are accepted, but MUST BE SIGNED by the cardholder. Be sure to include all pertinent information, such as credit card name, number and exp. date, as well as a complete mailing address. Fax to Tonya Downes at 410-827-9174.

If you wish to contact Ms. Conway, I must refer you to Meriwether Jones, the Director of REPP, at meriwether@aspeninst.org

Regards,
Liz Hasbrouck

Date: 2.10.98 12:40 PM
To: Liz Hasbrouck
From: Sylvia Pear

Date: 2/9/98 4:35 PM
From: Peter
Greetings from Alaska.

I am trying to make contact with Ms. Carol Conway about a publication she was involved in concerning International Trade Assistance (state) programs. I am informed that her report may have been released through the Institute. Are you aware of such a publication or do you know how I may contact Ms. Conway?

Peter T.

----- RFC822 Header Follows -----
Received: by aspeninst.org with ADMIN;9 Feb 1998 16:33:34 +0100
Received: from laa_linux.legis.state.ak.us (root@laa_linux.legis.state.ak.us [146.63.202.106]) by smtpmail1.legis.state.ak.us (8.8.5/8.7.3) with ESMTTP id MAA16969 for <dave.austin@aspeninst.org>; Mon, 9 Feb 1998 12:30:51 -0900
Received: from legis.state.ak.us ([146.63.193.101]) by laa_linux.legis.state.ak.us (8.8.5/8.7.3) with ESMTTP id MAA05643 for <dave.austin@aspeninst.org>; Mon, 9 Feb 1998 12:30:50 -0900
Message-ID: <34DF754B.BB16F39@legis.state.ak.us>
Date: Mon, 09 Feb 1998 12:29:47 -0900
From: Peter <Peter_Torkelson@legis.state.ak.us>
X-Mailer: Mozilla 4.03 [en] (Win95; I)
MIME-Version: 1.0
To: dave.austin@aspeninst.org
Subject: International Trade
Content-Type: text/plain; charset=us-ascii
Content-Transfer-Encoding: 7bit

*order it
put it on my
or John's card.*

Author: Priscilla_Wohl@commerce.state.ak.us (Priscilla Wohl) at CC2MHS1
Date: 4/8/98 11:27 AM
Priority: Normal
TO: Peter Torkelson at LAA_TRANS
Subject: Re[2]: "Trade Mission"

Peter - A trade mission can either be "in-coming" or "out-going". I will use Japan as an example to describe these.

In-coming trade missions originate from Alaska and are made up of Alaska business and, sometimes, Trade staff or Government representatives. The Japan Office will do the initial planning for activities, meetings etc in Japan; meet the mission and brief them on their itinerary, and most often accompany the mission to the meetings.

An Out-going mission is Japanese businesses and government leaders visiting Alaska. The Japan Office would assist in determining their objectives for the trip, work with the Alaska Trade Program in establishing their itinerary, and conduct a post-mission interview/survey to determine the effectiveness of the mission and gather information for follow up for Alaska companies.

The numbers of missions reported vary by country, but generally there is considerably more trade mission activity through the Japan and Korea Offices than with Taiwan, although we hope to see this change. Also, Ida Yao, our Taiwan Representative, may not be counting all of the delegations which are counted as a mission - essentially any incoming/outgoing group that is provided assistance by the office.

Hope this helps. Let me know if there is any further information that you need. Priscilla

Reply Separator

Subject: RE: "Trade Mission"
Author: Peter_Torkelson@legis.state.ak.us (Peter Torkelson) at CC2MHS1
Date: 4/7/98 2:40 PM

Hello,

I was reviewing
with a question
dozens of "tr

What is the d

Thanks,

Peter

actors and was left
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had just 5.

*file
or
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>MAIL FROM:<Peter_
>RCPT TO:<Priscill
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4072U100L100S0) with ESMTTP

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02.114)) by smtpmail1.legis.state.ak.us (8.8.5/8.7.3) with SMTP id OAA14037 for

<Priscilla_Wohl@commerce.state.ak.us>; Tue, 7 Apr 1998 14:43:54 -0800

>Message-Id:<199804072243.OAA14037@smtpmail1.legis.state.ak.us>

>Date: Tue, 07 Apr 1998 14:40 -0900

>From: "Peter Torkelson" <Peter_Torkelson@legis.state.ak.us>

>To: "Priscilla_Wohl@commerce.state.ak.us" <Priscilla_Wohl@commerce.state.ak.us>

>Subject: RE: "Trade Mission"